An Overview Of Online Purchase Intention Of Halal Cosmetic Product: A Perspective From Malaysia

Roszi Naszariah Nasni Naseri¹, Maryam Mohd Esa², Norlela Abas³ Nurul Zamratul Asyikin Ahmad⁴ Rafidah Abd Azis⁵ Mohd Norazmi bin Nordin⁶

¹Faculty of Technology Management & Technopreneurship, Universiti Teknikal Malaysia Melaka and Universiti Teknologi MARA Melaka, Malaysia
Email: roszinasi@gmail.com
²Universiti Islam Melaka, Malaysia
³Universiti Teknologi MARA Melaka, Jasin Campus, Malaysia
⁴Universiti Teknologi MARA Melaka, Alor Gajah Campus, Malaysia
⁵Universiti Teknologi MARA Melaka, Alor Gajah Campus, Malaysia
⁶Cluster of Education and Social Sciences, Open University Malaysia

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Abstract

The purpose of this paper is to provide an overview on online purchase intention of halal cosmetic product among consumers in Malaysia. A total of 400 questionnaires were distributed to experienced online shoppers across different age groups, using purposive and convenient sampling techniques. Data obtained was analysed by using SPSS. The result showed that majority of respondents are female and malay, aged range 21-30 years and had a diploma. Employment status is from the private sector and the monthly income is around less than RM2000 and has 1 - 2 years experienced as online shoppers. The results is beneficial for internet retailers to serves as a guidelines to cater and target their customers well.

Keywords: Overview, Online Purchase Intention, Halal Cosmetic, Malaysia.

Introduction

Intention to purchase is the desire to purchase a particular product or service within a given term of time. The consumer's willingness to buy from an e-commerce company (Ling et al., 2010) also has consequences in online purchasing intention. Consumers are more likely to visit an online shopping site with the intention of buying if they have knowledge and familiar with e-commerce businesses (Forsythe and Shi, 2003; Gefen and Straub, 2004; Sin et al. 2012). Knowledge of e-commerce means that consumers can understand what is happening and why and what will happen next (Gefen and Straub, 2004; Cheng et al. 2019; Wang et al. 2020).

The intention to purchase represents what consumers believe they will buy to satisfy their needs and wants in future (Blackwell et al. 2001). However, the purpose of consumers can change because of unforeseen circumstances. It is therefore vital for companies to take proactive measures to ensure their products and services are viewed positively by their consumers (McDaniel et al. 2006). The purchasing intentions of consumers are often dependent on the marketing strategy, their attitudes and how much they care about the deals made by a particular business (Wong and Tang, 2008). Hence, it is an obvious call for online companies to meet consumer demand to improve purchasing intentions (Forsythe and Shi, 2003) because organizations must comply with consumer requirements and standards.
According to studies by Pavlou (2003) as well as Kim and Lennon (2008), the significant predictor of actual shopping is the desire to shop online. Hence, for online shopping companies to be able to reach the actual purchase target, they must first ensure that their customers have intention to buy online (Lee et al. 2015). Customers’ real purchase behaviour is dichotomous because customers do or do not have to purchase the product (Lee et al. 2015).

While the intention is a prerequisite for making a buy, the intention of a customer is not necessarily followed by the action (Moghavvemi et al. 2015). However, expectations are not relevant enough to predict actual conduct, such as a transaction (Bhattacherjee and Sanford, 2009). This phenomenon is therefore called a gap between intention and behaviour and can be defined as a difference between behavioural intentions and actual behaviour (Bhattacherjee and Sanford, 2009). The various characteristics of consumers’ attitudes are viewed as a reason for the discrepancies (Bhattacherjee and Sanford, 2009). Since purchasing can be calculated only by actual sales figures, researching consumer intention is viewed as an acceptable way to understand the attitudes and feelings of customers towards a potential buy (Moghavvemi et al. 2015). This study focuses, therefore, on the buying intentions of rising reality.

Purchase intentions within an online environment may differ significantly compared to traditional sales channels, such as physical stores (Rodríguez and Fernández, 2017). Therefore, in achieving the objective of this study, it is important to understand consumers’ purchase intentions within e-commerce settings. This can be explained by the fact that a certain level of knowledge or resources is needed to navigate through the internet on a computer or other smart devices (Shim et al. 2001).

When it comes to online purchasing, consumer products can be divided into different types. Previous study has proved that convenience products are frequently bought by consumers without any great effort in searching or comparing being done by the consumers before the actual purchase is made (Poon and Joseph, 2000). Compared to other product categories, shopping goods are products which are related to more information searching and comparison (Poon and Joseph, 2000; Choshin & Ghaffari, 2017). Therefore, this category seems to be most suitable to be bought online from the consumer’s perspective. For this study, consumer shopping goods have been identified as the product category of interest, as shopping goods are most likely to be purchased online, compared to other product groups (Statista, 2018). This is due to the easy access to product information online, as the collection of data is especially vital for shopping goods (Zhai et al. 2017) such as cosmetic products. Thus, the main objective of this study is to provide an overview regarding online purchase intention among consumers in Malaysia halal cosmetic industry.

Literature Review

Overview of Consumer Behaviour in using Online Shopping in Malaysia

Analysis of consumer behaviour is a major factor in online business success. Online shopping is currently experiencing what can be described as flourishing in the economic growth where it is also regarded as an associated benefit of e-commerce. The rapid development of this basic business idea has attracted consumers and vendors worldwide (Tsai et al. 2011). The internet offers different services, such as knowledge and products, collects market research data, promotes services and commodities, facilitates the online ordering of merchandise and provides a competitive and flexible new channel for retailers and consumers (Doherty and Chadwick, 2010).

Online shopping ranks 11th among the top 15 factors for Malaysia's access to the internet where the consumers are most likely to purchase products such as toiletries, pharmaceuticals, cosmetics and services like finance and investment industry based on the Malaysian Communication and Multimedia Commission, 2017. Cosmetics and personal care products are rated as one of the most important and fastest-growing markets. This is evidenced by the fact that Muslim customers, are detected to spend $26 billion on cosmetic consumption, which is forecasted to grow to $39 billion in 2018 (State of Global Islamic Economy, 2013).

Intention to buy is an important tool used to predict the procurement process (Jaafar et al. 2015). The intention to purchase means that consumers choose to buy a product or service because they consider to purchase it or even because they have an attitude towards the product and the
appreciation of the product. In other words, after the product has been tested, the buyer decides that the product is worth buying, hence the buyer can repurchase the product (Jaafar et al. 2015). Therefore, the reason why consumers purchase halal products is related to the desire of consumers to buy certain halal products offered in the market. At times, the intention to buy halal products is used to define a customer's degree of religiosity (Awan et al. 2015; Haque et al. 2015). The first online beauty shop in Malaysia to sell exclusively halal-certified beauty products is called Pretty Suci, who markets their halal brands and ships the products out internationally. This brand name paved the way for halal beauty products to be more globally accessible (Ng, 2017). However, it is also interesting to note that the global cosmetic industry is dominated by non-Muslims (Bilgin and Nakata, 2016; Zaidun and Hashim, 2019).

Methodology

The study employed surveys as the medium to collect data. A survey is best suited for studies that have people as the unit of analysis (Bhattacherjee, 2012). The respondents are consumers who have purchased any products online before. Based on the criteria, a total of 400 persons were purposely selected and used as samples for this study. They are assumed to have first-hand knowledge of the subject matter. Thus, a purposive sampling technique was employed in this study. The purposive sampling technique, also called judgment sampling, is the deliberate choice of informant due to the qualities the informant possesses. It is a technique in which an expert or experienced researcher selects the sample based upon some appropriate characteristics of the sample members. Besides, convenience sampling was also used for the purpose of this study in order to obtain those units or people most conveniently available. In essence, this sampling method allows researchers to use a sample that is convenient to obtain besides involving only those that agree to participate. The SPSS approach was employed to analyze the descriptive findings in this study.

Analysis and Discussion

Respondents’ Profile

The profile of the consumers who responded to the questionnaire is presented in this section. The consumers who took part in this survey consist of 400 persons in which 73.5 per cent (n = 294) of the consumers are female, while 26.5 per cent (n = 106) of the consumers are male. Table 1 illustrates the demographic profile of the consumers in Malaysian. Majority of the consumers are age (n = 138) is between 21 – 30 years old which consists of 34.5 percent, while 31.25 percent is below 20 years old (n = 125), 21.25 percent is between 31 – 40 years old (n = 85) and 13 percent is 41 – 50 years old (n = 52). Majority of the consumers who responded to the survey have diploma academic qualification (43.75 percent, N = 175), second highest have bachelor degree (27.25 per cent, N=109), third, secondary school (22.75 per cent, n=91) and lastly, master degree (6.25 per cent, n = 25).

As far as the race is concerned, almost all of the respondents are Malay (90 per cent, n = 360), Chinese (5.25 per cent, n = 21), Indian (1.5 per cent, n=6) and others (3.25 per cent, n = 13) such as Bajau, Iban, Kadazan, Kelabit and Sikh. Out of the 400 respondents who completed the survey, 29.25 per cent (n = 117) of them are unemployed, 27.5 per cent (n = 110) are working in the private sectors, 17.25 per cent (n = 69) work in the government, 15.75 per cent (n = 63) are in other categories such as student. 9.25 per cent (n =37) are self-employed and 1.0 per cent (n =4) are employers. In terms of monthly income, 57.25 per cent (n = 229) of the consumers have less than RM2000 income per month, 24 per cent (n = 96) of them earn between RM2001 – RM4000 per month, 9.5 percent (n =38) has RM4001 – RM6000 while the rest of 9.25 per cent (n = 37) of them have monthly income between RM6001 – RM8000.

All of the consumers who participated in this study have experience purchasing products from online shopping websites. Majority of them have been buying products from online shopping platforms for 1 to 2 years (39.75 per cent, n=159), 3 to 4 years (30.75 per cent, n=123), 5 to 6 years (20.75 per cent, n=83) and more than 7 years (8.75 per cent, n =35).

The consumer’s demographic data as shown in Table 1 demonstrate that the feedback of consumer attitude towards online purchase intention was received from various levels of consumers - young and adult consumers. The feedback received from the range of consumers could help in generating accurate conclusions of the consumer attitude towards online purchase intention provided
by the consumers themselves. Changes to these attitudes depend on the environment they go through (Aminah et al., 2021; Azlisham et al., 2021; Firkhan et al., 2021; Roszi et al., 2021; Ishak et al., 2021; Een et al., 2021; Saadiah et al., 2021; Yusaini et al., 2021). In addition, leadership also exerts influence on consumer behavior (Norazmi et al., 2019; Norazmi, 2020; Fauziyana et al., 2020; Zaid et al., 2020; Fauziyana et al., 2021; Zaid et al., 2021).

Table 1: Demographic and Profile Details of Samples

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender (n=400)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>106</td>
<td>26.5</td>
</tr>
<tr>
<td>Female</td>
<td>294</td>
<td>73.5</td>
</tr>
<tr>
<td>Age (n=400)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below 20 years old</td>
<td>125</td>
<td>31.25</td>
</tr>
<tr>
<td>21 – 30 years</td>
<td>138</td>
<td>34.5</td>
</tr>
<tr>
<td>31- 40 years</td>
<td>85</td>
<td>21.25</td>
</tr>
<tr>
<td>41 – 50 years</td>
<td>52</td>
<td>13</td>
</tr>
<tr>
<td>Academic (n=400)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secondary School</td>
<td>91</td>
<td>22.75</td>
</tr>
<tr>
<td>Diploma</td>
<td>175</td>
<td>43.75</td>
</tr>
<tr>
<td>Bachelor’s degree</td>
<td>109</td>
<td>27.25</td>
</tr>
<tr>
<td>Master’s degree</td>
<td>25</td>
<td>6.25</td>
</tr>
<tr>
<td>Race (n=400)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malay</td>
<td>360</td>
<td>90</td>
</tr>
<tr>
<td>Chinese</td>
<td>21</td>
<td>5.25</td>
</tr>
<tr>
<td>Indian</td>
<td>6</td>
<td>1.5</td>
</tr>
<tr>
<td>Other</td>
<td>13</td>
<td>3.25</td>
</tr>
<tr>
<td>Employment status (n=400)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employer</td>
<td>4</td>
<td>1.0</td>
</tr>
<tr>
<td>Government</td>
<td>69</td>
<td>17.25</td>
</tr>
<tr>
<td>Private</td>
<td>110</td>
<td>27.5</td>
</tr>
<tr>
<td>Self Employed</td>
<td>37</td>
<td>9.25</td>
</tr>
<tr>
<td>Unemployed</td>
<td>117</td>
<td>29.25</td>
</tr>
<tr>
<td>Others</td>
<td>63</td>
<td>15.75</td>
</tr>
<tr>
<td>Monthly income (n=400)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than RM2000</td>
<td>229</td>
<td>57.25</td>
</tr>
<tr>
<td>RM2001 – RM4000</td>
<td>96</td>
<td>24</td>
</tr>
<tr>
<td>RM4001 – RM6000</td>
<td>38</td>
<td>9.5</td>
</tr>
<tr>
<td>RM6001 – RM8000</td>
<td>37</td>
<td>9.25</td>
</tr>
<tr>
<td>Have you ever purchased from an online shopping website (n=400)?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>400</td>
<td>100</td>
</tr>
<tr>
<td>No</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>How long have been making online purchases?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 – 2 years</td>
<td>159</td>
<td>39.75</td>
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<tr>
<td>3 – 4 years</td>
<td>123</td>
<td>30.75</td>
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<tr>
<td>5 – 6 years</td>
<td>83</td>
<td>20.75</td>
</tr>
<tr>
<td>7 – 8 years</td>
<td>15</td>
<td>3.75</td>
</tr>
<tr>
<td>9 – 10 years</td>
<td>14</td>
<td>3.5</td>
</tr>
<tr>
<td>11 year and above</td>
<td>6</td>
<td>1.5</td>
</tr>
</tbody>
</table>
Conclusion

Advances in technology have led to an increase in the use of online shopping where it has become an important necessity nowadays. While the concept of trust is very important in making online purchases, this study provides an overview and able to serves as a guidelines for online marketers to cater and target their customers well. It is evidenced that the finding of this study can assist business owners in identifying the segment of their customers. Segments for specific products may be designed for better market outcomes and can also assist business owners to improve the design on their online shopping websites. For instance, awareness and knowledge sessions can be conducted with “customers who have less experience in making online purchases” group to develop their trust which can finally lead to positive online purchase intentions. Therefore, as for future research it is suggested to study the factors that influences online purchase intention of halal cosmetic products.

Acknowledgement

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