

PEER COMMUNICATIONS INFLUENCE ON PURCHASE INTENTION OF BEAUTY PRODUCTS

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Abstract

One of the fast-growing industries identified is beauty-care industry. Different factors are influencing beauty enthusiasts on purchasing intention. Nowadays, peer communication has become important in marketing process as it is a multi-dimensional two-way activity. However, there are limited research conducted in the context of beauty products. Therefore, the findings of this research are useful to tighten the gap of knowledge to academe, and to be a reference for marketing plan in beauty industry. Questionnaire is distributed randomly and is done with various analysis tools in SPSS, such as Correlation Analysis, Reliability Analysis, Multiple Regression Analysis. From the findings of this research, we found that social media dependency and public-organization engagement have significantly influenced the purchase intention of beauty products, while tie-strength has not significantly influenced the purchase intention. Therefore, brands should have a consistent image across social media platforms and influence the followers with helpful information and entertaining videos. Public-organization engagement should be improved and maintained to increase the purchase intention among consumers.

Keywords

Peer Communication, Social Media Dependency, Tie Strength, Public-Organization Engagement, Purchase Intention

Introduction

As an ancient industry in the world, beauty-care industry is a large industry is a fast-growing industry which females are mainly involved, with the segments such as hair, skin, nail, cosmetics, perfumes and colognes, deodorants, oral hygiene and so on (Arefin, Azam, Chanda et al., 2018). Prior research by Ganesan and Saravanaraj (2014) has shown that most people in the early twenties are more concern on beauty, especially skin care and hair care related service. Dai (2017) notes that beauty products will grow with the increase of consumers who are enthused and holistic in health and beauty regimens. In developing countries including Malaysia, a trend of tapping into indigenous knowledge and using modern management and marketing approaches will continue to grow for the sale and distribution of beauty products (Yacob & Zainol, 2014).

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There are seven choices of main channel for beauty products that rely on the brand positioning, such as department stores, professional shops and chain stores, hypermarkets and supermarkets, pharmacies, e-commerce, beauty salons and spas, and direct selling (Mihailovic, Pontiggia, & Vescovi, 2017). There are three broad groups such as service value factor, marketing communication factor, and marketing mix factor are the important attributes which influence the consumer for expenditure in beautification (Khan & Tabassum, 2012). Janany and Shivany (2017) suggests that attractive advertisements can be used in web pages, social media, and magazine to persuade the educated consumers as education acts as one of the influencing factors on purchasing intention. Different perceptual elements such as brand awareness, perceived quality, brand association, brand fondness, brand image, and product country image have strong influence on brand purchasing intention (Foroudi, Foroudi, Gupta et al, 2018).

The use of social media and customer brand relationships are positively related with each other (Hudson, Huang, Madden et al, 2015). Although there are researchers who have done similar studies related to purchase intention, some elements are not being investigated yet. Hence, this research is to determine whether the peer communication will significantly influence the purchase intention of beauty products.

In 21st century, marketers have met opportunities and challenges brought by Web 2.0 and social media, which is happening globally (Berthon, Pitt, Plangger et al, 2012). Social media emerges and change the consumers' role from a passive listener to a more active participant in the relationships with brands (Singh & Sonnenburg, 2012).

The new technologies has influenced the marketing process to have the greater and richer interactions in social media among large groups of people, which customer engagement are enhanced (Sashi, 2012). Social media has become important in sales process as it is about engagement, building the brand, and new channel to connect with consumers (Andzulis, Panagopoulos, & Rapp, 2012). A whole new dimension is provided by social media marketing due its interaction to the users, especially on Facebook (Bright, Gangadharbatla, Logan, 2012).

With the increase of marketing budgets in social media, marketers should establish a presence in social media and utilize social media to achieve marketing objectives or planning (Dimitriadis & Tsimonis, 2014). In addition, Haenlein, Malthouse, Skiera et al (2013) has also highlighted the advantage of managing customer relationships through social media and other new technologies which can empowered consumers with the maximum lifetime value. The easy sharing of brand experiences on social media networks as spaces of storytelling has modified the landscape of brand management to be succeed in the marketplace (Gensler, Liu, Völckner et al, 2013). There are limited researches which contribute in analyzing the influence of peer communication on purchase intention of beauty products, and more so within the context in Selangor, Malaysia. Hence, it is needed to conduct this research to relate social media and marketing communications planning to reach more consumers and influence the purchase intention (Ashley & Tuten, 2014).

Research Objectives(RO)

RO1: To determine whether the social media dependency will influence the purchase intention of beauty products.

RO2: To determine whether tie strength will influence the purchase intention of beauty products in Selangor, Malaysia.

RO3: To determine whether the public-organization engagement will influence the purchase intention of beauty products in Selangor, Malaysia.

Conceptual Framework

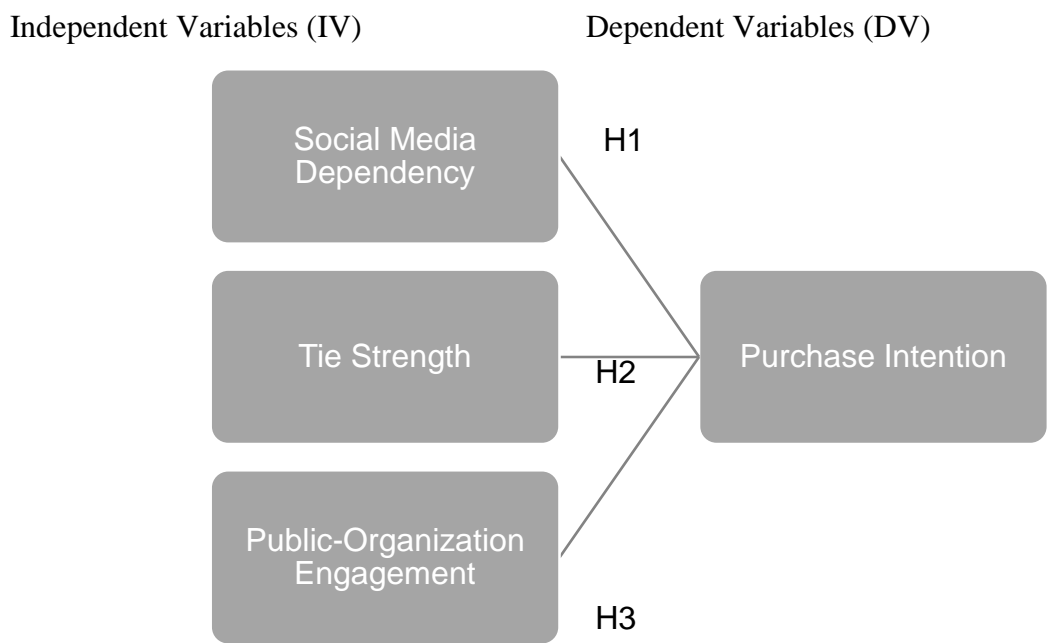


Figure 1: Conceptual Framework

Hypotheses(H) statement explains presumed facts, which is usually the outcome of research objectives (Stratton, 2014).

H1: Social media dependency has a significant influence on the purchase intention for beauty products in Selangor, Malaysia.

H2: Tie strength has a significant influence on the purchase intention for beauty products in Selangor,

H3: Public-organization engagement has a significant influence on the purchase intention for beauty products in Selangor, Malaysia.

Research Methodology

The main objective of this research is to determine the social media marketing influences on purchase intention of beauty products in Selangor, Malaysia. The research design for the research is quantitative based descriptive correlation design which aim to determine the relationships between the variables in the research. According to Zikmund, Babin, Carr et al

(2013), quantitative research is used for hypotheses testing. Dependent variable is a consequence of independent variable (Kothari, 2004). To identify the strength of relationship between the variables, correlation research is used to calculate whether the correlation coefficient is considered statistically significant (Saunders, Lewis, & Thornhill, 2016). The research is conducted in non-contrived setting, where there is no manipulation on the data collected. The researcher interference is minimal in natural environment for correlational study.

Unit of analysis can be defined as the level of accumulation of the data collected during the consecutive data analysis stage (Sekaran & Bougie, 2016). In this research, the main unit of analysis is the individual who purchase beauty products. The individuals are selected randomly at Selangor, Malaysia. As the data is collected only once, therefore this research is a cross-sectional study. The study is about a specific phenomenon or situation at a period only due to time constrained (Saunders, Lewis, & Thornhill, 2016). The questionnaire consists of questions which grouped into three sections. Section A is to gather the demographic profile of the respondent. Section B is to investigate the variables which will influence the purchase intention, such as social media dependency, tie strength, and public-organization engagement. The final section, Section C aims to measure the purchase intention of the respondents.

In short, this chapter has pointed out the research methods which will be using to fulfill the proposed research objectives. The sample size of this research is 387 respondents who are staying at Selangor, Malaysia. The questionnaire will be distributed randomly and purely voluntary. Data collected will be analyzed with factor analysis and reliability test.

Research Finding

Demographic Profile of Respondents

Demographic Characteristics	Frequency	Valid Percent	Cumulative Percent
Gender			
Female	85	56.7%	56.7%
Male	65	43.3%	100.0%
Age			
Below 18 years old	2	1.3%	1.3%
18 - 24 years old	34	22.7%	24.0%
25 - 34 years old	78	52.0%	76.0%
35 - 44 years old	26	17.3%	93.3%
45 - 54 years old	10	6.7%	100.0%

Marital Status			
Single	94	62.7%	62.7%
Married	56	37.3%	100.0%
Widowed	0	0.0%	100.0%
Divorced	0	0.0%	100.0%
Education Level			
High School	8	5.3%	5.3%
Certificate / Foundation	7	4.7%	10.0%
Diploma	47	31.3%	41.3%
Bachelor's Degree	72	48.0%	89.3%
Master's Degree	14	9.3%	98.7%
Doctorate	2	1.3%	100.0%
Monthly Income Level			
Below RM 3,000	52	34.7%	34.7%
RM 3,001 - RM 5,000	48	32.0%	66.7%
RM 5,001 - RM 7,000	26	17.3%	84.0%
RM 7,001 and above	24	16.0%	100.0%
Frequency of Purchasing Beauty Products			
Occasionally, < 1 time per month	106	70.7%	70.7%
2- 3 times per month	40	26.7%	97.3%
More than 3 times per month	4	2.7%	100.0%

Table 1: Demographic Profile of Respondents (n=150)

Table 1 shows the summary of demographic profile of the respondents who are participating in this research. From the respondents surveyed, there are slightly more women (56.7%) than men (43.3%) who participate in this research. Majority of the respondents of this survey are in the age group of 25 – 34 years old (52%), followed by 18 – 24 years old (22.7%), 35 – 44 years old (17.3%), 45 – 54 years old (6.7%), and below 18 years old (1.3%). In terms of marital status, the respondents who are single hold the highest percentage (62.7%), followed by married (37.3%), while none of the respondent is widowed or divorced.

Nearly half of the respondents (48%) have education level at Bachelor Degree. The other respondents are Diploma (31.3%), Master's Degree (9.3%), Certificate or High School (5.4%), Foundation (4.7%), and Doctorate (1.3%). The monthly income level of the majority of the

respondents is below RM3,000 (34.7%), and followed by RM3,001 – RM5,000 (32%), RM5,001 – RM7,000 (17.3%), and RM7,001 and above (16%). There are 70.7% of respondents who make purchase of beauty products occasionally or less than one time per month, while 26.7% of the respondents make purchase 2 to 3 times per month, and the minority (2.7%) of the respondents make purchase more than 3 times per month.

Table 2: Reliability Analysis

Variables		Cronbach’s Alpha	Number of Items
Independent Variable	Social Media Dependency	0.799	5
	Tie Strength	0.842	5
	Public-Organization Engagement	0.678	3
Dependent Variable	Purchase Intention	0.820	2

Table 2 above showed the Cronbach’s Alpha in reliability analysis is used to check the internal consistency reliability of this research. This is because multiple questionnaire items are represented with this measure of consistency (Bonett & Wright, 2014).

In this research, the reliability of the questionnaire is checked through the internal consistency reliability. The Cronbach’s Alpha of Social Media Dependency, Public-Organization Engagement, and Purchase Intention are higher value than the standard value by Nunnally (1978) of 0.70. Therefore, the variables in this research are considered relevant. However, tie strength is not relevant as the Cronbach’s Alpha value is below 0.70.

Table 3: Correlation Analysis

Correlations			Social Media Dependency	Tie Strength	Public-Organization Engagement	Purchase Intention
Social Media Dependency	Pearson Correlation		1	.588**	.605**	.569**
	Sig. (2-tailed)			0.000	0.000	0.000
	N		150	150	150	150

Tie Strength	Pearson Correlation	.588**	1	.635**	.453**
	Sig. (2-tailed)	0.000		0.000	0.000
	N	150	150	150	150
Public-Organization Engagement	Pearson Correlation	.605**	.635**	1	.546**
	Sig. (2-tailed)	0.000	0.000		0.000
	N	150	150	150	150
Purchase Intention	Pearson Correlation	.569**	.453**	.546**	1
	Sig. (2-tailed)	0.000	0.000	0.000	
	N	150	150	150	150
**. Correlation is significant at the 0.01 level (2-tailed).					

From Table 3, the relationships between social media dependency and purchase intention is the strongest, while the relationships between tie strength and purchase is the weakest.

Hypotheses Analysis

In this section, the relationships between the independent variables and dependent variables are checked by using multiple linear regression analysis. Regression analysis enables the predictions on the dependent variables based on independents analysis (Silviu, 2014).

Table 4: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.624a	0.389	0.377	1.56105
a. Predictors: (Constant), Public Organization Engagement, Social Media Dependency, Tie Strength				

Based on Table 4, the Adjusted R Square from the regression analysis is 0.377. Therefore, the prediction on the strength of the relationship in the population is at 37.7%, while the remaining 62.3% of dependent variance behavior is not explained.

Table 5: Multiple Regression ANOVA

ANOVAa						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	226.588	3	75.529	30.994	.000b
	Residual	355.785	146	2.437		
	Total	582.373	149			

a. Dependent Variable: Purchase Intention

b. Predictors: (Constant), Public Organization Engagement, Social Media Dependency, Tie Strength

In Table 5, it shows that F test is 30.994 and the Sig value is less than 0.05. So, there is statistically significant difference between the means for the overall regression.

Table 6: Results from Detailed Multiple Regression

Coefficientsa								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	0.765	0.524		1.461	0.146	-0.270	1.800
	Social Media Dependency	0.164	0.039	0.358	4.161	0.000	0.086	0.242
	Tie Strength	0.023	0.037	0.056	0.629	0.531	-0.049	0.096

Public Organization Engagement	0.195	0.060	0.293	3.255	0.001	0.076	0.313
a. Dependent Variable: Purchase Intention							

The findings of this research can be shown in the analysis below.

H1: Social media dependency has a significant influence on the purchase intention for beauty products in Selangor, Malaysia.

The relationships between social media dependency and purchase intentions for beauty products is tested. The Sig value is 0.000 in Table 4.4.3, which is lower than 0.05. Social media dependency does have significant influence on the purchase intention.

Therefore, Hypotheses 1 is supported.

H2: Tie strength has a significant influence on the purchase intention for beauty products in Selangor, Malaysia.

The relationships between tie strength and purchase intentions for beauty products is assessed. The Sig value is 0.531 in Table 4.4.3, which is greater than 0.05. Tie strength does not have influence on the purchase intention.

Thus, Hypotheses 2 is not supported.

H3: Public-organization engagement has a significant influence on the purchase intention for beauty products in Selangor, Malaysia.

The relationships between public-organization engagement and purchase intentions for beauty products is interpreted. The Sig value is 0.001 in Table 4.4.3, which is lower than 0.05. Public-organization engagement does have influence on the purchase intention.

Therefore, Hypotheses 3 is supported.

Summary of Key Finding

Finally, the output of the hypotheses analysis is summarized in the Table 7 as below.

Table 7: Summary of Key Finding

Hypotheses	Status
H1: Social media dependency has a significant influence on the purchase intention for beauty products in Selangor, Malaysia.	Supported
H2: Tie strength has a significant influence on the purchase intention for beauty products in Selangor, Malaysia.	Not supported

H3: Public-organization engagement has a significant influence on the purchase intention for beauty products in Selangor, Malaysia.	Supported
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From the result illustrated, social media dependency and public-organization engagement have significant influence on the purchase intention, while tie strength has no significant influence on the purchase intention.

Discussion and Conclusion

There is peer communication happening when there are two or more people who are sharing the similar interest. The brand perception can be influenced by peers (Dabrowski & Schivinski, 2015). This would influence the consumers' attitude and purchase intention toward the brand or organization (Men & Muralidharan, 2017). The research was focusing on the relationships between the independent variables, which are social media dependency, tie strength, and public-organization engagement, and dependent variable, which is peer communication. Creating individual public profiles, communicating with real-life friends, and meeting other people who have similar interests on social networking sites are global consumer phenomenon (Can & Kaya, 2016).

Finally, the influence of the public-organization engagement on the purchase intention of beauty products is determined to be significant in this research. Hollebeek, Glynn & Brodie (2014) state that one of the top important online marketing activities is consumer engagement. Usually, consumers have more trust in quality of the information available in the website (Kim & Park, 2013). Marketers need to have deeper understanding on the importance of peer communication and its influence on purchase intention. The findings from this research have shown that social media dependency and public-organization engagement are influencing the purchase intention.

Due to the sample size of this research is not big, and the findings of this research shall not be a complete illustration of the population in Selangor, Malaysia. In future research, a larger target population shall be targeted to participant in the questionnaire. The other marketing strategies in offline environment which might influence the purchase intention are not discussed in this research.

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