

## The Factors Of Counterfeit Beauty Products Purchasing Behaviour Among Women

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**Abstract:** In Malaysia, the beauty market is growing rapidly. However, there are people who gain profits by selling fake cosmetics. Consumers, especially women, still buy it although they aware that the cosmetics are fake. Thus, this study aims to investigate the behaviour of purchasing fake or counterfeit beauty products in women using the 4Ps of the marketing mix theory. This research also aims to identify among the 4Ps, which of the factor contributes the most to the counterfeit beauty products purchasing behaviour among women.

**Keywords:** counterfeit beauty products, product, price, place, promotion

### 1. Introduction

Beauty products and cosmetics are synonymous. According to the official portal of the Ministry of Health of Malaysia, cosmetic products are make-up products such as blushes, eye shadows and lipsticks to make beautify someone to look good. Cosmetic products at the level of regulatory control are defined as “any substance or preparation intended to be placed in contact with various external parts of the human body or with teeth and the mucous membranes of the oral cavity, with a view exclusively or mainly to cleaning them, perfuming them, changing their appearance and or correcting body odors and or protecting them or keeping them in good condition.” Hence cosmetic products also include soaps, shampoos and oral care products which are classified as personal care products. According to Doksil (2017), the cosmetics industry has grown all over the globe in both developed and developing countries. The development and growth of this industry provide more chances for those who are interested in promoting their cosmetic products in the business.

In Malaysia, the beauty market is growing rapidly. Department of Statistics Malaysia (as cited in Azmi Hassali et al., 2015) stated that Malaysians spend for about USD407 million on cosmetics and toiletries in the year 2013. Cosmetic products are usually available and sold to customers in supermarkets, hypermarkets, department stores, pharmacies or markets for personal care, direct sales or advertising and specialty shops.

Based on the website of the Ministry of International Trade and Industry (MITI) (quoted in Low, 2017), Halal cosmetics and personal care products have become Malaysia's fastest-growing consumer segment. In order to achieve high potential as a new source of economic growth, Malaysia with the highest Muslim population plays an important role in the production of Halal products and services. According to the director of the Halal Hub

Department of Jakim, Sirajuddin Suhaimee (as quoted in Low, 2017), Halal cosmetics and personal care products, including accessories, are approved under Sharia law and must meet certain conditions. Products must not contain any human parts or derived materials that are free of ingredients derived from animals that are prohibited by Muslim law for Muslims, or animals that are not halved, and that are free from GM Organisms (GMOs) are materials that have been declared as unclean (najis) materials according to Islamic practice.

Based on the official portal of the Ministry of Health of Malaysia, in order to market the cosmetic products in Malaysia, it must first be reported to the National Pharmaceutical Control Bureau (NPCB). Only registered products may be legally imported into the country or made for sale. Cosmetic products must contain only approved substances that are used within their permitted limits and conditions. The correct instructions for use of a cosmetic product must be clearly stated. Further to that, advertising for cosmetic products must comply with established guidelines.

The focus of this study is about the factors of counterfeit beauty products purchasing behaviour among women. The dependent variable of this study is purchasing behaviour of counterfeit beauty products. Meanwhile, this study focuses on the four independent variables that are product, price, place, and promotion.

## 2. Literature Review

Consumer purchasing behavior refers to the choice, purchase, use and disposal of goods, services, ideas or experiences by individuals, groups and organizations to meet consumer demand (Kotler & Armstrong, 2016). Kotler and Armstrong (2016) also indicated that the purchasing behavior concerns the decision-making processes and actions of individuals involved in the purchase and use of products, including social and mental processes. According to Khaniwale (2015), consumer behavior refers to all thoughts, feelings and actions of a person before or during the purchase of a product, service or idea. Buyer behavior is the term that refers to what a person purchases, why, how, when and where. The consequence of the purchaser's action is the judgment of the purchaser (Khaniwale, 2015).

Meanwhile, Lal (2016) defined counterfeit cosmetics or fake cosmetics as not the genuine brands of cosmetics that are designed to look like branded cosmetic products and able to trick consumers into buying what seems like a great bargain. According to Phau (as cited in Pintor, 2014), counterfeiting is copying production so it can be perceived as genuine products by consumers, while Bian and Moutinho (2011) stated that counterfeit products are those bearing a trademark that is identical to or indistinguishable from a trademark registered to another party and infringe the rights of the holder of the trademark.

There are several factors that influence customers' purchases. According to Kotler and Armstrong (2016), there are four main factors that influence consumer's buying decision. They are personal factors (age, occupation, lifestyle, economic situation, personality, and self concept), psychological factors (motivation, learning, perception, belief, and attitude), social factors (reference groups, family, roles, and status), and cultural factors (culture, subculture, and social class). Meanwhile, other than these four factors, Chakraborty (2017) stated that purchasing factors are also including economic factors (affordability), functional factors (needs, the logic, and fits in the best interest of the customer), and marketing mix factors (product, price, place, and promotion).

Based on past research relating to purchasing behaviour of counterfeit products by Ahsanul Haque (2009), the consumers' perception, social influence, personality or believe, price and economy contribute towards the purchasing of piracy products. A research by Basu et. al. (2015) found that the primary factors that influence a consumer's decision to buy

counterfeits are the influence of society and value for money. Meanwhile, a study by Abdul Rahman Zaharia et. al. (2016) proved that economic benefits, hedonic benefits, and social costs are the factors in purchasing counterfeit products. Besides that, ethical aspect in term of religiosity, ethical concern, and perception of lawfulness directly and indirectly affect consumers' behavioural intention to purchase counterfeit products (Farzana Quoquab, 2016). According to Singh and Bajwa (2017), factors in the purchase of counterfeit products are pricing, lack of awareness and knowledge, desire for showoff and social status among peers.

Nevertheless, there is lack of study that focuses on purchasing behaviour towards counterfeit beauty products because they are mostly about counterfeit products in general. Therefore, this study intends to investigate the factors of counterfeit beauty products purchasing behaviour among women by using purchasing behaviour of counterfeit beauty products as the dependent variable and the 4Ps of marketing mix which are product, price, place, and promotion as independent variables.

## 2.1 Marketing Mix

National In 1964, McCarthy proposed the 4Ps marketing mix as a tool to implement marketing plans (Bennett, 1997). Marketing mix is a compilation of tactical marketing tools that the company combines to achieve the desired response on the target market, according to Kotler and Armstrong (2016). The marketing mix is mainly composed of the 4Ps, which consist of product, price, location and advertising. Each of these four elements is significant and of equal value (Supaartagorn, 2017). Peter and Donnelly (2007) found that the marketing mix elements can influence consumers in many ways. The marketing mix will also affect the decision making of customers and contribute to a successful exchange. Therefore, if a company wants to sell its goods, it needs to create a good combination of the right product priced at the right price and the best advertising (Munusamy and Hoo, 2008).

There are a few past studies done by the researcher that are related to marketing mix and purchasing behaviour. Based on the past research by Nguyen et.al. (2015), researchers have confirmed a significant correlation between marketing mix variables and consumer buying behaviour. Payson and Karunanithy (2016) also found that the marketing mix and consumer buying behavior have a positive correlation. In addition, the results of a study by Supaartagorn (2017) showed that all aspects of 4Ps, including product, price, location and advertising, significantly influence consumer purchasing decisions. Therefore, the relationship between the marketing mix of product, price, location and advertising is positively related to buying behavior.

## 2.2 Product

Product is something that can be offered in the market for attention, purchase, usage or consume to fulfil the want and needs (Kotler and Armstrong, 2016). Product includes physical items such as car, shampoo bottle, lipstick, hand phone or others which have the same physical criteria. It also includes services, event, people, place, organisation, idea or the mixture of these things in the product. Services is also an intangible product which does not have any ownership (Kotler and Armstrong, 2016). Besides that, based on Kotler and Armstrong (2016), the factors to be taken into account by the manufacturer before producing a product which includes brand name, features, quality level, style and design, and packaging.

### 2.3 Price

Price refers to the total amount of money that is bill for the product or services, or a sum amount which being exchange with the customer for the transfer of ownership or usage of product or services (Kotler and Armstrong, 2016). Price plays as important role in creating the value to the customers and building up the customers' relationship. If compare to other element in the concept of marketing mix, price will be the only tool that can create revenue or income where as others are cost. Price is also the factor with the greatest flexibility. There are three main price strategy: price based customer, price based cost and price based competitiveness (Kotler and Armstrong, 2016).

### 2.4 Place

In the context of marketing, place is the process of transferring products from the manufacturers to the intended consumers (Martin, 2004). A company needs to build a suitable marketing platform that can meet its business purpose in order to operate and manage this operation. Kotler and Armstrong (2016) defined marketing channel as a set of interrelated organisation which can help in producing products and services available for the customers or consumers or for business user. As for the channel of distribution, there will be Third Party Company acting as a wholesaler, transporter, and retailer. These intermediaries' main task is to simplify the channel transaction by reducing the producer and consumer's total amount of working time.

### 2.5 Promotion

Promotion is a method of a company or a manufacturer in giving a proportional communication value to their customers to increase the customers' awareness about their product which in the end will boost the sales and brand loyalty (Kotler and Armstrong, 2016). The information and the activity in business promotion will give an impact towards the customer's buying decision. Again, based on Kotler and Armstrong (2016), company promotional mix (or marketing communication mix) is the promotion specific mixture being used by company to deliver customer value convincingly and to build customer relationship. Promotional tool for promotion activity includes advertising, sales promotion, personal selling, public relations and direct marketing.

## 3. Research Methodology

There are two research designs that will be used for this research, which are descriptive research design and causal research design or known as experimental design.

Under the descriptive research design, cross-sectional study will be used in this research. This research is meant to study for a specific demographic, which is a woman. Hence, the scope of this research is made to focus on women from three sections in Shah Alam which are in Section 7, Section 16, and Section 24. This research has a limited time period. Therefore, cross-sectional study is suitable to collect the data as it can be collected in a fast rate.

Causal research is a research approach in which the researcher studies the cause-and-effect relationship between variables in a study that assumes one variable affects another. The hypothesis is developed by examining the dependent variables and the independent variables

(Mukesh Kumar et al., 2013). A researcher can experiment with manipulating the hypothetical independent variables with the dependent variable and see the result in a well-founded conclusion based on the collected data.

The dependent variable for this research is the purchasing behaviour of counterfeit beauty products, along with the independent variables which is based on McCarthy's 4Ps of marketing mix; product, price, place and promotion. Hence, the research will be made to test if the independent variables are significant with the dependent variable.

#### 4. Findings

This study is able to support the Theory of Marketing Mix about the effect of purchasing counterfeit beauty product among women.

**Table 1:** Summary of the Research Questions and Hypotheses

| Research Question (RQ)   | Hypothesis Statement (H)  | Result  |
|--|---|---|
| RQ1:<br>What are the factors of counterfeit beauty products purchasing behaviour among women?  | H1: There is a significant relationship between product and purchasing behaviour.<br>H2: There is significant relationship between price and purchasing behaviour.<br>H3: There is a significant relationship between place and purchasing behaviour.<br>H4: There is no significant relationship between promotion and purchasing behaviour. | The hypothesis statement of H1, H2 and H3 are supported while the hypothesis statement of H4 is not supported.                          |
| RQ2:<br>Which of the factor that contributes the most to the effect of counterfeit beauty products purchasing behaviour among women? |   | Price (IV2) is the most factor that contributes the most to the effect of counterfeit beauty products purchasing behaviour among women. |

The first research objective is to investigate the factors of counterfeit beauty products purchasing behaviour among women. From the 4Ps, only product, price and place have a significant relationship with purchasing behaviour of counterfeit beauty products (DV) among women. As for promotion it has no significant with the DV.

The second objective of this research is to identify among the 4Ps, which factor contributes the most to the counterfeit beauty products purchasing behavior among women and price turn out to be the factor that contributes the most to the counterfeit beauty products purchasing behavior among women.

## 5. Results and Discussion

The first independent variable is the buying behavior of counterfeit beauty products. The result shows that the hypothesis (H1) is supported because the p-value for product (IV1) is 0.001, which is less than 0.05. There is therefore a significant link between the product and the purchasing behavior of counterfeit beauty products

The second independent variable is price towards purchasing behaviour of counterfeit beauty products. The statement of hypothesis (H2) is supported as the p-value for price (IV2) is 0.000 which is less than 0.05. The correlation between price and buying behavior of counterfeit beauty products is therefore important. Besides that, the Beta value for price (IV2) is the highest among the other factors. This indicates that price is the factor contributes the most to counterfeit beauty products purchasing behaviour among women.

The third independent variable is place towards purchasing behaviour of counterfeit beauty products. Through the regression analysis, the result shows that the hypothesis (H3) is also supported as the p-value for place (IV3) is 0.019 which is less than 0.05. This also means that there is a significant relationship between place and purchasing behaviour of counterfeit beauty products.

The fourth independent variable is promotion towards purchasing behaviour of counterfeit beauty products. From the result of the regression analysis, it is found that the hypothesis (H4) is not supported because the p-value for promotion (IV4) is 0.704 which is more than 0.05. This indicates that there is no significant relationship between promotion and purchasing behaviour of counterfeit beauty products.

## 6. Conclusion

This research presented the result of the study that there are only three independent variables that have significant relationship to counterfeit beauty products purchasing behaviour among women (dependent variable) which are product, price and place. Meanwhile, promotion has no significant relationship to dependent variable. Among the four independent variables, price is the factor that contributes the most to dependent variable, as consumers prefer counterfeit products than the original products because they are relatively a lot more cheaper.

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