

**YANGON UNIVERSITY OF ECONOMICS**  
**DEPARTMENT OF MANAGEMENT STUDIES**  
**MBA PROGRAMME**

**BRAND TRUST AND PURCHASE BEHAVIOR OF**  
**NATURE REPUBLIC PRODUCTS**

**THIN THIN SABELI SOE**

**MBA II – 71**

**MBA 23<sup>rd</sup> BATCH**

**DECEMBER, 2019**

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**ACADEMIC YEAR (2017 – 2019)**

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“This thesis is submitted to the Board of Examiners in partial fulfillment of the requirements for the degree of Master of Business Administration (MBA).”

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**2017 – 2019**

## ACCEPTANCE

This is to certify that this thesis entitled “**Brand Trust and Purchase Behavior of Nature Republic Products**” has been accepted by the Examination Board for awarding Master of Business Administration (MBA) degree.

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**DECEMBER, 2019**

## **ABSTRACT**

The main purpose of this study is to examine how the marketing factors influence on the brand trust and purchase behavior of Nature Republic products in Yangon. The data is collected from one hundred and fifty respondents who visit the Nature Republic stores in Yangon with the structured questionnaire. According to the results, it is found out that promotion, brand image and product quality have positive effect on brand trust. Furthermore, the study indicates that brand trust has highly significant effect on purchase behavior of Nature Republic products. Therefore, the marketers should focus on promotion program to increase the brand trust and purchase capacity. It is necessary to maintain the consistent brand image to promote the trust on the brand. The production of Nature Republic should have high quality control system and good quality management for all process to maintain the consistent quality.

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# CHAPTER 1

## INTRODUCTION

Today, it is the fact that there is a major emphasis on beauty and physical attractiveness, being the physical beauty a desirable feature. Cosmetics are very popular and have been used since ancient civilizations. The beauty industry promotes the daily use of cosmetics to cleanse and to beautify the face and body, millions of people use cosmetics on daily basis. Many people mostly choose to buy good reputations and popular brand name because they become more concern about their personality and consequences of cosmetic products. They also believe that brand can define their social status and lifestyles. They perceive products with famous brands are more reliable, useful, highly quality products and will make them more attractive. In the point of view of business, being a dynamic business environment, companies are trying to compete various ways to own assets like property, as well as intangible assets, such as company's reputation and brand trust. Therefore, nowadays, brand is one of the most important assets for the business.

Doyle (2002) cited the concept of a brand as a specific name, emblem or design, or the combination of these — which is used to identify a product. In the example, it was claimed that if a customer assumes that the organization has a market-oriented viewpoint, then customers have trust in the brand over the organization's representation of the brand (Ballester, 2001). Many studies such as those conducted by Srivastava, Fahey and Christensen (2001) considered brand trust as a market-based commodity that is interconnected due to its external nature and its relationship with the brand's end user. Consumer trust is the consumer's sense of security in his / her relationship with the consumer, based on the belief that the brand is trustworthy and responsible for the consumer's interests and welfare. The uncertainty aspect of brand confidence is of a technical nature as it relates to the belief that the brand will meet or satisfy the needs of customers. It is linked to the confidence of the customer that the brand is fulfilling its promise of value. McAllister (1995) described "the degree to which an individual is confident and willing to act on the basis of other people's words, acts and results."

A brand is primarily a branding tool for the brand owner: the living memory and the vision of its products (Kapferer, 1997). A brand may build an emotional bond with

them for consumers of the brand, which makes the brand an icon. As the decision to buy the consumer is focused on the well-known brand. Even if the product quality is the same, the consumers would buy the brand they know. Customer purchase behavior is known to be an inseparable part of marketing and buyer behavior is a mechanism that results in fulfillment of needs and wants through imputes and their use by process and acts. Purchase behavior can be considered as a function of the relationship between the brand and the consumer (Ambler, 1997) and the implementation of trust as the center of the relationship variables that can enrich the understanding of purchase behavior and produce predictions and measurement of improved marketing success (Ballester, 2001).

Several imported cosmetic brands are now popular among adults: Maybelline, L'Oreal, Western-country SK-II and Nature Republic, Innisfree, South Korea's Etude House since skin care products are an important requirement for women to have healthy skin. The company's success is related to its ability to attract consumers to its products. If a company has gained high confidence in the brand, consumers will enjoy the premium price and be loyal to the brand. It is therefore worth examining the effect of brand trust on the conduct the purchase.

## **1.1 Rationale of the Study**

In Myanmar, due to the lifestyle changes and more eye opening, people are aware of their personality self-imaging, grooming and hygiene factors. Therefore, many young people especially women are increasingly aware of their personalities by choosing cosmetics or skin care products properly. Not only local cosmetics but also the imported products are now available in Myanmar. The foreign skin care products brands found in local market is the evidence in Myanmar context to study the brand related behavior referring to one of the product scopes found in skin care categories. With the advance technology, customers today have access to more information and have significant bargaining power before making any purchasing decision. They also perceive that well-known brands particularly brands from foreign countries reflect their personality, lifestyles and social status. Therefore, brand trust becomes one of the popular concepts in brand marketing for many marketers.

The reason why the study focuses on the cosmetics industry is that it is one of the most profitable industry, innovative, and fast-growing industry and known as a multi-

million-dollar industry. The previous study describes that American cosmetics consumers are alone spending almost ten billion US dollars annually (Khan, 2013). And it is also one of the markets that consumers are facing variety of choices of skin care products and these products are seen to be popular among customers. Customers have certain expectations from the brand and tend to rely on brand as an indicator to purchase by default, which is referred as brand trust. Brand trust behaves like the main key factors for firm success. From marketers' point of view, brand trust works as a preserver of relationship investment for companies' partner; provide long term benefits; prevent high risk actions (Morgan, 1994) and they are the cornerstone of strategic partnership (Spekman, 1988). From the point of view of customers, they are important assets for the relationship between the customer business and are the main reasons behind the behavioral responses of consumers towards companies (Caceres & Paparoidamis, 2007) Berry and Parasuraman (1991) affirm that effective service marketing depends on the good management of both the effects of the brand and brand trust.

A brand with high brand trust is likely to generate positive connection and higher recognition to consumers and pursued their purchase behavior on the product. Playing an important role, the skin care products in daily life of the people regardless of age, occupation, and education, marketers should know the influencing factors on the brand trust and how to increase the brand trust. With the availability of wide range of brands that can offer similar products with little differentiation, it could be difficult for consumers to make a choice. Brand trust is a type of customer relationship marketing that could influence the buying decision of consumer. Marketers should know the role of brand trust on the consumer purchasing decision and they also should know how to improve the brand trust to attract the potential consumers and retain the present consumers. Therefore, this study is focusing on the brand trust and consumer purchase behavior of Nature Republic products.

## **1.2 Objectives of the Study**

The main objectives of the study are as follows:

1. To examine the effect of marketing factors on the brand trust of Nature Republic Products
2. To analyze the effect of brand trust on the purchase behavior of Nature Republic products

## **1.3 Scope and Method of the Study**

This study focuses to examine the role of brand trust on purchase behavior of Nature Republic products. This study only focuses on marketing factors: price, promotion, customer service, store environment, product quality, design, and brand image. These factors are identified as influencing factors on brand trust. Therefore, this study does not cover other marketing factors such as advertising, social media marketing and celebrity endorsement. This study focuses on the Nature Republic products users who are currently using or have used Nature Republic products. The study area is limited to Yangon.

This study uses descriptive and analytical methods with both primary and secondary data. The primary data is collected from 150 Nature Republic products users with the structured questionnaire 5-point Likert scale. The primary data is collected at 7 outlets which are randomly selected from 13 Nature Republic outlets in Yangon, using systematic sampling method by going to the outlets on every Sunday. It takes 2.5 months by visiting 2 different outlets to get 20 respondents. The secondary data is collected from related textbooks, websites, articles, journals, international dissertations and other previous research papers form both local and international.

#### **1.4 Organization of the Study**

The study is composed of five chapters. Chapter one is the introduction that presents rationale of the study, the objectives of the study, scope and method of the study and organization of the study. Chapter two covers the theoretical background and empirical studies concerned with the study. Chapter three presents background of Nature Republic, the demographic characteristics of respondents and marketing factors of Nature Republic brand. Chapter four presents data analysis and the findings from the primary and secondary research conducted during the study. Chapter five highlights and gives the appropriate recommendations based on the results obtained as well as the needs for the further study.



## **CHAPTER 2**

### **THEORETICAL BACKGROUND**

This chapter consists of theories and concepts regarding to marketing factors that are influencing the brand trust, the relationship between brand trust and purchase behavior, and conceptual framework. The definitions, related theories and empirical studies of dependent variables and independent variables are presented. Finally, the conceptual framework is presented based on the empirical studies.

#### **2.1 Marketing Factors**

Today's business world, it is the most important tools to achieve the stable competitive advantage. To this aim, with creating and using the powerful brand trust, the firms have entered into different competitive fields in order to attract more customers as well as seeking more income has been accentuated that is one of the main components of the firms' success. In this study, the marketing factors such as price, promotion, service quality, store environment, brand image, design and product quality affect on the brand trust and its effect on the consumers' purchase behavior of Nature Republic products.

##### **1. Price**

It is considered one of the components in the marketing mix and as an important tool for marketing, product prices convey their goods to the consumer to the companies intended for value positioning (Kotler, P, 2013). It is also considered a strategic device. Price is described as "the value amount exchanged by customers for the benefit of having or using the product or service" (Kotler P. B., 2010). Price is one of the marketing mix components that generates revenue, while cost is generated by the other element of the mix. In fact, the components of the marketing mix are dynamic systems tailored for performance by the company. Price is the easiest factor to change in the marketing program among the elements in the mix; other elements (product function, channels of distribution and promotional efforts) are time consuming (Kotler, P, 2013).

Many studies have shown that a company will reduce production costs, increase its market share or alter its price to boost its profitability (Dolgui and Porth, 2010). Numerous studies have reported that a company can reduce production costs, increase its

market share or modify its price in order to increase its competitiveness (Dolgui and Porth, 2010). Generally speaking, price as a profit change metric is the easiest and fastest way to increase profitability in all three options available to the organization to increase its competitiveness. Interestingly, a price increase can also lead to a decline in competition as consumers react differently to changes in prices. Therefore, in view of this reason, companies must identify the best pricing strategy that will be acceptable for their service.

It is necessary to pay a certain amount of money for services or goods. Since adjusting basic product and service characteristics, price is one of the most variable marketing components. Consumers with high brand trust are willing to pay substantial amounts of money for their preferred brand because they feel that high-priced brands or items are more desirable than cheaper products. Price does not easily affect the perceived importance of buying by customers (Keller, 2003). Retaining loyal customers who are willing to pay higher prices for their favorite brand is very important for the company, because their purchase is not only based on low prices. (Levy, 2012), says loyal customers are willing to purchase a product even if it costs a lot. (Wickliffe, 2001) noted that product characteristics (brand and price) have an intrinsic effect on consumer behavior.

Price consciousness is also defined as seeking the interest to buy on selling prices or the option of low prices (Sproles, 1986). Consumers have high confidence in the brand's value and brand quality as long as consumers are able to compare and track their alternative brand's prices (Keller, 2003). Customer satisfaction can be reached by comparing the price with the cost and value of the superficial. Therefore, if the perceived value exceeds the cost, consumers will purchase the brand or product will be encountered. Perhaps the main important factor is the medium sales price. Now price becomes a key point for assessing the value of the deal and for accessing the retailer (Ryuter, 1999). Price is the main factor showing the value positioning of the company's brand and product on the market (Abraham, M. L., & Littrell, M. A., 1995).

## **2. Promotion**

Promotion is related to promotion or advertising sales of goods. This includes raising awareness of a product or brand among consumers. A promotion is aimed at finding suitable buyers for a company. People are looking for a commodity that meets their needs and fulfills them. A promotion is a set of events that demonstrate to the consumer the product brand or service. This sensitizes and attracts people and persuades them to purchase a product over others.

For every organization to earn profits, promotion is a very important thing. According to (Kotler, P. & Armstrong, G., 2010), decision-making customers are strongly influenced by advertising campaigns and their immense sales volume. Promotion itself consists of organizing, executing and monitoring interactions between a company and its customers and other target audiences. Promotion strategy combines the promotional activities of the company, integrating ads, personal product, sales promotion, interactive / Internet marketing, direct marketing and public relations to engage with customers and others affecting buying decisions (Cravens, 2006).

Promotion includes all ways of disseminating product information to customers, leading to higher sales. Promotion is the basis for providing customers with knowledge about a brand. Therefore, advertising creates a good picture of a product or service relative to a rival in the minds of customers (Evans, 1996). Seller's service delivery efficiency also influences consumer brand trust. Study concluded that promotion is an effective way to force brand switches toward a brand because young people like to use a brand that sponsors well-known people to promote the product (Lau et al., 2006). Promotion is contact by ads with the consumers; customers are encouraged to buy the product.

Promotion is defined as marketing activities typically specific to a period, place or customer group, which by offering additional benefits encourages a direct response from consumer or marketing intermediaries. Promotion is the method of persuading potential customers; the communication technique of the organization to encourage sales growth. The promotion is short-term strategy for creating long-term customer loyalty along with ads, public relations and personal sales. The advertising is based on the consumer to increase the number of sales. Marketing activity, which contributes to the basic value proposition behind a product, is at the heart of the sales promotion.

Price promotion delivers low prices and excellent financial incentives to consumers. For example, consumers may be offered to buy later or use a voucher to take advantage of current or future use (Mullin, 2008). These sales promotions are more quantifiable, faster and easier than other methods of marketing (Hardie, 1996). Mullin and Cummins (2008) reported that price promotions include cash-off vouchers, pence-off flashes, buy one free and additional fill packs.

By general, sales promotions have less long-term effects than other marketing tactics. This may not change the overall opinion of a product or brand of the consumer, but they will lead them to purchase. These are a sort of deal that the company offers to consumers. In this situation, companies are offering consumers a better than average deal, increasing the price / value, which means adding value to the commodity. It also means price reductions and perhaps discounts or rebates being given (Schultz, 1998). Sales deals include a wide range of tools— coupons, challenges, price cuts, bonus bids, free goods, and more. Each one of them has specific qualities. Their aim is to attract the attention of consumers, provide information, and lead customers to purchase products. Companies use sales marketing methods to encourage and reward a rapid response (Kotler P. B., 2007).

### **3. Service Quality**

Service quality is vital to the growth of strong service dominant brands as it enhances perceived brand dominance and helps to discriminate against brands in competitive markets (Aaker, 1997). Over recent years, consumers have also been increasingly concerned with service quality. The concept of service quality is widely accepted as multidimensional, but its meaning and number of dimensions are still under debate.

Quality of service is a success in customer service. The concept of service quality is based on the assumption that it is the product of the comparison made by consumers between their perceptions about the service and their understanding of how the service was delivered. The quality of customer service derives from past experiences, word of mouth, and advertisements. Customers equate the perceived service to the planned service, and they are dissatisfied if their expectations are not met. If the quality of service is good, their needs are met and they are encouraged to buy a product linked to brand and purchasing intention.

As a result of a contrast between the "anticipated" service and the "planned" service, service quality was also specified (Gronroos, 2001). The quality encountered by a customer, according to Grönroos, is focused on two dimensions (a technological and a functional dimension), moderated by the picture of the product. The functional aspect takes into account the manner in which a service is provided (e.g. courtesy, consideration, promptness, professionalism). The functional aspect applies to the contract product as such (e.g. a policy on life insurance).

Customer perceived service quality is the customer's own interpretation of the service based on various factors that relate to the service, from the process to the end result. "Value is what consumers interpret," said Grönroos (2001). A major focus on the component of human interaction in service delivery, consisting of human behavior and attitudes, is a close review of the dimensions of quality. According to (Zeithaml, V. A., Bitner, M., & Gremler, D. D., 2006), "it means treating clients as individuals and providing them with personalized service."

#### **4. Store Environment**

There has been extensive research on the effect of store climate on consumer behavior. The store's key and positive attribute is, store location, architecture, the store's in-store triggers that influence brand trust. If the store location is out of reach and the retail outlets are less, it will have an effect on the buying trend and the consumer will not go to another shop for that brand, but will switch the brand and choose another brand, as if the store is highly accessible and the customer is satisfied with the service, then these customers will be loyal after the wards (Evans, 1996). Store environment plays an important role in influencing the decision making. In today's competitive world store environment has been considered as the most important attribute as it is the point of purchase for the consumers. The retailer has realized the importance of the store environment as it delights customers ' buying experience that increases brand trust due to increased competition. Sales person is the stimulus in the store, temperature, smell, show, sign, sound and color are the characteristics of the retail environment, which in effect affects customer satisfaction and decision-making process (Abraham, M. L., & Littrell, M. A., 1995). If the store has low beat music, it will lead to more volume of sales and consumers will spend more time in the store (Evans, 1996).

The effect of the store environment on consumer behavior has been considered by many studies. The store setting, according to (Omar, 1999), is also an important feature in the growth of marketing and storage longevity. It is an important element in retailing, with 70% of retail purchases being impulse purchases or unplanned purchases (Dunne, 2005). Kotler invented the term atmospherics in 1973, referring to the conscious space designed to create certain individual effects and increase the possibility of desirable behavioral results. The value of the store setting as a resource for market differentiation is recognized by many retailers (Levy, M., & Weitz, B. A., 1995). The retail environment and a store's physical environment consists of many components, including music, lighting, architecture, visual signs, and human beings, separated into the external environment and the internal environment. The retail environment often affects different stages of cognitive processes within a store for customers, including concentration, interpretation, categorization, and processing of information. Some features like location of the store and design of the store have a positive effect on brand trust. For customer decision-making, the shop setting plays an important role.

## **5. Brand Image**

Brand is described as a picture that the public can recognize, making a positive brand that is important and easy for people to remember (Aaker, 1997). Brand identity created to make people think about everything from the business side, so that the organization can benefit from a clearly defined brand image in the long run (Cannon, 2009) (Morgan, 1994).

A brand image is the expectations of a consumer about the goods or the overall views of the products formed in their minds. Such a picture should be positive, unique, and instantaneous. It is also important for businesses; they are making an effort to improve marketing activity and connect with strategies to position and maintain a positive brand image. A brand on the market affects the company's ability to determine how customers view the brand image and the ability of the company to control the brand marketing strategy, effectively disclosing a consumer's brand equity.

A brand image is the impression of customers about a brand that represents brand perceptions in the memory of consumers, according to (Keller, K. L., 1993). It includes the thoughts and feelings of customers towards the brand (Roy, 2007), or their mental image of a brand making it exclusive relative to other brands (Faircloth, 2005). Product

photos include the awareness and perceptions of customers about specific product and non-product features items. These reflect the personal identity associated with the brand by customers and involves both descriptive and evaluative brand details (Iversen, 2008). If consumers have a favorable brand image, their message is more powerful than other brands (Hsieh, 2008). A brand image therefore plays an important role in the actions of consumers (Burmam, 2008).

(Keller, K. L., 1993) referred to the brand image as a term believed by consumers for subjective reasons and emotional feelings of their own. Brand image is also referred to as the interpretation of the consumer either by intention or rational basis or by feelings towards a specific brand (Malhotra, 2010) (Assael, 2004). A brand's fundamental problem lies not only in choosing the name itself, but it is certainly a good name choice that might help (Aaker, 1997). A good brand image would allow the marketing campaign to be liked and to create unique brand connections that always occur in customer retention (Schiffman, 2010). Brand image is often referenced in the psychological aspects of the image or perception formed into the consumer's subconscious by the expectations and experience of taking the brand over a product or service, therefore creating a positive brand image is increasingly important to the company's ownership (Pujadi, 2010).

Brand image is also seen as a summary of the company's offer that incorporates associated consumers ' symbolic meaning by unique product or service attributes (Winarso, 2012). Not only that, the brand image may also represent some of a brand's strongest associations, these attributes are intangible, abstract, and consumer attitude in each of the above different product categories if a product or service brand is associated with products in various categories (Chaudhuri, 2001)\. Brand image is a representation of a brand in the minds of consumers (Hawkins, 2004). If the brand has a unique advantage, good reputation, popularity, trustworthiness and ability to provide the best service, the good impression may emerge (Kotler, P. & Keller, K. L., 2012).

## **6. Design**

A design is a plan or drawing that is produced to show the appearance and function or function of a building, wardrobe, or other object before it is constructed or made with lines, 6shapes, and particular effects on consumer awareness of a brand (Frings, 2005). Fashion-conscious consumers are also brand-conscious, which is why brands that provide an attractive bundle attract fashion-conscious consumers. Most followers of fashion often buy brands or products from high vogue stores. (Duff, 2007). ' Investigated the niche market in women's cosmetics, and research findings indicate that cosmetics customers are trendier and want items that are more appealing and freshly designed; in addition, consumers prefer to use different make-up designs for various occasions. '

Style is a conceptual development that involves statistics, lines and details that affect the brand's vision of the customer. Loyal, fashion conscious consumers are drawn to a brand that offers a trendy kit. The fashion follower and fashion buyers normally buy some highly trendy products and services in store, and they continue to buy such items regularly as well. We feel satisfied and their ego is satisfied with using the new products of these latest brands (Frings, 2005). Consumers of cosmetics become more conscious of trends and prefer products and services with more recent trend and fashionable design because they want to use special makeup designs and models for different functions or ceremonies (Duff, 2007). Fashion Conscious is usually referred to as knowledge of attractions and aesthetics, awareness of changing trends in fashion, awareness of the new designs and buying something more interesting and trendier (Sproles, 1986). A complex list of visual features is created, and design or style is the most important factor found. The judgment of the customer depends on the extent to which the degree to which the customer is aware of the fashion, so the judgment will be given to the customer's opinion what is currently fashionable. All the companies making trendy sportswear with great designs draw loyal, fashion-conscious consumers (Abraham, 1995).

## **7. Product Quality**

Quality product plays an important role in determining the intention to buy. It can be called a cycle of continuous improvement as the product output and customer satisfaction will rise as a result of incremental improvements. Quality is a key tool for creating competitive advantage. Before deciding to buy them, customers are concerned



about the quality of cosmetic products. To order to remain competitive among the cosmetic firms of the competitor, it is necessary to increase and focus more on enhancing product quality. (Russell, 2006) explained quality as "on-use fitness" or "on-demand compliance."

The brand's content, color and purpose should be in line with the needs and expectations (Frings, 2005). Now the consumers of day are becoming more knowledgeable and unwilling to compromise on quality and find this even more important than the product's price. Unless consumers are pleased with the brand's price otherwise, they will choose the brand (Russell, 2006).

Groups of saleable goods features and characteristics that ensure consumers buy as products meet the needs of buyers and meet their desires and needs will attract consumers and ensure high quality products. Because of the quality of the products, consumers may buy back specific brands or change to other products. Researchers believe the quality of the product influences the preferences of customers. They have defined product quality as a key feature used by consumers for product's evaluation.

Customers are more conscious of consistency as they wait patiently for the brand during non-availability to buy cosmetic products. P. Priyanga<sup>1</sup>, Dr. R. Krishnaveni (2016) reported that it is because of the nature of the skin care product that a woman customer is loyal to the brand. High-quality cosmetics help build and maintain targeted customers' trust and persuade them to buy it. Performance also plays an important role in purchase behavior from customers. Consumers always prefer quality products to reduce the risk of perception and to meet their needs and wishes.

## 2.2 Brand Trust

Brand is a name, sign, symbol or design or a combination of all that means as a product or service identification and distinguishes it from the competitor (Kotler, P. & Keller, K. L., 2012). Philip Kotler defines the brand as "the promise of a seller to deliver a particular set of buyer-consistent features, benefits and services" (Keller, 2003). A brand is therefore the company's commitment to deliver on its promises. Brand plays an important role in providing consumers with a positive image. Brand name is capable of creating loyal customers and maintaining the company's market share. (Loudon, 1988) stated that customers are getting a brand image thinking or feeling. Customers prefer the familiar brands because of high quality and less purchase risk.

(Giffin, 1967) defined trust as relying on the characteristics of an object or an event or a person's behavior to achieve a desired but uncertain goal in a risky situation. The nature of trust is the conviction that the ability and willingness of another person to fulfill its commitments. Today's marketplace has created enormous complexities and uncertainties for consumers; a typical consumer is faced with many options and alternatives, but time and budget are limited. When consumers trust the brand to deliver on their promises, this will ease their decision-making, reduce their purchase risk, and reduce the cost of gathering and processing information (Erdem T. S., 2006). Therefore, brand trust—described as the consumer's perception that the brand is willing and capable of delivering on its commitments (Chaudhuri, 2001)—is crucial to market brand success. (Dolgui, 2010) described brand trust as the reasonable expectations of the reliability and intentions of the brand in situations involving consumer risk.

Consumer trust in marketing literature is a phenomenon that has a strong correlation with the understanding of the customer. Brand trust is a cognitive aspect of actions in the framework suggested by (Assael, H., 1998). Trust is the agents' understanding of a transaction and the risk of expectation and conduct (Rai, 2013). Trust is described as a feeling expression. The feeling has a cognitive, affective and behavioral effect. (Assael, H., 1998) said that by assessing a brand's attribute and benefit, trust can be calculated. Trust debate is related to marketing partnerships (Morgan and Hunt, 1994, Parasuraman et al, 1985). There are two trust categories; they are organizational trust and personal trust (Ekelund, 2001). Brand trust is a part of personal trust.

In many studies, brand trust is considered essential (Doney, 1997) (Moorman, 1992). It is conceived as a significant factor in the success of the company (Morgan, 1994). (Chaudhuri, 2001) described brand trust as "the average consumer's willingness to rely on the brand's ability to fulfill its claimed purpose." Trust plays a key role in brand success by reducing the risk of buying customers and making decisions easier. Brand trust emerges after the assessment of the offerings of companies by customers. If businesses provide customers with trust in the health, authenticity and durability of their products, brand trust will be created later (Doney, 1997). Brand trust can be interpreted as being generated and built through direct experiences of consumers with brands

It was defines that brand trust as the confident expectations of the reliability and intentions of the brand in situations involving consumer risk, as such, brand trust is one, logical result of brand familiarity and brand love. (Lau G. &, 1999) said that brand trust is an important mediator factor in the behaviors of the consumer before and after the product purchase; and it builds long-term loyalty and strengthens the partnership between two parties. (Anwar, 2011) claimed that brand trust is undeniably one of the most important tools for making online customer relationships and the most effective marketing tool for the business. (Lau G. &, 1999) said brand trust is focused on the consumer's perception that the brand has unique characteristics that make it trustworthy, professional, truthful, accountable, etc. Under their opinion, brand trust is a global indicator of the overall feeling or attitude toward the brand of a customer.

### **2.3 Consumer Purchase Behavior**

Customer is the analysis of the processes involved in choosing, purchasing, using or disposing of goods, services, ideas or experiences for fulfilling needs and desires by individuals or groups (Solomon, 1983). In the marketing context, the term "consumer" refers not only to the act of buying itself, but also to aggregate buying patterns that include pre-buying and post-buying activities.

Customer insight provides a summary of the company in a selection of some of the brand (Hawkins, 2004). Consumers ' view of a commodity is a set of attributes that have many advantages in meeting their needs (Assael, 2004). The image created reflects the range of experience used as a basis for analysis on the inconsistencies or superiority of the product from the influence of customer expectations of a product at the same

election (Cannon, 2009). (Engel, 1986) described consumer behavior as "the actions of individuals directly involved in the purchase, use and disposal of economic goods and services, including the preceding and deciding decision-making processes."

Consumer behavior can be characterized as the actions shown by consumers as they browse, purchase, use, evaluate and dispose of the products and services they expect to meet their needs. The study of consumer behavior is the study of how individuals make decisions to spend their available resources on consumer-related items (money, time, and effort). It includes studying what they are buying, why they are buying it. It is an interdisciplinary science involving concepts of psychology, sociology, social psychology, cultural anthropology, and economics (Schiffman, 2010).

Satisfaction or dissatisfaction with the product will affect the subsequent behavior of a consumer. If the consumer is satisfied, the consumer was more likely to buy the product again. The satisfied customer also tends to tell other people good things about the brand. Marketers say: "A satisfied customer is our best advertisement." Unhappy consumers could give up returning the product. They may be looking for information that confirms their high value. Through appealing to the client, going to the lawyer, or complaining to other groups (such as industry, private or government agencies), they may take public action. Private actions include choosing not to buy the product (optional exit) or warning friends (optional voice).

The post-purchase aspect in services has been underestimated, as this is separate from tangible product research due to its design. Study finds that elements such as happiness influence repeated visits and suggested interactions to others. Word-of-mouth contact recognizes the importance of satisfaction in services.

There is a potential to adjust the purchasing intention due to the influence of price, quality and value. (Gogoi, 2013) stated that both external and internal motivations influence consumers during the purchasing process. (Gogoi, 2013) claimed that consumers have an intuition that unknown, low-cost, and easy packaging goods have a high risk because the quality and value of these products is not trustable.

Consumer purchase behavior is both a method of decision-making and an attitude of the people involved in buying and using goods. Consumers make buying choices for both small and large items. Consumers start searching for products or services that fit their needs after identifying a need or want. If customers have a good attitude towards the

product or service offered, consumers tend to behave in a positive way in order to improve the customer relationship with the company (Assael, 2004).

When buyers are loyal to a company, price won't affect their purchase behavior as they are willing to pay more for their favorite brand. In fact, buyers are assured that they will gain more benefits from the brand they want than from the costs paid (Evans, 1996). The preference of customer to purchase product depends on what styles people follow and in which fashion they find themselves (Abraham, 1995). It has been concluded that purchase behavior depends on the willingness of the buyer to pay for a specific product. We don't think either the product is expensive or cheaper when customers have enough money.

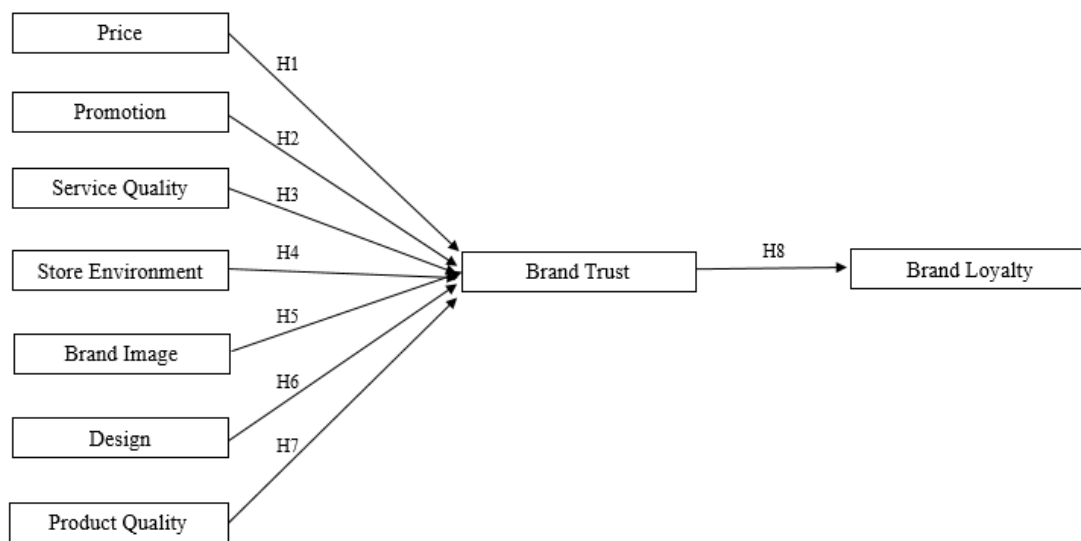
## **2.4 Empirical Studies**

Most studies such as Srivastava, Fahey and Christensen (2001) viewed brand trust as a market-based commodity that was intertwined because it operated externally and lied to the brand's end user relationship. Purchase behavior can be considered as a function of the relationship between the brand and the customer and the introduction of trust as the core of the relationship variables that can enrich the understanding of purchase behavior and generate predictions and evaluation of improved marketing performance (Ballester, 2001).

### 2.4.1 Factor Affecting on Brand Trust

A study has been established, according to (Mohammadzadeh, 2015), how brand trust has affected cosmetic product brand loyalty in North Cyprus. The factors in this analysis were analyzed as the factors affecting brand trust: price, advertising, quality of service, store climate, brand image, design and product quality. The data was gathered from customers living in the district of Famagusta, Northern Cyprus.

**Figure 2.1 Conceptual Framework of Factor Affecting on Brand Trust**



Source: Rana Mohammadzadeh (2015)

The empirical study found that there was a strong and positive relationship between price, brand image, design and product quality and brand trust. Brand image had a positive impact on brand loyalty, thereby increasing the loyalty of consumers to the cosmetics brand in Northern Cyprus through company trust.

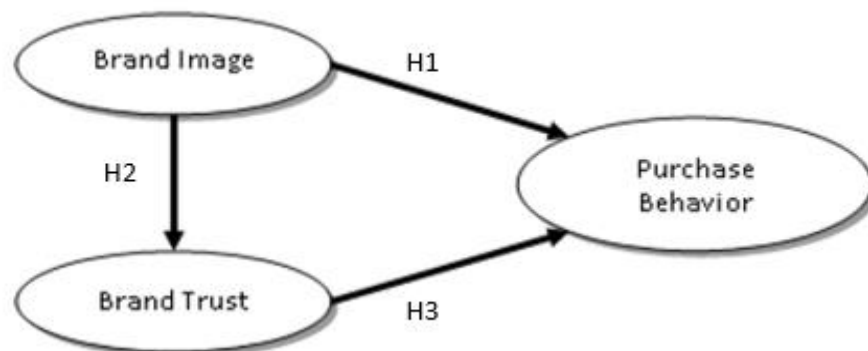
The empirical finding has been that price has a significant and positive effect on cosmetics' brand image. Brand image and product trust had a significant relationship that meant that a cosmetic brand's reputation and name strengthened the brand's trust. Product design and product quality served as two main brand loyalty metrics that had a significant and positive impact on cosmetics brand trust. Layout improved a cosmetic brand's trust. This empirical study found that a cosmetic product's consistent quality effectively improved the brand's trust. Promotion, service quality, and store environment had no significant relationship with the brand trust of cosmetics in that empirical study.

### 2.4.3 Effect of Brand Trust and Purchase Behavior

According to (Rindell, 2011), it is verified these findings in this study which found that brand trust has been shown to have a positive and important impact on purchase behavior through quantitative methods. In IKEA's case, (Rindell, 2011) found that purchase behavior was more affected by the perceived brand trust that increased the degree of social standard of living if a family could afford to buy expensive furniture.

The study of (Fianto, 2014) has been discussed among many previous studies. This observational study was carried out on 386 students at 13 private Islamic universities in Indonesia's East Java province. In the study, the authors identified and analyzed the influence of brand image on purchase behavior and identified and analyzed the brand trust's mediating role.

**Figure 2.2 Conceptual Framework of Brand Trust and Purchase Behavior**



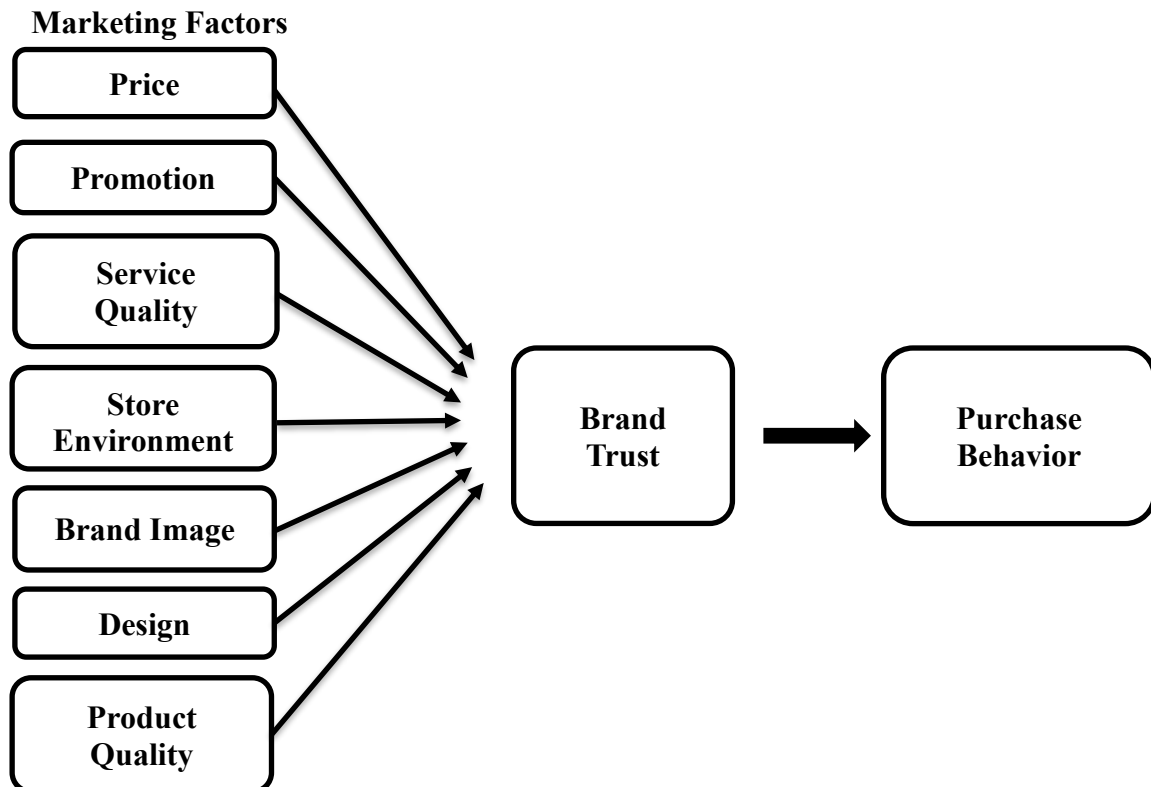
Source: Achmad Yanu Alif Fianto, Djumilah Hadiwidjojo, Siti Aisjah, Solimun (2014)

The results showed that the students considered that the brand image was responsible for indices of competence, credibility, trustworthy and impeccable service. The findings of this study's research showed that brand image has an important role to play in shaping purchase behavior. This research also showed that brand image has a dominant role to influence purchase behavior, either directly or even through the mediating impact of brand trust. In the study conducted by these scholars, the advent of relationship marketing as a starting point was that trust was a major factor in which the relationship between the consumer and the brand.

## 2.5 Conceptual Framework of the Study

According to previous research studies and theories, the conceptual framework in Figure 2.3 is developed to demonstrate the effect of each marketing factor on brand trust in the consumer purchase behavior of Nature Republic products.

**Figure 2.3 Conceptual Framework of the Study**



Source: Own Compilation, 2019

Figure 2.3 demonstrates the study's conceptual framework. This covers the marketing dynamics and how these factors affect Nature Republic products' brand trust and consumer purchase behavior. The independent variables are marketing factors: price, advertising, quality of service, store environment, brand image, design and product quality to analyze that each factor will influence two other dependent variables, which are brand trust and purchase behavior. The study also explores how brand trust can influence consumer purchase behavior of Nature Republic products such as consumers gathering information and taking time to buy items, seeking advice from friends prior to purchase, Nature Republic product purchasing habits, their willingness to pay premium price and recommending it to others. Therefore, marketers will benefit from this framework to examine how they can handle their marketing campaigns and brand in order to retain current customers and convince potential consumers.



## **CHAPTER 3**

### **PROFILE AND MARKETING FACTORS OF NATURE REPUBLIC PRODUCTS**

This chapter discusses Nature Republic background and profile, as well as, explains how the research is conducted in terms of research design, sampling design, data collection methods, data analyst measurement and methods. The last section presents the marketing factors that affect on brand trust with mean values based on the survey results.

#### **3.1 Background of Nature Republic**

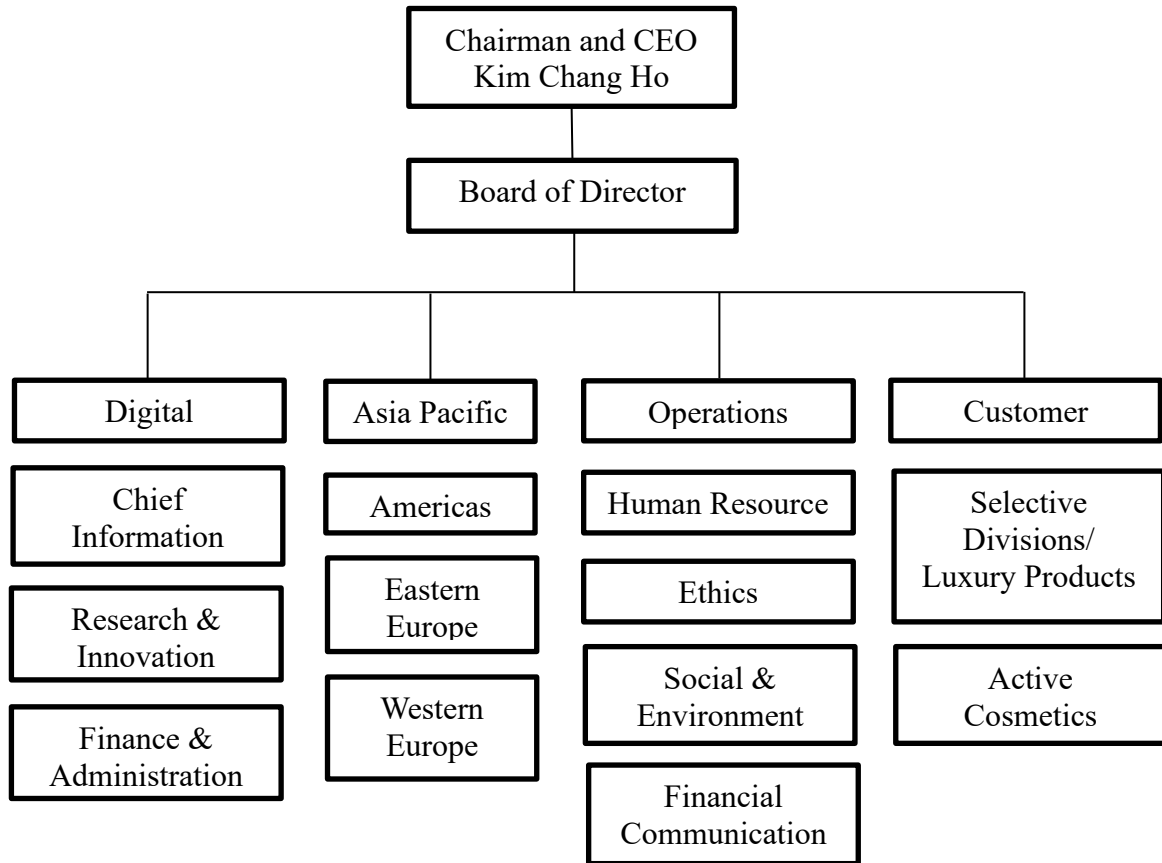
Nature Republic Co., Ltd. offers beauty products made from natural ingredients. It offers skin care products, such as toners, creams, eye care products, products for sun protection. Nature Republic was able to set its own records after its launch in 2009 by recognizing the exact needs of customers as well as creating its own specific brand story. Finally, the former president, Mr. Jung, was able to formally take part in the cosmetic product industry by setting up a business as an OEM (Original Equipment Manufacturer) for cosmetic products worldwide.

The President Jung decided to create a cosmetic company around the beginning of the 21st century that would also sell high-quality and affordable products. The stores that sold numerous different cosmetic products that made up the Korean beauty market all showed different prices for their items at the time. President Jung was confident that customers would show positive responses if he opened a brand shop with good quality products that retained the same price wherever they could be bought. Nature Republic Co., Ltd. was founded in 2009 through this process and has its headquarters in Seoul, South Korea.

The mission of The Nature Republic Co.,Ltd is to conserve the lands and waters on which all life depends. The vision is a world where life's diversity thrives, and people act to protect nature for their own sake and their ability to meet our needs and enrich our lives. In response to the sudden popularity and demand for male cosmetic products, Nature Republic addressed the male audience. Nature Republic has started to target males

through their male cosmetic products and have created three different lines depending age. Nature Republic plans to expand the market for male cosmetic products gradually.

**Figure 3.1 Organizational Structure of Nature Republic Co.,ltd**



Source: [www.naturepublicusa.com](http://www.naturepublicusa.com) (2019)

According to Figure 3.1, this organizational structure is followed in each regional headquarters as they have many outlets in a country. Nature Republic's chain of command is the continuous line of authority that stretches from the upper organizational levels (committee and board of directors) to the lower levels (interns) and clarifies who reports to whom. The board of directors, for example, takes decisions within the upper levels that are audited by the committee and then the one who makes the final decision is the CEO.

It is meant that authority, which refers to the privileges inherent in an administrative position to tell people what to do and expect them to do it, is being exercised by those Nature Republic upper levels. This makes decision-making and teamwork much simpler. Such managers organize and incorporate the work of employees; but, because Nature Republic is a huge company, it is worldwide, the employees can also make a division. Consequently, it splits the jurisdiction into the regional zones with one manager for each of them making decisions on their territory.

### **3.2 Research Design**

This study aims to explore the effect of marketing factors of Nature Republic products on the brand trust and analyzed this effectiveness towards the purchase behavior of Nature Republic products. To achieve these objectives, both primary and secondary data were used in this study. Secondary data were obtained from textbooks, articles from international journals, previous research papers and internet websites. The primary data were collected through face to face interviews with the consumers who visited the Nature Republic outlets which are randomly selected among 13 outlets in Yangon. The surveys were collected by systematic random sampling method by distributing the systematic questionnaires to 150 respondents. Descriptive and analytical method was used in this study. Descriptive method was used to describe shopping decision makers' opinions on the marketing factors. Analytical method was used to analyze the relationship between marketing factors and brand trust to purchase behavior. The questionnaire was structured by five-point Likert Scale ranging from "strongly disagree to strongly agree" and consists of four sections; section A is about marketing factors, section B is about brand trust, section C is about purchase behavior and section D is about demographic information.

Reliability Analysis was undertaken to determine the internal consistency of the variables in the questionnaire. Cronbach's Alpha is a measure of internal consistency, that is, how closely related to a set of items are as a group. According to Hari et al. 2006, this test is the most widely used to assess the consistency of the entire scale. Cronbach's Alpha was selected to conduct the reliability test as it is a common tool for internal consistency reliability coefficient in particular psychometric measurement. Cronbach's Alpha determines if multiple question Likert scale surveys are reliable. These questions measure latent variables \_ hidden or unobservable variable like a person's

conscientiousness, openness. Cronbach's Alpha will tell if the test is accurately measuring the variable of interests.

Table 3.1 showed that the Cronbach's Alphas of all the variables are more than 0.7. Therefore, it can be interpreted that the questions are considered to be reliable and valid.

**Table 3.1 Reliability Analysis**

<b>Category</b>	<b>Cronbach's Alpha</b>	<b>No of Items</b>	<b>Interpretation</b>
Promotion	0.712	5	Acceptable
Price	0.702	5	Acceptable
Service Quality	0.834	5	Good
Store Environment	0.776	5	Acceptable
Brand Image	0.863	5	Good
Design	0.843	5	Good
Product Quality	0.849	5	Good
Brand Trust	0.949	8	Excellent
Purchase Behavior	0.847	10	Good

Source: Survey Data, 2019

According to Table 3.1, Cronbach's alpha coefficient for all the constructs measured in the research are ranging from acceptable ( $\alpha = 0.702$ ) to excellent ( $\alpha = 0.949$ ). This shows that items measuring each element have strong intercorrelations and the same construct is calculated. The Cronbach's alpha suggests that promotion ( $\alpha = 0.712$ ), price ( $\alpha = 0.702$ ) and store environment ( $\alpha = 0.776$ ) variables have acceptable level of internal consistency. The service quality ( $\alpha = 0.834$ ), brand image ( $\alpha = 0.863$ ) and product quality ( $\alpha = 0.849$ ) variables have good level of internal consistency. The variable, brand trust, ( $\alpha = 0.949$ ) has excellent level of internal consistency. Overall, the high internal consistency level indicates the high reliability of test scores.

### 3.3 Profile of Respondents

In this study, the sample size is 150 respondents who are currently using or have used Nature Republic products limited in Yangon. Profile of respondents includes demographic factors such as gender, age, education level, income level and occupation. Each characteristic has been analyzed in terms of absolute value and percentage, and the summary of the demographic characteristics of respondents. Table 3.2 shows the results of the analysis on the respondents' demographic profile, as follows.

**Table 3.2 Profile of Respondents**

Variable	Demographic Factors	No of Respondents	Percentage
	Total	150	100
Gender	Male	28	19
	Female	122	81
Age	16-26 Years	110	73
	27-36 Years	40	27
	37-46 Years	0	0
	Over 46 Years	0	0
Education	High School	0	0
	Under Graduate	47	31
	Graduate	71	47
	Post Graduate	32	21
Occupation	Student	46	31
	Employee	76	51
	Own Business	17	11
	Dependent	11	7
Monthly Income	Under 100,000 Kyats	17	11
	100,001- 300,000 Kyats	40	27
	300,001 - 500,000 Kyats	53	35
	500,001 Kyats and above	40	27

Source: Survey Data, 2019

The first analysis of the demographic characteristics of respondents is the gender analysis. The gender of the respondents is simply classified into males and females. According to Table 3.2, there are total 150 respondents: 28 male respondents and 122 female respondents. Most respondents are female because cosmetics are more familiar with females than males.

In this study, the most dominant age group among respondents is middle age because youths focus on their look, they believe it can increase their confidence. All the respondents are educated persons and most of the respondents and has knowledge and awareness of Nature Republic products. It can be concluded that most graduates are using Nature Republic products than other educated persons in this study.

In the analysis of occupation, the dominant group of the respondents is employees because they tend to wear cosmetic to look good when they go to work. They tend to try to look good, nice and tidy so that it increases their confidence to some extent. The second largest group is the students, the minority are respondents who are operating their own businesses and the rest are dependents. It can be concluded that employees who earn regular salary are using Nature Republic products more than other groups of respondents.

### **3.4 Marketing Factors of Nature Republic Products**

In this study, linear regression is used. To gain the better understanding of which variables influence the consumers' brand trust through marketing factors of Nature Republic products, each element of marketing factors such as promotion, price, service quality, store environment, brand image, design and product quality are analyzed. This section also used to analyze the significance of some of the aspects in this section using descriptive statistics such as mean, standard deviation. The results are presented in the following tables.

#### **3.4.1 Price**

Regarding to the analysis on the effect of price of Nature Republic products, the respondents are supposed to answer 5 statements of how the price change, increase of price influence on the consumers or whether the brand charges fair price or not. The results are shown in Table 3.3 based on survey findings.

**Table 3.3 Price**

No	Description	Mean	Std. Deviation
1	Good rate for money	3.66	0.850
2	Fair prices	3.49	0.857
3	Lower price than other imported Korean cosmetics	3.27	0.880
4	Increase of price	3.35	0.852
5	Influence of price changes	3.67	0.833
	<b>Overall Mean</b>		<b>3.49</b>

Source: Survey Data, 2019

According to the Table 3.3, most of the respondents agree with the statements of price which influence on product purchase. The highest mean score is 3.67 which mean price changes influence on purchase of the Nature Republic products. The reason is that most respondents are employees which earn average salary and their income is limited. The fact the increase in price of the brand's products does not hamper the respondents to purchase the Nature Republic products is not much significant. Lowest mean values is 3.27 because Nature Republic products are made of natural ingredients and imported to regionals countries; which means Nature Republic products are good rate for money.

### **3.4.2 Promotion**

Regarding to the analysis on the effect of promotion of Nature Republic products, respondents are required to respond 5 statements including promotion elements and how they effect on the brand trust of Nature Republic products. The results are shown in Table 3.4 based on survey findings.

As shown in Table 3.4, most of the respondents agree with the statements of which different promotion elements influence brand trust and their mean score is more than 3. The highest mean score is 3.94 because the information of promoting program can be easily accessible through social media. In this way, consumers can know about their product, activities, reviews and comments very well. Although the brand's ads are attractiveness for the respondents, its influence on the purchase of the products does not much significant. The brand's discount sales have a great influence on the purchase of the

products with its mean score, 3.69 because consumers tend to make huge purchase more in promotion period.

**Table 3.4 Promotion**

No	Description	Mean	Std. Deviation
1	Attractiveness of the brand's Ads	3.90	0.801
2	Influence of the brand's Ads	3.59	0.906
3	Influence of the brand's product promotion	3.45	0.945
4	Influence of the brand's discount sales	3.69	0.926
5	Information of the promoting program	3.94	0.813
<b>Overall Mean</b>		<b>3.72</b>	

Source: Survey Data, 2019

### 3.4.3 Service Quality

Regarding to the analysis on the effect of service quality of Nature Republic products, the respondents are required to response 5 statements whether they are influenced by the customer service quality or not, whether the salespersons can handle the customers' complaints, etc. The overall service quality is analyzed, and the results are shown in the Table 3.5 according to the survey findings.

**Table 3.5 Service Quality**

No	Description	Mean	Std. Deviation
1	Influence of customer service	3.87	0.830
2	Well trained and willingness of salespersons	3.27	1.092
3	Handling of salespersons	3.13	1.034
4	Friendliness and courteousness of salespersons	3.09	1.107
5	Neat appearance of salespersons	3.64	0.698
<b>Overall Mean</b>		<b>3.40</b>	

Source: Survey Data, 2019



According to the Table 3.5, the overall mean score is 3.40 which means that most of the respondents agree with the statements. The highest mean score is 3.87 which indicate that customer service provided by the brand is highly influence on the purchase of the products. The reason is that consumers are willing to make a purchase if the salespersons well explain, respect, patient on their question although consumers do not want to buy in the first place. The lowest mean score is 3.13 and 3.09 which accounts for that salesperson of the store handles customers' complaints patiently and sales persons of the store are friendly courteous respectively. It is because salesperson of some outlets are new, they are in on job training stage and cannot handle some problems very well.

### 3.4.4 Store Environment

Regarding to the analysis on the effect of store environment of Nature Republic products, the respondents are supposed to answer the following 5 statements of store environment whether the brand's interior displays are well-organized and attractive or not, whether the consumers can easily find the items they want, etc. The overall mean is analyzed, and the results are shown in Table 3.6 based on the survey findings.

**Table 3.6 Store Environment**

<b>No</b>	<b>Description</b>	<b>Mean</b>	<b>Std. Deviation</b>
1	Store location	4.14	0.676
2	Interior display's organization and attractiveness	4.00	0.769
3	Easily finding the items	3.90	0.721
4	Influence of music, color and theme	3.59	0.991
5	Used scent	3.64	0.780
	<b>Overall Mean</b>		<b>3.85</b>

Source: Survey Data, 2019

According to the Table 3.6, the highest mean score is 4.14 and 4.00 which indicate that Nature Republic has good store location and the interior display is well organized and attractive for the Nature Republic users. It is because some big outlets are located in downtown and at shopping centers. The respondents agree with the fact that they can easily find the items they want in the store with its mean score, 3.90. Lowest mean score is 3.59 because the display arrangement is well organized, and consumers can easily search the items they want to buy.

### 3.4.5 Brand Image

In this analysis on the effect of brand image of Nature Republic products, to know the influence of brand image, the factors such as if the brand has good-reputation or not, if it influences on the purchase or not are asked. The results are shown in Table 3.7.

**Table 3.7 Brand Image**

No	Description	Mean	Std. Deviation
1	High quality	3.73	0.808
2	Reliably predict the brand's performance	3.75	0.750
3	High-reputation	3.85	0.930
4	Influence of brand image	3.94	0.845
5	Purchase regardless of the price due to the brand image	3.31	1.088
	<b>Overall Mean</b>		<b>3.72</b>

Source: Survey Data, 2019

According to the Table 3.7, the highest mean score is 3.94 which states that the brand image influences to drive purchasing the products and the second largest mean score to drive the purchase is 3.94. It is because Nature Republic has already won the premium image across worldwide with its products which are made of natural ingredients and the brand has high-reputation. The lowest mean score is 3.31 which can be concluded that the Nature Republic users are not much sure to make a purchase due to the brand image, regardless of the price. The reason is that most respondents are employees who earn average salary and prices changes impacts on their purchase.

### 3.4.6 Design

In the analysis on the effect of design of Nature Republic products, the following 5 statements are asked to know how the brand's designs influence on the consumers. The factors such as whether the brand can provide wide variety of designs or not, whether the brand has suitable designs or not, etc. are asked. The results are shown in Table 3.8.

**Table 3.8 Design**

No	Description	Mean	Std. Deviation
1	Wide variety of designs	3.71	0.710
2	Suitableness of designs	3.79	0.669
3	Sufficient choices (color, texture, weight, features)	3.78	0.802
4	Trendiness and fashionableness of designs	3.68	0.797
5	Influence of the designs	3.48	0.873
<b>Overall Mean</b>		<b>3.69</b>	

Source: Survey Data, 2019

According to the Table 3.8, most of the respondents most likely accept the statements of the designs of Nature Republic because the overall mean score is 3.69. The highest mean scores are 3.79 and 3.78 because the designs of the brand are very suitable for the users and have enough choices (color, texture, weight, features). The rest mean scores are 3.71 and 3.68. It is because the brand provides wide variety of designs with distinctive features, trendy and fashionable. The lowest mean score is 3.48 because consumers are only willing to buy the products by looking for the items which are suitable for them.

### 3.4.7 Product Quality

In this analysis on the effect of product quality of Nature Republic products, the respondents are supposed to response the 5 statements whether the brand's product are long-lasting or not, whether the materials of the products are natural or health-cautiousness, etc. The results are shown in Table 3.9 according to the survey findings.

**Table 3.9 Product Quality**

<b>No</b>	<b>Description</b>	<b>Mean</b>	<b>Std. Deviation</b>
1	Long-lastingness	3.85	0.718
2	Materials of the brand	3.85	0.775
3	Health-cautiousness of the brand	3.69	0.882
4	Consistent quality	3.95	0.628
5	Offering many benefits	3.71	0.892
	<b>Overall Mean</b>		<b>3.81</b>

Source: Survey Data, 2019

According to the Table 3.9, the overall mean score is 3.80 which accounts for that most of the respondents highly agree with the statements. The highest mean score is 3.95 which mean that the brand can maintain the consistent quality. The second largest mean score is 3.85 and it indicates that the brand lasts longer than other brands and the materials used by the brand are natural. It is because the products of the brand are good quality which are made of natural ingredients and the consumers are mainly look at the materials which are included in the product.

## CHAPTER 4

### ANALYSIS OF BRAND TRUST AND PURCHASE BEHAVIOR OF NATURE REPUBLIC PRODUCTS

This chapter consists of the analytical data and mean value to examine the effect of brand trust on customer purchase behavior Nature Republic Products. The first section represents the effect of marketing factors on the brand trust. As the second section, the effect of brand trust on customer purchase behavior is summarized and evaluated with the descriptive and analytical results which are stated as follows.

#### 4.1 Brand Trust of Nature Republic Products

In this analysis on the effect of brand trust of the Nature Republic products, the respondents are asked the following 7 statements whether the respondents have a feeling of trust or not, the brand has the good public praise or not, whether the respondents have confidence on this brand or not, etc. The results are shown in Table 4.1 according to the survey findings.

**Table 4.1 Brand Trust**

No	Description	Mean	Std. Deviation
1	More trust on the brand	3.55	0.952
2	Feeling of trust	3.33	1.034
3	Having guarantee	3.53	0.857
4	Good public praise	3.78	0.858
5	Concern need and rights	3.46	0.864
6	Confidence on this brand	3.68	0.869
7	Enjoy of introducing the brand to others	3.65	1.003
	Overall Mean		3.60

Source: Survey Data, 2019

According to the Table 4.1, most of the respondents agree with the statements, for the overall mean score is 3.60 which accounts for that the respondents show they have significant trust on the brand. The Nature Republic users have a trust on this brand showing the second largest mean score, 3.78. It is because the brand has good reputation worldwide in cosmetic industry and offers what they promise by concerning the consumers' needs and wants. The lowest mean is 3.33 which indicates the brand alone cannot give a feeling of trust. The reason is that when the consumers use the cosmetic, they tend to look at product quality, country of origin.

#### **4.2 Analysis on the Effect of Marketing Factors on Brand Trust of Nature Republic Products**

To gain the better understanding of which variables influenced the brand trust through the marketing factors, each of the marketing factors such as promotion, price, service quality, store environment, brand image, design, product quality are analyzed. The results of this analysis are shown in Table 4.2.

Correlation coefficient (R) measures the linear relationship between two variables. As shown in Table 4.10, R (the correlation between the independent and dependent variable) is 0.876 which lies between 0 and 1. Therefore, it indicates that the brand trust of Nature Republic products reported by the respondents and the effect of the marketing factors are correlated. In this study, the adjusted R square of the model is 0.757% and R square is 0.768%. This indicates that the linear regression model can explain 76.8% about the variance of the dependent variable (Brand Trust) with the independent variables (Promotion, Price, Service Quality, Store Environment, Brand Image, Design and Product Quality). The value of F-test, the overall significance of the model, turned out highly significant at 1% level.

The Durbin-Watson value is 2.119. Therefore, it indicates that there are no auto correlations in sample. All the VIF values are less than 10. It shows that there is no multicollinearity problem in this study. This means that there is no correlation among independent variables.

**Table 4.2 The Effect of Marketing Factors on Brand Trust of Nature Republic Products**

Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	-.611	.286		-2.133	.035	
Promotion	.204***	.070	.157	2.903	.004	1.796
Price	-.006	.068	-.004	-.086	.931	1.574
Service Quality	-.025	.061	-.024	-.416	.678	2.119
Store Environment	.038	.076	.029	.506	.614	1.946
Brand Image	.645***	.080	.594	8.110	.000	3.287
Design	-.056	.071	-.044	-.794	.428	1.867
Product Quality	.320***	.083	.255	3.876	.000	2.652
R	0.876					
R Square	0.768					
Adjusted R Square	0.757					
F Value	67.218***					
Durbin-Watson	2.119					

Source: Survey Data, 2019

Notes: \*\*\* Significant at 1% level, \*\* Significant at 5% level, \* Significant at 10% level

According to the results shown in Table 4.2, three variables among seven are significant as stated by regression analysis table. Promotion, brand image and product quality have significant coefficient at 1% level. The Standardized Coefficient (Beta) indicates that these three variables are positively related with the brand trust of Nature Republic products.

Promotion has the expected positive relationship with the brand trust and significant coefficient at 1% level, with the beta value 0.204 and the significant coefficient value 0.000. It points that the promotion leads to an increase in brand trust of

Nature Republic products. Every one unit increase in the promotion will lead to increase the brand trust by 0.204.

As shown in Table 3.4, most of the respondents are influenced by the ads, product promotion and discount sales of Nature Republic because Nature Republic provide the monthly promotion plan for their customers such as percentage discount in price, product promotion such as buy one get one promotion or free gifts products designed with brand ambassadors. It indicates that brand trust is affected because the TV commercials are always collaborated with the brand ambassadors. They provide the information about the promotion on time through social media. Therefore, the promotion is identified as one of the influencing factors on brand trust of Nature Republic products.

Brand image shows the expected positive relationship with the brand trust and significant coefficient at 1% level, with the highest beta value among other variables 0.645 and the significant coefficient value 0.000. It indicates that the brand image leads to an increase in brand trust of Nature Republic products. Every one unit increase in brand image will lead to increase the brand trust by 0.645.

As mentioned in Table 3.7, the respondents perceive this brand is high quality products and reliably predict its performance because the brand's high reputation drives to make a purchase. Furthermore, Nature Republic has a strong brand image in the countries it currently exists. Consumer's brand trust increase because they can prove its products' high and stable quality by looking through its successful and rich history. Therefore, the brand image is identified as one of the influencing factors on brand trust of Nature Republic products.

Product quality shows the expected positive relationship with the brand trust and significant at 1% level, with the beta value 0.320 and the significant coefficient value 0.000. It indicates that the product quality leads to increase in brand trust of Nature Republic products. Every one unit increase in product quality will lead to increase the brand trust by 0.320.

As mentioned in Table 3.9, the respondents trust on this brand because it provides the long lasting products, using health-cautious materials. The consumers tend to buy the Nature Republic products that are reliable in terms of consistent quality. They



perceive that Nature Republic gives them many benefits. Therefore, the brand image is identified as one of the influencing factors on brand trust of Nature Republic products.

On the other hand, as the significant value of other factors: price, service quality, store environment and, design are greater than 0.05, these variables have no strongly impact on brand trust of Nature Republic products. The brand trust will not increase or decrease due to increased usage in price, service quality, store environment, and design.

Overall evaluation that the variables of marketing factors: promotion, brand image, product quality are positively influencing on brand trust of Nature Republic products. This may be due to people mostly interact with Facebook and get information about Nature Republic’s history and products, seeing the consumers’ reviews and comments and recommendations of beauty bloggers and other consumers, other information about the promoting program. Therefore, the brand trust of Nature Republic products will be improved in Myanmar by emphasizing on maintaining their promotion plans, brand image and product quality.

### 4.3 Purchase Behavior of Nature Republic Products

In this analysis of purchase behavior on the effect of Nature Republic products, the statements such as whether the respondents collect the information of the products or not, whether the respondents ask for advices or not, whether they want to buy more products or not, etc. The results are shown in Table 4.3 according to the survey findings.

**Table 4.3 Purchase Behavior**

No	Description	Mean	Std. Deviation
1	Purchase of Nature Republic products occasionally	3.32	1.012
2	Choosing of Nature Republic is the right decision	3.73	0.932
3	Riskiness of switching over to other brands	3.13	1.082
4	Willingness to buy more Nature Republic products	3.57	1.045
5	Willingness to pay premium price	2.94	0.998
6	Recommend to others	3.75	0.859
	Overall Mean		3.50

Source: Survey Data, 2019

According to the Table 4.3, the highest mean score is 3.94 which mean that the users always collect the information about the product before they make a purchase of Nature Republic products. It is because consumers tend to know the effect of products whether it's allergic or not and how the results of using the product. The users have significant willingness to buy more Nature Republic products. Having said that, they are not sure that they buy the products occasionally with the mean score, 3.32. It is because the products are bought once a month or once in three months in the cosmetic industry. The lowest mean value is 3.13 because the consumers tend to switch to the other brand if they think the brand does not well perform or gets infamous when it comes to cosmetic.

#### **4.4 Analysis on the Effect of Brand Trust on Consumer Purchase Behavior of Nature Republic Products**

Subsequently, the effect of brand trust on the customer purchase behavior is analyzed by using the linear regression model to analyze the findings of the survey. The results generating from this model are as shown in Table 4.4.

Correlation coefficient R (the correlation between the independent and dependent variable) is 0.764 which lies between 0 and 1. Therefore, it indicates that the customer purchase behavior of Nature Republic products reported by the respondents and the effect of the brand trust are correlated. In this study, the adjusted R square of the model is 0.744% and R square is 0.764%. This indicates that the linear regression model can explain 74.4% about the variance of the dependent variable (Customer Purchase Behavior) with the independent variables (Brand Trust). The value of F-test, the overall significance of the model, turned out highly significant at 1% level.

The Durbin-Watson value is 1.811 which is between two critical value of  $1.5 < d < 2.5$ . Therefore, it can be assumed that there is no first order linear auto correlation in sample. The VIF value is less than 10. It shows that there is no multicollinearity problem in this study. This means that there is no correlation among independent variables.

**Table 4.4 The Effect of Brand Trust on Purchase Behavior of Nature Republic Products**

Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	1.009	.123		8.238	.000	
Brand Trust	.693***	.033	.863	20.828	.000	1.000
R	0.863					
R Square	0.764					
Adjusted R Square	0.744					
F Value	433.801***					
Durbin-Watson	1.811					

Source: Survey Data, 2019

Notes: \*\*\* Significant at 1% level, \*\* Significant at 5% level, \* Significant at 10% level

According to the Table 4.4, the Standardized Coefficient (Beta) is 0.693 and the significant coefficient is 0.000 which indicates that the brand trust is positively related on the purchase behavior at 1% confidence interval level. Every one unit increase in brand trust will lead to the increase of customer purchase behavior by 0.693.

According to the Table 4.3, the respondents will be willing to buy more Nature Republic products because they have a trust on this brand. They perceived that choosing the Nature Republic is the right decision because they feel risky to switch over other brands, also there are many cosmetics which are not high qualified and authentic. If they have a trust on this brand once, they will recommend their preferred brand to others because the brand guarantee its products when it comes to quality and price. Having said that, the consumers are not very willing to pay high price because most of the respondents are employees who earn the average salary. To be concluded, the consumers purchase the products and show their trust because of good brand quality, high reputation.

To be concluded, all the variables of brand trust are positively influencing on customer purchase behavior of Nature Republic products. Most of the respondents have significant trust on the brand because the brand has good reputation worldwide in cosmetic industry and offers what they guarantee by concerning the consumers' needs and wants, feedbacks and reviews. If the marketers focus on creating brand trust by maintain their reputation, their quality management through worldwide, the purchase quantity or purchasing power will increase.

## **CHAPTER 5**

### **CONCLUSION**

The conclusion part of this study is widely based on previous chapters which analyzed the effect of marketing factors on the brand trust towards the customer purchase behavior of Nature Republic products. Distinctive facts from the previous chapters are abstracted and suggestions are made to improve forthcoming marketing activities. Findings, recommendations and needs for further research from this chapter help to see the whole picture of the thesis.

#### **5.1 Findings and Discussion**

This study gathered the primary data by distributing questionnaires to 150 respondents who visited Nature Republic stores in Yangon. According to this survey, respondents are educated and middle age people. They are mostly using Nature Republic products because people at this age especially females are trying to improve their self-confidence and personality by using skin care products or cosmetics on daily basis. Therefore, they carefully choose the cosmetics which are high quality, health-cautious which make the imported cosmetics brand more popular. Among the Korean imported products, the consumers tend to buy Nature Republic products than other Korean cosmetics. Most of the consumers are graduates and they are employees with average range salary. With this range of monthly income, they buy Nature Republic products often.

This study was guided by two research objectives that established: the effect of marketing factors on the brand trust and the effect of brand trust on customer purchase behavior of Nature Republic products in Yangon. The finding revealed that the marketing factors that drive the brand trust are promotion, brand image, product quality among the seven elements of marketing factors: promotion, price, service quality, store environment, brand image, design and product quality. Consumers are very familiar with Nature Republic products because the information of the products, price and promotion are consistently provided through social media.

The consumers are influenced by the advertisements of the brand. Most of the respondents would not buy if the brand's advertisements cannot make them attractive. The most effective driver of purchase is discount sales because the customers' purchase of Nature Republic products is also highly influenced by the discount sales provided by the brand. Regarding to the price, the consumers get influenced by the price changes to make a purchase. The results are found out that Nature Republic products are worth to buy, charging fair and good rate for money. For the service quality, it is found out that consumers are highly influenced by the customer service, especially provided by the salesperson. Consumers would likely to buy the products if they get a feeling of salespersons' respect, helpfulness, friendliness, courteousness.

Regarding to the store environment, it is found out that choosing the right location is a very important fact to attract the consumers. Nature Republic stores are located in good location and that drives to make a purchase. Consumers are interested and willing to buy because of the attractive and well-organized interior display of the products. Regarding to the brand image, Nature Republic has a good brand image which drives not only to purchase but also to trust on the brand. Due to high-reputation and quality of the brand, majority of the consumers are willing to buy the products. Having said that, they will consider the price whether it's worthy or not. Regarding to design, most of the majority consider the suitability of the designs whether they are fashionable, trendy. Providing wide variety of designs, there is high agreement that consumers are influenced by the designs to some extent. For the last element, product quality, the consumers firstly consider about the quality whether it is consistent or long-lasting. Being health-cautious products, the consumers are aware that Nature Republic products are health-cautious and offering many benefits.

The second objective of the study is to examine the effect of brand trust on purchase behavior of Nature Republic products. The results find out that the majority of the respondents have a trust and confidence on this brand because their products are high-quality and titled as good reputation. There is an agreement that the feeling of trust make the consumers enjoy of introducing the brand to others. It is found out that the consumers tend to collect the information about the products they want to buy before they buy. They also tend to ask advice from their friends when it comes to cosmetics. Feeling of trust make the consumers think that it is the right decision of choosing Nature Republic brand.

It is suffice to say that they feel risky to switch over to other brands. Moreover, they are willing to buy more Nature Republic products and recommend to others.

## **5.2 Suggestions and Recommendations**

Brand is a differentiating factor that in the highly competitive business environment can contribute to an organization's success. The marketing tools are also very important for marketers to distinguish their brand in a growing market such as Myanmar. If they succeed in building a good image or credibility, customers will have trust in the brand and make a purchase regardless of price or promotion. Since Myanmar is a developing country, many foreign firms are looking for markets.

The majority of foreign brand consumers are educated teenagers and middle-aged women. For marketing activities, therefore, the marketers will target this category and research more comprehensive characteristics. Becoming more borderless across countries, advertisers should take advantage of this reality to increase consumers ' perception of their goods by making their advertising more appealing. Because most people in Myanmar use Facebook every day, their information should be given regularly through this application. Therefore, with the excellent material, they can post at least one subject a day.

Consumers agree that the goods of Nature Republic are neither cheap nor expensive compared to other brands and deserving of payment. A fair price should be retained by the company because some buyers are price-cautious and they may not buy if the price increases or improves slowly. In addition, the company should avoid giving intense cash discounts that can sometimes make consumers think of the brand as a cheap brand and do more promotional initiatives like membership cards, word-of-mouth awards that can build trust and loyalty as well.

Consumers are more considerable about customer service. They tend to stop buying unless there is a good customer service. Moreover, the consumers tend to write reviews on Facebook. Therefore, once there is a bad review, their image will be infamous. The salespersons of stores should be well trained to provide the satisfying customer service. They should be careful about their appearance, the way they speak, the way they behave.

Nature Republic stores are already located in good location such as Latha Township, Bogyoke Aung San Market, Kamayut. They should maintain the current store location. Having said that, some stores own narrow space, therefore, they should be careful about display of the products to find easily the items that customers want.

The consumers believe Nature Republic has a good brand image and high-reputation and will assume that the brand performs as they expected. Therefore, the marketers should maintain the current brand image. However, the marketers should be aware of that the consumers' purchase would not only be affected by the brand image but also by the price.

It is found out that most teenage users are really care about the designs because they make a purchase the products just only for collecting the products collaborated by their idols. Hence, choosing the brand ambassadors is an important fact to make products with the designs of those ambassadors, such as skin care sets by social influencers.

The most important fact is to maintain the product quality when it comes to cosmetics or skin care. Consumers assume Nature Republic products are always health-cautious, has good performance and offer many benefits. Moreover, they assume that the materials or ingredients which Nature Republic uses are good and risk free. Therefore, the production of Nature Republic should have high quality control system and good quality management for all process to maintain the consistent quality.

Since overall brand trust of Nature Republic is good and customer show a feeling of trust, the marketers should maintain the current loyal customer, on the other hands, attract new customers with their guarantee. Consumers pointed out that they trust this brand because of its product quality. Therefore, the marketers should focus on the quality management system. Once a consumer has got trust on this brand, he or she would like to introduce the brand to other, which can be an indirect marketing through word-of-mouth.

Since consumers are willing to buy more Nature Republic products and recommend to others, the marketers should focus on their spending on the tools which are more effective and drive brand trust. To show that consumers have a trust on this brand, the marketers should use Facebook and Youtube for achieving wide reach by posting the positive reviews. Product information should focus on reviews and the functions of the products since these information types influence purchase on half of the consumers.



### **5.3 Needs for Further Research**

This study is carried out in a small number of respondents and only within Yangon Division; therefore, the target population is limited. The further study may use random sample with larger population in other divisions as the findings from Yangon residents cannot be generalized to the whole Myanmar. Moreover, this study is done only on Nature Republic and so the further study can also do other local and foreign skin care brands. Among the several marketing factors, this study only focused on seven marketing factors: promotion, price, service quality, store environment, brand image, design and product quality. This study does not cover other marketing factors such as process, people and physical environment. This study focuses only on these marketing factors as the indicators that would affect brand trust and purchase behavior. This study concentrates only on Nature Republic and further researchers should focus on other brands which can help other marketers in the cosmetics industry to refer.

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## APPENDIX-I

### Questionnaire for Brand Trust and Purchase Behavior of Nature Republic Products

I am a master degree student of Yangon University of Economics. In order to fulfill the degree requirement, I am undertaking thesis titled “Brand Trust and Purchase Behavior of Nature Republic products”. You have been selected to form part of this study. This is to kindly request you to assist me collect the data by filling out the accompanying questionnaire.

The information you provide will be used exclusively for academic purposes. I assure you that the information you give will be treated with strict confidence and at no time will your name appear in my paper. Your cooperation will be highly appreciated.

Yours faithfully,

Thin Thin Sabei Soe

#### Section A: Marketing Factors

Please indicate your agreement level to the following statements.

1. Strongly disagree
2. Disagree
3. Neither agree nor disagree
4. Agree
5. Strongly agree

#### Part A: Marketing Factors

Promotion		SD	D	N	A	SA
1.	Ads of the brand are attractive.	1	2	3	4	5
2.	Ads of the brand influence on my purchase.	1	2	3	4	5
3.	Product promotion of the brand influence on my purchase.	1	2	3	4	5
4.	Discount sales influence on my purchase.	1	2	3	4	5
5.	The information about promoting program is easily accessible through social media.	1	2	3	4	5



<b>Price</b>		SD	D	N	A	SA
1.	The brand provides good rate for money.	1	2	3	4	5
2.	The brand charges fair prices.	1	2	3	4	5
3.	Comparatively the brand charges low price than other imported Korean cosmetics.	1	2	3	4	5
4.	Increase of price does not hamper me to purchase.	1	2	3	4	5
5.	Price information (changes) influence on my purchase.	1	2	3	4	5

<b>Service Quality</b>		SD	D	N	A	SA
1.	Customer service provided by the brand influence on my purchase.	1	2	3	4	5
2.	Salesperson of the store is well-trained and willing to help.	1	2	3	4	5
3.	Salesperson of the store handles customers' complaints patiently.	1	2	3	4	5
4.	Salesperson of the store is friendly and courteous.	1	2	3	4	5
5.	Salesperson of the store has neat appearance.	1	2	3	4	5

<b>Store Environment</b>		SD	D	N	A	SA
1.	The brand has good store location.	1	2	3	4	5
2.	The interior display is well-organized and attractive.	1	2	3	4	5
3.	I easily find the items I want in the store.	1	2	3	4	5
4.	Music, color and theme influence on my purchase to some degrees.	1	2	3	4	5
5.	Scent used inside the store is pleasant.	1	2	3	4	5

<b>Brand Image</b>		SD	D	N	A	SA
1.	In comparison to other brands, this brand has high quality.	1	2	3	4	5
2.	Customer can reliably predict how this brand will perform.	1	2	3	4	5
3.	The brand has high-reputation that attracts me to purchase.	1	2	3	4	5
4.	Its brand image influence on my purchase.	1	2	3	4	5
5.	Due to the brand image, I make a purchase regardless of the price.	1	2	3	4	5

<b>Design</b>		SD	D	N	A	SA
1.	The brand provides wide variety of designs with distinctive features.	1	2	3	4	5
2.	Designs of the brand are suitable for me.	1	2	3	4	5
3.	The brand has sufficient choices (color, texture, weight, features).	1	2	3	4	5
4.	Designs of the brand are trendy and fashionable.	1	2	3	4	5
5.	Designs of the brand are attractive and influence on my purchase.	1	2	3	4	5

<b>Product Quality</b>		SD	D	N	A	SA
1.	The brand last longer than other brands.	1	2	3	4	5
2.	The materials used by the brand are natural.	1	2	3	4	5
3.	The products of this brand are health-cautious.	1	2	3	4	5
4.	The brand maintains consistent quality.	1	2	3	4	5
5.	The brand offers many benefits that I expected.	1	2	3	4	5

### Part B: Brand Trust

		SD	D	N	A	SA
1.	In comparison to other brands, I have a trust more on Nature Republic products.	1	2	3	4	5
2.	This brand alone gives me a feeling of trust.	1	2	3	4	5
3.	I trust this brand because this brand is to have a guarantee on customers.	1	2	3	4	5
4.	I trust this brand because it has a good public praise in the cosmetic industry.	1	2	3	4	5
5.	I trust this brand because the product quality of that brand is stable.	1	2	3	4	5
6.	I trust this brand because that brand sincerely concerns my need and rights.	1	2	3	4	5
7.	I have confidence to that brand.	1	2	3	4	5
8.	<b>This brand is a brand I enjoy introducing other people to because myself trust this brand.</b>	1	2	3	4	5

### Part C: Purchase Behavior

		SD	D	N	A	SA
1.	I always collect information before purchasing Nature Republic products.	1	2	3	4	5
2.	I take time to purchase Nature Republic products.	1	2	3	4	5
3.	I usually ask the advice of my friends regarding Nature Republic products.	1	2	3	4	5
4.	I buy Nature Republic products occasionally.	1	2	3	4	5
5.	I purchase Nature Republic products based on recommendations of salesperson or beauty bloggers.	1	2	3	4	5
6.	I believe that choosing Nature Republic brand is a	1	2	3	4	5

	right decision.					
7.	I buy Nature Republic products because I feel risky to switch over to other brands.	1	2	3	4	5
8.	I am willing to buy more Nature Republic products.	1	2	3	4	5
9.	I am willing to pay a premium price for Nature Republic brand.	1	2	3	4	5
10.	I will recommend my preferred brand to others.	1	2	3	4	5

Please choose the most relevant answer by ticking the boxes below.

1. Gender

- Male
- Female

2. Age

- 16-26 Years
- 27-36 Years
- 37-46 Years
- Over 46 Years

3. Education

- High School
- Undergraduate
- Graduate
- Post Graduate

4. Occupation

- Student
- Employee
- Own Business
- Dependent
- Other

5. Monthly Income (Kyats)

- Under 100,000
- 100,001-300,000
- 300,001-500,000
- 500,001 and above

## APPENDIX-II

### STATISTICAL OUTPUT

#### Regression Analysis Result for Effect of Marketing Factors on Brand Trust

Model Summary <sup>b</sup>										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df 1	df2	Sig. F Change	
1	.876 <sup>a</sup>	.768	.757	.384	.768	67.218	7	142	.000	2.119

a. Predictors: (Constant), Product Quality Mean, Store Environment Mean, Price Mean, Promotion Mean, Design Mean, Service Quality Mean, Brand Image Mean

b. Dependent Variable: Brand Trust Mean

#### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	69.416	7	9.917	67.218	.000 <sup>b</sup>
	Residual	20.949	142	.148		
	Total	90.364	149			

a. Dependent Variable: Brand Trust Mean

b. Predictors: (Constant), Product Quality Mean, Store Environment Mean, Price Mean, Promotion Mean, Design Mean, Service Quality Mean, Brand Image Mean

#### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
		1	(Constant)	-.611	.286		-2.133	.035
	Promotion Mean	.204	.070	.157	2.903	.004	.557	1.796
	Price Mean	-.006	.068	-.004	-.086	.931	.635	1.574
	Service Quality Mean	-.025	.061	-.024	-.416	.678	.472	2.119
	Store Environment Mean	.038	.076	.029	.506	.614	.514	1.946
	Brand Image Mean	.645	.080	.594	8.110	.000	.304	3.287
	Design Mean	-.056	.071	-.044	-.794	.428	.536	1.867
	Product Quality Mean	.320	.083	.255	3.876	.000	.377	2.652

a. Dependent Variable: Brand Trust Mean

#### Regression Analysis Result for Effect of Brand Trust on Purchase Behavior

Model Summary <sup>b</sup>										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df 1	df2	Sig. F Change	
1	.863 <sup>a</sup>	.746	.744	.316	.746	433.801	1	148	.000	1.811

a. Predictors: (Constant), Brand Trust Mean

b. Dependent Variable: Purchase Behavior Mean

#### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	43.378	1	43.378	433.801	.000 <sup>b</sup>
	Residual	14.799	148	.100		
	Total	58.178	149			

a. Dependent Variable: Purchase Behavior Mean

b. Predictors: (Constant), Brand Trust Mean

#### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.009	.123		8.238	.000		
	Brand Trust Mean	.693	.033	.863	20.828	.000	1.000	1.000

a. Dependent Variable: Purchase Behavior Mean