

The Impact of Perceived Value to the Purchasing Decisions of Consumers for Natural Cosmetic Products: A Study on “M White” Natural Cosmetic Brands of D.O PRO Joint Stock Company in Vietnam

Author's Details:

⁽¹⁾Tran Phi Hoang, Industrial University of Ho Chi Minh City, Vietnam: Corresponding author, ⁽²⁾Nguyen Minh Tuan, Industrial University of Ho Chi Minh City, Vietnam ⁽³⁾Vo Huu Khanh, Industrial University of Ho Chi Minh City, Vietnam ⁽⁴⁾Le Minh Duc, D.O PRO Import and Export Joint Stock company, Vietnam.

Abstract: *The study results were conducted to identify and analyze the impact of perceived value to the purchasing decisions of consumers for M White natural cosmetic products of D.O PRO Company in Vietnam. The research results showed that there are 04 factor groups influencing perceived value to the purchasing decisions of consumers for M White natural cosmetic brands as following: Expectations, perceived quality, image and price which are base for D.O PRO natural cosmetics company to have strategy to enhance the perceived value of consumers for M White natural cosmetic products in the future.*

Keywords: *Satisfaction, purchasing behavior, purchasing decisions, perceived value, natural cosmetics, Vietnam*

INTRODUCTION

With market size, large population, growing consumer spending and economic growth for years strong and stable, Vietnam is considered an attractive market for many famous cosmetic brands in the world. Vietnamese cosmetics market last decades in the hands of large corporations from abroad. Even the medium and low segment, Vietnamese cosmetics have been faced with the competitive from foreign products, from branded products like Sunsilk, Dove, Debon to Chinese and Thai products. The disadvantage of Vietnamese cosmetic brands is not only in the distribution but also many other factors such as a lack of investment, care for design, quality and promotional activities. Therefore, it is difficult to compete with the foreign productions. Currently, Vietnamese cosmetics imports many raw materials from abroad; the costs are equivalent with several major foreign brands. Meanwhile, foreign companies are investing in growing and attar in Vietnam to produce raw materials on the premises, contributing to reduce the cost of production that has put pressure for competition on domestic brands locally. In addition, Vietnamese enterprises have not built a brand reputation. Although the quality is good, the price is reasonable; their productions are not commonly known. Therefore, improving the perceived value of consumers for natural products like D.O Pro brand has become necessary in the near future.

LITERATURE REVIEW

Zeithaml (1988) suggested that "perceived value is the overall assessment of consumers on the utility of a product or service based on their perceptions of what is received and what they have to spend." Zeithaml evaluated as a comparison between the two components "get" and "pay for" of products and services. The true value of the brand comes from the consumer, if they have a good feeling about that brand, it has high value. Consumers always buy the products and services that bring the highest perceived value. This means that they always consider the benefits received and the cost they pay for each brand. They do not completely select the lowest price brands whereas the benefits they bring are not many. Conversely, they are pleased to accept a higher price for using the prestige products. The value consumers receive is the difference between the total value received and the total cost to be paid. The total value of the benefits received is that consumers expect from a product or service. Total costs are all costs that consumers pay in comparing, purchasing and using products and services. With the same products and services, the value received is completely different from each person. Each person has a different life circumstance, different judgments about the degree of importance and the cost they pay for products and services.

Ostergaard & Kristensen (2011) measured the value perceived by consumers by the scales as image, expectations, quality of "hardware," and quality of "software," value, and loyalty of customers for a brand. In which, the two authors pointed out that the quality of "hardware" and the quality "software" affect the level of consumers' satisfaction strongest. Bunn (2015) calculated the value perceived by consumers the scales: Image, expectations, value, and price. According to Johnson, Anderson, & Fornell (1995), satisfaction is to evaluate customers' satisfaction through perceived differences between expectation before consuming and real perceived of the product after consuming it. It can be said before using a service; the customer has certain expectations about it, and customers are happy with the product that meets the expectations and level of satisfaction expressed by more or fewer differences between the expected value and perceived value of products and services affecting customers' emotions (Oliver, 1980). In particular, if the perceived value is greater than the expected value, the value that customers receive from the services is higher than the expected value of the customer, the service is considered good; If the perceived value is equal to the expected value, the value that customers receive from the actual services provided in line with the expectations of customers, the service is assessed satisfactorily; If perceived value is less than the expected value, the value that customers receive from real service providers lower than the expectations of customers, the service is considered poor.

It can be said that each consumer has a different assessment for the same product or service. Perceived value is a very important concept for businesses. Some manufacturers believe that if they create good products, reasonable prices, consumers will choose to buy. However, a good product is only good when consumers believe it is - reasonable price is only considered when consumers feel that it is consistent with the benefits they receive in consuming that product. A product or service is appreciated on the quality. Actually, the value of the brand will be increased.

Based on the theory, the research results related and identified by experts in the medical industry, cosmetic industry, it can be concluded that the impact of perceived value to the purchasing decisions of consumers for M White natural cosmetic brands of D.O PRO corporation in Vietnam as follows: Expectations, perceived quality, image and price. Research model includes 04 independent variables and 02 dependent variables.

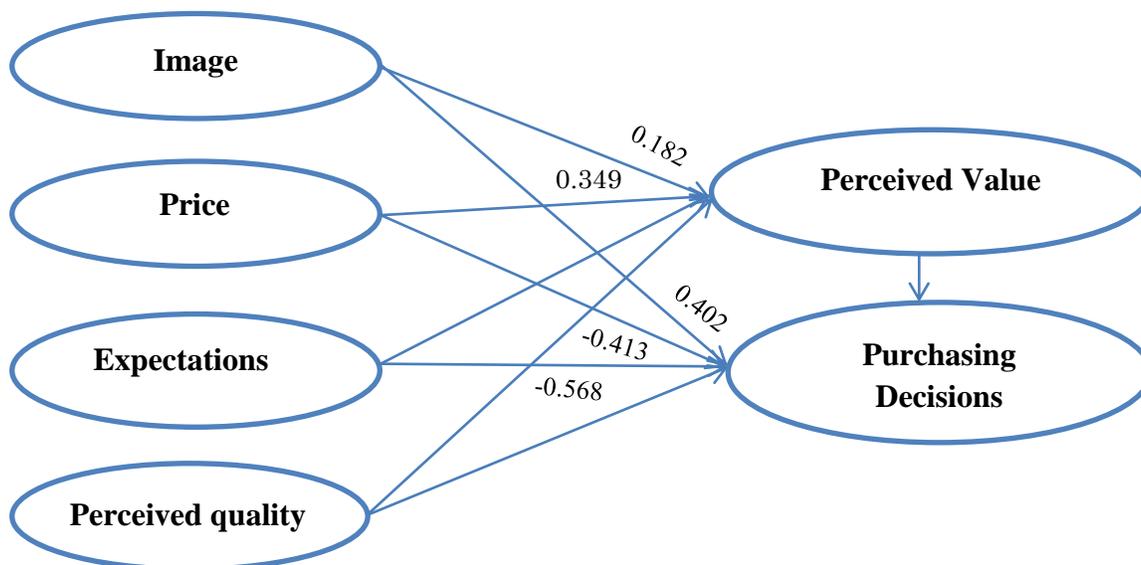


Image: The image of a brand firstly is that it evokes a brand name, products and feeling as well as knowledge of consumers about the brand. Images induce consumers' emotions and perceptions about the brand.

Price: The price of the goods or services is generally the quantity changing value. Price is monetary of the value of goods, i.e., the amount paid for the goods. In the broad sense, it is the right amount to pay for a commodity, a service, or a certain property.

Expectations: The expectations are average values that people desire or expect to achieve. This value can not be expected in the ordinary sense; it may be less likely to happen or not happen. It is assumed that in the particular circumstances in which the expected value is 0 called a "fair game."

Perceived quality: The perceived quality is an abstract concept (Philip Kotler, 2010). Sometimes a product is good when the consumer only believes it is. A price is considered reasonable only when it is reflected reliable with the benefits the consumers receive when using the products. Perceived quality depends more or less on the customer's perception of quality and superiority of a product or service in relation to the replacement product, the purpose of using it.

HYPOTHESES

H1: "Image" has influenced the same way to the perceived value of consumers for natural cosmetic products.

H2: "Price" has influenced the same way to the perceived value of consumers for natural cosmetic products.

H3: "Expectations" has influenced the same way to the perceived value of consumers for natural cosmetic products.

H4: "Perceived quality" has influenced the same way to the perceived value of consumers for natural cosmetic products.

H5: "Image" has influenced the opposite way to perceived value of consumers for natural cosmetic products.

H6: "Price" has influenced the opposite way to perceived value of consumers for natural cosmetic products

H7: "Expectations" has influenced the opposite way to perceived value of consumers for natural cosmetic products.

H8: "Perceived quality" has influenced the opposite way to perceived value of consumers for natural cosmetic products.

H9: "Perceived value in general" has influenced the opposite way to purchasing decisions of consumers for natural cosmetic products.

THE METHODS OF RESEARCH

The two major research methods, qualitative, and quantitative research are focused. Specifically, the research process has three stages; Stage 1, Based on theory and the related results mentioned the above, qualitative research method was used for group discussing and leading experts consulting to select the variables and observed variable groups; Stage 2, Based on the impact of perceived value to the purchasing decisions of consumers for natural cosmetic products: A study on M White natural cosmetic brands of D.O PRO Joint Stock company in Vietnam, the researcher designed survey questionnaires to collect the opinions of 560 online shoppers in Vietnam. The research model includes 04 scales, 20 observed variables (questionnaires), using 5-point Likert scale, Distance value = (Maximum - Minimum) / n = (5 - 1) / 5 = 0.8: 1. Completely disagree; 2. Disagree; 3. No opinion / Normal; 4. Agree; 5. Totally agree. Survey results were entered SPSS 20.0 and Cronbach's Alpha coefficient was used to test the reliability of the scale. In this study, sampling and random method were used. According to Hair et al., (2006), the formula for calculating sample size is $n = \sum_{j=1}^m kP_j$. In which m is the scale and P_j is the number of observed variables of the scale. The proportion of the sample

compared to 1 analysis variable (k) is 5/1 or 10/1. Thus, the number of samples is larger than "total observed variables" of scale times "5" and less than "total observed variables" of the scale times "10". However, according to Lee Nguyen (2011), depending on the object of study and research goals, increasing sample size will increase the reliability of data; Stage 3, After testing the reliability using Cronbach's alpha coefficient, Exploratory Factor Analysis - EFA was analyzed to shrink and summarize the data of the scale (Hoang Trong Chu and Nguyen Mong Ngoc, 2005 "Quantitative Research SPSS"). This method is based on extraction ratio factor (Eigenvalue), under which only those factors having ratio (Eigenvalue) greater than 1 will be kept, those smaller than one will not show information better than origin variable because after standardizing, each original variance is 1. The method of extracting the main components (Principal components) and original method of factor rotation (Varimax Procedure) were used to minimize the number of variables that have large coefficients for the same factor, which increases explaining the factors. The results then were used to analyze multiple linear regression to test the assumptions of the model, which consider the impact of perceived value to the purchasing decisions of consumers for natural cosmetic products: A study on M White natural cosmetic brands of D.O PRO Joint Stock company in Vietnam.

RESEARCH RESULTS & DISCUSSIONS

Table 1- Descriptive Statistics

CODE	OBSERVED VARIABLES	N	MEAN
EXP1	Consulting services and manuals are professional	560	3.54
EXP2	Staff has qualifications and high professional	560	3.22
EXP3	"M White" quality is over consumers' expectations	560	4.49
EXP4	"M White" meets customers' needs	560	3.26
EXP5	Customer service is considerate	560	3.39
EXP6	"M White" ensures safety for users	560	3.50
PER1	Product information is clear and transparency	560	3.87
PER2	"M White" has good quality	560	3.90
PER3	Distribution network is braod and reliable	560	3.84
PER4	Designing, packaging, and color are beautiful and bright	560	3.56
PER5	"M White" name create good feelings, closeness	560	3.71
IMA1	"M White" image associates with natural products	560	3.14
IMA2	"M White" image associates with activities improving "life quality" of community	560	2.95
IMA3	"M White" image associates with environmentally friendly products	560	3.05
IMA4	"M White" has many improvements in developing new products	560	3.13
IMA5	"M White" image associates with community activities	560	2.91
PRI1	"M White" production is cheaper than the similar products of competitors	560	3.83
PRI2	"M White" has variety products with varied prices for many different customers	560	3.95
PRI3	"M White" price is appropriate with the quality	560	3.79
PRI4	The company has more flexible pricing policy	560	3.80

(Source: The researcher's collecting data and SPSS)

The research results showed that online consumers had an overall assessment of their perceived value for natural cosmetic products with the average (4:49 and 2.91). The differential levels between the average value for assessment level of observed variables are not many, only the observed variables "IMA5_ "M White" image associates with community activities" (2.91) and "IMA2_ "M White" image associates with improving "quality

of life" of the community (2.93) are the lowest from customers' evaluation. The results also reflected the reality of the perceived level of consumers for natural cosmetic products of D.O PRO had been low recently.

Table 2- Testing the results of reliability scales Cronbach's Alpha

Model	Code	Factors	Cronbach's Alpha
IDV	EXP	Expectations	0,844
	PER	Perceived Quality	0,830
	IMA	Image	0,822
	PRI	Price	0,764
DV	ST	Purchasing Decisions	0,822

(Source: The researcher's collecting data and SPSS)

Table 3- Exploratory Factor Analysis (EFA) for the independent variable)

Factors	Value	Compare
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.832	0.5<0.832<1
Sig	0.000	0.000 <0.05
Cumulative % Extraction Sum of Squared Loadings	71.542%	71.542%>50%

(Source: The researcher's collecting data and SPSS)

EFA results show that 20 observed variables are included in the EFA with Eigenvalue standard greater and 04 factors are extracted. The total variance extracted= 71,542% > 50% (Gerbing & Anderson, 1988). This indicates four factors explaining 71,542% of the varied data. KMO coefficient = 0,832 > 0.5 is satisfactory. Using the method of deduction with Marimax rotations and after eliminating the transmission coefficient (Factor loading) <0.5 (or the difference between two factor are smaller 0.3) shown that no factors were excluded; all the observed variables are transmission coefficient (factor loading) to these factors, satisfying the above conditions.

Table 4- Exploratory Factor Analysis (EFA) for the dependent variable

Factors	Value	Compare
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.856	0.5<0.856<1
Sig	0.000	0.000 <0.05
Cumulative % Extraction Sum of Squared Loadings	69.142%	69.142%>50%

(Source: The researcher's collecting data and SPSS)

EFA results show the observed variables are included in the EFA with Eigenvalue standard greater, and 4 factors are extracted. The total variance extracted= 69.142% > 50%. This indicates four factors explaining 69.142% of the varied data. KMO coefficient = 0,856 > 0.5 is satisfactory. Using the method of deduction with Marimax rotations and after eliminating the transmission coefficient <0.5 shown that no factors were excluded; all the observed variables are transmission coefficient (factor loading) to these factors, satisfying the above conditions.

Table 5 – Test the relevance of the model (b)

M	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.822 ^a	.705	.743	.71258	.850	24.203	4	540	.000	1.846

a. Predictors: (Constant), X4, X3, X2, X1; b. Dependent Variable: HL

The above result shows the correlation coefficient adjustment: $R^2 = 0.743$ (verification F, sig. <0.05); which means 74.3 % of the variable Y shift is explained by the four independent variables. Coefficient Durbin - Watson (d) = **1.846**; some observers n = 560, parameter k = 4, the level of significance of 0.01 (99%), in the statistical tables Durbin - Watson, d_L (less statistical value) = 1.623 and d_U (statistical value over) = 1.725. So ($d_L = 1.623$) $<$ ($d = 1.846$) $<$ [$4 - (d_U = 1.725) = 2.275$] proved that the model has no autocorrelation.

Table 6- Test the relevance of the model (a)

M	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.853 ^a	.736	.699	.72418	.551	60.001	4	340	.000	1.933

a. Predictors: (Constant), X4, X3, X2, X1; b. Dependent Variable: HL

The above result shows the correlation coefficient adjustment: $R^2 = 0.699$ (verification F, sig. <0.05); which means 69.9 % of the variable Y shift is explained by the four independent variables. Coefficient Durbin - Watson (d) = 1.933; some observers n = 560, parameter k = 4, the level of significance of 0.01 (99%), in the statistical tables Durbin - Watson, d_L (less statistical value) = 1.623 and d_U (statistical value over) = 1.725. So ($d_L = 1.933$) $<$ ($d = 1.933$) $<$ [$4 - (d_U = 1.725) = 2.275$] proved that the model has no autocorrelation.

Table 7- ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	58.742	4	56.030	44.520	.000b
	Residual	689.502	554	.465		
	Total	748.242	559			

Accreditation ANOVA is to assess the relevance of the theoretical regression model. The test results $F = 44.520$ value and Sig. = 0.000 <0.05 shows the building model is consistent with the data set and the variables included in the model are related to the dependent variable. Generally, regression analysis is 99% reliability, corresponding to the selected variables with statistically significant at the $p <0.01$; the results also show that all variables satisfy the demand. Verification of conformity of the model shows that multicollinearity phenomenon does not violate (VIF <10).

Table 8- The factors affecting the purchasing decisions of consumers

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Multicollinearity	
		B		Beta			T_p	VIF
1	Content	1.92	0.046					
	Image	-.424	0.041	-0.402	.000	0.000	0.341	1.042
	Price	-.441	0.070	-0.413	.003	0.000	0.420	1.123
	Expectations	-.224	0.312	-0.568	.000	0.001	0.145	2.002
	Perceived quality	-.023	0.054	-0.180	.121	0.002	0.201	2.051
	Perceived value in general	-.056	0.075	-0.102	.243	0.101	0.408	1.082

Regression analysis results showed that the value of Sig. of 03 (three) independent variables were <0.05 , so it has a statistical significance which means that these variables can affect the purchasing decisions of consumers for M White natural cosmetic brands of DO PRO in Vietnam. However, the variable "Perceived quality" and "Perceived value in general" have low correlation coefficients and value Sig. > 0.05 , they do NOT have a statistical significance which means "Perceived quality" does not affect the purchasing decisions of consumers for M White natural cosmetic productions. The regression equation has the form: $Y = -0.402X_1 - 0.413X_2 - 0.568X_3 - 0.180X_4 - 0.102X_5$.

Thus, it is possible to explain the impact perceived value to the purchasing decisions of consumers for natural cosmetic products are as follows: When the elements in the equation regression are constant, if "Image" factor increases 1 unit, it will make the perceived value to the purchasing decisions of consumers for M White natural cosmetic productions of DO PRO brand in Vietnam decreases 0.402 units; If "Price" factor adds 1 unit, it will make the perceived value to the purchasing decisions of consumers for M White natural cosmetic productions of DO PRO brand in Vietnam decreases 0.413 unit; If "Expectations" factor increases 1 unit, it will make the perceived value to the purchasing decisions of consumers for M White natural cosmetic productions of DO PRO brand in Vietnam decreases 0.568 unit.

Testing hypotheses results in the model after EFA

The above research results showed that hypothesis H1 is accepted with Beta = 0.402 and Sig. <0.01 . Thus, "Image" influences same way to purchasing decisions of consumers for natural cosmetic products. Specifically, if the rate of perceived value of consumers for natural cosmetic products reduces, the purchasing decisions of consumers declines.

In fact, many sophisticated researches showed that corporate image plays a crucial role in the success or failure of the business. Numerous studies have confirmed consumers' purchasing decisions based on their perception of the brand image rather than the actual product itself ... For example, a large-scale study on consumers across the United States in 2012 showed 89% of consumers said that the company's reputation is the decisive factor in choosing to buy products (Nielsen, 2013). It is true for a marketing manager of a leading group in America to say "the only sustainable competitive advantage of any other industry is its reputation."

The above research results showed that hypothesis H2 is accepted with Beta = 0.413 and Sig. <0.01 . Thus, "Price" influences the same way to purchasing decisions of consumers for natural cosmetic products. Specifically, if the rate of perceived value of consumers for company's policy reduces, the purchasing decisions of consumers declines.

The above research results showed that hypothesis H2 is accepted with Beta = 0.568 and Sig. <0.01 . Thus, "Expectations" influences the same way to perceived value of consumers for natural cosmetic products. Therefore, if businesses can satisfy consumers' expectations, the purchasing decisions of consumers increases.

The above research results showed that hypothesis H5, H6, and H7 are also accepted. Thus, "Image" of business is good, "pricing policy" (Price) fell, "consumers' expectations" are met, it is uncertain for consumers to decide to purchase. However, the hypothesis H9 showed there is no significant influence of "Perceived value in general" has influenced the opposite way to purchasing decisions of consumers for natural cosmetic products. However, many studies have shown that if the products are at affordable prices, consumers are interested and feel that it is consistent with the benefits they receive in consuming products.

The above research results indicated that the H4 and H8 hypothesis are rejected that means "Perceived quality" has no effect the same or opposite way to the purchasing decisions of consumers for natural cosmetic products. The study results do not resemble the original judgment of experts during the group author performed preliminary studies. In fact, numerous studies have demonstrated the perceived quality more or less depend on

the customer's perception of the quality of a product or service in relation to the replacement product, the purpose of using products and competitors.

CONCLUSIONS & RECOMMENDATION

The results of this study showed that there are 3 factors affecting purchasing decisions of consumers for natural cosmetic products, including expectations, image, and price. Particularly, "Perceived quality" factor is not affected. The results of this study are the base for enterprises to have strategies in the future, particularly, to take an active interest in building brand image affecting in customers' minds, reasonable pricing strategies, health counseling services, considerate customer care, which will gain consumers' affection. Based on study results, the authors would like to propose the following:

Businesses need to improve corporate image because customers are increasingly interested in corporate image. The true value of the brand comes from the consumer, if they have a good feeling about corporate image, that brand has high value. The positive image of the enterprise will make up its reputation and prestige, which brings brand value to the company and contribute to strong support for other product brands of the company. It is easy for enterprises with a strong brand to be famous and vice versa it is easy for famous enterprises to build a strong brand.

Consumers always buy these products and services bringing the highest perceived value. This means that they always consider the benefits received and the cost they pay for each brand. They do not completely select brands with the lowest prices when the benefits they bring up are not many. Conversely, they are pleased to accept a higher price and quality products to use prestigious products.

Enterprises need to invest patenting fine quality products, as a product is a good and safe quality, it will be appreciated by consumers. Enterprises can use these indicators to assess the quality of the product, consumers rate the product by their subjective views. With experience, knowledge, information, and demand, everyone totally has a different assessment. Purchasing decisions of consumers also influences from relatives, friends, colleagues. Therefore, businesses need ways to reach customers, build customers' loyalty and connect them with other potential clients./.

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