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**A STUDY ON CUSTOMERS' BRAND LOYALTY TOWARD
DOMESTIC AND FOREIGN COSMETIC PRODUCTS**

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ABSTRACT

This project report represents a research about "Customers' Brand Loyalty toward Domestic and Foreign Cosmetic Products" in Kuching, Sarawak. The purpose of this study was to determine on how the customers in Kuching make their decision of which cosmetic products they are preferred in the market. The samples consist of 200 respondents that will be conducted at shopping complex in Kuching such as Spring, Parkson, Boulevard and Wisma Satok.

The findings of study revealed that most of respondents preferred to use foreign cosmetic products indicated by 66% rather than to use the domestic cosmetic products which is only 34%. Research finding also shown that good functional of product quality is very important in order to make customers satisfied indicated by 3.35 mean.

Lastly, the study has given several recommendation and future research at the end of the research.

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CHAPTER 1

1.0 INTRODUCTION

1.1 BACKGROUND OF THE STUDY

A brand is the product or service of a particular supplier, which is differentiating by its name and presentation, such as Estée Lauder and Maybelline for a cosmetic company. Many cosmetic company chains seek to create and fulfil the expectations of specific groups of customers. They want to leave their mark on a give field and set their imprints on a product or service. Brands introduce stability into businesses, help guard against competitive imitation, and allow consumers to shop with confidence in an increasingly complex world (Aaker, 1991). Once customers have make a decision about a brand and its associations, they are often loyal to that brand, continue to buy it in the future, recommend it to friends, and choose the product over others, even those with better features or lower prices (Assael, 1991). Brands are natural barriers to new competitors because branding reduces consumer risks associate with the purchase of products or services. Thus, they support premium prices and sustain increasing revenue because of the consumer tendency towards long-term brand loyalty (Ehrenberg, Celuch k. And Goodwin S., 1990).

Brand loyalty

Brand loyalty has been described as a behavioral response and as a function of psychological processes (Jacoby and Kyner, 1973). That is, brand loyalty is a function of both behaviour and attitudes. Repurchase is not sufficient evidence of brand loyalty – the purchasing practice should be intentional. Brand loyalty includes some degree of commitment toward the quality of a brand that is a function of both positive attitudes and repetitive purchases.

CHAPTER 2

2.0 LITERATURE REVIEW

2.1 Brand loyalty

There are many terms that can define what is brand loyalty. Generally, brand loyalty can be defined as the strength of preference for a brand compared to other similar available options. This is often measured in terms of repeat purchase behaviour or price sensitivity (Brandchannel.com, 2006). However, Bloemer and Kasper (1995) defined true brand loyalty as having six necessary conditions which are: 1) the biased (i.e. non-random); 2) behavioral response (i.e. purchase); 3) expressed over time; 4) by some decision-making unit; 5) with respect to one or more alternative brands out of a set of such brands; and 6) a function of psychological processes.

Moreover, true brand loyalty exists when customers have a high relative attitude toward the brand exhibited through repurchase behaviour. This type of loyalty can be a great asset to the firm: customers are willing to pay higher prices, may cost less to serve and can bring in new customers to the firm (Reichheld and Sasser, 1990). The brand loyal consumer does not attempt any kind of attribute evaluation but simply chooses the familiar brand on the basis of some overall positive feelings towards it. This overall positive evaluation stems from past experience with the particular brand under consideration. Amine (1998) in her literature distinguishes two main approaches to define the loyalty construct: the behavioral one suggests that the repeat purchasing of a brand over time by a consumer expresses their loyalty, and; the attitudinal perspective which assumes that consistent buying of a brand is a necessary but not sufficient condition of 'true' brand loyalty and it must be complemented with a positive attitude towards this brand to ensure that this behaviour will be pursued further. Hence, brand loyalty is a function of both behaviour and attitudes. It is a consumer's preference to buy a particular brand in a product category. It occurs because consumers