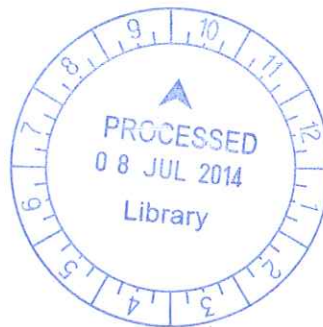


INTI INTERNATIONAL UNIVERSITY

MASTER OF BUSINESS ADMINISTRATION

A study on factors affecting consumer behavior toward men's skin care products among Millennials: a Malaysian case study



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ABSTRACT

This study seeks to determine the factors affecting consumer behavior toward men's skin care products among Generation Y, especially in Malaysia. Other than that, the study also aims to identify the factor that has the strongest influence and to examine whether there is a significant difference between race and the consumer behavior toward men's skin care products. There are 4 factors that act as the independent variables in this study, which are beliefs (B), celebrity (C), social expectation (SE) and self image (SI). In meantime, consumer behavior (CB) will be the lead role as dependent variable. To achieve this objective, quantitative approach will be used with questionnaire as a tool. Smart PLS software is utilized to run reliability, validity as well as hypothesis test in order to examine relationship among constructs. SPSS is also used in the study for examining whether there is a significant difference between race and the consumer behavior toward men's skin care products. The outcome of the study indicated four factors were all significant and celebrity has the strongest influence on consumer behavior. Besides, there is significant difference between race and consumer behavior toward men's skin care products. This study provides men's skin care product providers a perspective for developing marketing strategies to increase the sales of men's skin care products.

Key Words: men's skin care products, consumer behavior, beliefs, social expectation, celebrity, self image

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DECLARATION

I hereby declare that this thesis is a result of my effort only. The information used from secondary sources in this research paper was cited and referenced accordingly to the expected requirements.

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Chapter 1 Introduction

1.1 Chapter overview

This research aims to investigate the factors that influence consumer behavior towards skin care products for men, among Generation Y male consumers. This introductory chapter gives an overview of the research. It begins with the background of the study (Section 1.2). The researcher further analyses the problem regarding male consumers purchasing men's skin care products in today's market (Section 1.3). This chapter also includes research questions (Section 1.4) and research objectives (Section 1.5). Emphasis is given to the significance of the study (Section 1.6), research assumptions (Section 1.7) as well as the research limitations (Section 1.8). The scope of the study is briefly introduced in Section 1.9 and some operational definitions are explained in Section 1.10. Next the outline of the whole research is shown in Section 1.11 and the chapter ends up with a summary as provided in Section 1.12.

1.2 Background of the study

With the development of globalization, many aspects such as technology, society, science, economy and education have advanced significantly, thus contributing higher standards of living and styles. With rising purchasing power among consumers, more and more people are becoming more conscious about beauty and hygiene (Souiden & Diagne, 2009). Such trends promote the rapid development of the beauty care industry, especially in the recent decade. As the market has high value, a lot of companies have entered this intensively competitive market and invested substantially to meet the demands of the beauty care market (Saravanan & Kummar, 2013).

The new generation seems to take better care of their health and looks (Junaid & Nasreen, 2012) and being healthy and beautiful appears to be the wish of most people. Today, people live in a global environment with stereotypes that become models. Our daily life is stormed by all kinds of models. These models are practically everywhere,

shown on the television and bill board, in magazines and commercials, in fashion shows and even at schools. It is a known fact that most people actually hope to look like those models, be it men or women; both desire a flawless smooth skin for a good life (Nair, 2007).

In comparison to the women's market in the beauty industry, which has been flourishing for a long time, the men's market in this field has just started to develop in recent years. In the current market, skin care products are no longer provided solely to the female. More and more male consumers are paying attention to their looks, resulting in new skin care products being created exclusively for men. While previously the focus was just on personal hygiene, the fashion magazines for men currently highlight the importance of appearance (Souiden & Diagne, 2009) thus contributing significantly to the rapid advancement and increase in the consumption of men's skin care products. Thus more men are paying attention to skin care products launched in the market that claim to improve their appearance (Junaid & Nasreen, 2012).

The business of men's skin care products is expanding all over the world rapidly (Cheng et al., 2010). According to the data available (Datamonitor, 2005), 73 percent of men in Europe and United States expressed the opinion that it was important for them to spend more time for personal appearance and the percentage is about 1 percent higher than women. The NPD Group, Inc released data that the current sales in the men's skin care market, showed an increase in sales of 6% (January to July 2012) compared to the same time last year, generating \$45.5 million (GCI, 2012).

1.3 Problem statement

All studies show that men are increasingly paying more attention to their personal appearance (Gallon, 2012). Throughout the last decade, there has been a significant increase in the global market for men's skin care products (Tiainen, 2010).

According to Euromonitor, the global men's skin care products market grew by 7.4% from 2009 to 2010 (Gallon, 2012). For example, Europe, Germany and Spain have

recorded the biggest growth in the sale of male skincare products, over the past five years. The German men's skincare products market grew from EUR 65 million in 2005 to EUR 130 million in 2010, a stunning 100% increase between 2005 and 2010. Similarly, the Spanish market for male skincare products grew from EUR 29 million to EUR 51 million between 2005 and 2010, with a growth of 76% in five years. No other sectors within the grooming market have recorded the same outstanding performance. In United States, Research and Markets report show that the use of male skin care products in the US had risen rapidly in a year from a value of \$26.3 to \$29.7 billion in 2006 (Tiainen, 2010).

As for Asia, the men's skin care products market is currently the largest in the world. In 2011, skincare product sales for men rose from 17% to \$2.4 billion, with 83% of that growth in Asia (Sovich, 2012). According to a report by a British market research company in 2012, the data showed that the Chinese men skincare product sales ranked second in the world with a market sales of approximately \$540 million and maintaining a 22% annual growth rate. South Korea ranked first since the beginning of 2002 with an annual growth rate of 25% and sales of up to \$556 million in 2012, representing 21% of global skincare product sales for men. Japan ranked third with market sales up to 262 million (NetEase, 2013). Other countries such as India and Thailand also have a large market and have become hot spots for male skin care products. (McDougall, 2014).

Now in the case of Malaysian men, skin care products have already become a necessity rather than a luxury (Indistry, 2009). Malaysian men also have strong demand for skin care products which they believe will improve their appearances (Swidi et al., 2011). Skincare and beauty giant L'Oréal Malaysia recently conducted a survey amongst 500 males in Malaysia and through this survey it was revealed that Malaysian men are now paying more attention to their appearance (Cheong, 2012).

In Malaysia, the men's skin care products market is growing rapidly. Skincare products are the most purchased items and contributed to the largest sales among cosmetics and toiletries. Increasing purchase power of consumers contributed to the growth in sales of skincare products. Men are increasingly paying more attention to their

appearance, contributing to the increase in sales of men's skin care products.(Service, 2008).

This current trend motivates the study of why more and more male consumers have started to purchase and use men's skin care products. Besides, there is little finding on the factors that lead to the increase in the consumption of men's skin care products in Malaysia (Nizar & Mariam, 2009) and also limited studies to investigate the consumer behavior of male Generation Y toward the purchase of men's skin care products.

1.4 Research questions

Research questions were developed after undertaking a thorough study and understanding of this topic, including a problem statement. In order to fill the gap mentioned in the problem statement, this research aims to identify the crucial elements that influence consumer's behavior toward men's skin care products.

- I. What factors will influence the consumer behavior toward men's skin care products among Generation Y?
- II. Among these factors, which one has the strongest influence on the consumer behavior toward men's skin care products?
- III. Is there any significant difference between race and the consumer behavior toward men's skin care products?

1.5 Research objectives

The overarching objective of this study is to examine the factors that influence the consumer behavior of Generation Y toward men's skin care products, especially in Malaysia. Other objectives include:

- I. To identify the factors that influences the consumer behavior of Generation Y toward men's skin care products.

- II. To examine which factor most influences the consumer behavior of Generation Y toward men's skin care products.
- III. To examine whether there is a significant difference between race and the consumer behavior toward men's skin care products.

1.6 Significance of the research

Every research has its value and contributes to academia and industry. To the academia, this research provides insight into male consumers' behavior toward men's skin care products. The findings of this study will enhance the literature available in the market that future researchers may find useful, and add on to existing research related to the factors that influence male consumers' consumption behavior toward men's skin care products. This research will further provide insight into factors that influence the consumption behavior towards men's skin care products, such as self image, belief, celebrity endorsement and social expectation.

To the industry, the findings from this research paper will provide a practical perspective to the market sector in Malaysia and some important factors which stimulate male consumer behavior towards men's skin care products. Marketers will no doubt benefit from this information and taking into consideration the findings, can develop their own strategic and effective marketing campaigns, tailored to target those potential customers. This study provides useful guidance to companies and marketers on how to improve and increase sales in the skin care products industry. By the way of empirical research, companies can discover their weaknesses and minimize any adverse influence on their marketing strategies. This study could also be an invaluable resource for skin care products companies to set up appropriate or better marketing strategies to retain their existing consumers and also attract new male customers to buy skin care products.

1.7 Research assumption

Firstly, in order to firm up this study, much secondary data was collected in this research and numerous sources like journals, articles, news articles and online sources were utilized. Most of the studies presented in these journals and articles were normally conducted or tested in foreign countries. However, for the purpose of this research, the secondary sources taken from the journals of foreign countries were those that could be applied and adopted in Malaysia.

Secondly, in terms of the respondents, this study focused on male consumers in Malaysia, and assumes that all respondents provided unbiased answers in the questionnaire according to their preference. It is to be noted that all male respondents were chosen from public places, and therefore assumed to be representative of the Malaysian male consumers. Additionally, all the respondents were assumed to be potential buyers of men's skin care products and familiar with men's skin care products sold in Malaysia, thus meeting the research objectives.

Thirdly, this research includes demographic factors, so it is assumed that demographic factors could influence the men's skin care product industry. Since it was a short – term study, some of the questionnaires were distributed online so that the questionnaire could reach many locations in Malaysia.

1.8 Limitations of the study

Limitations are no doubt unavoidable in any research and the limitations in this study are listed below:

- 1) The sample size was limited since it is difficult to get more respondents to feedback in the limited time.
- 2) The tool used for data analysis was only the SPSS20.0 software and SmarPLS, which may limit and restrict data analysis.
- 3) The sampling respondents from public places may not effectively represent the whole picture on consumer consumption behavior towards men's skin care products.

- 4) In terms of literature, it was difficult to search and obtain the latest journals and statistics related to men's skin care products.
- 5) The feedback received was dependent on the emotion or mood of respondents when they filled the questionnaire. Some who were in a rush could have just simply filled up the form. Therefore the fact that some respondents may not have provided accurate answers could pose a limitation to the accuracy of information provided in this research to gauge the consumption behavior of male consumers towards men's skin care products in Malaysia.
- 6) The sample size for this study is 300 generation Y male consumers aged between 18-37 years. It is considered not an adequate sample size to represent the whole male population (15,034,599) in Malaysia (mundi, 2013).
- 7) Other than that, the limitation on the unwillingness of respondents to respond also provided to be a problem in this research.
- 8) The scope of this research was limited to study the Malaysian market only, and not the global market due to time constraints.

1.9 Scope of research

This research was mainly carried out to investigate the factors that influence the consumer behavior of Generation Y male consumers toward men's skin care products and also to understand how these factors affect their behavior.

The respondents or focus group was Generation Y male consumers in Malaysia, especially in this international university. The reason why universities were chosen was because these were places where a large number of Generation Y, either students or lecturers could be found. Furthermore, students and lecturers in universities usually come from different places in Malaysia such as Kuala Lumpur, Johor Bahru, Petaling Jaya, Malacca City, Ipoh, Shah Alam, Kuching, Kota Kinabalu, Kuala Terengganu, Alor Setar, Miri, George Town and so on, thus representing the consumer behavior in the whole of Malaysia.