Customer Perception towards Imported Cosmetics

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Abstract

The purpose of this research is to examine the factors influencing customer's perception towards imported cosmetic goods, to find the role of trust & security in establishing favorable perception in the customer's mind toward imported cosmetics and ultimately to know the customer's perception and views about imported cosmetics. Multiple Regression and Correlation are used to test hypothesized relationships amongst the variables. The questionnaire is used to collect the data from a sample 150 respondents. The findings show that imported cosmetics have a positive influence on a customer's perception. We find that creating trust and feelings of security in customer's minds can greatly facilitate the development of a positive and favorable perception towards imported cosmetics. These findings strengthen the customer's perception about brand consciousness and establish a baseline study for future research.

Keywords: Customer perception, Trust, Ease of use and Security, imported cosmetics

1- INTRODUCTION

In the current area imported cosmetics get a positive response and favorability by customers who prefer brands or quality oriented products (cosmetic) (Teoh et al., 2013). Through the internet, companies find the opportunities to give customers awareness about their new market offerings and customers also have a variety of choices (Teoh et al., 2013). The customers get awareness about the product through regular updating (Teoh et al., 2013). So that's why they prefer imported brands (Sumanjeet., 2009). Many manufacturing companies and suppliers are working collaboratively to provide quality oriented products in a large variety for all skin types, which are easy to use and build trust by using halal ingredients (Teoh et al., 2013). A significant number of studies have considered imported products from the customers' point of view (Teoh et al., 2013). In relation to these studies, there are many important aspects affecting the image in the mind of customers about the imported products (Teoh et al., 2013). Abrazhevich (2001) states that companies, which do not meet customer expectations, fail because of dissatisfaction among customers. Safety and reliability are significant factors for customer point of view (Teoh et al., 2013). An important study has revealed that low level of knowledge is an important factor for not using the imported brands of products (Teoh et al., 2013). Ramalingam (2012) states that imported products are accepted at the global level, but the less internet coverage creates obstacles for imported products by lack of awareness (Teoh et al., 2013). This paper proves that security, trust, and ease of use are significant aspects which affect the customers' mind about use of imported products. A small number of modern studies have tried to discuss these aspects mentioned above very first time (Teoh et al., 2013). It is concerned to judge these aspects because of the challenging advancement that are being done (Teoh et al., 2013). These studies will allow important aspects to be explored so that proper procedures can be developed to help the companies to enhance the use of imported brands of cosmetics (Teoh et al., 2013).

2- LITERATURE REVIEW

2.1 Customer Perception

In today's world, buying behavior of customers has entirely changed. They have technical knowledge about products, having alternatives, availability, emerging services from manufacturers and ease of access (Angelova & Zekiri, 2011). Due to the ease of access customers' require customized products (Angelova & Zekiri, 2011). The manufacturer offers different products to fulfill the same needs of customers by establishing and maintaining long term relationship (Angelova & Zekiri, 2011). Long term relationship is beneficial for companies' long term profit (Angelova & Zekiri, 2011). A research conducted by Reichhold & Sasser (2002) of the Harvard Business School showed that, most customers are only profitable in the second year of doing business with the organization (Angelova & Zekiri, 2011). Organizations spend a large part of their budget on marketing and advertising of their products to make the customers aware about the attributes of the product (cosmetic) (Angelova & Zekiri, 2011). Relationship manager keeps the customers aware about existing and upcoming products, with another parallel objective of retaining and maintaining customers (Angelova & Zekiri 2011). Berry (1986) said that *"Relationship marketing is the attraction, to maintain and enhance customer relationships. The marketing mindset is that the attraction of a new customer is merely the first step in the marketing process" (p. 235)".* Gronroos (1994) proposed that "*Relationship marketing is to identify, establish, maintain and enhance*

relationships with customers and other stakeholders, at a profit, so that the objectives of all parties are met; and that this is done by mutual exchange and fulfillment of promises" (p. 235)". Relationship marketing is used as a technique that builds trust between parties (Payne, 1993). It's not only concerned with approaching the customer and making a buying decision; it also maintains and enhances the developed relations with customers (Angelova & Zekiri 2011). Relationship marketing comes from service marketing, social marketing, industrial marketing, and consumer marketing (Angelova & Zekiri 2011). Moreover the efficient companies give attention on the major key points which are product and services which they sell in the market and want to get competitive advantage and also create hurdles for new entrants (Knox et al. 2003). The firm's effectiveness measures on the basis of analyzing individual needs and fulfillment (Knox et al. 2003). Firms try to involve customers in manufacturing, give superior services and motivate them by providing the technical knowledge about the product (Knox et al. 2003). As a result the behavior of customer changes (Knox et al. 2003). By involving the customer in manufacturing and taking suggestions from consultants the firms try to enhance their efficiency and effectiveness and this is the driver of investing in customer relation management (Knox et al. 2003). For many, successful companies developing customer values are a big competitive advantage (Knox et al. 2003). Customers gain experience by the core products and the other benefits. In fact, customers purchase the solutions to its problems (Angelova & Zekiri 2011). The benefits and value that firms offer to customers, according to the perception in the customer's mind about product is the ability of a customer that how they solve problems (Angelova & Zekiri 2011).

2.2 Perception toward Imported Cosmetic

Davis (1989) states that customers' interest about imported cosmetics and their features is a key factor of determination about how much customers want to buy products or how many customers use these products. Repeat purchase of products is also executed with the use of the product in the mind of customers. Abrazhevich (2001) defines and confirms the study that favorable image of product in the mind of customers has an important impact on purchase, which are showing more of the customer's interest in buying the product. Eastin (2002) states that the customer has prime acceptance of imported product brands of cosmetics because imported brands have a good impact on a customer's mind and also meet customer's expectations, needs, wants and fulfill desires. This is because customers accept new advancement in product because they have already experience of use or trial. Moreover, the security and trust associated with imported products also facilitate developing a good impact on the customer buying decision because the customer wants security, efficiency and trust (Teoh et al., 2013). With enhanced trust, customers develop a more favorable perception towards imported products as compared to the local products, because important brands are more trustworthy and offer more ease of use and security (Teoh et al., 2013)

2.3 Trust

Trust is stated as an activity of adventure that includes a monetary deal, the result of trust is lower risk and positive interest in purchasing a product (Yousaf zai et al., 2003). Previous research has found having an important deciding impact on the customer's internal willingness to purchase a product deal whether online or physical one (Teoh et al., 2013).Trust has developed a long term impact in the customer's mind by satisfying customer's needs, by meeting expectation, fulfilling customer's desires and building long term associations (Peha and Khamitove, 2004). Trust is important for measuring and sustaining interpersonal attitude that affects a customer's perception toward imported brands (Teoh et al., 2013). Kniberg (2002) suggest that consumers find it more acceptable to use imported product from a trusted company that provide customer satisfaction than non-trustworthy companies. At the conclusion of the trust, trustworthiness plays an important role in the imported product success (Abrazhevich, 2004). With the sufficient satisfaction, customer can easily trust on imported brands, without this it is very difficult to fulfill the goal of worldwide selling of imported products (Teoh et al., 2013).

H1. There is a positive relationship between consumer's trust and customer perception towards imported product (cosmetic).

2.4 Security

Normally security is a series of processes and activities to ensuring the awareness of the product and it also warrants the reliability and confidentiality of the advertisement (Teoh et al., 2013). With respect to imported brand companies security is divided into 3 types: company safety, dealing, and company should be legal and official (Teoh et al., 2013). A company will be regarded as safe when all the steps of dealing will be able to fulfill the demand of customer and meet their safety hopes (Teoh et al., 2013). With regard to the internet, security implies to the perception related to the ways and processes of the product expenses for packing and delivery of the product (Teoh et al., 2013). It implies to the techniques that ascertain the reliability, facility and non-recognition of the links (Teoh et al., 2013). Sathye (1999) suggests security is an important hurdle to online

purchasing of imported products which has a strong impact on the customer buying behavior. This is absolutely right because the customer's trust on the selected brand is well-built, but they are not sure about the reliability of online order receiving. The customer normally wishes to tightly secure his personal information with effective privacy (Teoh et al., 2013). So this is the reason why security is essential for customers' verdict to use online purchasing (Abrazhevich, 2004). To ascertain the impact of safety on imported products, hypothesis 2 is developed.

H2. There is a positive relationship between security and customer perception toward imported product (cosmetic).

2.5 Ease of use

Many studies have ascertained that a product will be considered more reliable when it will be easy to be used (Teoh et al., 2013). Flavian & Guinaliu (2006) have figured out that the product which is easy to be used increases the favorable belief in the product by the customer. Moreover, high usability of the product reduces search costs (Bakos, 1997) and best understanding of the company contents and product features in the website. Ainscough & Luckett (1996) say that the facility of the customer interactivity is a significant factor that fascinates customers for the use of imported cosmetics. Gerrard and Cunningham (2003) describe that the large variety of imported products provided to the customers will capture the attention of customers and non-customers. Hoffman & Novak (1996) suggests that fulfillment of customer expectation is another significant factor of customer satisfaction. Many times the large time gap between the demand of the customer and supply of the product leads to the uncertainty of the customer about fulfillment of the order (Teoh et al., 2013). Abrazhevich (2001) concludes that positive feedback from customer plays a significant role to fascinate the non-customers towards the use of imported brands.

H3. There is a positive relationship between ease of use and customer perception toward imported product (cosmetic).

This diagram indicates the summary of the study of the three independent variables (Trust, Ease of use, and Security) has a strong association with the dependent variable which is the customer's perception toward imported cosmetic.
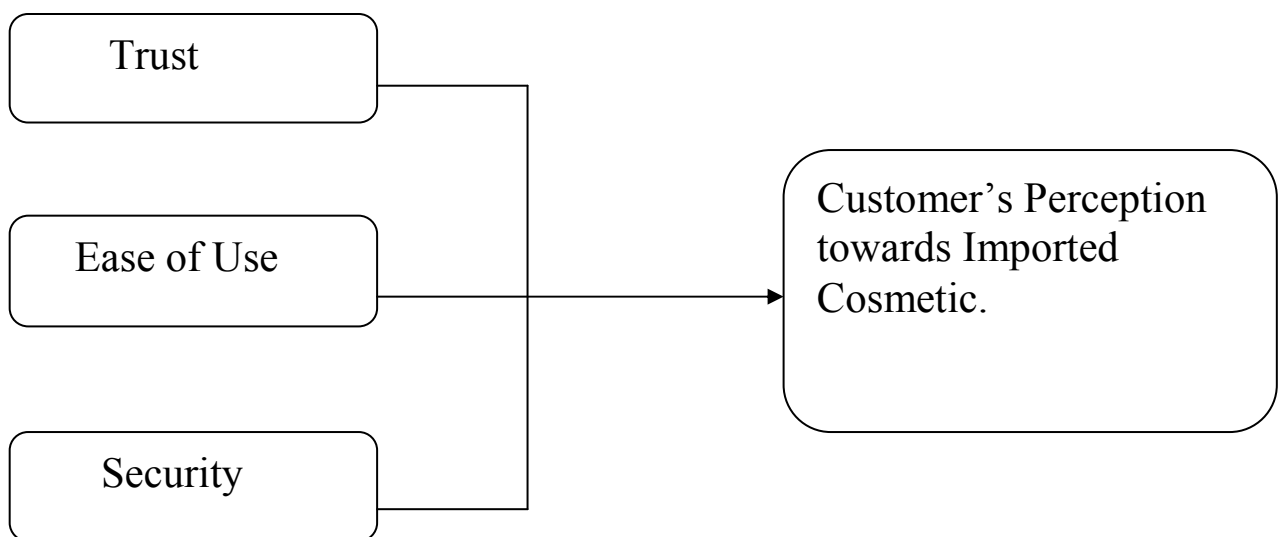
3- METHODOLOGY

3.1 Sample

This study gets responses from 150 different people point of view about imported cosmetics. These respondents belong both genders 129 females and 21 males. The response of this study was collected from a different society of Faisalabad Pakistan. To conduct the study a Questionnaire with some attributes was given to respondents for their perception about the imported cosmetics.

3.2 Survey Instruments

The scales used to measure research variables were adopted by (Teoh et al., 2013). Security was measured using 4 item scale; trust was measured using 5 item scale; ease of use was measured using 3 item scale; and customer purchase intentions was measured using 3 items. The responses are measured on a 5-point Likert scale ranging from strongly disagree = 1 to strongly agree = 5.

3.3 Statistical Techniques

Multiple regressions are used to assess the impact of independent variables on dependent variable using SPSS 20.

4- RESULTS

Table 1 represents the demographic profile of the sample.

Table 1: Demographic Profile of the Sample

Gender	Frequency	Percent
Male	21	14
Female	129	86
Total	150	100
Education		
Undergraduate	54	36
Graduate	96	64
Total	150	100

The respondent's age varied between 18-25 years with a mean of 21.5 Years. Approximately all the respondents were single and all of them were well educated (undergraduate 36%; graduate 64%). The majority of the respondents were females (86%). Most of the customers used the imported cosmetics one time in a month.

Table 2: Descriptive Statistics

		Mean	SD	1	2	3	4
1	Customer Perception	3.98	0.90	1			
2	Trust	3.80	0.66	0.60**	1		
3	Ease of use	3.81	0.70	0.48**	0.56**	1	
4	Security	3.76	0.64	0.59**	0.51**	0.52**	1

**p < .01   *p < .05

Table 2 presents descriptive statistics. It gives mean and standard deviation values for the variables included in the model. Moreover, this table also depicts bivariate correlations between variable pairs. All the correlations are significant (p < 0.01). Correlation coefficient shows a linear association between the variables and its value indicates the strength of the relationship. Correlation matrix exhibits moderate to strong relationships between the variables.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.690[a]	.476	.465	.65883

a. Dependent Variable: Customer Perception

Table 3 is labeled as model summary and this table shows R Square, Adjusted R Square, and R. Most important value out of this table is R Square. The value of R Square shows the amount of variance explained in dependent variable by the effect of independent variable(s). For this research, the value of R Square is 0.476. This value shows that independent variables altogether explain 47.6% variance in customer perception (dependent variable).

Table 4: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	57.568	3	19.189	44.209	.000[b]
1	Residual	63.372	146	.434		
	Total	120.940	149			

a. Dependent Variable: Customer Perception

b. Predictors: (Constant), Security, Trust, ease of use.

Table 2 is labeled as ANOVA table. This table gives the sum of squares along with the respective DF (degree of freedom). The most important value in this table is F value. The F-Value indicates the overall significance of the regression model. A significant value of F indicates that regression model is significant as a whole and independent variables significantly predict dependent variable. In this research, the value of F is 109.819 which is highly significant (p < 0.001).

Table 5: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	-.255	.376		-.678	.499
1	Trust	.503[**]	.103	.370[**]	4.874	.000
	Ease of use	.105	.099	.082	1.063	.289
	Security	.511[**]	.104	.362[**]	4.921	.000

[a]Dependent Variable: Customer Perception

**p < .01   *p < .05

Table 3 represents constant and regression coefficients for the independent variables. The value of the unstandardized regression coefficient shows the amount of change in the dependent variable that is brought upon by one unit change in the independent variable. In this research, trust and security have positive and significant regression coefficients (0.503 and 0.511 respectively, p < .001); whereas coefficient for ease of use is positive but not significant. Thus, trust and security show positive effect on customer purchase intentions, while the effect of ease of use on customer purchase intentions is non-significant. Hypotheses 1 and 2 are, therefore, supported, while hypothesis 3 is not supported.

4.1 Discussion

As long as the gender is concerned with buying intentions of imported cosmetics, the respondents were selected randomly at different days and times; a little tilt has been noticed as more female respondents were observed buying imported products in different markets. The data were representing 86% of female respondents. The Education level of the respondents might influence their attitude positively towards the purchase of imported products. Education may give a better understanding with brand popularity of imported brands. It is important to highlight that majority of users are well educated. All of the respondents have attained education at least up to undergraduate level with a majority of them having graduate level education (64%). The majority (84%) of imported cosmetic users is young (between 18-25 years of age).

According to the H1 there is an important association between consumer's trust and perception toward imported product (cosmetic). The results show that there is a positive relationship between the trust and the customer perception. As imported brands are usually available on well-established shopping malls and big chain stores, these big companies can easily build trust in consumers' minds which leads to a positive attitude towards buying imported goods.

According to H2 there is an important association between Security and Customer's perceptions about imported cosmetics. The results support the hypothesis that there is a positive relationship between the Security and customer perception. The sense of security is created in customer's minds because of well established reputation of imported brand names.

The customer perceives the branded cosmetic provide a high level of security to loyal customer about any mishaps or expire of branded cosmetics.

According to H3 there is a positive relationship between ease of use and customer's perceptions about imported

cosmetics. The results do not support this hypothesis. This may be because we conducted this research about cosmetic goods and cosmetic goods usually lend themselves for an easy handling. Cosmetics usually do not involve any complicated technical aspects of use, that's why ease of use was not significantly related to customers' perception about imported goods.

4.2 Conclusion

In this research, we attempt to examine the factors influencing customer's perception towards imported cosmetic goods. In this context, we find an important role of trust and security in establishing favorable perception in customers' mind towards imported cosmetics. Trust and security usually stem from the manufacturers' good reputation which is not uncommon in the case of imported cosmetics as many imported cosmetics are manufactured by big multinational organizations. Ease of use is not found as a significant antecedent of customers' perception towards imported cosmetics. This is intuitively appealing as cosmetic goods are usually fairly easy to use and do not involve complicated handling. We, thus, conclude that creating trust and feelings of security in customers' minds can greatly facilitate creating a positive and favorable perception towards imported cosmetics.

4.3 Study Limitations

The study carries a number of limitations; sample size was not as big as that should be. Time constraints forced to keep the sample size small thus limiting the generalizability of the findings. The technique of data collection was not less than a challenge, consumers physically available in the market were asked to fill questionnaires. The study was conducted only for imported cosmetic products. The study was conducted only in Pakistani context. There were few measurement problems because of the literacy rate of Pakistan.

4.4 Managerial Implication

Company managers should be careful about the quality assurance of the products to get profit in the marketplace. For manufacturing of cosmetics products the Halal ingredients should be used as most of the respondents give preference to halal products. As the customer is highly influenced by advertisements, so celebrity endorsement is necessary for selling these products. Quality is most important in comparison of price in cosmetic so the quality should be given more priority than the economy of price.

4.5 Suggestions for Future Research

In this research, we have only focused on imported cosmetic goods; in future, other kinds of cosmetic goods can also be taken into consideration. We have limited our geographical area to Faisalabad because of time and money constraints. In future geographical area for sample collection can be widened to make results more generalizable. Variables other than trust, security, and ease of use can also be used in future research studies.

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