The Influence of Quality on Consumers’ Purchase Intention between Local and Multinational Cosmetic Firm

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Abstract
The main aim of the study is to identify the influence of quality in customers’ buying decision toward choosing between local brands and multinational brands. Students from school, college, university have taken as respondents based on stratified cluster sampling technique. Primarily, Stem-and-leaf Test and Q-Q Bloxplot have been directed that determine the normality of study data. Then Sharpio-Wilk Test is used to observe Homogeneity of Variance. Finally, Group Statistics and Levene’s Test of Equality of Variance has been conducted to identify the mean percentage of both local and multinational firm as well as to determine the role of quality in purchase decision making between local and multinational cosmetic firm and interpret the results. The finding from this study is quality as an influential buying behavior helps customer to select multinational firms when they purchase cosmetic product. Moreover, customer avoid buying of local cosmetic products because of quality.

Keywords: Quality, Buying Behavior, Local Cosmetic Firm, Multinational Cosmetic Firm

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Introduction
Cosmetic industry is developing thoroughly in last couple of decade sand as industrial sectors contributed to grow the economy of Bangladesh. In recent time, this industry faces fierce competition and challenges due to globalization. Globalization is an unpredictable trend that is driving the whole world to end up all-inclusive markets for becoming a worldwide town. The growing pattern of globalization and technological advancement in transportation and communication enables the consumers to access and be exposed to a large variety of products and services from different countries (Shehrin Ahmed, 2014). Within the same product category some consumers have different perceptions and attitudes towards global and local brands (Herche, 1992). Thus, with progressive changes occurring in cosmetic products over different brands, consumers can never be positioned themselves in particular product.
In Bangladesh, local cosmetic firms are not able to adapt these changes as a result they shows less appeal when contrasted with the profitability of global brands. Moreover, local cosmetic organization spend much money to improve their product, make more demand to the consumers but they have failed to capture the market where multinational cosmetic brands have occupied large share of market. Furthermore, local firms have taken lots of marketing strategies like pricing, advertisement, personal and mass communication to grow up their market.

However, nothing work suitable for the competition with foreign companies in Bangladesh. Local brands cannot compete with multinational brands from the most recent years. Because, customers are attracted with the quality in which they analyses the product and this factor inspire them to buy it. The industry of cosmetic is reasonably related with the skin care business as customers have the profound knowledge about their beauty and the style inclining at particular time. Peoples’ want to look decent and be worthy in the place where they live in significantly impacts them to purchase the cosmetic products. Purchase intention is a decision plan to buy a particular product or brand created through a choice/decision process (American Marketing Association, 2016). Purchase intention of consumer is typically influenced by certain components which incorporate social life, household and brand value. Then again brand consciousness likewise causes the consumer to purchase a specific product. For this reality, cosmetic industries concentrates on ensuring quality of the product. Consumers normally identify the superiority and differentiation of particular brands through the performance quality and that encourage them to select that brands over the competing brands (McConnell, 1968; Yoo, Donthu N & Lee, 2000). This study likewise put light on quality as comparable factor which can impact the purchasing behavior of the customers, for example, ways of life, buying power, innovation, and level of income.

Brands view and purchasing practices for the most part varies from customer to customer. So it is critical to discover the consumer purchase behavior. Consumer behavior is defined as the behavior that consumers show in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs (Shiffman and Kanuk, 2010). However, customers purchase the cosmetic product by considering the perceived quality which is ensured mostly by the foreign firms. The awareness of the quality, familiarity with the product and buyer sentiment drives the purchasing choice of customers. Quality causes the organization to make the responsiveness in their customers and fixings the expectation of desired cosmetic product that shape the impression of the consumer either in the positive or in a negative manner.

Some cosmetic industries with local and multinational brand conducted their business by focusing on this market segment in Bangladesh. Students who are from educational institutions treated as young consumers, are well aware of skincare products and they create significant consumer market segment for cosmetic products. Young people whose age ranges from 10 years to 24 years were 47.6 million or 30% of the total people (158.5 million) of Bangladesh (UNFPA, 2014). Cosmetic market segmentation has high tendency to allocate the proportionate part of overall income on cosmetics. It indicates that quality is the key factor to consumers of a feasible segmentation of cosmetic market. There are lots of consumer products that have been offered by different local and global organizations. But, local firms are lagging far behind the foreign firms in case of selling products in Bangladesh. Therefore, this study basically assesses the superiority of quality as a mediating role which shape the purchase intention and gives the profound knowledge of selecting toward local cosmetic brands and multinational cosmetic brands. It also
investigates the elements of buying motives from which quality acts as crucial part in changing buying behavior of customers. In line with these, several sub objectives have been taken into account which are to find out the buying influence of quality on consumers belongs to cosmetic brands between multinational companies and local companies, to compare the influence of quality in making purchase decision between multinational companies and local companies, and to provide comprehensive framework for the local firms in order to compete and sustain in future in Bangladesh.

Though, it is not possible to compare between local and multinational cosmetic brands by taking all cosmetic goods as some cosmetic products have found only as local brand where some are found multinational brand. Nevertheless, all products are not used by consumers in all seasons in Bangladesh. In line with, one product namely body cream among all the cosmetic products are being considered for this study. Almost all the shopping outlets and markets are providing this product line through focusing on young consumer market. Numerous studies analyzed effects of product-related attributes on consumers' quality perceptions (e.g., Monroe & Dodds, 1988; Olson, 1977). The effect of third-party rating on quality perceptions was examined by Akdeniz, B. et.al. (2013). In Bangladesh, very few studies have been conducted on cosmetic industries. There is no study that identifies particular buying motive of cosmetic products. Most of the studies are involved with the contribution of advertisement to purchase behavior of consumers. Nonetheless, these studies have been investigated on female users of cosmetic products. There is also found no study in particular cosmetic product. Besides, price and ethnocentrism issues on consumers’ decision making are also found on cosmetic industry where no comparison between local and foreign cosmetic firm is done in view of particular buying behavior. Besides, data is not available to generalize such kind of information and it has yet received attention from the marketers as well as academicians. Thus, this study is needed to increase understanding the role of quality in buying cosmetic product and comparing between local and multinational cosmetic firms to generate information which can help them both to attain long run success in domestic and foreign market.

Cosmetics

Cosmetics have been used for thousands of years; use of cosmetics can be traced back to ancient times, including the Egyptian, Greek, and Roman eras (Kumar, Massie, & Dumonceaux, 2006). According to U.S. Food and Drug Administration (FDA, 2016), the Federal Food, Drug, and Cosmetic Act defines cosmetics by their intended use, as articles intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body for cleansing, beautifying, promoting attractiveness, or altering the appearance. In recent decades, the cosmetic industry has expanded rapidly, in keeping with dramatic growth and aggressive consumption in the Asian, Eastern European, and South American markets (Kumar, 2005). The market of Bangladesh as an Asian country is not exception in this growth and for the consumption. Cosmetics, especially beauty creams and lotions are used regularly by a high proportion of ladies and gents having swarthy appearance (Amran, et. al. 2011). According to the Bangladesh Cosmetics and Toiletries Manufacturers Association (BCTMA) cited by (Amreen, January 26th, 2019), in the last 15 years the cosmetic industry market has experienced a compound annual growth rate of 10%. Add to that the increasing demands from the burgeoning middle class, and we have a staggering Tk150bn annual turnover, as of 2015.
Quality of Product
According Kotler and Armstrong (2010), a product is the key element that brings up customer value in market offering. Products are more than just tangible items not only that inclusive of service features, design, performance quality, brand name and packaging. The quality of product has a significant impact on the product or service performance, thus it is linked to a customer’s value and satisfaction. Product quality is a key factor in assessing purchase intention. It is a continuous process of improvement that the continuous changes increase product performance and consequently the satisfaction of customers’ needs. Quality should be improved every moment (Tariq et al., 2013). Moreover, Zeeshan (2013) indicated that quality is an important tool for creating competitive advantage. Chi et al. (2008) states that purchasing intention of customers depends upon the product quality and it has a significant impact on it.

Madahi and Sukati (2012) describe that the purchase intention has become complicated and significant in recent era. In this case, quality of product plays significant role in considering purchase intention. Desai (2014) says, consumers are found to be more quality conscious for purchasing cosmetic products because they patiently wait for the brand during non-availability. Alhedhaif (2016) conferred if a product fulfills the customer’s expectations, the customer will be pleased and consider that the product is of acceptable or even high quality. If his or her expectations are not fulfilled, the customer will consider that the product is of low quality. This means that the quality of a product may be defined as “its ability to satisfy the customer’s needs and expectations”. Accordingly, Russell and Taylor (2006) explains product quality encompasses the features and characteristics of a product or service that bears on its ability to satisfy stated or implied needs. Quality is divided into two categories, such as product quality and service quality. Product quality is defined as “fitness for use” or “conformance to requirement” (Khraim, 2011).

Purchase Intention of Consumers
Previous studies have shown that price is an important variable, but other variables such as product and service quality are important in the process of customers’ purchase decision (Giovanis et al., 2013). Purchase intention is a kind of decision making that studies the reason to buy a particular brand by consumer (Shah., et. al., 2012). In addition, consumers are affected by internal or external motivations during the buying process (Gogoi, 2013). Also, there are several factors that influence consumers before purchasing a cosmetic product like quality, price, loyalty, recommendation, advertisement and ethnocentrism (Aldhaini & Ali, 2019). This study focuses only quality issues in buyer decision making process of cosmetic product.

In this era, customers are targeted by mass media and they have the forces to change the consumers' way of thinking through emotions, needs, wants and demands. Market scholars and organizations are conducted adequate number of studies and spent billions of dollars on consumer research to identify important factors that influence on consumer decisions. The analysis of consumer behavior is effective in detecting the orientation of consumers’ behavior (Thapa, 2011). Consumer's behavior means study of habits which are related to choices, buying, consumption, or withdrawing in terms of fulfilling needs and motives (Solmon, 2013), the consumer behavior including interaction between thoughts, feelings and behavior of human and environment. In consumer studies, marketing research, and other business disciplines, literature investigations can also provide insights into the specific journals’ contributions to the field as well as the specific published works (Sattari,
Loudon and Della Bitta (1984) illustrated that “The Consumer behavior is the decision process and physical activity which the individuals engage in evaluating, acquiring, using or disposing of goods and services”. According to Reader’s Digest surveys cited by (Rai, 2013), there are several national brands that have remained strong in the face of the power of the large multinationals. These are national brands that are either old or include important national values in their advertising or both. Advertisements play significant role in shaping the behavior of consumer. Advertisements are the source of motivation and building trust which forces them to buy a particular product (Bleier & Eisenbeiss, 2015; Islam, et al, 2018). Consumer is induced significantly if he or she is looking for the quality and prices by the advertisement of the products.

On the other hand, Hemanth Kumar., et.al. (2014) studied factors influencing consumer buying behavior in cosmetic products. They found that quality and price are the most important factors which can influence consumer buying behavior. Although, Huddleston et al. (2001), Woodruff et al. (1998) shown that consumers are buying products based on the price and quality, and to a lesser degree, on the country of origin. In general, when assessing particular products, consumers use intrinsic indications such as style or material along with extrinsic indications such as price or brand, as indicators of quality. Anute, Deshmukh and Khandagale (2015) used nine variables to study consumer purchasing behavior of cosmetic products. The variables include price, packaging, celebrity, fashion, availability, brand, quality, promotion, peer/family influence. The results showed that most of the people take quality as the most important factor to purchase cosmetic product and packaging as the least important factor for purchasing cosmetic product.

Materials And Methods
For this study, stratified cluster sampling by Sharma. A., et. al., (2013)is used to collect data hence it was possible to collect young generation cosmetics users. Two major divisions (Rajshahi and Rangpur) in Bangladesh are considered for demographic coverage. Cities are chosen because in country side people rarely use skincare products mostly for poverty. Data collected over an age divided into three age groups range of 14 to 17, 18 to 21 and 22 to 25. Data was collected from various schools, colleges and universities from two divisions as homogenous segmentation of market. The size of sample is 1167. The following table1 shows data sampling according to method in different age categories.

<table>
<thead>
<tr>
<th>Age</th>
<th>Rajshahi</th>
<th>Rangpur</th>
</tr>
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<tbody>
<tr>
<td>14-17</td>
<td>195</td>
<td>194</td>
</tr>
<tr>
<td>18-21</td>
<td>195</td>
<td>194</td>
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<tr>
<td>22-25</td>
<td>195</td>
<td>194</td>
</tr>
</tbody>
</table>

First questionnaire was open ended question to see if samples are able to write their reasons or buying motives clearly and whether it covers our considered options mostly. After ensuring it does conduct one pilot study with options and an extra space for different opinion for the feasibility of large scale data collection. Whether the samples understand and able to point out in the exact slots they meant to in questionnaire are tested. When satisfying result in questionnaire is found effectiveness then final data collection is started.

In this manner, three local cosmetic brands are found along with six buying motives namely quality, price, loyalty, recommendation, advertisement, and ethnocentrism. On the other side, six multinational cosmetic brands are found accompanied by five buying intensions namely quality, price, loyalty, recommendation, and advertisement.
Moreover, data collectors went to the classrooms and gave a lecture to make students understand the questionnaire then they distributed the papers. They were present while samples were filling up so if samples have a problem or questions they can ask the collector. This way over a year 1167 samples of data are collected so that the collected data have become more reliable.

After getting age and city wise data, the collected responses are converted into percentage with regard to comparing between them. Those buying motives are skipped which are less than one percentage. Then separate them into MNC brand and local brand users because of comparison which is shown in table 2. As this study focuses only the quality issues so percentages of quality between all MNC cosmetic brands and Local brands are being considered. Then, Sharpio-Wilk test is used to measure the normal distribution of data. Finally, Stem-and-Leaf Technique and Q-Q Boxplot are conducted to validate the results of Levene’s Test of Equality of Variance through using mean percentage.

Table 2. Respondents’ Distribution as per MNC and Local brands with buying motives

<table>
<thead>
<tr>
<th>Name</th>
<th>Quality</th>
<th>Price</th>
<th>Loyalty</th>
<th>Recom.</th>
<th>Add.</th>
<th>Ethno.</th>
<th>Total</th>
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<tbody>
<tr>
<td><strong>MNC Brands</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Ponds</td>
<td>112</td>
<td>37</td>
<td>30</td>
<td>08</td>
<td>10</td>
<td>0</td>
<td>197</td>
</tr>
<tr>
<td>Dove</td>
<td>75</td>
<td>09</td>
<td>18</td>
<td>03</td>
<td>07</td>
<td>0</td>
<td>112</td>
</tr>
<tr>
<td>Vaseline</td>
<td>99</td>
<td>31</td>
<td>38</td>
<td>06</td>
<td>12</td>
<td>0</td>
<td>186</td>
</tr>
<tr>
<td>Nivea</td>
<td>63</td>
<td>11</td>
<td>09</td>
<td>02</td>
<td>06</td>
<td>0</td>
<td>91</td>
</tr>
<tr>
<td>Boro Plus</td>
<td>45</td>
<td>21</td>
<td>03</td>
<td>04</td>
<td>09</td>
<td>0</td>
<td>82</td>
</tr>
<tr>
<td>J &amp; J</td>
<td>52</td>
<td>23</td>
<td>13</td>
<td>03</td>
<td>02</td>
<td>0</td>
<td>93</td>
</tr>
<tr>
<td><strong>Local Brands</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Meril</td>
<td>44</td>
<td>37</td>
<td>20</td>
<td>01</td>
<td>02</td>
<td>02</td>
<td>106</td>
</tr>
<tr>
<td>Cute</td>
<td>72</td>
<td>55</td>
<td>08</td>
<td>02</td>
<td>13</td>
<td>05</td>
<td>155</td>
</tr>
<tr>
<td>Revive</td>
<td>75</td>
<td>37</td>
<td>03</td>
<td>03</td>
<td>23</td>
<td>04</td>
<td>145</td>
</tr>
</tbody>
</table>

**Results And Discussion**

It’s to be analyzed that whether mean percentage of buyer triggered by the quality of the products of multinational brands are any different than mean percentage of buyers triggered by the quality of the products of local brands. So, it is needed to assess the mean difference between the two sectors.

![Figure 1: Q-Q Box Plot for Quality of MNC](https://rpajournals.com/jibm)

![Figure 2: Q-Q Box Plot for Quality of Local Firm](https://rpajournals.com/jibm)
Firstly, it is tested that whether there are any significant outliers in data. Stem-and-leaf technique used to determine any extreme value. After running the test, no outlier is found. Q-Q Boxplot (shown in figure 1 and figure 2) is also used to see whether any out of the collected values comes in sight. By applying these two techniques, it is concluded that there is no significant outlier that can severely tamper the outcome of t test.

Another assumption is the data is approximately normally distributed. There are several techniques to test that but Sharpio-Wilk Test is used to test here. Hence, the calculated p value for both quality of MNC and quality of Local Firm is greater than 0.05 (p>0.05). Therefore, it could be said that it is approximately normally distributed.

<table>
<thead>
<tr>
<th>fact</th>
<th>Shapiro-Wilk Test for Normality</th>
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<tbody>
<tr>
<td></td>
<td>Statistic</td>
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<tr>
<td>Quality-MNC</td>
<td>.820</td>
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<tr>
<td>Quality-Local Firm</td>
<td>1.000</td>
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Moreover, one more assumption is the variance of the two groups to be measured equal. Levene’s Statistics is used to test the homogeneity of variance and the calculated p value is greater than 0.05 (p>0.05) shown in table-3. Hence, it could be considered as they are homogeneous.

Consequently, Independent Sample Test are conducted to determine if there are difference in between mean percentage of buyers who chose multinational brand’s cosmetics for quality and mean percentage of buyers who chose local brand’s cosmetics for quality. There is no outlier in the data, as assessed by the inspection of Boxplot. Table-4 shows that, engagement score for each level of buyer percentage were normally distributed as assessed by the Shapiro-Wilk Test (p>0.05). Homogeneity of Variance was not violated, as measured by the Levene’s Test of Equality of Variance (p=.271) found in table-5.

<table>
<thead>
<tr>
<th>fact</th>
<th>Group Statistics for quality of MNC and Local Firm</th>
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<tr>
<td></td>
<td>N</td>
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<tr>
<td>freq</td>
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<tr>
<td>Quality-MNC</td>
<td>6</td>
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<tr>
<td>Quality-Local Firm</td>
<td>3</td>
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<table>
<thead>
<tr>
<th>freq</th>
<th>Independent Samples t Test</th>
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<tr>
<td></td>
<td>Levene’s Test for Equality of Variances</td>
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<td></td>
<td>F</td>
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<td>1.429</td>
<td>.271</td>
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</table>

From the table-5, analysis indicates the percentage of buyers who chose multinational brand’s cosmetics for quality is more engaging (M=59.51, SD=6.79) than the mean percentage of buyers who chose local brand’s cosmetics for quality(M=46.56,SD=5.10), which is statistically significant and difference, M=12.94, at 95% confidence interval. Likewise, the value of t (7) is2.879 with significant level of 0.024 which is less than 0.05 (p<0.05). Thus, it is proved that consumer intention toward buying MNC cosmetic product than Local firm is mostly depends on quality.
There are several significant discoveries found in analysis. The most influential buying motive propelling for multinational brand’s cosmetics is quality, which is the sole cause of locking more than half of its consumers, followed by local firm’s cosmetics product which are reckoned to be comparable. Quality has the highest impact on locking the local brand’s customers too and almost half of them. But unlike national brand quality is indeed a vital factor hence it draws almost the attention of the consumers toward multinational company. So, quality is espied to be unique and considerable buying motive for local brands which only they can exploit, as it stood the lone reason.

As the concern was which category of brands hold superiority on which buying motive lies. The statistical tool used here revealed some potential propositions for local brand in Bangladesh. Multinational brands quality has quite a bigger portion influence on locking customers than do the local brands as this study recommended. Local companies enjoying a favorable country-of-origin preference (such as America, Britain, France, Japan and Italy) may emphasis on the phrase ‘made in’ on their products (Mohamad, et.al., 2000). In Bangladesh, local manufacturers also need to focus on how to progress the quality of this ‘made in’ tag. Furthermore, if country-of-origin is positive then it will allow the local firms to set competitive pricing. Local producers of Bangladesh ought to concentrate on recognizing the consumers’ needs and attempts to satisfy them better than multinational companies. In this way, they can produce quality products and compete with multinational firms in the market.

Domestic companies need to develop distinctive characteristics of product preferred by consumer which can escalate brand image of their products. Therefore, purchase intention of consumer will intensify towards local cosmetic brands. Local brands should ensure expected performance level of consumers, give more attention on brand name, logo and innovate their cosmetic products continuously. It is necessary for the Bangladeshi marketers that consumers buy cosmetic products of multinational companies in lieu of local companies because of considering the quality issue. Thus, quality is critical factor in order to compete with multinational firms and attain success in long period of time. Through promotional campaign and different marketing efforts, local marketers can reform of their consumers’ buying intension towards local companies. Accordingly, consumers’ buying intension either positive or negative can help to build better marketing strategy. In addition, new foreign firms who are planning to export cosmetic products in Bangladesh can be helped by the findings of the study.

Conclusion
The study somewhat revealed the relative strength and challenge of both multinational brands and local brands as they could realize quality as a factor by which consumers decided to stick with them. Respondents were asked which cosmetic brands in terms of particular product they use. So, it could not precisely affirm that how long the brand is used by respondents so it could be very long or just start up. For the budget and time constraint personal interview were not conducted to ensure such sensitive information. Thus, further extensive study is needed to procure more clear idea about the buying motives. Most importantly the local cosmetic brands can detect the factors by which they are lagging behind from their counterparts and to which degree. A comprehensive demographic study of the buying motives might discover more fascinating and game changing information. Fathoming the magnitude of multinational companies’ strength exactly could also be of a great use if local firm can nurture and unleash it on the right spot in Bangladesh. This investigation will assist the both domestic and foreign cosmetic marketers with understanding of the customer
purchase intention while making purchase decision of cosmetic product so that local firm and multinational firm can gather information about the changing nature of customer preference. Predominantly this study helps local firms to reconsider their strategies to make better their competency in this highly competitive market by using the efficacy of these data.

References


