

COSMETIC STORE MANAGEMENT

SALESFORCE NAAN MUDHALVAN PROJECT REPORT

Submitted By

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*in partial fulfilment for the award of the
degree of*

**BACHELOR OF ENGINEERING
COMPUTER SCIENCE AND ENGINEERING**

**MAHENDRA ENGINEERING
COLLEGE FOR WOMEN
TIRUCHENGODE,NAMAKKAL-
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Consumers' online purchase intention in cosmetic products



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Date: 2015-05-27

Subject: Consumer behavior

Level: Bachelor Thesis

Course code: 2FE16E:3

Abstract

Title: Consumers' online purchase intention in cosmetic products

Course/Level: 2FE16E:3/ Bachelor thesis

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Key words: Online purchase intention, trust, perceived risk, shopping enjoyment, site design quality, cosmetic online stores, E-commerce.

Background: E-commerce is an evolving market; the number of retailers and the growth in online shopping has built up a competitive market. It is therefore essential for companies to continuously develop their online activity to remain and attract new customers. To do so, companies need to create value for the customers and meet their demands: therefore it is of great importance for companies to understand consumers' buying behavior, and moreover investigate in which factors are related to the consumers' online purchase intention.

Purpose: The purpose is to explain the relationship between trust, perceived risk, shopping enjoyment, site design quality and online purchase intention.

Hypotheses: The authors of this study set up the following hypotheses:

H1+: Trust is positively related to consumers' online purchase intention.

H2-: Perceived risk is negatively related to consumers' online purchase intention.

H3: Shopping enjoyment is related to consumers' online purchase intention.

H4+: Site design quality is positively related to consumers' online purchase intention.

Methodology: Survey study.

Conclusion: Hypothesis 1 was supported in this study. Hypothesis 2 was not supported in this study. Hypothesis 3 was supported in this study. Hypothesis 4 was supported in this study.

3. The conceptual framework for the research

Through the gathered theory that is presented in the previous chapter, the authors have created a conceptual framework that demonstrates how the study will be conducted.

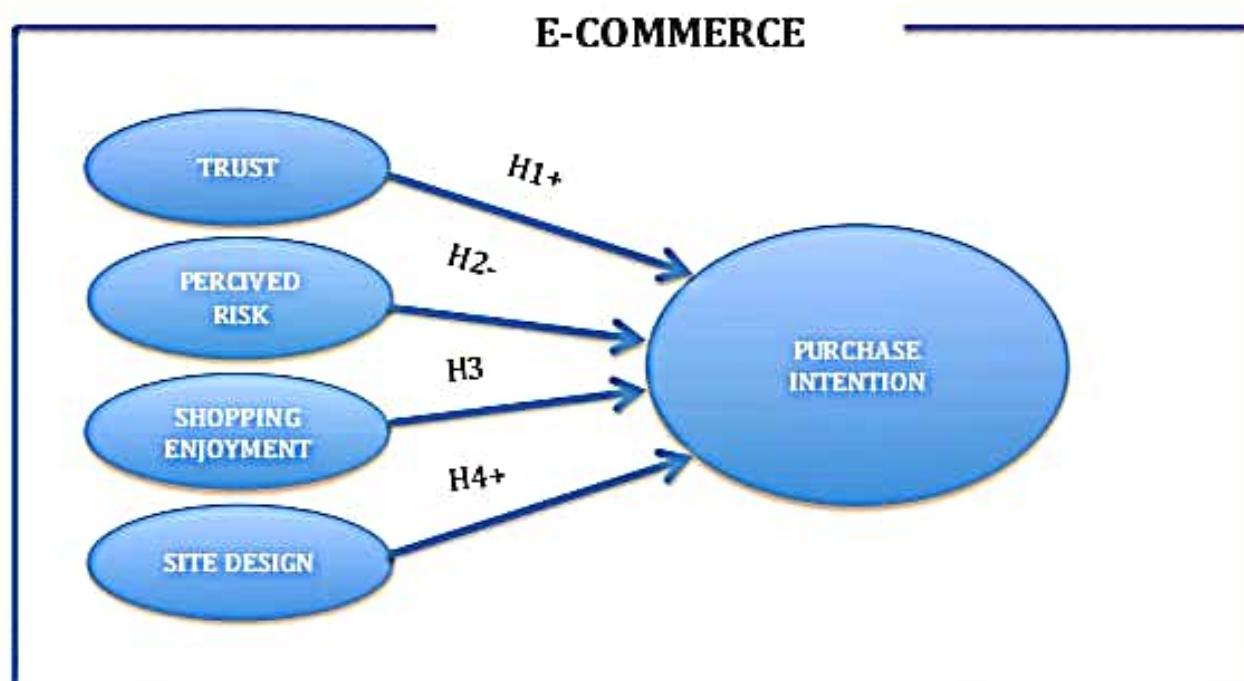


Figure 1 Conceptual framework for the research (Own,

The chosen factors of importance that are related to consumers' *online purchase intention* in this study are: *trust*, *perceived risk*, *shopping enjoyment* and *site design quality* as presented in the conceptual framework above in figure 1. Moreover, no one has to the knowledge of the authors tested these chosen factors in relation to *online purchase intention* in the same study before. *Trust* appears to be an essential component for a company to succeed in the online marketplace (Yu-Hui & Barnes, 2007). Decreasing the *perceived risk* online has appeared to increase the *online purchase intention* (Pavlou, 2003; Crespo et al., 2009). *Shopping enjoyment* could possibly increase the *online purchase intention* among consumers and is of importance to be recognized in order to examine the possible impact the enjoyment of a website has (Im & Ha, 2011). *Site design quality* is of importance because consumers' first opinion about an online site could depend on the web site's appearance (McKnight et al., 2002).

The age distribution and the gender distribution among the respondents in this study are presented in the pie charts in figure 5 and figure 6. In this study, a total of 252 respondents participated in the questionnaire, 77 % of these 252 were women and 23 % were men. 76 % of the respondents were in the age 18-30 years old, 18 % were 31-50 years and 6 % of the respondents were 51 years or older.



Figure 7: Visitation frequency (Own, 2015).

In what purpose do you visit cosmetic online stores?

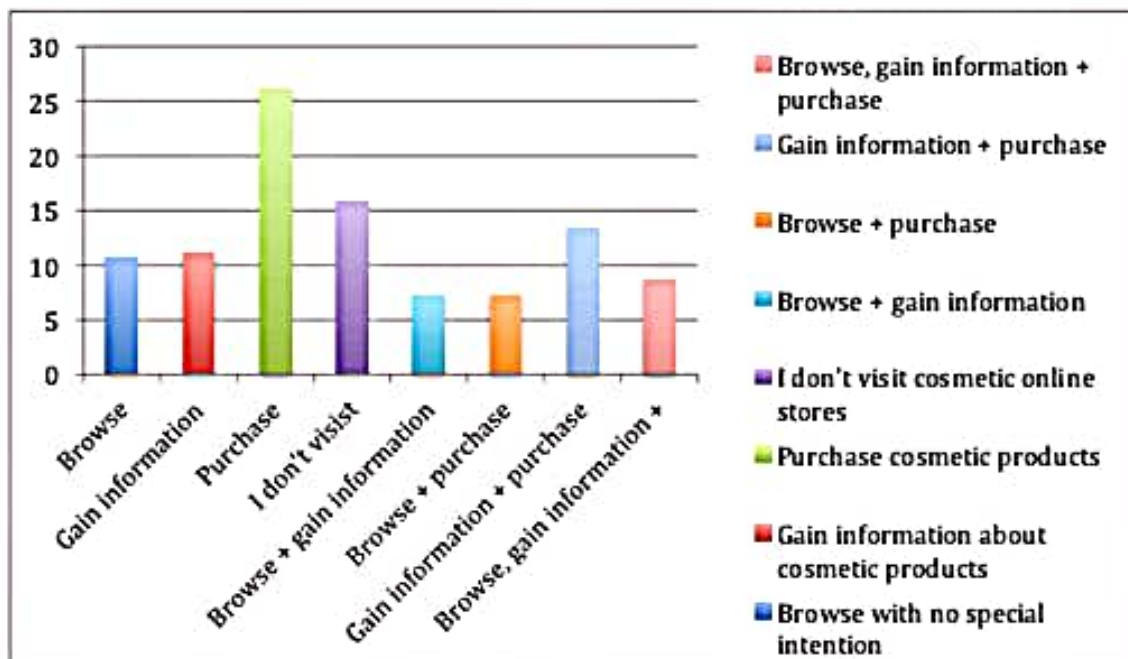


Figure 8: Purpose of visit (Own, 2015).