

## THE IMPACT OF ETHICAL MARKETING PRACTICES ON CONSUMER PERCEPTION. A CASE OF COSMETIC BEAUTY INDUSTRY

Abdul Saleem<sup>\*1</sup>, Aliza Moiz<sup>2</sup>, Ayman Taj<sup>3</sup>, Asadullah Lakho<sup>4</sup>,  
Maria Siddiqui<sup>5</sup>

<sup>\*1,5</sup>Lecturer, Department of Business Administration, Indus University, Karachi, Pakistan

<sup>2</sup>Program Manager, Department of Business Management & Social Sciences, TMUC-MITE, Karachi, Pakistan

<sup>3</sup>Assistant Director ORIC, Hamdard University, Karachi, Pakistan

<sup>4</sup>Senior Lecturer, Department of Business Administration, Iqra University, Karachi, Pakistan

<sup>\*1</sup>abdul.saleem@indus.edu.pk; <sup>2</sup>alizamoiz0@gmail.com; <sup>3</sup>aymantaj@ymail.com; <sup>4</sup>asadullah.lakho@iqra.edu.pk; <sup>5</sup>maria.siddiqui@indus.edu.pk

### Corresponding Author: \*

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### ABSTRACT

The restorative business in Pakistan has seen significant development as of late, determined by rising shopper interest and the impact of promoting. Notwithstanding the extension, native restorative brands battle to rival worldwide names, and customer fulfillment is frequently molded by elements like item quality, valuing, and brand picture. This study investigates the effect of moral showcasing rehearses on customer conduct and faithfulness in Pakistan's skincare market. The examination centers around understanding how showcasing systems, including the utilization of computerized stages and Corporate Social Obligation (CSR) drives, impact consumer loyalty, especially among female college understudies who structure a critical portion of the skincare market. The concentrate likewise looks at the developing business sector's buyer conduct, featuring what showcasing strategies mean for buying choices in a quickly developing yet serious area. Moreover, it tends to the advancing shopper premium in manageable strategic policies, which are progressively perceived as significant in worldwide business sectors however are still under-explored in creating economies like Pakistan. From the perspective of moral showcasing, this exploration researches the job of trust, fulfillment, and brand unwaveringness in forming buyer mentalities and looks at how nearby and global skincare brands perform against these assumptions. The discoveries add to a more profound comprehension of the Pakistani restorative area's elements and give noteworthy experiences to organizations hoping to upgrade consumer loyalty and devotion through moral and socially dependable showcasing rehearses. The outcomes are supposed to help both scholarly world and industry, offering significant information for creating advertising methodologies that line up with customer assumptions and advance reasonable business development in the skincare business.

### 1.1 INTRODUCTION:

Companies need to develop competitive management models that aim to fulfill long-term stakeholder and societal expectations, while simultaneously achieving profits, due to increasing environmental instability and complexity. (Martínez-Barrena and others, 2020)

Pakistan's cosmetic sector has experienced notable expansion in recent years. Even still, Pakistan has less of a market for indigenous brands than it does

for international ones. The rise in the sales of cosmetics is a result of consumers being inundated with advertisements, which they utilize to learn about products and ultimately make purchases. Nonetheless, indigenous items are not as popular in Pakistan as those from international names. Every business prioritizes having happy customers, thus they closely monitor the variables that affect a customer's choice to buy a product. Additionally, a

happy customer is a resource that businesses should not just maximize but also optimize (Hanif et al., 2010).

It has been stated that there is a distinction between mature market and emerging market customer behavior with regard to corporate social responsibility. In light of this, it is beneficial to consider research that indicates consumers' views of corporate social responsibility (CSR) and their interest in moral business practices evolve as markets mature (Oe, H.; Yamaoka, 10-July 2021).

In order to demonstrate that the firm engages in ethical business practices and to guarantee that products are safe for customers to use and pose no health risks, it is also crucial from a corporate social responsibility (CSR) standpoint to reveal production procedures and acceptable ingredient lists. The obvious ramifications have been discussed here by a number of academics, but the conversations have mostly focused on the reactions of consumers and global businesses. (Rogiers, V., 2019; European Animal-Free Cosmetics)

Due to their expanding populations and potential for growth, developing markets have an increasing amount of pertinent research, but more thoroughly study is needed to determine the viability of data collecting and the business priorities. Unlike the Western perspective that corporate social responsibility (CSR) factors strongly influence consumer purchasing behavior

The findings of this insightful empirical research, based on data from an emerging market, indicate that although consumers in emerging markets typically show interest in and support for corporate CSR, this enthusiasm does not consistently lead to observable changes in behavior. (Oe, H.; Yamaoka, 2021).

Over the past ten years, the cosmetics sector has grown. Industry data indicates that the worldwide cosmetics market expanded by 5.5% in 2018 compared to 2017 (Ridder, 2020). Over the past ten years, the cosmetics sector has grown. Industry data indicates that the worldwide cosmetics market expanded by 5.5% in 2018 compared to 2017. There are various categories in the cosmetics business, such as deodorants, skincare, makeup, hair care, and perfumes. The advancement of technology is one of the reasons for this growing expansion.

Only the skincare market in Pakistan is estimated to be worth \$709.70 million, and it is expected to grow

by 2.58% yearly, according to a report from the Pakistan General Cosmetic Authority (2022). This indicates that the public in Pakistan is highly aware of the importance of maintaining healthy skin and is using a wider variety of skin care products (GALLUP, 2020). In addition to its widespread use, there are growing worries about the use of high concentrations of mercury, the third most dangerous chemical, in well-known goods that are most popular with Pakistani women and have the largest sales (Bushra et al., 2018).

A number of factors, including cost, quality, brand name, brand loyalty, and labeling, affect the use of cosmetics (Anjana, 2018). Consumer satisfaction is contingent upon the quality of the product and fair pricing (Jahanshahi et al., 2011; Amanah, 2010). The degree to which customers are satisfied with their purchases is influenced by these elements (Martín-Consuegra et al., 2007; Etemad-Sajadi and Rizzuto, 2013).

In the modern world, a brand must adjust to the changes that digitalization has brought about in order to endure amid the many competitors in the market. The rise of digital marketing in the 1990s and 2000s provided a new way for businesses and brands to use technological innovations for marketing purposes. Advertisements are the primary method utilized by marketers in Pakistan's beauty sector to reach target customers. A consumer's level of satisfaction with the characteristics or features of a product or service's benefits, or features is known as satisfaction (Sugeng, 2016). According to Fornell et al. (1996), expenditure is motivated by consumer happiness. Women are typically the target of these captivating commercials, which paint a captivating image of the world. In actuality, advertising is a form of commercial communication used to manipulate or persuade consumers to purchase desired beauty items.

## 1.2 Background of the study:

The rise in the sales of cosmetics can be ascribed to people's exposure to constant advertising, which they use to obtain information and ultimately make purchases. In order to monitor these variables and use their advertising to sway consumers' opinions, marketers invest a lot of money in product promotion and advertising. As an industry representative of Pakistan, I can say that customer behavior when it

comes to buying beauty items is influenced by perception and motive. Customers in Pakistan have access to an extensive selection of soaps because to the market for beauty soaps. Some of the major companies in this industry include Lux, Capri, Vital, Palmolive, Dove, Pears, Himalaya Herbs, Skin White, Saeed Ghani, and Golden Pearl. Unilever holds a prominent position in the Pakistani cosmetics industry, boasting the widest range of beauty soap products in the country. (Research Emergen 2023)

For cosmetic enterprises, the anticipation of financial advantage is typically the primary motivator behind adopting a sustainable commitment, even if that benefit is limited to expanding consumer base or developing higher-value products. (Civancik-Uslu et al., 2019, L'Haridon et al., 2018). Furthermore, it is accurate that there are instances in which improving both economic and environmental performance can coexist, similarly in the context of economy (Acerbi et al., 2021, Civancik Uslu 2019). Since concerns about sustainability should encompass a product's whole life cycle and, by extension, all supply chain participants Cosmetics firms should extend their green vision all the way across the chain of supply, according to Li et al. (2010). As per the 2015 Cosmetics Services market research study by IBIS World, the sluggish demand during the preceding five years was caused by the economic slump. There aren't many entry-level qualifications for small-scale businesses; the primary ones are having excellent culinary and organizational abilities. But since 2006, Pakistan and the European Union have enforced more comprehensive and harmonized food safety laws, raising entry barriers for small enterprises overall. Customers in this industry are content because they obtain outstanding value and services that have gotten better over time. Providing distinctive products and services aids in a company's establishment of a strong brand or reputation among clients. This is a crucial marketing strategy called "brand image." Customers firmly hold the belief that trustworthy companies

Any marketing organization's decisions have an impact on customers' psychological well-being because they can change how they perceive the quality of the services they receive, their sense of value, their level of trust, customer satisfaction, and loyalty. Customers' purchase decisions are important to businesses because they determine their trust and

loyalty toward the company based on its services and goods. It is accurate to argue, as Kotler and Keller (2006) did, that consumer selection to buy depends on how well the products function, which needs to live up to their expectations at the time of purchase. If their needs are met or exceeded, customers will experience delight and are more likely to be satisfied with the company. To uphold a positive brand image and attract and retain loyal clients, and satisfy consumer wants and requirements, Pakistan's cosmetics business must pay attention to these factors.

There is a general worry that women purchase beauty care products, acknowledging that these goods may improve their appearance and personality (Majid, 2015). A significant portion of the money spent by 280 Pakistani women goes toward buying goods (Khan et al, 2021). These days, consumers have a wide range of options, multiple brands provide comparable products, and a variety of factors influence their purchase decisions (Kumar et al., 2014). Therefore, in addition to changing consumer behavior with relation to promotions and advertisements, the COVID-19 pandemic has also affected how people make purchases (Meyer et al., 2020, Sheth, 2020). There are two factors that influence purchasers' obsessive buying habits. The main section includes consumer behavior toward variables that affect their purchase decisions, as well as consumer behavior and the emotional buying cycle (Omar et al., 2021).

### 1.3. Problem Statement:

Research on consumer behavior is varied and extensive since changes in technology, economy, and society have an impact on how consumers act (Peighambari et al., 2016). They discuss things like customer behavior, perception, choice to buy, and the performance of national and international cosmetic brands in various parts of the world.

According to a scientific study on cosmetics consumer behavior carried out in Vietnam by Luong et al. (2022), three factors—country of origin, brand, and price—affect consumer behavior in the Vietnamese cosmetics business.

Therefore, further research into emerging markets is essential, despite the widespread recognition and validation of the impact of corporate social responsibility (CSR) and other ethical corporate

strategies on customer behavior in the global context. (Sartamorn, S. Hybrid Social Media Marketing, 2021).

Product knowledge is another element that affects decisions about what to buy when it comes to cosmetics, thus businesses need to provide information about their products effectively (Eze et al., 2012).

Shenge et al. (2021) claim that Consumers are often inclined to choose products manufactured in industrialized countries over those made in emerging nations. Consequently, they may be more willing to pay a higher price for a product originating from a developed nation compared to one from a developing nation.

Beauty products currently come into the category of routine purchases that are simple, repetitive, and frequently contribute to habit formation. These are examples of low involvement items. Lumen, 2022.

Pakistani women are devoting a significant portion of their income to shopping (Khan et al, 2021). These days, consumers have a wide range of options, multiple brands provide comparable products, and a variety of factors influence their purchase decisions (Kumar et al., 2014).

Therefore, the Covid-19 pandemic has also changed people's purchasing behaviors, independent of marketing and advertising (Meyer et al., 2020, Sheth et al., 2020).

Kim et al. (2006) conducted a scientific study in South Korea and discovered that weak brand strength is the main issue facing the local cosmetics business.

The needs of consumers are thought to be diverse and ever-changing. Customers tend to trust the name of the brand. To strengthen the brand's image, an efficient marketing strategy must be put into place.

As a result, regular individuals with an interest in the company grow passionate brand evangelists, which has ancillary benefits including making brand extensions simpler to accept, creating a premium perception, and forgiving transient quality problems. James (2008)

As an intangible component, brand trust has a fascinating array of substantial effects on the behavior and performance of business stakeholders. By transforming basic awareness into a meaningful commitment, it establishes the foundation for a strong brand relationship with all stakeholders (Hans-Georg Beyer, Dirk V. Arnold, 2003).

Consumer behavior and brand preferences are significantly shaped by marketing tactics' impact on customer perception in the fast-paced, fiercely competitive beauty business. Even while beauty companies employ marketing strategies on a large scale, there is still a need to fully comprehend the ways in which these tactics affect consumer attitudes, perceptions, and purchasing decisions.

#### 1.4 Research Objective:

- After suffering greatly over the previous five years due to the nation's economic turmoil, Pakistan's cosmetics industry is now recovering. The cosmetic companies reduced their output and stopped creating new goods as a result of the decline in demand. This resulted from customers' desire to take care of themselves rather than use services that required payment.
- The Pakistan economic report from 2010 to 2013 showed a drop in the amount of money the cosmetics business brought in. From the end of 2013 to the start of 2014, the revenue then started to rise. This was made possible by Pakistan's efforts to stabilize the economy of the nation and provide information on the anticipated maturity of the cosmetics industry. An economic estimate states that Pakistan's economy will gain from the growth of the cosmetics industry.
- Therefore, determining the elements influencing consumer satisfaction with skin care products has become essential. A consumer's decision-making process while buying cosmetics can be greatly impacted by elements such as product quality and brand image. While a product's quality makes customers feel satisfied and reliable, a product's brand image may strengthen their favorable opinions.
- A number of factors, including cost, quality, brand name, brand loyalty, and labeling, affect the usage of cosmetics. The quality of the products and their fair costs influence customers' satisfaction levels. These elements have a big impact on how satisfied customers are with their purchases.

#### 1.5 Research Question:

- Does ethical marketing practices impact consumer perception?



- Does ethical marketing impact compulsive buying behavior?
- How do ethical marketing effect customer loyalty?

## 1.6 Scope/ Significance of the Study:

Skincare has always been a fundamental aspect of human health and appearance, which plays a significant role in boosting the overall well-being of people. The market for skin care products, both local and foreign brands, has expanded exponentially over the years, offering a plethora of choices for consumers. Among Asian developing countries, the customers of the beauty market in Pakistan spend Rs101 billion annually on personal care products, accounting for 4% of all household expenditures. Hence, gaining a prominent market share with increased penetration of 90 percent. The aim of this study is to investigate how numerous aspects, including pricing, product quality, digital marketing, and brand image, affect how satisfied women are with skin care products from different respectable brands. It is imperative to target female college and university students at the undergraduate level, as they constitute a significant portion of the market and are a vulnerable group because of their societal pressures and celebrity influence, which causes them to prioritize their appearance and begin using skincare products at a young age. This study's main goal is to monitor and investigate how satisfied female college and university undergrads are with the skin care products they use from various domestic and international brands. This research has the potential to benefit academia as well as the skincare sector. Prior study on the choices and satisfaction of female college and university undergraduates with skin care products has not given enough consideration to this particular group. Second, it will assist national and international firms in customizing their marketing plans and initiatives to better reflect the preferences of their intended market. Additionally, this research will support customers in making knowledgeable judgments about the skin care products they select, resulting in increased societal well-being and general pleasure.

## 2.1 Ethical Marketing Practices:

Marketing allows beauty brands to reach their audience through various channels. These include social media platforms, search engines, and email marketing. The advertising campaigns are usually aimed at women wishing to improve their appearance, commonly to increase physical attractiveness and reduce the signs of ageing. Creating and maintaining brand awareness in such a competitive industry is crucial. But fulfilling customers demand by keeping an eye on ethical issues is definitely a tough job for cosmetics beauty industry. The cosmetics industry has seen its share of ethical questioning over the years. Given issues such as the use of unnatural substances and chemicals, animal testing practices, and little warning about potential health concerns, it is no surprise that fewer people are wearing makeup these days.

The cosmetics sector has been strongly affected by this paradigm shift, especially because consumers' demand for products with a low environmental impact and organic certifications that guarantee the reliability of the formulations. (Varvaresou, et al, 2009). The review focuses on addressing the theoretical gaps in the literature regarding advertising patterns in Pakistan. To guide organizations and future manager's promotion done by influencer marketing, also, this study will identify critical variables which influence shoppers' desecration (needs and wants) in the health and beauty care products industry (Abraham, 2022). The topic of ethical marketing practices is assumed considerable important. The traditional shareholders view, mainly oriented to profits, evolved in favor of environmental and social values (Bognar, G. Respect for Nature. 2011). Furthermore, consumers recently trended to give further attention to safe cosmetics and such products that can be relevant to environmental and social responsibility (Yang, 2017). According to Lin et al. (2018) natural ingredients, eco-friendly packaging, and ethics have been given attention by cosmetics consumers because due to sustainable issues. Allergy and skin damage problems that have resulted from using synthetic beauty products are a reason to raise the ecological concern among consumers regarding cosmetic products (Pudaruth et al., 2015).

Natural ingredients that protect the environment is a terminology that was defined by green cosmetics

consumers, which are being purchased for personal and environmental purposes (Lin et al., 2018).

In addition to production and distribution, consumption is one of the main economic activities. In certain nations, more than two thirds of people's income is set aside for spending (Islamaj & Kose, 2016). With the increase in urbanization, new shopping buildings are expanding consistently (Zang et al, 2022). Buyer purchasing behavior incorporates both mental and proactive tasks for a purchaser. Customers utilize several factors before buying a product hence the process is quite complex and dynamic (Modi&Jhulka 2012). Since for a long period of time, organizations have attempted to achieve simplification of process in order to make shopping a delightful experience or to simplify the process of shopping such that process becomes easier and according to customer expectation. However, from Islamic economics and ethics standpoint, consumption is constrained since laws prohibit extravagant expenditure (Furqon, 2014). Islam has also established rules on what may be ingested and what cannot, including halal goods. Products that have been certified as following Islamic law are known as halal. Brands can ascertain some product features to be known as healthy, natural, and safe (Sukesi & Hidayat, 2017). Consumer expectations also exaggerate the power of cosmetics brands, so the more popular brands usually indicate better quality cosmetics (Ishak et al., 2019). Halal brands influence consumer decisions about buying a particular product or going to a certain destination, especially for Muslims (Ratnasari et al., 2020; Ali et al., 2020). Halal products are recognized as a symbol of cleanliness, safety, and high quality, which may be cultivated among non-Muslim consumers in Malaysia. Halal product certification has provided strong recognition of the food product's quality, contributing to a healthier lifestyle for non-Muslims (Aziz & Chok, 2013).

Muslim and non-Muslim customers purchase halal cosmetics that are pure, safe, and free from harmful ingredients (Khan et al., 2021). French non-Muslims strongly believe that halal foods are tastier and more hygienic and the best treatment for animals, as the Islamic slaughtering system is much more effective for animals in terms of pain (Haque et al., 2015). A study in Malaysia suggests that non-Muslims understand that Halal principles concern food safety

issues and environmentally friendly ways of doing things (Rezai et al., 2012).

For Muslims, the halalness of a product is a crucial source of security (Sari et al., 2018). According to Quran Chapter 5, Verse 3, when ingredients and manufacturing practices contain compounds prohibited in Islam, cosmetic items are deemed haram or not halal (Abd Rahman et al., 2015; Asrina & Bulutoding, 2017). The halal label authorizes using the term "halal" on product packaging. The Assessment Institute for Foods, Drugs, and Cosmetics of Majelis Ulama Indonesia is the organization that grants permission for the use of the "Halal Label" on product packaging (LPPOM MUI). Several studies look into what influences people to buy halal goods and cosmetics. The impacts on attitudes towards halal cosmetic goods in Jakarta are examined by Briliana & Mursito (2017). Consumers' opinions of the validity of halal certificates issued by different Muslim and non-Muslim nations were studied by Asnawi et al. (2018). Consumers must consider the price in addition to the halal label when making a purchase. Product cost is a key factor in shaping customer purchasing behaviour (Sari et al., 2018).

## 2.2 Consumer Perception:

Consumer's perception is the opinions, feelings, and beliefs customers have about your brand. It plays an important role in building customer loyalty and retention as well as brand reputation and awareness. Regardless of their actual experience, customer perception is all about how the customer feels about your brand and their interactions with you," (Sam Chandler, senior manager of customer success at Zendesk.). Customer perception is influenced by both direct and indirect interactions with your business. Factors such as social media, online reviews, pricing, quality, influencers, and CX all affect consumer perception. You can control certain elements, including the quality of your product or service, the prices, and the customer experience. But you can't control others like reviews and social media posts.

Wulandari and Kodrat (2015) identifies four stages of perception. They are sensory system, attention, exposure, and interpretation. Unique sensory attributes lead to a good reaction or sensation. Attention transpires when a stimulus triggers some

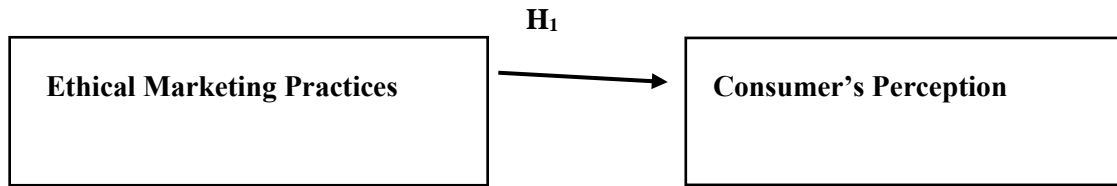
receptors sensory nerve sensations and outcomes are processed in the brain. Exposure ensues when the stimuli come in an assortment of sensory receptors of a person. Consumers pay attention to some individual stimulus that occasionally are not mindful of others, and even disregard a few signals. Finally, interpretation is a consequence or reactions offered by someone of what can be accepted. Interpretation from each other is different, dependent on what they individually need

Vision is the most dominant sense in marketing among all senses as it is evident to create first impression of a brand. Extensive research is available on the sense of sight as it is considered to be one of the most powerful dimensions of sensory marketing that perceive the distinguish characteristics of goods and services (Hulten, 2011). It is the most prominent sense among all the senses as it provides maximum information about brands. Our eyes contain huge number of receptors and visual cues on brands deliver us treasure of information. Packaging of the product plays a vital role in the development of brand image and communicating value to customers. Customer perception is important because it impacts a business's bottom line. Say a customer becomes so frustrated with your brand that they decide to end their subscription with your business. You might think it's a small loss—just a single subscription—but that churn represents much more value. That buyer might have gone for an upsell or cross-sell, or they may have remained a loyal customer and told their friends to buy your product.

Besides increasing visual appearance of a brand, colors provide information about the price, quality and nature of a product e.g. green color is associated with nature, green color products are perceived to be organic/herbal products (Sliburyte & Skeryte, 2014). Different colors are associated with specific meanings that may vary across cultures i.e. In western countries, white color is most commonly used for wedding dresses while, in few Asian countries (Pakistan, India and Bangladesh), white is

associated with mourning. Perception refers to the act of capturing using the senses and the mind. Hence, perception is not only related to basic senses such as visual, flavor and taste attributes, but also to formed learning or experiences. Perception encompasses complex features of consumer behavior such as learning, motivational and contextual factors. How and through which path consumer perceptions shift is complicated to foresee because of the complex dynamic which facilitates the change (Troy and Kerry, 2010). While designing the products, it is equally important to consider the psychology of colors with respect to gender, age and beliefs of prospects. The addition of environmental cues (green color and eco label) on product packaging of products clearly categorize the environmental and chemical products. Green color has a long history in the packaging of ecological products but (Pancer, McShane & Noseworthy, 2015) found in their study that green color alone does not make consumers intention to purchase products by considering them ecological. Use of green colored packaging along with eco-labels increase the credibility of environmental friendly products that elevate consumers purchase intention. Customers' perceptions and assessments of pricing injustice will result in negative emotional reactions, including inaction, self-protection, and retaliation (Beneke et al., 2013). When customers believe a product's pricing is unreasonable, they frequently respond negatively to it, forgo purchasing it, and even despise it. . A significant correlation between perceived relative pricing, perceived product value, and perceived product value and readiness to buy was discovered in 2013 (Berraies et al., 2017). Aaker and Joachimsthaler (2000) assess that brand awareness holds a critical role in consumer perception, especially when consumers' purchase pattern is not delineated. Branded items offer the impression of familiarity especially in low involvement products. For example: soaps and items that we use on a daily basis, media and advertisement are operative devices for awareness.

## 2.3 Conceptual Framework:



### Explanation:

(H<sub>1</sub>): Ethical marketing practices positively influence consumer perception, leading to more favorable attitudes and intentions toward the brand and its products.

### 3.1 Research Method:

Research methods are the specific procedures or techniques used to identify, select, process, and analyze information about the topic. *Research methods* are ways of collecting and analyzing data. Common methods include surveys, experiments, interviews, and observations. There are 3 types of research method quantitative, qualitative and mix method.

In this research we're using Quantitative research which is a research strategy that focuses on quantifying the collection and analysis of data. Quantitative research is a systematic and structured approach to studying phenomena that involves the collection of measurable data and the application of statistical, mathematical, or computational techniques for analysis.

### 3.2 Research Approach:

The research approach is the plans and procedures for research that spans the steps from broad assumptions to detailed methods of data collection, analysis and interpretation. There are two types of research approach inductive and deductive. In this research we're using deductive research approach. Deductive research is a type of research in which the researcher starts with a theory, hypothesis, or generalization and then tests it through observations and data collection. It uses a top-down method in which the researcher starts with a general idea and then tests it through specific observations.

### 3.3 Research instruments:

A Research Instrument is a tool used to collect, measure, and analyze data related to your research interests. Some examples of research instruments include interviews, questionnaires, online surveys, and checklists. Choosing the right research instrument is essential as it can reduce data collection time and provide more accurate results for the research purpose. Choosing the right research instrument is essential as it can reduce data collection time and provide more accurate results for the research purpose. A research instrument is a tool for collecting and analyzing data in research. Data in research is a form of evidence.

The research instrument must be able to assist in answering the research aims, objectives and research questions, as well as prove or disprove the hypothesis of the study. In this research we're using online survey with the help of online questionnaire which is a series of questions specifically structured to gather survey data about our target audience or group of people conducted online.

### 3.4 Sample size and Population:

A population is the entire group that you want to draw conclusions about and a sample is the specific group that you will collect data from. The size of the sample is always less than the total size of the population.

In this research, my sample size is 400 – 500 and my population includes consumers of beauty products, beauty industry professionals, and those who affected by marketing practices in beauty industry.

### 3.5 Sampling Technique:

Sampling technique is a process of selecting individual members or a subset of the population to make statistical inferences from them and estimate



the characteristics of the whole population. The main purpose of sampling in research is to make the research process doable. The research sample helps to reduce bias, accurately present the population and is cost-effective. Use of various sampling techniques play a very important role in reducing cost, improving accuracy, creating more scope and achieving greater speed. Types of sampling include simple random sampling, block sampling, judgment sampling, and systematic sampling. In this research we're using Simple Random Sampling which is a type of probability sampling in which the researcher randomly selects a subset of participants from a population. Each member of the population has an equal chance of being selected. Data is then collected from as large a percentage as possible of this random subset.

### 3.6 Data Analysis Tool:

Data analysis tools are software programs, applications, and other aids that professionals use to analyze data sets in ways that characterize the big picture of the information and provide usable information for meaningful insights, predictions, and decision-making purposes.

In this research we're using Statistical Package for the Social Sciences (SPSS) which is used by various kinds of researchers for complex statistical data analysis. The SPSS software package was created for the management and statistical analysis of social science data and Partial least squares SMART (PLS SMART) which is a software with graphical user interface for variance-based structural equation modeling (SEM).

### 4.1 Descriptive Frequencies:

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	186	32.7	32.7	32.7
	2	382	67.3	67.3	100.0
	Total	568	100.0	100.0	

#### INTERPRETATION:

The table shows the gender distribution of 568 people, with 67.3% female and 32.7% male. All individuals are accounted for, and there are no missing values.

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	318	56.0	56.0	56.0
	2	200	35.2	35.2	91.2
	3	50	8.8	8.8	100.0
	Total	568	100.0	100.0	

#### INTERPRETATION:

The age breakdown shows a significant majority falls in 21 to 30 age group, making up 56.0 % of the sample, with a significant proportion in 31 to 40 age

group (35.2 %), and a small proportion of age group is 41 to 50 (8.8 %). This indicates a predominant presence of younger and middle-aged individuals in the sample.

Income					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	185	32.6	32.6	32.6
	2	90	15.8	15.8	48.4
	3	293	51.6	51.6	100.0
	Total	568	100.0	100.0	

**INTERPRETATION:**

This suggests that the majority of the sample (51.6%) has a relatively income above 30,000, with a significant proportion (32.6%) of the sample has

income below 20,000 and small proportion of this sample (15.6%) has income range in 21,000 to 30,000.

Qualification					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	185	32.6	32.6	32.6
	2	90	15.8	15.8	48.4
	3	293	51.6	51.6	100.0
	Total	568	100.0	100.0	

**INTERPRETATION:**

This indicates that the majority of the sample (51.6%) has a Post - Graduate level of education,

followed by those with some College level of education (32.6%), and smaller proportion which is (15.8%) has a graduate level of education.

**4.2 Reliability Analysis:**

**Case Processing Summary**

		N	%
Cases	Valid	568	100
	Excluded	0	0
	Total	568	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics	
Cronbach's Alpha	N of Items
.796	12

**INTERPRETATION:**

Reliability statistics show a Cronbach's Alpha of 0.796 for 12 items, indicating quite good consistency among them.

**4.3 Factor Analysis:**

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.841	
Bartlett's Test of Sphericity	Approx. Chi-Square	134.539
	Df	15
	Sig.	.000

**INTERPRETATION:**

The KMO measure of 0.841 indicating that the data is adequate for factor analysis. Bartlett's Test, with a big chi-square value of 134.539, 15 degrees of

freedom and significance 0.000, shows that the data is suitable for factor analysis, and that there are significant correlations between variables that can be explored further using factor analysis.

Rotated Component Matrix		
	Component	
	1	2
EMP2	.596	
EMP5	.730	
EMP6	.746	
CP1		.787
CP2		.800

Extraction Method: Principal Component Analysis.  
 Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

#### 4.4 Regression Analysis:

Variables Entered/Removed <sup>a</sup>			
Model	Variables Entered	Variables Removed	Method
1	Ethical Marketing <sup>b</sup>	.	Enter

a. Dependent Variable: Consumer Perception  
 b. All requested variables entered.

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.653 <sup>a</sup>	.523	.422	.40139

a. Predictors: (Constant), Ethical Marketing  
 b. Dependent Variable: Consumer Perception

#### INTERPRETATION:

The model indicating a strong positive correlation (R = .653<sup>a</sup>) between what we're predicting and the factors we're looking at. R<sup>2</sup>=0.523 means that 52.3% of the variance in "Consumer Perception" is

explained by "Ethical Marketing" in this model. This indicates a moderate level of explanatory power. The 0.40139 indicates the average amount that predictions deviate from actual values.

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.190	1	2.190	13.596	.000 <sup>b</sup>
	Residual	91.029	565	.161		
	Total	93.219	566			

a. Dependent Variable: Consumer Perception  
 b. Predictors: (Constant), Ethical Marketing

#### INTERPRETATION:

The ANOVA table tells us if our model is useful. The F-statistic is 13.596, and its associated p-value (Sig.) is .000 (which is less than .05, typically used as the threshold for statistical significance). This suggests

that the regression model as a whole is statistically significant.

## 5.1 Conclusion:

The research proposal's conclusion dives deeply into an exhaustive investigation of how ethical marketing practices affects customer engagement in the context of cosmetic industry.

Interesting outcomes were found for the 'communicating sustainability' and 'ethical behavior of the producers' factors, with the former having a significant impact on brand loyalty across all samples and the latter demonstrating no significant impact and having the weakest impact on brand loyalty. y. As numerous scholars have indicated, communicating sustainability and ethical behaviour are important elements of devising marketing strategies to attract customers (Oe, H.; Yamaoka, 10-July 2021).

However, our finding that the impact of sustainable communication and ethical values on consumer loyalty is non-significant stands in stark contrast to the findings of previous studies working within different contexts. Further research into this discrepancy is undoubtedly required.

With the passage of time, the Pakistan cosmetics industry is growing and expanding as consumers become more aware of their needs and desires. The world of business and commerce is evolving as businesses are no longer restricted to local markets but can reach customers worldwide. A greater emphasis has been placed on customer relationship management as a result of the rapid changes and development of technology. According to the research on customer relationship management, companies with a strong brand image have a greater chance of attracting new customers and retaining existing ones. The research centered on the purchasing decision-making process of Pakistani cosmetics industry customers. All ethical considerations for appropriate and ethical research were adhered to. (Asma Abdul Majeed et al, 2013)

The information received from customers yielded surprising results that would prove beneficial to the Pakistan cosmetics industry. Customers did concur that the company's brand image is crucial. Customers ranked the brand image of a business as the most important factor, followed by brand awareness and brand loyalty. Customers also noted that brand loyalty helps businesses improve their performance. Long-term success would be achieved if Cosmetics businesses in Pakistan worked

diligently to maintain their brand image. The favorable brand image would result in improved business performance and increased sales. Businesses are now aware that brand recognition aids customers in making purchasing decisions; therefore, extensive advertising is required to attract the attention of consumers (Asma Abdul Majeed et al, 2013).

This study opens new doors to understanding consumer behavior and its related determinants to satisfy customer needs and desires. The major focus of this study is on compulsive buying behavior based on the cosmetic industry of Pakistan. Compulsive buying behavior changes due to panic behavior disorder of the customer in different situations (Riaz et al.)

However, our finding that the impact of ethical values on consumer loyalty is non-significant stands in stark contrast to the findings of previous studies working within different contexts. Further research into this discrepancy is undoubtedly required. This study was based on a relatively good sample of well-educated young consumers (51.6 % of the total sample are university graduates or have attained postgraduate qualifications). If we check age factor so our 56.0 % respondents of total sample were youngster age range 21 -30 which clearly indicates that youngsters are more concerned about the ethical values and they want cosmetic industry ton work on it and use such marketing techniques where they won't ignore ethical values of the society. As per our study ethical factor is important for marketing experts to earn customer loyalty and increase their sales.

## 5.2 Recommendation:

Today, understanding the customer perception and work according to that is very important in any industry. People are getting more concerned about fulfillment of their ethical values while making any decision our study is about cosmetic industry so people are not in favor of any marketing tactics in cosmetic industry / beauty industry which target some benchmarks for beauty which is not ethically acceptable. Based on the detailed descriptive statistics, reliability analysis, factor analysis, regression analysis, and ANOVA results provided, here are some recommendations for this study:



Firstly examine how important ethical values are for our society and then make such plans to market their idea.

Analyze how people react and what is their perception to those brand / cosmetic products who don't care about ethical marketing and don't check what is going in the market.

Examine how the interest and thinking of cosmetic buyers is getting changed by time. What they're expecting from cosmetic industry to get checked except cosmetic products. Because ethical connection can build customer loyalty and if consumer is ethically connected to your cosmetic brand than they won't care about prices anymore.

Cosmetic industry can improve consumer perception by adopting ethical marketing initiatives. Propose areas for future research, such as investigating specific types of ethical marketing practices (e.g., corporate social responsibility initiatives, fair trade certifications) and their differential impacts on consumer perceptions across different cultures or market segments.

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