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MBADI MASTER of BUSINESS ADMINISTRATION

Title of Study/ Research:

Female e-shopper's satisfaction of cosmetic products in China

Author: MA Yaxin

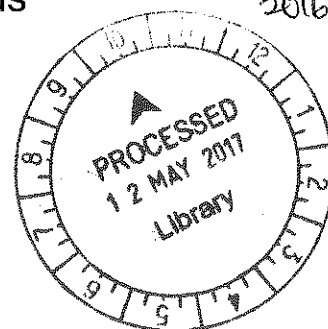
Student No: I15008259

Supervisor: AP Dr. Sheen Mansori

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Student's Declaration

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Abstract

Online shopping is a contemporary trend. People accustomed to this new consumption patterns. Similarly, online shopping is also deeply affect people's buying behaviour. People like to buy a variety of items online, including daily necessities, food, household electrical appliances, cosmetic and so on. As people's living standards continue to improve, for online shopping, consumer requirements are also increasing. The aim of this research was to study e-shopper's satisfaction survey for cosmetic product in China. This study focused on e-shoppers buying behaviour from five north-western provinces of China.

The researchers collected a large amount of literature and focus on product price, quality and delivery. And by comparison of the store, the level of price, different quality and length of time of delivery, all affect the satisfaction of e-shoppers. Through the study of these three areas, finding the most influential factors of eshoppers satisfaction.

This study is a quantitative research. Using factor analysis, pilot tests and reliability test to study unknown regions. Using SPSS statistical system. All collected data were input into the SPSS system, which through the use of partial least squares (PLS) analysis of the assumptions made and preliminary testing. Through the above test research, learn Chinese e-shoppers' satisfaction, giving recommendations to cosmetics product and pave the way for future research.

Key words: consumer buying behaviour, satisfaction, cosmetic products.

Contents

CHAPTER ONE: INTRODUCTION	7
1.0 Overview.....	7
1.1 Background/ Rationale for the Study	7
1.2 Problem Statement.....	9
1.3 Research Objectives	11
1.4 Research Questions	11
1.5 Significance of Study	12
1.6 Scope of Study	13
1.7 Limitations of Study	13
1.8 Operational Definition	14
1.9 Organization chapters.....	14
CHAPTER 2 LITERATURE REVIEW	16
2.0 Introduction.....	16
2.1 The fast moving cosmetic industry	16
2.2 Satisfaction of female e-shoppers for cosmetic product in China.....	19
2.3 The factors that can influence female e-shopper satisfaction level in China .	22
2.3.1 Price consciousness	22
2.3.2 Quality.....	24
2.3.3 Delivery	26
2.4 Grounded Theory	28
2.5 Theoretical Framework	30
2.6 Chapter summery	31
CHAPTER 3 RESEARCH METHODOLOGY.....	32
3.0 Overview.....	32
3.1 Research Design	32

3.1.1 Exploratory, Descriptive and Explanatory Research.....	32
3.1.2 Deductive and Inductive Approach	33
3.1.3 Time Horizon.....	33
3.2 Unit of Analysis	34
3.3 Study Population and Sampling Design.....	34
3.4 Measurement Instrument.....	35
3.4.1 Factor Analysis and Reliability Tests.....	35
3.5 Questionnaire Design	36
3.6 Data collection and Analysis method	37
3.7. Ethical Limitation.....	40
3.8. Chapter Summary.....	41
CHAPTER4 RESEARCH ANALYSIS	42
4.0 Overview.....	42
4.1 Pilot Test	42
4.2 Demography Information	43
4.3 Normality Test.....	46
4.4 Full Scale Data Collection.....	48
4.5 Hypothesis Analysis	50
4.6 Chapter Summary.....	53
CHAPTER 5: CONCLUSION AND DISCUSSION	54
5.0 Introduction.....	54
5.1 Findings and Discussion	54
5.2 Conclusion of Findings and Discussion	57
5.3 Recommendation (managerial implication)	58
5.4 Research Limitation and further study recommendations	59
5.5 Personal Reflection	61

Chapter One: Introduction

1.0 Overview

This chapter introduces the background of the research area, problem statement, research questions and objectives, significance, contribution and organization of the study, which is an outline about female e-shopper's satisfaction of cosmetic products in China. This chapter will base on three research objectives to begin to study. Then, through research questions to describe the contents about this research. Through the factors about female e-shopper's satisfaction to provide appropriate recommendations to online cosmetics shop. At the end of this chapter also describes the limitations of the study and operational definitions.

1.1 Background/ Rationale for the Study

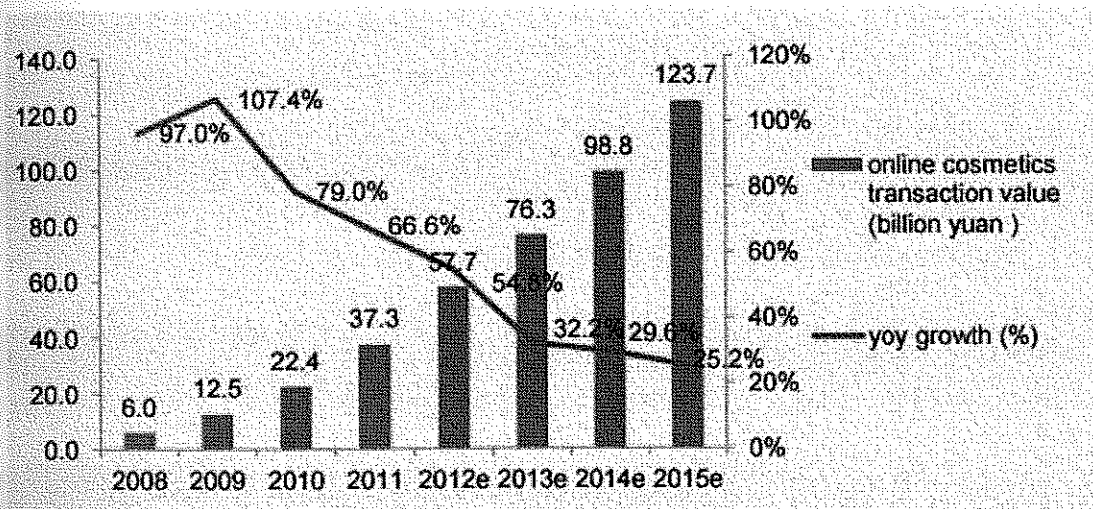
The importance of China's 1.3 billion people is: it has become one of the world's countries with the highest gross domestic product. China's market economy is developing rapidly (Wayne, 2015), but it is still a developing country. Therefore, the Chinese market is still one of the most promising. According to statistics, cosmetics industry is the most promising investment and development market, which is the most dynamic consumer goods industries. Nearly 80% of China's cosmetics market are foreign brands (Gentlemen Marketing Agency, 2015).

Cosmetic market has been changing with each passing day. With the global economic gradually recovers, the cosmetic market presents a significant growth. In China, cosmetic market has already become a huge emerging market (Aleksandra, 2013). Currently, more worthy of our attention is the online shopping. Online shopping is the process of purchasing goods and services from internet. (Kumar and Maan, 2014). In the past three years, China is a major leader in the Asia-Pacific region in the world in the online purchase intention (Nielsen, 2014). As we all know, people can buy

INTI INTERNATIONAL UNIVERSITY

anything online. For example, cloth, food, leather, appliances, and so on. Similarly, buying cosmetic products online is increasing in recent years. With the rapid economic development of online shopping, a variety of cosmetics brands are appeared in customer's online shopping list, especially foreign products (Fung Business Intelligence Centre, 2015).

Figure1: Online transaction value for China's cosmetics.



Source: iResearch (2015).

Studies have shown that most online shoppers cosmetics mainly in young people. In particular, over 80% of cosmetics online shoppers between the ages of 20-39. In addition, more than 90 percent of online shoppers are women. This fully shows that the cosmetics market in online shopping have plenty of potential (2014) . For example: Nielsen data show that in 2014 during the Singles, online shopping cosmetics in China reached a peak shopping sites, especially in the Lynx, Taobao, JD.

Figure2: Beauty and personal care NBO Company shares by value in 2012.

Company	Share by value (%)	Country of origin
Procter & Gamble	15.1	U.S.
L'Oreal	11.1	France
Shiseido	5.4	Japan
Unilever	4.6	U.K.
Amway	3.5	U.S.
Mary Kay	3.3	U.S.
Estee Lauder	2.1	U.S.
Colgate	2.0	U.S.
Johnson & Johnson	1.8	U.S.
Shanghai Jahwa	1.7	China
Others	49.4	--

Source: Euromonitor (2012).

From figure1, According to EUROMONITOR INTERNATIONAL, multinational cosmetics market lead China. China's top ten brands of cosmetics are from foreignfunded enterprises, which of the top three is Procter & Gamble (P & G), L'Oreal and Shiseido (2013).

1.2 Problem Statement

Klein Group reports, with the rapid rise in China's e-commerce, e-commerce platform for major efforts to promote the development of cosmetics companies in China. Skin care products are the most popular online category on the beauty market, which is more than two thirds of the beauty market. In addition, sales of makeup products also accounted for nearly 20% (admin, 2015). As reported by Karen Daskow, in the past few years, online cosmetics sales by leaps and bounds. A considerable portion of the sales from the store, the store has been online shopping platform, which is higher than the store sales. In fact, Chinese consumers prefer to shop like this: go to pick their favorite cosmetic products, and then go home, try to buy them online in Lynx (2015). Klein Group's report also mentioned: China's cosmetics market from 2006 to 2015 is

increasing up to 200%. Obviously, China's Internet cosmetic market is the largest in the world.

Even though China's cosmetic market is great potential. From the traditional consumption patterns to today's network consumption, which is a historic turning point. Online shopping behavior of consumers are more and more mature. They not only can stay at home to buy their favorite products, but also can develop their own online shop business (Alex, B & Claire, E. 2015). Compared with the traditional business, no matter how convenient about online shopping, customer satisfaction with online shopping is far from satisfactory, especially for cosmetic products (2011).

As we all know, online shopping market is not face to face contact with the merchandise, for online cosmetics products, there are some fuzzy factors. So the **quality** of cosmetics also will be questioned (Peng, Y & Xin ping, Xia. 2013).

The **price** of online cosmetics products is not higher than the store, which is including store rent, water, electricity and other fixed costs. Pricing of online retailers have no such advantage. They can only be a relatively low price to attract customers. This kind of seller, no doubt, will affect sales. But for consumers, most consumers prefer milder or more normal price range, especially in such sensitive cosmetic products. If the price is low, customers will perceive whether the quality of this cosmetic has any problem, they will not to buy; if the price is too high, even if it is more than or equal to the price of the store, consumers will not be accepted. So whether the seller or the buyer, the price of any commodity will affect the mutual satisfaction (Narayan, S. 2015).

Most customers who have online shopping experience know online ordering of goods **delivered** time at least five to six days. With the development of e-commerce and collaborative service delivery, Cross-border competition in business enterprise and

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express delivery companies have become increasingly prominent (Hitt et al., 2012). Electricity supplier industry in China, most self-employed business enterprise, which are among the best in market share, they have adopted a self-built logistics completely or partially self-logistics (Hu, 2015). How to retain customers, how to get consumers on their shopping platform, which is a manifestation of the electricity supplier's core competitiveness (Hines, 2014). In the Shopping Festival, express change to "slow delivery", service level also decreases (Zhou, 2016). Consumers complain directly affect buying behavior (Lee et al., 2011).

1.3 Research Objectives

The main objective of this study is to determine female customer satisfaction for online shopping cosmetics in China. Therefore, hope to achieve the following objectives.

To explore the satisfaction level of female consumer toward cosmetic products in China.

To explore the factors that can influence female e-shopper satisfaction level in China.

To identify the factor which has the higher impact on female e-shoppers satisfaction in China.

1.4 Research Questions

Hence, the research questions relating to this study are:

1. Are female e-shoppers satisfied with the quality of cosmetic products in China?
2. Are female e-shoppers satisfied with the price of cosmetic products in China?

3. Are female e-shoppers satisfied with the cosmetic products in delivery service provided by online about cosmetics products in China?
4. What is the highest influencing factor leading to satisfaction of female eshoppers about cosmetics products in China?

1.5 Significance of Study

The current global trends is in favour of the service sector. The emergence of online shopping in order to better and more convenient service to consumers. Compared with traditional shopping, online shopping genuineness create a virtual, multifunctional array of shopping malls to the consumer, which offers all live, learn, work, play and other aspects of the product. Thus, it can be said electricity supplier development led to the development of the market economy.

Businessmen establish online shop for E-shoppers, the E-shoppers' satisfaction is essential. Which directly determines the online shopping business's success or failure. Especially in China. The 1.3 billion population showed electricity supplier market already has a huge potential for development.

This research study focuses on female e-shoppers' satisfaction about cosmetic products in China. Cosmetics industry is developing rapidly, and when it is the rapid development of electronic business market combined, out of the collision effect is obvious. Currently, buy cosmetics online there are certain risks. Because the cosmetic product is sensitive. Consumers can go to shopping mall to try and buy cosmetics, according their own preferences to choose, but when consumers buy cosmetics

products online, without any contact with the product. This has been a blind spot. How to make female e-shoppers are satisfied with their cosmetics products? This is the only one, but also the obligation to obtain profit for electricity supplier. Therefore, to survey the Chinese female e-shoppers satisfaction with cosmetic products is a very important study. It will be further evidence of a consumer buying behaviour, whether product quality, price, delivery and service are important factors affecting female eshoppers satisfaction.

1.6 Scope of Study

This study is to investigate the online shopping female customer satisfaction with cosmetic products. This article tends to find out what effect female customer's satisfaction. All respondents are Chinese female customers, and is assumed to have the knowledge and experience of online shopping. There are many factors that lead to different degrees of satisfaction with their online shopping provides.

1.7 Limitations of Study

- The total population of the sample using the student body, which may not be representative of the online shoppers. Therefore, the results presented here may be limited universality.
- Since this study only considered the online bookstore and PDF documents, it is unclear whether the results of the analysis can be extended to the actual online marketplace.

- The study did not include the actual purchase behaviour in the proposed research model.

However, this drawback does not represent a serious limitation because substantial Empirical support for a causal relationship exists between intentions and behavior (Venkatesh and Davis, 2000).

- Due to the concentrated samples were collected in the Chinese region of Malaysia, may be extended to other countries due to limitations of cultural differences in buying behaviour.

1.8 Operational Definition

There are some uncommon terms that are only understood by bloggers or those who are frequently exposed to blogs. In order to give the readers a better understanding, a list of key terms and definitions of the key terms is attached.

Table 1 Key Terms and Definitions of Key terms

Key Terms	Definitions
E-shoppers	It is a fashion word. It is some online buying behaviour of customers collectively
e-Marketing	The application of marketing principles and techniques via electronic media and more specifically, the Internet
EUROMONITOR INTERNATIONAL	A fashion, cosmetic-oriented organization. They are mainly research cosmetic global economic online

1.9 Organization chapters

These research papers are categories into five chapters.

Chapter 1: Introduction

In this chapter is all about the research objectives and the problems statement of this study. Besides the relevant topic and the overall question are being carried out for

discussion. There are includes that, there also are included many explanations of who is gaining benefits from this study. However, to prevent the confusion and misunderstanding of the reader those important terms are clearly defined.

Chapter 2: Literature Review

This is all about a study cited in this chapter bear with me. Then, the dependent variable and independent variables will be identified and used as a basis for constructing the theoretical framework and assumptions of development. On the other hand, from the views and opinions of different authors have joined for the purpose of the study carried out in support.

Chapter 3: Research Methodology

In this chapter the theoretical framework and hypothesis of study will be stated. Theoretical framework shows the relationship between variables. Next, by identify the relationship those testable hypotheses are formed based .Moreover all these hypothesis are been use to examine whether the framework is in effect by using appropriate statistical analysis. The research instrument, sample size, source of data and the statistical data to be used in the study are discussed.

Chapter 4: Research Findings and Discussion

This chapter will present the results and discussion based on the data analyzed.

Chapter 5: Conclusion

In this chapter we will review the entire research from the introduction, the main details and the justification on the hypothesis constructed in the study and well as a brief look into the findings obtained from the hypothesis. The limitation and implication of the study will also be presented.