

Factors Influencing Purchase Intention of Korean Skincare Products: Malaysian Gen-Y Females

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Abstract: - In early 2000s, Korean cosmetics and skin care products, also known as K-Beauty, started to gain popularity in the cosmetics and skincare products industry in Malaysia that was previously dominated by the Western countries. South Korea's culture is fixated with youth and beauty and it was predictable that the skincare products used by its popular entertainment stars increase the interest of their beauty products across the globe. The aim of this research is to understand the purchase intention of Malaysian Females Gen Y towards Korean Skin Care products. Theory of Reasoned Action (TRA) is used to predict consumer's behaviour and to explain the influence of price consciousness, brand image and celebrity endorsement to the purchase intention. Data were collected from 257 respondents through an online survey and was analysed descriptively. IBM SPSS software version 24 was used to test the hypotheses, and the results indicated that only Brand Image has an influence on the purchase intention of Malaysian Females Gen Y towards Korean Skin Care products. This research recommended that marketers develop and improve their strategies in terms of product pricing, branding and advertising and promotion to increase their potential appeal to consumers.

Key-Words: - Malaysian Females, Gen-Y, Purchase Intention, Korean skin care products.

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1 Introduction

Consumer Purchase Intentions deals with the individual consumer's tastes and gratification, dictated by culture and social norms, [1]. Purchase intention is impacted by both inside and outside elements such as product range, brand, quality and providers; and consumers' buying decisions are made based on their personal traits and character which is a significant predictor of consumer behaviour, [2]. The consumer's purchase intention and behaviour are also influenced by reference groups such as family and friends, therefore companies must pay high attention to these social groups to understand consumer's buying processes, [3].

Generation Y currently makes up about one third of the shoppers, and by 2022 they will cover nearly 47% of the total population of shoppers, [4]. Malaysian Gen Y, born between 1985-1997 or 1999 is the largest consumer population and having financially comfortable parents make Gen Y the most lucrative consumer group with medium to high disposable income, [5]. Gen Y appears to be

indecisive, embracing inconsistent behaviour patterns, making them a moving target. Gen Y uses social media to get information on products and services, prefer products and services that bear a "Brand" and price is not a subject for contemplation, [5], [6].

2 Problem Formulation

Korean cosmetics and skin care products or K-Beauty, gained a strong foundation in Malaysia since early 2000, [7]. Despite an increase in the new class of beauty consumer, local beauty enthusiasts still look for global brands products and younger Malaysians opted for Korean branded make up and skincare used by their favourite celebrities, [8]. Due to the discrepancy in present literature of which factor has an influence on consumer purchase intention of Korean skincare products in Malaysia, this study is conducted to determine whether price consciousness, brand image and celebrity endorsement will have substantial influence on

Malaysian Gen Y female purchase intention towards these products

3 Literature Review

3.1 Consumer Purchase Intention

Purchase Intention is the tendency of consumers to buy goods or and services, [9], [10], [18]. Personal choice, financial, societal, psychological, culture norms and values have an influence in consumer purchase intention, [11]. Consumer purchase intentions were influenced by customer's satisfaction and perceptions on product quality, [12]. Companies can gain competitive advantages by understanding consumers' values, desires and behavioural patterns to determine their preferences and attributes that contribute to the purchase decisions, [3].

3.2 Factors Influencing Consumer Purchase Intention

There are five factors influencing the choice of buying skincare products which are Price, Advertising-Promotion, Product, Brand Products and Psychology, [13]. Factors influencing consumer purchase intention towards cosmetics are quality, price, loyalty, recommendation, advertisement and ethnocentrism, [14]. Customer's knowledge, perception, product's design, packaging and labelling as well as celebrity endorsement can be associated with purchase intention, [15]. The growth of the economy and consumer purchasing power increase consumer's inclination to get a quality product, seek information about the advertisement, look for fair price and they are normally more assured in the product that came from a particular country, [16]. The product information, pricing and promotion of the origin country act as marketing stimuli to heightened consumer purchase decision, [17]. The element of customer perception should not be neglected as well, [10], [18].

3.3 Price Consciousness

Consumers' purchasing intention are influenced by price factor; consumers who are unwilling or unable to pay a higher price or primarily focus on a product's price during the decision-making process have been called 'price conscious', 'price sensitive', 'value conscious', 'value oriented', 'price oriented', 'deal prone', 'thrifty', [2]. Price conscious-consumers are mainly motivated by price and pay less attention to the product information, [19]. These price conscious consumers are either not eager or

not able to pay a higher price for a product, [20]. Consumers that have lower earning power collect more product information related to price as compared to consumers that have more money to spend, [21].

Premium products have an adverse relationship with consumers that are price sensitive and due to the varied judgement on price, consumers may be more sensitive towards price change and do not favour highly priced products or services, [20]. Consumers who are highly price-conscious will look for low priced products, and vice versa, [22]. Additionally, price-conscious consumers have lower emphasis on product quality when looking for products with the lowest prices, [20], and are therefore willing to shift to another brand or try a new brand when prices offered are lower than their current brand.

Price consciousness may vary from different country to another. In 2019, around 18.4 percent of respondents in the United Kingdom stated that the high price compared to the quality is the main negative influence on consumer's impression of Korean beauty products, [23]. It is important for organizations to have good pricing strategies to attract customers to become loyal customers indirectly helping the organization to reduce their marketing expenses, [24].

For a company that depends on revenue, the price factor is the only feature that contributes to the earning and to the economic sustainability, [21]. Readiness to part with their money is highly correlated to their income and savings and therefore it is imperative for companies to establish a good pricing strategy using their understanding and comprehension of these facts, [25]. A highly priced product or services may reduce consumers' demand therefore price has a major role in the consumer purchase intention. This study will explore whether Malaysian Gen Y females are price-conscious in making their purchase decision towards Korean skincare products, [21].

3.4 Brand Image

Brand can be in the form of a name, sign, symbol or logo and it is a mark of identity that differentiate two different products, [26]. Brand image is a customers' series of memories, either positive or negative of a brand, [27]. Brand image is a customer's social representation associated with the brand which includes all description and evaluation of brand information, [2]. Consumers in general will form a positive correlation between a good brand image to excellent products and services, [11]. It is

proven that purchase decisions are highly influenced by brand, [28].

During product selection customers often rely on the brand image rather than product information to come to a purchase decision, [29]. Brand's characteristics that incline to influence consumers' purchase intention can be attributed to its attitude, value, image, information, personalities and trustworthiness [30].

Country of origin image and brand image have strong influence on consumers purchase intention and are among the important elements that marketers would focus upon in building their strategy, [31]. Products made in accordance with the quality desired by consumers are expected to increase the intention of consumer purchases on the product, [32]. A highly trustworthy brand projects a positive brand image leading to consumers' brand awareness and influences their purchase intention, [33]. Consumers who are satisfied with the brand and brand image portrayed by the company will be keen to repurchase the product or services, [34].

Brand loyalty is created when consumers are willing to pay a high price for the products or services of the brand that has won their hearts regardless of other competitors' products and services, [33]. Companies have the ability to reduce its marketing and promotion expenses and improve its productivity if consumers are already loyal and accustomed to the brand and will not hesitate to be the brand ambassador to promote the brand to their circle of networks, [26]. Gen Y utilizes brands as an extension of themselves so there is a need to understand how they respond to specific marketing tactics, [6].

3.5 Celebrity Endorsement

Celebrities are recognized as one of the prominent communication models who can substantially influence consumer's purchase intention. Celebrity endorsement is viewed as one of the most desirable marketing tools regardless of product categories or industries, [35]. If the products or services are not endorsed by a celebrity, consumers will shift their focus to the brand and its features, [36]. Celebrity's enormous appeal to produce more prominent brand credit and evaluation, as well as forming consumers' brand appreciations has become the main reasons why advertisers are depending on celebrity for their marketing campaign, [37].

The appearance of a celebrity in a commercial generates higher purchase intention, and the reliability of the representatives positively influence consumer's attitude towards advertisement, [38],

[39]. Gen Y's attitude towards a brand will be positive if the source is credible, and the celebrity endorsing the brand is attractive, trustworthy, and an expert spokesperson, [6].

3.6 Research Framework

The research framework is a guide to develop hypotheses to ascertain the connection between Price Consciousness, Brand Image and Celebrity Endorsement to Purchase Intention.

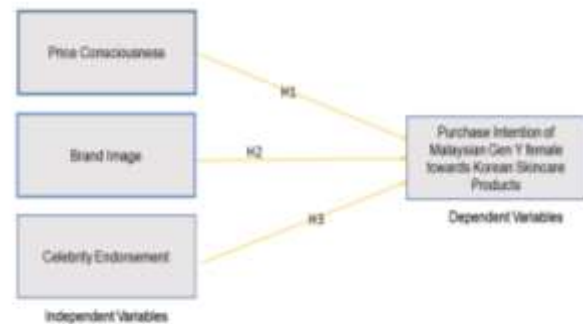


Fig 1: Research Framework

4 Research Methodology

This research is using quantitative methods whereby a questionnaire-based survey was sent to the targeted population to obtain necessary statistics. Populations to be studied are individual Malaysian Gen Y female consumers aged between 24 to 36 years old. The survey questionnaires use Likert Scale ranging from 1 being Strongly Disagree to a 5 being Strongly Agree. 400 sets of questionnaires will be distributed to individuals that are conveniently selected to participate in the survey. Researchers approach the respondents by sending a link of the online Google form questionnaire via social media platforms such as WhatsApp.

4.1 Hypothesis Testing

Hypothesis testing is performed to assess the relationship between the Independent Variables (price consciousness, brand image and celebrity endorsement) on the Dependent Variable (Gen Y female purchase intentions towards Korean skincare products). Hypotheses testing is evaluated through Linear Regression, Multiple regression analysis, analysis of variance (ANOVA), beta coefficient and multicollinearity.

5 Research Results

A total of 257 respondents were studied and the characteristics of the respondents were analysed and

tabled. The summary of the findings is listed below. Only 1 hypothesis – Brand Image (BI) is accepted as having an influence of Malaysian Gen Y Females purchase intention of Korean skincare products, while Price Consciousness (PC) and Celebrity Endorsement (CE) were found not to have an influence on Malaysian Gen Y Females purchase intention of Korean skincare products.

Table 1. Coefficients

Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
1	Constant	2.682	.376	7.142	.000
	Mean PC	.033	.051	.647	.518
	Mean BI	.321	.078	4.133	.000
	Mean CE	-.015	.044	-.329	.743

PC=Price Consciousness, BI=Brand Image, CE=Celebrity Endorsement.

5.1 H₁: Price Consciousness is Significantly Related to Malaysian Gen Y Female Purchase Intention of Korean Skincare Product

From Table 1, the result displays a beta coefficient at 0.040 and p-value at 0.518 which is not significant at 0.05 level, indicating that Price Consciousness has no positive relationship to the Purchase Intention. Therefore, **H₁ is rejected.**

5.2 H₂: Brand Image is Significantly Related to Malaysian Gen Y Female Purchase Intention of Korean Skincare Product

The finding shows beta coefficient of Purchase Intention at 0.252 and p-value at 0.000 which is significant at 0.05 level, representing a positive correlation to the DV. This indicates a positive relationship and it is significant. Therefore, **H₂ is accepted.**

5.3 H₃: Celebrity Endorsement is Significantly Related to Malaysian Gen Y Female Purchase Intention of Korean Skincare Product

The finding shows beta coefficient of Celebrity Endorsement at - 0.20 and p-value at 0.743 indicating an inverse relationship to the DV. This demonstrates that Celebrity Endorsement will decrease by 0.20 when a unit of Purchase Intention is increased. The relationship is negative and therefore, **H₃ is rejected.**

Table 2. R² of Model

	Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
a.	1	.282 ^a	.080	.069	.61504

PC=Price Consciousness, BI=Brand Image, CE=Celebrity Endorsement.

Table 2 shows the adjusted R² for the model is 0.080 which depicts a weak fit between dependent variable and the independent variables. This shows that only 8.0% of the factors which influenced Malaysian Gen Y female purchase intention towards Korean skincare can be explained by price consciousness, brand image and celebrity endorsement. This result indicates that 92% of Malaysian Gen Y female purchase intentions towards Korean skincare products can be explained by other factors not considered in this study.

Table 3. Hypotheses Results Summary

Hypotheses	H ₁	H ₂	H ₃
	Price Consciousness is significantly related to Malaysian Gen Y Females purchase intention of Korean Skincare products.	Brand Image is significantly related to Malaysian Gen Y Females purchase intention of Korean Skincare products	Celebrity Endorsement is significantly related to Malaysian Gen Y Females purchase intention of Korean Skincare products
	Rejected	Accepted	Rejected

The results shown in Table 3 indicates that Brand Image had a significant relationship with consumers' intentions to purchase Korean skincare in Malaysia, however Price Consciousness and Celebrity Endorsement did not.

6 Recommendation

Hypothesis 1: Price consciousness is significantly related to Malaysian Gen Y female purchase intention of Korean skincare product.

Based on the findings, price consciousness has no significant relationship in regression analyses. Malaysian Gen Y females are not price conscious in their purchase intention of Korean skincare products. This result supports the finding that besides price, there are many factors influencing consumer purchase intention towards cosmetics which include quality, loyalty, recommendation, advertisement and ethnocentrism, [14]. Intentions are substantially influenced by perceived benefits and attitudes and not by perceived price, [40].

Hypothesis 2: Brand Image is significantly related to Malaysian Gen Y female purchase intention of Korean skincare product.

The results indicate that Brand Image has an influence in purchase intention. This finding concurs that brand characteristics which include its attitude, image, advantages, information, character and dedication tend to influence purchase intention, [30]. Gen Y utilizes brands as an extension of themselves, [6].

Hypothesis 3: Celebrity Endorsement is significantly related to Malaysian Gen Y female purchase intention of Korean skincare product.

Hypothesis results indicate that there is no significant relationship between Celebrity Endorsement to the purchase intention of Malaysian Gen Y females towards Korean skincare products. This generation does not place high regards on having a celebrity endorse Korean skincare products. The result is not in line with the study on the celebrity endorsement is an extremely effective strategy to increase consumer interests and brand loyalty in a cluttered marketplace, [41].

7 Conclusion

The assumption that cost of an item is always the highest determinant in the purchasing process is proven not to be a significant factor for Malaysian Gen Y females when they intend to buy Korean skincare products. This generation focuses more on brand image which leads to brand loyalty. This generation also disregards the influence of a celebrity in the advertising and promotional campaign of Korean skincare products. The result of this study may be beneficial to the marketers of Korean skincare products to understand that establishing brand awareness ranks high in the

purchase intention of Malaysian Gen Y females. This generation is not price sensitive nor do they regard celebrities as having a positive influence in their purchase intention. Companies may wish to increase their marketing spending to build better brand awareness, and enhance brand image in order to capture and retain consumers' loyalty to the product.

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