

# The Influence of Perceived Prior Experience, Attitude and Subjective Norms toward Consumers' Online Purchase Intention of Cosmetics Products

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## Abstract

This study attempts to investigate whether perceived prior experience, attitude and subjective norms factors have influence on consumers' online purchase intention of cosmetics products. To achieve the objectives, 120 willing Malaysian consumers with past experience of purchasing cosmetics through online platform were invited to participate in a survey starting end of October until early December 2019. The relationships between factors were analysed using the structural equation modelling (SEM-PLS) version 2.0. Results show that perceived prior experience was positively related to attitude. In addition, attitude and subjective norms were shown to relate positively with consumers' online purchase intention. For cosmetic product e-retailers, the findings imply that they should focus on consumers with positive attitude as such attitude would affect their online purchase intention of cosmetics. The e-retailers should also focus on making sure that consumers have positive prior experience of the e-commerce platform used as this would have a direct positive impact on the consumers' attitude toward online purchase intention. Besides that, subjective norms were also found to play important role to predict consumers' online purchase intention toward cosmetics. This study contributes valuable insights to e-commerce industry, particularly the e-retailers, scholars, policy makers and firms on the role of consumers' attitude towards online purchase intention for cosmetic products in Malaysia.

**Keywords:** *Perceived prior experience, attitude, subjective norms, online purchase intention, cosmetics*

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## 1. Introduction

Globalization has affected the beauty industry in many ways. Globalization makes the world an open market. Hence competition among manufacturers from different countries has become fierce and intensive. Giant cosmetic producers that have dominated the market are able to determine the price globally. In addition to that, internet have changed the consumer preferences in terms of cultural change, this in turn affects the consumer behaviors (Abdullah et al, 2010). The fast growing of

online cosmetic channel had raised companies marketing development efforts. Globally, the highest online sales markets come from South Korea, France and United States and they are expected to grow in coming years for online cosmetic sales (Lim et al, 2015). Cosmetic industry, or in wider perspective, the beauty industry has been growing by 4.5% a year globally in the last 20 years (Leopairote, 2015), mainly due to rising consumer disposable incomes and changing lifestyles (Abdullah et al, 2010).

In recent years, Asian beauty standards like those from Korea and Japan are now influencing the Western markets, 23% of the market share in 2010 growth for instance was driven by Asian market for skin care (Leopairote, 2015). The Asian high demand on fair skin is mainly triggered by their belief that being fair is beautiful. This has resulted to Asians willing to pay premium price for cosmetics with skin whitening properties. Especially China with its rapid economic development and consumers with higher disposable income, its beauty and personal care industry has undergone a significant growth which largely contributes to cosmetic growth among Asian market. In addition, the continuous internet network expansion in distribution of cosmetics and toiletries also supports the market growth for example delivery of cosmetic products to untapped area of the country can now be achieved with the use of online shopping delivery. ASEAN countries with increasing awareness and demand for health and beauty products nowadays as well as the increasing emphasis on personal physical appearance have contributed to the rise of new ASEAN brands in the beauty industry, including Malaysia. Although local beauty industry is not as developed as other developed countries, the continuous growth is still remarkable.

There is an increase of 4.4% growth in year 2016 compared to year 2015 on Malaysia's beauty industry compared to other industries (Tey, 2016). The beauty market in Malaysia is quite unsaturated and is a highly profitable, so multinational companies are aiming at the market potential to become one of the major revenue earners for the economy to fulfil the high demand for beauty products. The skincare products for instance has undergone a number of changes throughout the years. As disposable income grew, Malaysians like others in the developed countries began to demand for grooming products and services. The domestic market also witnesses the entry of new brands such as Mary Kay and Stila. Malaysian working women in particular, with higher income were found to be willing to buy premium price for personal care products, and that Malaysian see personal grooming as a necessity rather than a luxury product (Abdullah et. al., 2010; Jauhar et al., 2015).

### 1.1 Problem Statement

The growing economy coupled by the changing of lifestyles are the emerging trend observed in Malaysia as more Malaysian urban consumers are becoming convenient oriented. This trend is largely due to Malaysia's urbanization factor whereby Malaysians are have lack of time mostly as they work long hours. Hence shopping can be stressful and a chore as it requires one to travel, park, and queue in malls. Too much sensory overload can also happen when one visits the retail store. This fact, when coupled with Malaysia's high internet penetration and consumer time poverty may be the reasons for why it is expected that consumers will eagerly embrace the e-commerce technology and for them to adopt online shopping behaviour rapidly. However,

online shopping on cosmetics have not been getting the overwhelming response as it expects to receive although consumers can purchase cosmetics through internet without visiting the bricks and mortar store. Some popular online beauty stores in Malaysia includes Hermo, Althea, Rakuten.

There is so much interruption for cosmetic e-commerce to grow in cyberspace and the root cause has always been believed to its lack of touch and feel element, or in other words its intangibility. However, according to survey done in Spain, the link between need for touch and perceived product quality tends to be negative, which means consumers do not agree that intangibility is the major disadvantage of online shopping, nor the need for touch is the determinant of product quality (Martin et al., 2017).

The main objective of this study to examine firstly the relationship between perceived prior experience and attitude. Next, is to investigate the relationship between attitude and subjective norms toward online purchase intention. The Theory of Reasoned Action (TRA) will be extended with perceived prior experience as the influencing factor toward attitude as it is believed will be able to fill the gap in the literature. In previous studies, TRA has also been used to predict consumers' purchase intention toward online shopping of cosmetics products.

## 2. Literature Review

### 1.2 Theory of Reasoned Action (TRA)

TRA has been introduced by Fishbein and Ajzen in 1975 (Figure 1). In TRA, there are two important variables that can explain behavioural intention of consumers including attitude and subjective norms. According to TRA, human behaviour is led by behavioural intention that forms from three kinds of consideration: behavioral belief (attitude towards behaviour) and normative belief (subjective norms). Intention to perform a specific behaviour is the outcome of the combination of attitudes towards a behaviour, which can be positive or negative on the behaviour's consequences; and subjective norms, which are the social effects or pressure on an individual resulting from presence of normative expectations on their action and motivation to comply. In theory, the more favorable the attitude towards behaviour, and subjective norm, a person should be persuaded to have higher level of intention to perform the behaviour as intention is the immediate antecedent of the behaviour (Ajzen, 2006).

Based on Arora and Aggarwal (2017) study, TRA has been used to represent the adoption of online shopping behaviour in India. The study had investigated the role of online shopping attitude on online shopping intention. A self-administrated and structure online survey was conducted targeting female online shopper in four main cities in India. The finding of the study showed that consumers' positive attitude toward online shopping lead towards intention to purchase online shopping.

According to Nguyen et al. (2018), TRA has been used in a study of intention to adopt mobile shopping in Vietnam. From the perspective of TRA, it was proven that TRA has the predictive power in exploring consumer's intention to perform mobile shopping behaviour. Meanwhile, a study by Laohapensang (2009) stated that the most influencing factor in stopping customers from shopping online was the difficulty to get access to the internet. Therefore, in this study, TRA will be used to predict consumers' online purchase intention toward cosmetics products. According to Hair et al. (2003), a person will perform actual behavior when she has strong and well-formed purchase intention on one particular behavior. Therefore, in this study, we will only examine consumer's purchase intention but not their actual purchase.

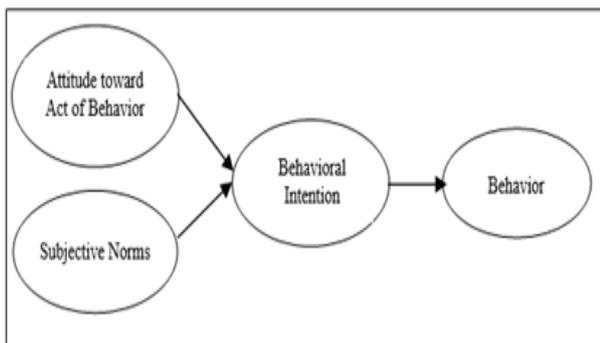


Figure 1: Theory of Reasoned Action (Fishbein & Ajzen, 1975)

### Attitude toward consumer online purchase intention toward cosmetics

Attitude towards the behaviour is a degree to which a person has positive or negative feelings of the behaviour. It entails a consideration of the outcomes of performing the behaviour (Ajzen, 1991). The more value of an attitude concerning the behavior, the more an individual will perform the intention of the behavior (Radovic & Salamzadeh, 2012). According to past studies, an attitude has a positive relationship with consumers' intention to purchase cosmetics products (Rahman et al., 2015; Kaur et al., 2014). Attitude is one of the important factors that significantly affect consumers' purchase intention (Ansari & Mohammed, 2015; Ahmed et al., 2016). Meng (2014) also found that attitude is one of the main predictors of consumer purchase intention towards cosmetics. Following these, hypothesis 1 is thus proposed:

*Hypothesis 1 (H1): Attitude has a significant and positive effect on consumer's online purchase intention towards cosmetics.*

### Subjective norms and consumer online purchase intention toward cosmetics

Subjective norms (SN) in this study refers to the influence of referent group or social group that is important to an individual, and that consequently

influence his/her belief and behaviors. The referent group includes peers and family, and influence of social networking sites which are online platforms that enable people to communicate with one another (Ajzen, 1991). Esposito et al. (2016) defined SN as the consumers' perceived social pressure to engage or not to engage in a behavior.

Social media or social networking sites are the new medium of expression allowing users to engage and maintain real relationship. In addition, social influence is defined as the degree to which an individual perceives that other important persons believe she should use the system (Rauniar, R. et al, 2014). Role of media became very influential on consumers, therefore heavily influenced by what they see on television and the internet such as being influenced by someone that is liked and respected, like celebrity spokespersons. Therefore they will tend to resemble their favorite star or hero that drives their purchasing behavior (Abdullah et al, 2009). This is why subjective norms are believed to have positive predictors towards online shopping for cosmetics.

Bashir's (2013) study revealed that online shopping to be mostly influenced by social network or circles and personal experience. Word of mouth is greatly valued due to the group orientation. Information shared by other consumers can be very influential because it is not controlled and thus seen as more credible. Whilst, according to Asia Marketing Research (2010), social networking websites are perceived by Chinese online users as good places for opinions and information sharing which allows allow them to make better shopping decision. Gong (2013) stated that social shopping websites can convert internet users into online buyers in China, therefore, e-retailers should design effective marketing strategies to achieve this objective. Lim (2015) also found that young consumers tend to purchase skin care via online when they have read good reviews from the online blogs. In relations to the review from past studies, therefore, hypothesis 2 is formed:

*Hypothesis 2 (H2): Subjective norms have a significant and positive effect on consumer's online purchase intention towards cosmetics.*

### 1.3 Perceived prior experience and attitude

Perceived prior experience refers to consumer's perceptions regarding the outcome of the previous shopping experience of cosmetics (Xiao, 2010). The more experienced consumers have with online shopping, the more satisfied they will be with their past online transactional experiences; the higher their purchase amounts; and the more likely they are to make repeat purchases (Monuwe et al., 2004; Hussain et al., 2016). According to Monuwe et al. (2004), a satisfactory experience could also improve consumers' perceptions of usefulness, ease of use and enjoyment, and decrease the perceived risk associated with online shopping, thereby improve the positive evaluation towards online purchase behaviour.

According to Kwek et al. (2010), prior purchase experience affects online purchase intention. The study found that prior online experience had positively influence the consumers' online purchase intention. In similar view, Lim et al. (2012) also found that one of the significant factors that affect women shoppers to purchase cosmetics online was prior experience which will lead to positive attitude toward purchase behavior. In relations to past studies' review, hypothesis 3 is thus proposed:

*Hypothesis 4 (H4): Perceived prior experience has a significant and positive effect on consumer's attitude toward online purchase intention towards cosmetics.*

#### 1.4 Theoretical Framework

The proposed theoretical framework for this study is illustrated in Figure 2 below. In this figure, the dependent variable is consumers' online purchase intention toward cosmetics. The independent variables is located at the left-hand side of the theoretical framework, while perceived prior experience plays as the influencing factor toward consumers' attitude, as illustrated below.

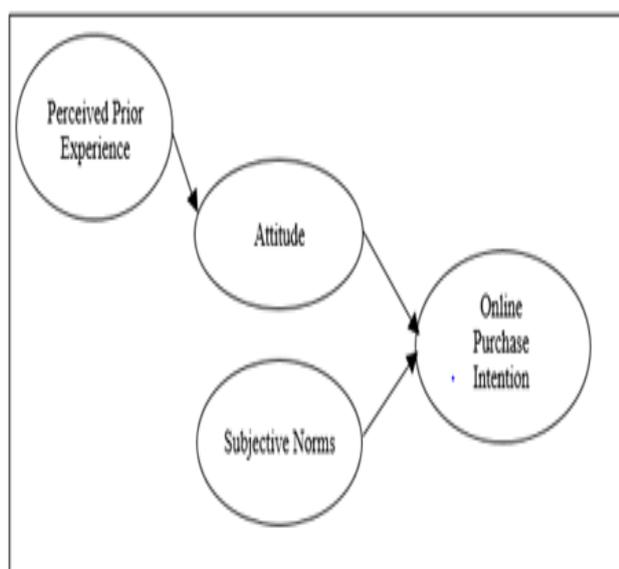


Figure 2: Theoretical Framework

#### 3. Methodology

The study was designed to be quantitative in nature. A total of 120 survey questionnaires were distributed to willing consumers who have experienced buying cosmetics through online platform over a period of two months. Items for the questionnaire, namely, "The experience I have had with online shopping for cosmetics has been satisfactory", "I had pleasant service from my previous experience while purchasing cosmetics online", "People around me feel that I should purchase cosmetics online", "I am pleased to purchase cosmetics online", "I intend to purchase cosmetics online in future", were adopted/adapted from previous studies (Kwek et al., 2010; Xiao, 2010; Martin et al., 2017; Chang et al.,

2012). A 5-point Likert scale (1=strongly disagree to 5=strongly agree) was used to measure the five item statements for each of the perceived ease of use, perceived usefulness, perceived product information, attitude and online purchase intention variables. The data were analysed using the Statistical Packages for Social Sciences (SPSS) and Partial Least Squares Structural Equation Modelling (PLS-SEM).

#### 4. Results

Of 120 returned questionnaires, only 100 (85%) were usable for further data analysis. Respondents' profile reveals that majority of them were female (77%), from the age category of 31 – 40 years old (40%), possess Malaysian Certificate of Education (MCE) and above (96%). Convergent validity is a degree to which items from the same construct should share a high proportion of variance in common; factor loadings that exceed 0.50, composite reliability (CR) greater than 0.7 and average extracted variance (AVE) of more than 0.50 can be concluded acceptable (Hair et al., 2010). Results in Table 1 show that the loadings for all items are above the recommended value; and the CR values that ranged from 0.929-0.949; and AVE (0.727 to 0.788) are above the cutoff values. Based on these results, the measurement model is concluded to have adequate convergent validity; with all three constructs considered valid measures according to their parameter estimates and statistical significance (Chow & Chan, 2008).

Table 1: Convergent Validity Test

Item	Item Code	Factor Loading	CR	AVE	Cronbach's Alpha
ATT	ATT 1	0.825	0.943	0.769	0.924
	ATT 2	0.842			
	ATT 3	0.864			
	ATT 4	0.916			
	ATT 5	0.931			
INT	INT 1	0.852	0.949	0.788	0.932
	INT 2	0.871			
	INT 3	0.943			
	INT 4	0.918			
	INT 5	0.851			
PPE	PE1	0.791	0.948	0.786	0.932
	PE2	0.920			

	PE3	0.902			
	PE4	0.908			
	PE5	0.905			
SN	PSN	0.808	0.92	0.72	0.902
	1		9	7	
	PSN	0.931			
	2				
	PSN	0.878			
	3				
	PSN	0.678			
	4				
	PSN	0.940			
	5				

Table 2 presents the discriminant validity of constructs for this study on which the measurement model had demonstrated adequate convergent validity and discriminant validity. Discriminant validity is the extent to which a construct is different to other constructs (Hair et al., 2010). The square root of AVE for each construct should be higher than the correlation for each construct (Compeau et al., 1999).

Table 2: Heterotrait-monotrait rasion (HTMT)

	ATT	INT	PE	SN
ATT				
INT	0.802			
PPE	0.315	0.248		
SN	0.398	0.382	0.568	

To assess the collinearity of the inner model, VIF values have been analyzed. According to rule of thumb by Hair et al. (2011), inner VIF values should be less than 5. In this study, VIF values range from 1.305 to 1.529, values were lower than 5 hence clearly pointed out relationship between variables do not portray collinearity problems. Table 3 shows the results of the modelling used for hypothesis testing. The results show that H, H2 and H3 are found to be supported. The R<sup>2</sup> for main model was 0.620, meaning that 62% of the variance in the online purchase intention toward cosmetics can be explained by perceived prior experience, attitude and subjective norms.

Table 3: Path Coefficient and Hypotheses Testing

	Relations hip	Path Coefficient	SE	T valu e	P valu e	Suppo rted
H 3	PPE -> ATT	0.665	0.081	8.15	0.00	Yes
H 2	PSN -> INT	0.295	0.078	3.76	0.00	Yes
H 1	ATT -> INT	0.589	0.077	7.66	0.00	Yes

Predictive relevance (Q<sup>2</sup>) measures of how well the observed value are reconstructed by the model and its parameters estimates which can be tested by using blindfolding procedure (Hair et al., 2010). Predictive relevance for the model tested is concluded when Q<sup>2</sup>>0 which is true for this study's model as the Q<sup>2</sup> is 0.454 that is higher than the cutoff value required. Cross-validated redundancy measures show that the structural model has predictive relevance.

### 5. Discussion and Conclusion

Three hypotheses were developed to achieve the research objectives of this study, which were to firstly, examine the relationship between consumers' perceived prior experience and attitude toward online purchase intention; and secondly, to examine the relationship between consumers' attitude and subjective norms toward online purchase intention.

This study has found that perceived prior experience norms has a positive relationship with consumers' attitude toward online purchase intention; and that consumers' attitude and subjective norms have a positive relationship with their online purchase intention of cosmetics. Perceived prior experience was found to have a significant effect on consumers' attitude toward online purchase intention. Reason for the significant result for PPE may be due to the use of respondents who are experienced online shoppers. The respondents may have gained satisfactory experience in performing the same behavior. According to Dennis et al. (2008), online shopper relied heavily with the quality of experience they had perceived. For the significant result of subjective norms, it may be due to Malaysian respondents' tend to review user's rating in social media before intending on making a purchase. Meanwhile, for significant result of attitude, it may be due to respondents finding out that purchase cosmetics online is easy and useful that it can saves their time and cost. Thus, for cosmetic product e-retailers, the findings imply that they should focus on consumers with positive attitude since the attitude would affect their online purchase intention of cosmetics. The e-retailers should also focus on making sure that consumers have positive prior experience because this would have a direct positive impact on the consumers' attitude toward online purchase intention. This study contributes valuable insights to e-commerce industry, particularly the e-retailers, scholars, policy makers and firms on the role of consumers' attitude towards online purchase intention for cosmetic products in Malaysia.

### 6. Implication of the Study

Cosmetic industry has drawn more attention to itself than before with improved technology, better education, skin care advancement and country's economic growth. Followed by changing consumer needs in pursuing better lifestyle, it is crucial for industry to identify consumer's attitude and their perception towards beauty, behaviour, trends and demands in the beauty industry. This study

will be useful for cosmetics' e-retailers, entrepreneurs or online stores to grow their business. They could adapt significant factors from this study to be adapted in their marketing strategies or in their decision making process. On the other hand, by understanding the targeted consumer's priorities, concerns, and expectations on cosmetics e-commerce, it will also help to gain loyal customers.

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