

# INTI INTERNATIONAL UNIVERSITY

## MASTER OF BUSINESS ADMINISTRATION

A STUDY ON CUSTOMER PERCEIVED VALUE ON PURCHASE INTENTION  
OF PERSONAL CARE PRODUCTS IN MALAYSIA: SPECIAL REFERENCE  
TO GREEN PERSONAL CARE PRODUCTS

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### Abstract

From the customers' perspective, 'customer perceived value' is another fundamental source to affect the demand of products or service apart from the conventional physical, psychological and social advantages. Also more marketing researchers are focusing on developing this 'perceived value' to promote the continuous development in marketing. This study focuses on personal care products like soap, shampoo, lotion and makeup, which is becoming the second major consumption product in Malaysia. However, few research have been carried out green personal care products in developing economies; which can help expand the green marketing concept in a country. With government support in enhancing green purchasing and expanding the environmental awareness demand for green personal care products is very significant in Malaysia.

With the green personal care product consumption as the objective this study, it is to explore the impact of customer perceived value on purchase intention. The independent variables being focused are: Functional value, Emotional value, Social value, Epistemic value and Conditional value. This study, will also look at the influence demographic factors have towards purchasing intention for green personal care products. In order to complete this research, this study target 350 respondents with questionnaires to gather the data for Malaysia.

This study is completed into the first chapter, will be the introduction on this research, which will include the background, problem statement, objectives and the significance of this research. Limitations and scope on this research are mentioned in this chapter as well.

Chapter two will be literature review, which will deal with the perceived value theory and purchase intention. In chapter three will be the framework and hypothesis to define the dimensions of perceived value that influence purchasing intention on green personal care products. While chapter four is the analysis on data gathered. All data will be used for the SPSS analysis. Finally, chapter five will be the conclusion and recommendations.

**Key words: perceived value; green value; purchase intention; green personal care products**

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August 2014

**Declaration**

"I hereby declare that this research project is of my own effort except for those summaries and information of which sources are clearly specified"

8/11/2014

Fu Qian

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## CHAPTER ONE INTRODUCTION

### 1.0 Chapter Summary

This chapter gives a very elaborate account on the background of this research (1.1), followed by an introduction on green personal care products in Malaysia (1.2).

Section (1.3) then follows with the problem statement prompting in research questions as in (1.4) to come up with research objective in (1.5).

Research limitation is then explained in (1.7) after giving the assumptions (1.6), and the scope of study designed in (1.8).

Finally (1.9) give some significance to the study outlining the research parameter in (1.10).

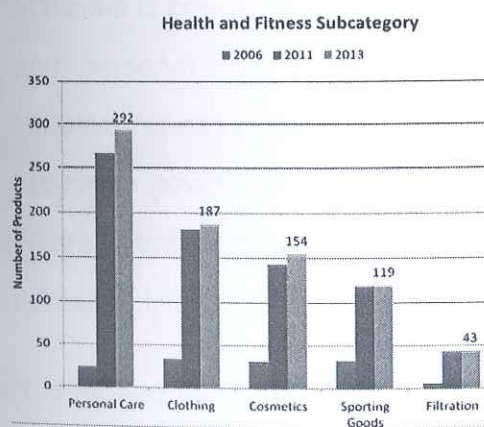
### 1.1 Background of the Study

Zeithaml (1988), who proposed this concept of 'customer perceived value' believed that the customer is not satisfied before buying; would want to consider the overall value for the same type of product in comparison to other brands. Then only, would choose the one having the better perceived value. Obviously, companies and market researchers too, have discovered that customer perceived value do reflect the customer's most important criteria in selecting a final purchase target. Therefore, understanding customer perceived value through research will give a strong competitive advantage.

In developing society or economy, more and more environmental and health issues have affected customers' daily lives and purchase intention.

Consumption behavior have changed to focus on healthy, eco-friendly and high quality life. Thus in any sustainable development, it would pay to focus more attention on speciality consumption, like green purchasing and then increase consumer awareness. Also more and more businesses are beginning to invest on the 'green product' to displace the harmful ingredients used in production. Malaysia too face this growing trend on the personal care sector. (Kline & Company, 2008). 'Green products' have become more popular, and more and more customers are going the 'green' to ensure a healthy life style. (Nimes *et al.*, 2007) To keep abreast with this development, this research aim to study the 'perceived value' to help the marketers and business to understand and expand on this area to gain competitive advantage. (PR, Newswire, 2012)

Nanotech project 2013 bar chart, shows a very high demand for personal care products.



Source : Nanotech project 2013

From the Abdul Wahid, N., & Abustan(2009) found customer consumption have been affected by the environment and health factors, which in turn influence customer demand and intention. In the 90s, it would appear it make green products more popular.(Curlo, 1999). In fact some customers analysed

most German and Dutch customers are willing to pay more for them. Likewise with many Canadians (Tian 2001) and very recently with many Asian customers.(Curau and Ranchhod, 2005)

Harris (2006) forecasted that environmental and healthy issues will become more significant. In this new trend of increasing green consumption more customers are prepared to pay higher than for normal products.(Li and Su, 2007). And forecasting on this is key to meeting customers demand and be market competitive.

In current developing countries, environmental awareness is stronger than before leading to a high demand for green personal care products. The production of green personal care product need to adopt to less usage of chemicals. With more focus on healthy elements, like green packaging and recycle components. (Knight, Worosz and Todd, 2007).

Malaysia is one developing country where GDP growth is related to agriculture and personal care products. The Malaysian government have taken the imitative forwards use of environmentally friendly products and sources. The proposed government green procurement (GDP) is one that promote use of environment friendly and healthy resource to counter the negative impact of human actives.(Introduction to GDP, 2013)

It is indeed timely to develop the green personal care product business and encourage customers to purchase, in Malaysia. So the green personal care products has a strong potential in Malaysia which make it more significant for this research.(Arshad, Shamsudin and Saleh, 1999)

Customer perceived value is a tool analysis to determine what factors influence the customers' buying intention. Many researchers have developed the values affecting the customer eco-friendly consumption. Also the 'green'

connote an eco-friendly purchase process and an environment activity. (Shrum, Bankston and Voss, 1995). In addition, Schlegelmilch, 2012, suggest that the green purchasing is a significant consumption habit to enhance environmental awareness and keep a sustainable purchasing environment. Therefore, the green purchasing can expand the market, which has a positive impact on environmental protection and build a healthy purchasing environment.

Generally, green product is sometimes called the ecological product or environmental protection product. According to Shamdasami et al., (1993), defined the green products are good for earth or the natural resources and help reduce negative impact on the environment, and can be recycled. Wasik kerry, (1996), found increased green product as harmless to the environment; as they are recyclable, reduce packaging, less use of toxic substances, and complement natural environment strategy. Klaus (1993), in his research found that consumers are paying more attention to their daily habits and their impact on the environment.

## **1.2 The green personal care products in Malaysia**

In Malaysia, more green personal care products are being introduced in the green brand to push the green market. These include Body Shop, Origin and other healthcare brand. Green businesses focus on the use of natural, organic, biodegradable elements and use recyclable packaging which are conducive and healthy to the environment. Such as Hair, Skin Care products, makeup, and shampoo. Ottman, 1998, defined green products as usually durable, non-toxic, made from recycled materials, or minimal packaging, to be the sustainable product in future.

However, some researchers had found that some personal care product have negative influence on the environment and add to more pollution to production industry. Therefore, business needs to consider production process that use less chemical elements. Customers on their part, need to enhance environmental awareness and personal care products. And for the Malaysia government, which had announced decrease in pollution index, encourage green or eco-friendly personal care products to Malaysians. (Department of Environment Malaysia. 2010) Green personal care products brand are increasing, and customers have a high demand for them in Malaysia. (Chen, 2008)

### **1.3 Problem Statement**

The growing trend in Asian market, create supply potential for green personal care products brand. (Kline & Company, 2008). Similar condition, promote the Malaysian government to also push for environment development, in introducing the Government Green Procurement (GGP) to promote green marketplaces to develop a sustainable living. (Green tech malaysia 2013) And under the ETP, more and more Malaysians lead a high level, quality and safety life that chooses green and quality consumption. This gives more opportunity to expand and develop the green personal care products industry.

Although there are many research on personal care products yet they are very little information on green personal care product needed to expand customers understanding and encouraging them to buy. (Durif & Julien, 2009 ) Environmental factors are the instrumental in affecting the customers' decisions.(Prothero, 1996; Menon et al., 1999). Regardless, female or male, they tend to buy the healthy and friendly, to protect themselves and the environment.