FACTORS INFLUENCING PURCHASE DECISION OF THAI WOMEN TOWARDS LUXURY COSMETIC BRANDS IN DEPARTMENT STORES AND PERFUMERIES

BY

MISS ORNPHICHA MAHASINTUNAN

AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF SCIENCE PROGRAM IN MARKETING (INTERNATIONAL PROGRAM)

FACULTY OF COMMERCE AND ACCOUNTANCY

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ENTITLED

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was approved as partial fulfillment of the requirements for
the degree of Master of Science Program in Marketing (International Program)

on 6 JUN 2016

Chairman (Professor Paul G. Patterson, Ph.D.)

Member and Advisor (Professor K. Douglas Hoffman, Ph.D.)

Dean (Professor Siriluck Rotchanakitumnuai, Ph.D.)

Independent Study Title	FACTORS INFLUENCING PURCHASE DECISION OF THAI WOMEN TOWARDS LUXURY COSMETIC BRANDS IN DEPARTMENT STORES AND PERFUMERIES
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Degree	Master of Science Program in Marketing (International Program)
Major Field/Faculty/University	Faculty of Commerce and Accountancy Thammasat University
Independent Study Advisor	Prof. Dr. K. Douglas Hoffman , Ph.D./M.D.
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ABSTRACT

The study of "factors influencing purchase decision of Thai women towards luxury cosmetic brands in department stores and perfumeries" was selected as a contemporary topic in applied marketing for this independent study to understand Thai women' purchase decision and behavior towards luxury cosmetics brands in each distribution channel including department store and perfumeriy. To achieve this, exploratory research and descriptive research were adopted. Primary data were collected through in–depth interview with 10 customers and 3management teams from cosmetics industry and through questionnaire distributed to 204 respondents.

The result showed that 76.6% of total respondents purchase luxury cosmetics from department store channel and 61.4% purchased luxury cosmetics in perfumery. The key factors influencing the purchase in department store is beauty advisor's service, perception of product quality, and special promotion provided. For

perfumery store where price is approximately 10-30% cheaper than in department store, the factors influencing the purchase are quality, price and promotion

Customers normally purchase THB1,001-3,000 and below THB 1,000 in perfumery. The spending each time in department store is higher than in perfumery and it is significantly different with perfumery that 23% of them spend over THB5,000 to the maximum of over THB 20,000 per purchase.

For media consumption, media that are influential on the purchasing of luxury in both channels are review from online beauty community, friend & family recommendation, blogger, and Facebook. For the promotion, customers both in department store prefer discount and gift with purchase.

Keywords: cosmetics, luxury cosmetics, department store, perfumery, skincare, make up, channel, strategy, marketing strategy, service

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Thammasat University

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CHAPTER 1
INTRODUCTION

Media today has shape the ideal image of beauty and the image of how "perfect woman" should look like (Atkinson, 2013). Women become more conscious in taking care of their physical appearance. The ideal beauty on mass media in one of the trigger driving women's need to be beautiful with the belief that it will bring them to the better life and better job opportunity. According to "The Real Truth About Beauty study" by Dove, one part stated about exploration of women's perception towards beauty that formed by mass media. The study showed that women perceived beauty as a-must and bonus in life. Sixty three percent stated that they strongly agree that women in current generation are expected to be more physically attractive than in mother's generation. Because of the perception that men are one who select the partner, there is the belief that they are the ones who drive the beauty standard so it seems to be the social pressure for women to drive up to be beautiful. More than half of women (59%) strongly agree that physically attractive women are more valued by men. "Given the high value placed on marriage and romantic relationships by women and the importance of these to their happiness and self-esteem" (Etcoff, Orbach, Scott, & D'Agostino, 2004)

To be beautiful, it is much easier access than before because there are more channels to purchase including department store, perfumeries, travel retail, and e-commerce etc. Department store expanded more store in 2015 such as Emquartier, Central Westgate and Central Eastville. The traditional distribution channels for those luxury cosmetic brand such as Clarins, Estee Lauder, Lancôme, Clinique are mainly department stores and duty free stores ,which customers need to travel abroad and are privileged to buy tax-free goods. In addition , according to the high annual growth, there is the booming business called beauty perfumeries providing great discount such as Jae Leng which has been operated for more than 10 years, Eve&Boy and Stardust that has just been emerged and became very popular. This business is aggressively active in the cosmetic industry in terms of marketing communication both online and offline to urge the sales. Their distribution channels are located in the main shopping centers such as Siam square, MBK, Central plaza, etc. which are very near to the department store. So the concern is at many brand owners and management team of beauty company such as L'Oréal , top leading cosmetics company and Luxasia (Siam), the top leading cosmetics and fragrance distributor, that this price war will be expanded and will affect the sales in department store.

Therefore, it is interesting and important to know exactly what are the key factors driving the purchase decision in each channel in Thailand; in addition, brand owners and management team can utilize this analysis and recommendation from this study to come up with the strategy to reach the target customers in department store of both domestics and international brand that has been launching every day especially luxury cosmetics brand. This research topic is important for Thai society. Not only benefit well-known brand owners, but the new emerging brands will be benefited in terms of channel strategy and Thai women consumers of luxury cosmetics or the target in each channel will be indulged the proper way.

As a consequence, the study of “Factors influencing purchase decision of Thai women towards luxury cosmetic brands in department stores and perfumeries” was selected as contemporary topic in applied marketing in this independent study.

In this independent study, literature review is provided in order to understand overview of the industry and factors influencing customers who buy cosmetics products. Moreover, research design covering exploratory research, descriptive research, and sample selection criteria are provided as the framework. As a result, data analysis and result are carefully analyzed and interpreted in order to come up with summary and recommendations.

1.1 Research Objectives

This study is the investigation of contemporary topic in applied marketing in this independent study under the area of the societal issue. The research will focus on triggers towards sales of luxury cosmetics in department stores and perfumeries.

The purposes of the research are

1. To study the overview trend of luxury cosmetics industry in department store and perfumeries in Thailand
2. To analyze Thai women' purchase decision and behavior towards luxury cosmetics brand in each distribution channel.
3. Lastly and importantly, to explore the factors influencing Thai women' purchasing decision towards luxury cosmetics brand in each distribution channel

Since there are two main distribution channels which brand owners and managers would create the assumption that they are stealing market share of each other. So this research will help them to clearly understand consumers' needs towards luxury cosmetic brand in each distribution channel and the key factors that are driving sales in each distribution channel.

This study not only benefits the international brands that are successful in Thailand, but many new brands, both international and domestic brands, will be able to reach this information to develop channel strategy in order to compete in this aggressive industry. Important questions that results of this study will answer are: What are the key factors affecting decision making process of Thai women consumers in department store and perfumery.

CHAPTER 2
REVIEW OF LITERATURE

Some relevant studies and researches were conducted as following in order to understand the industry and consumer.

1. Market Overview Global Luxury Beauty

According to The luxury and cosmetics financial factbook 2014 (EYGM, 2014), the cosmetics market tends to grow. Global cosmetics product market grew by 3.8% in 2013. There is the high rise which is approximately 50% growth in the new markets. Urban middle class will be the one who move forwards to reach this growth because it has become more and more accessible for them today (EYGM, 2014).

2. Luxury cosmetic trend in Thailand

According to Luxury beauty on the up in Thailand (Whitehouse, 2014), the ministry of Finance has decreased import duty for luxury goods including cosmetics in order to encourage Thailand to be the destination of shopping paradise. It is shown that it was the right thing that the ministry proceeded on lowering the duty because perfume and cosmetics import value has reached approximately THB 5 billion which increased for 4.2% resulting in the total imports of perfume and cosmetics valued at THB19.3 billion which increase 35.63%. In addition, Thailand's beauty market has been highly encouraged with strong economy with target expansion to the highly profitable market, men's grooming market.

3. Definition of luxury cosmetics

L'Oréal is the top leading in manufacture and sale of beauty and hair products. L'Oréal categorized products into four categories which are :

1. Professional Products, manufactures products specialized about hair.
2. Consumer Products, mass product such as Maybelline selling in retail channels.
3. L'Oréal Luxe, high-end and specialized beauty products including skincare and makeup in selective retail outlets such as department stores, perfumeries, and travel retail such as Lancôme, Giorgio Armani, YSL, and Biotherm
4. Active Cosmetics, dermocosmetic or cosmeceutical products selling in drugstore. (Forbes The World's Most Valuable Brands, 2015)

L'Oréal Luxe is the biggest category contributing approximately 26% from the total sales in the fiscal year 2013 with expected CAGR of 6% in 2016 (EYGM, 2014).

4. Factors affecting women' purchase towards facial skin care products

From the "Women Buying Behavior and Consumption Pattern of Facial Skin Care Products", it is found that the major factor that influence women to purchase cosmetics is "Brand" (58%). And the second factor is quality which influences them to purchase cosmetic product (57%). Moreover, the study showed that price doesn't affect much for the purchase decision towards skincare (Sabharwal, Maan, & Kumar, 2014)

5. Department Store Versus Perfumeries

Consumers tends to shop go shopping at department stores because the perception of being in higher status, while shopping in discount store will not provide this emotional value to them
(H.J. & D.H., 2001)

6. Promotion as a factor to purchase

Promotion with exclusivity such as birthday discount or new collection preview helps enhance the positive feeling towards the brand (Page, Mittal, & Swaminathan, 2008) But sometimes promotion can cause negative attitude towards the brand because they find the free gifts are useless and not necessary to them; moreover, they will perceive that price will be charged higher than it should if the product comes with gift with purchase (Park & Lennon, 2009)

7. Rise of perfumeries in Thailand

Eve&Boy, the new beauty perfumeries in Thailand, reveal that the strength of perfumeries is price promotion where customers can purchase beauty product with 30% discount to fight with the big retailers such as The Mall, Central and Robinson who consume the margin from retail price approximately 30% while Eve&Boy takes only 15% margin (The rise of Thai beauty chain store competing on margin, 2012) (Refer to Figure 1 & Figure 2 in Appendix)

8. Service from luxury cosmetics brand

Good service from well-trained beauty advisor or beauty consultant will benefit the increase in sales. Well-trained beauty advisor needs to provide comfortable mood and tone to the customers to allow them to experience exclusivity. The successful brands using this strategy are Estée Lauder, Clinique, Lancôme, and Chanel (BAILEY, 2011)

CHAPTER 3
RESEARCH METHODOLOGY

The research will be exploratory research and descriptive research.

3.1 Exploratory Research

Exploratory research method has been used to study overview trend of luxury cosmetics in each channel and explore consumer's insight such as consumers' decision making processes and consumers' behaviors. The data collected are both primary data and secondary data. The method consists of secondary research and in-depth interview. The result from the exploratory research will benefit in quantitative research (questionnaire outline).

3.1.1 Secondary research

Secondary research was conducted by collecting the data and information available in public website, online article as well as data/report provided by company such as L'Oréal and Luxasia(Siam). This method aims to understand the overall market and consumers' behavior.

3.1.2 In-depth Interview

In-depth interview has been conducted to the customers who purchase luxury cosmetics in both department and perfumeries to understand and dig down what are the key factors influencing them to purchase in each channel and what are their purchase behaviors in each channel. In addition, the interview will be conducted with management team of the beauty company in Thailand such as L'Oréal and Luxasia (siam) to figure out the current situation of distribution channel of luxury cosmetic brands in Thailand.

The objectives of using in-depth interview are to deeply understand consumer insights (such as behavior, attitudes, and perceptions) and understand market characteristic from the experienced people in the field

3.2 Descriptive Research

The descriptive research method has been used to describe the characteristics of the population of interest, consumers behavior, perceptions and attitudes, as well as their decision making process etc. The method consists of observation and questionnaire.

3.2.1 Observation

Observation method aims to describe purchase behavior in department store and perfumeries. The observations were conducted at :

1. Department store in main shopping area in Bangkok → Siam Paragon, Central Pinklao, and Robinson Rama9.
2. Perfumeries : Eve and Boy (Siam Square)

3.2.2 Questionnaire

The objective of conducting the survey questionnaire are to describe target market, understand consumers behaviors and decision making process, and explore the factors influencing purchase decision of women who purchase luxury cosmetics in department store and perfumery. The questionnaires were distributed to the respondents via surveymonkey (Link : https://www.surveymonkey.com/r/9R9CM63). Pilot test was conducted with 8 respondents for the feedback for the improvements. Then the revised questionnaires were distributed 204 online respondents. Finally, the data were manually put in and analyzed with SPSS by using frequency analysis, correlation analysis, cross tabulations and factor analysis in order to come up with interpretation and recommendations.

Some questions in the questionnaire were from result from in-depth interview in order to initially understand consumer's attitude and behaviors. The questions are close-ended questions with alternative choices as well as rating scale in four parts as following :

Part 1 : Consumer's purchase decision and behavior towards luxury cosmetics brand

Part 2 : Consumer's purchase behavior & attitudes towards luxury cosmetics brand in department store

Part 3 : Consumer's purchase behavior & attitudes towards luxury cosmetics brand in perfumery

Part 4 : General information

3.3 Sample Selection

The sampling method for this research project is non-probability sampling with convenience sampling technique. The samples were female customers aged between 18-35 who ever purchased luxury cosmetic brands in either department store or perfumeries, or both. They live in Bangkok and they normally shop for luxury cosmetics.

3.4 Data Collection

3.4.1 In-depth Interview

In-depth interview were conducted face-to-face to collect primary data. The interview started with introduction, explanation of each definition and objective to enable interviewee clearly understand the researcher's view. The data collection technique is snowball technique. Interviewees were asked to suggest people who were close to the criteria to match research objective. Five respondents were expected to be the customers who purchased the luxury cosmetics at department stores and the other five respondents will be customers who ever purchased luxury cosmetics at perfumeries. Total number of respondents was 10 respondents. *(Question in Appendix A)*

For the management of beauty industry companies, the total number of respondents was three respondents in order to understand the overall industry. *(Question in Appendix A)*

3.4.2 Questionnaire

The sampling method of questionnaire survey will be non-probability sampling method. The questionnaire surveys were distributed online to 204 respondents in total via www.surveymonkey (*Question in Appendix B)*

There are screening question before respondent answering questionnaire in order to make sure that they were the customers of either one of the channel or both of them.

CHAPTER 4
RESULTS AND DISCUSSION

4.1 Data Analysis

In this independent study, both exploratory method and descriptive method were conducted. Exploratory research consists of secondary research and in-depth interview; descriptive research consisted of observation and questionnaire analyzed by using SPSS in order to analyze and figure out the results to align with the objectives

4.1.1 Qualitative Research : In-depth Interview

The in-depth interviews were conducted in October 2015 and December 2015 with. There were the interviews with 10 customers who purchase luxury cosmetics in both channel or either of them (six of them purchase from both channel , two of them purchase only in department store, and the other two bought only in pefumery)under the aspects below and the answers will be utilized in designing the questionnaire:

1. General information of respondents
2. Purchasing Behavior
3. Attitude towards each channels
4. Factors influencing the purchase towards luxury skincare in each channel

In addition, three managements from leading cosmetics company and one cosmetic buyer from Central Department Store were interviewed as well to summarized the below aspects.

1. Effect of the emergence of perfumery towards department store

2. Purchasing Behavior of customers
3. Strategy for luxury cosmetics in department store

4.1.2 Quantitative Research : Questionnaire

The questionnaire was provided in multiple choices and rating scales, all the questions based on the objectives of this independent study; the result from in-depth interview was utilized in the questionnaire such as the factor influencing customers' purchase decision. The result form questionnaire was collected and analyzed by using SPSS program (Statistical Package for the Social Sciences to analyze the data into the frequency of key variables, relationships between key variables, cross tabulation and correlations. The interpreted result will support this independent study and turn into recommendation for cosmetic company and department store to come up with the strategy to increase sales in the future. From distributing out 204 questionnaires online, only 175 respondents are valid with the reason that some respondents did not complete all the questions in the questionnaires.

4.2 Key Findings from Exploratory Research

4.2.1 Key Finding from Secondary Research

Women's Skincare product consumption behavior

From the "Women Buying Behavior and Consumption Pattern of Facial Skin Care Products", the major factors influencing the cosmetic purchase among women are brand and quality. Purchasing in department store indicate the higher status, it is the emotional value that perfumery who provide big discount cannot serve those ladies; for them, price does not have any significant effect on the purchase for the skincare.

Factor to purchase luxury cosmetics in department store

Exclusivity and promotion help enhance positive attitude and feelings towards the brand. It includes membership exclusivity such as birthday promotion which provide customers some product samples set or special treatment in birthday month (Page, Mittal, & Swaminathan, 2008). By the way, it could generate negative feelings if it is not done in the proper way such as when the free samples or service are not relevant and useless to them. Service is one of the major factors. Beauty advisor or beauty consultant with well-training to provide great service will provide benefit in sales. Well-trained beauty advisor needs to provide comfort to the customers to allow them to feel the exclusivity. Most of the entire big luxury cosmetic brands also use the strategy such as Estée Lauder, Clinique, Lancôme, and Chanel (BAILEY, 2011)

4.2.2 Key Finding from In-depth Interview

Key findings are divided into three parts; 1) Interview management team of beauty company 2) Interview management team of department store 3) Interview customers from department stores and perfumeries.

4.2.2.1 Interview management team of beauty company

Management's Point of View

Since one of the objective is to understand overview picture of the industry, the in-depth interview were conducted with Mr.Kantee , Country Manager, and Mr.Ruttakorn, General Division Manager of Luxasia (Siam) which is the leading distributor company for beauty products covering fragrance and luxury cosmetics. It is found that the emergence of beauty perfumery store has been affecting the sales in department store. Most of leading luxury brand have expanded to perfumery because of the economic downturn and they need to find more channel expansion to maintain sales. In their opinion, price is the key factor for purchasing in beauty perfumery store. By the way, they still believed that the customers in department stores and perfumeries are different segments.

Brand Manager's Experience

In-depth interview was conducted with Ms.Pasinee Larpsunthornphithak , Brand Manager of La Prairie, the luxury skincare brand which product price ranged between THB10,000-50,000 per piece. She revealed that La Prairie business mainly focuses on department store. There is only one perfumery that La Prairie has business with because La Prairie thinks brand positioning is important and getting into perfumery will devalue the brand as hi-end luxury skincare. Asking about the effect of perfumery on sales in department store, brand manager said it has but it is controllable.

For the key driver in purchasing luxury skincare in department store, the factors are the well-crafted service and the complementary service exclusively for the members. In addition, relationship between Beauty Advisor or BAs is very important because BAs knows best about their customers' skin. And this is the unique and the strongest point to enhance sales in department store.

About the communication strategy, Ms.Pasinee stated that La Prairie try to create attachment between brand and customers through membership (free sample, exclusive launch, and other privilege to make customer feel special). Moreover, to avoid direct competition with duty free or perfumery, La Prairie will provide free gift or value set that will compensate the lower price that customers have to pay at duty free.

4.2.2.2 Interview management team of department store

Management team from Central Department Store

Interviewing with Ms.Chonnapa Siriked, Assistant Buyer (Cosmetics) of Central Department Store, she revealed that emerging of perfumery has a little effect on sales in department store because the target customers are different. Even though perfumery opened nearby Central Department Store, she insisted that sales are still satisfying.

Price is the only factors influencing customers to purchase in perfumery; moreover, sometimes customers would like to buy sample size, so they tend to purchase from perfumery channel because the sample size is only available in non-department store channel.

Special promotion such as gift voucher, cash back, on-top discount, 0% interest payment and co-promotion from Bank is influencing our target customers to purchase. Product exclusivity is also important because customers feel they are the first group who own the products. She believes that the target of perfumery such as Eve & Boy is teenagers so the spending and purchase behaviors will be different from her customers at Central Department Store.

The strategy is mainly the exclusivity provided to the customers in terms of new product, limited edition, and value set which perfumery do not have. Moreover, the service provided by Central and each luxury brands are very privileged which she is sure that perfumery will not have this kind of service. With on-top promotion and free gift with purchase, they will help boost up the sales in department store increasingly.

4.2.2.3 Interview customers in both channels

Consumer's Perception

From in-depth interview, their perception towards quality of the product quantity in department store is better than in perfumery. They perceive that the stock is old because it must compensate with the cheaper price. Moreover, they stated that the product quality both in department store is always the new one because it is the brand's counter so they need to seriously take care of brand reputation and the price is always full-priced.

Consumer's Behavior

Department Store

Interviewees visit department store 1-2 times a week. Their spending is approximately 5,000-10,000 depending on what products they purchase. Most of them purchase only when their routine product run out only or there is to-buy list only, not window shopping. Two of them feel that beauty advisor will ask them to buy more than what they actually want to purchase if they visit or walk pass the counter they are familiar with.

Perfumery

Most of the interviewees visit perfumery once a month. The perfumery that they visit is mainly the shop called Eve&Boy located in Siam Square nearby Siam Paragon and Central World. For interviewees who purchase from both channels, they revealed that they purchases at department store and mainly purchase from perfumery. They only purchase from the department store only when the product they want is not available in perfumery only. One of the interviewees said that it is annoying when perfumery store has not many items per brand which is the waste of time to visit there I get nothing from there. Moreover, one more reason they purchase at department store instead of perfumery is when the price point in both channel are not too different to each other.

Factors influencing the purchase

Department Store

Form those interviewees who purchase in department store stated that key drivers to buy at department store are beauty advisors, service and special promotion for members. Because they believe that beauty advisors know their skin best and can really advise on what they should purchase to indulge their skin. Product display, high-value perception from display and the perception that stock is newer than perfumery (product quality) are important as well.

In addition, department store has strong marketing communication such as newsletter and direct mailer that directly sent to their place which has influenced her needs towards the product as well.

The obstacle to purchase at department store is unattractive price which is the full price with maximum 10% discount on weekend period and beauty advisors that sometimes push the pressure to purchase and doesn’t take care of them well.

Perfumery

Every participant who purchase in perfumery stated that drivers to buy at perfumery is lower price comparing to department store. Other factors affecting their purchase are convenience in location, product variety, store size & format that serve her needs in finding products easily, and all-in-one (head to toe products in one place). Two of the participants stated that marketing communication via Instagram and Facebook of Eve&Boy showing big discount trigger their needs to purchase immediately.

But there are also the obstacles to purchase in perfumery which are the out-of-stock product and the store is too crowded. One of the major concerns is that the product manufacturing date is 2-3 years ago, so customers are afraid of the effect that could be happening on skin.

4.3 Key Findings from Descriptive Research

4.3.1 Key Finding from Observation

From observing around beauty department in department stores, many luxury brands in the department store has simple but luxury looking. Most of the brands have shown value & promotion set to attract customers; in addition, “exclusive” & “limited edition” are shown with actual product as well while beauty advisors from many brands stand up in front of the counter with warm-welcome face. Observations were conducted in three part of Bangkok in order to understand the nature of each store (Siam Paragon, Central Pinklao, and Robinson Rama9).

- Customers spent much time with Beauty Advisor; for example, Kanebo’s customer had makeup learning session with BA before she made the purchase. For La Mer, customer was talking to beauty advisors who showed the full range of product line to her and try all the products on her skin.

- Chanel and Dior are the top brands at Siam Paragon and they are located at the entrance of the department store zone. The obvious strategy they do is approaching customers with fragrance trial paper. Once customers step into the counter, BAs immediately provided makeup service and took care of the customers well.
- Not too many customers were at Robinson Rama9, but many brands such as Clarins and MAC hold customers' activity which was facial treatment and makeup workshop. From asking, this activity is exclusive for members only

Observation was conducted at perfumery store as well at Eve and Boy (Siam Square branch). There two zones of cosmetics which are masstige and luxury brands. Observing at luxury cosmetics zone, the shelves was locked and showed not too many SKUs per brand. Moreover, there were some products that had no testers to enable customers to try the product before purchasing.

- Price is approximately 10-30% cheaper than in department store
- The place was crowded with lots of customers with long queue to arrange payment
- There are only some brands that had specific beauty advisors.
- Some customers did Google search for product information in front of the shelf before the decision.

4.3.2 Key Finding from Questionnaire

According to the objective of the questionnaire, the below is the key that need to be answered.

1. Description of the target market in each channels
2. Consumers behaviors and decision making process
3. Factors influencing purchase decision of women who purchase luxury

4.3.2.1 Demographic information

From the result, respondents aged between 18-24 years old is counted as 7.9% and 25-35 counted 92.1% and most of respondents are single (84.2%).

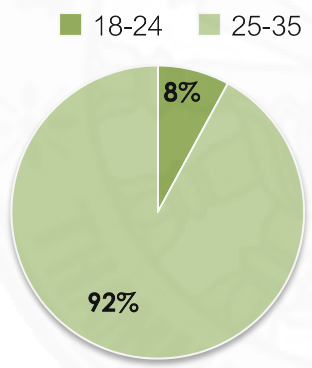

Figure 4.1 Age

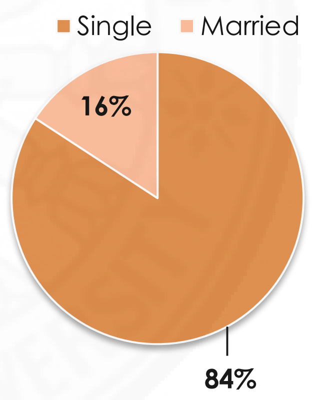

Figure 4.1 Marital Status

The educations are mainly Master Degree (55.3%) follows by Bachelor Degree (43.4%). Most of the respondents are employee (68.4%) and following business owner (11.2%), and government officer, freelance and others respectively.

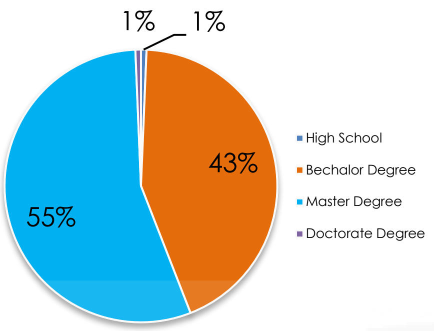

Figure 4.3 Education

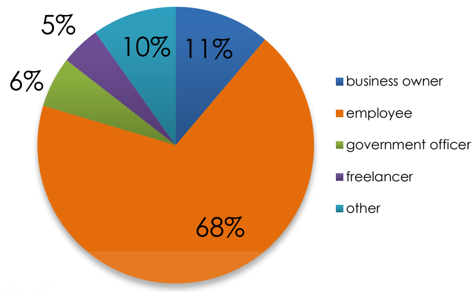

Figure 4.4 Occupation

For monthly income, 35% of the respondents with above THB45,000 of monthly income, and 24% has THB35,001-45,000 of monthly income.

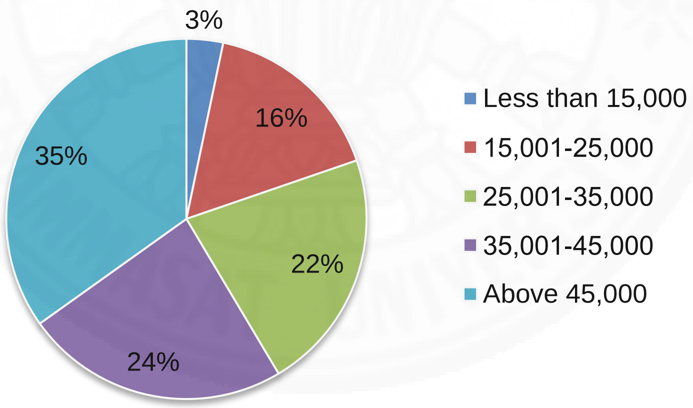

Figure 4.5 Monthly Income

4.3.2.2 Purchasing behavior

According to the data set, 134 respondents out of 175 (76.6%) purchase luxury cosmetics from department store channel and 102 of the respondents (61.4%) stated that they purchased luxury cosmetics in perfumery in the past six months.

For the product mainly purchased in department store channel, the result shows that 112 respondents (83%) purchase makeup products and 96 respondents (71.6%) purchased skincare. While those 102 respondents who purchase in perfumery mainly purchase makeup (81%, 83 respondents) and skincare (49%, 50 respondents) as well.

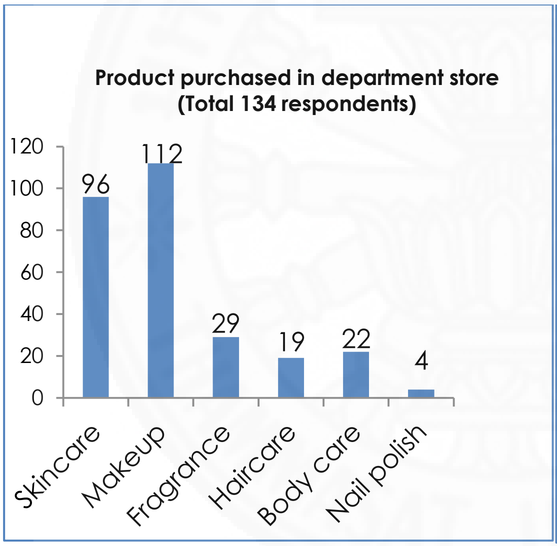

Figure 4.6 Product purchased in department store

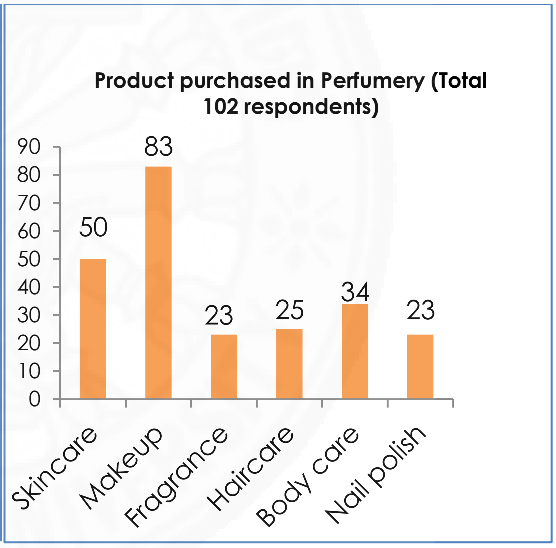

Figure 4.7 Product purchased in perfumery

The spending each time for luxury cosmetics in department store, 49% of them spend THB1,001-3,000, 26% of them spend THB3,001-5,000, 15% of them spend THB5,001-10,000, and 8% for those who spend over 10,000 per time.

For perfumery, customers mainly purchase THB1,001-3,000 (60%) and below THB 1,000 (22%).

From the result, it is obvious that spending per time in department store is higher in perfumery. This can come up with the assumption that 1) the price in perfumery is cheaper so this cause spending per bill less than in department store 2) because there is the spending above 10,000 in department store for 8%, therefore there must be the factors within the department store that affect the high spending per bill in department store such as beauty advisor, service, and atmosphere as mentioned in exploratory research above.

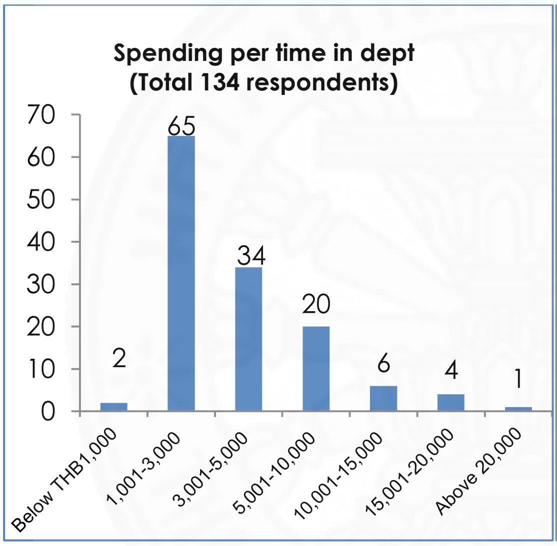

Figure 4.8 Spending per time in department store

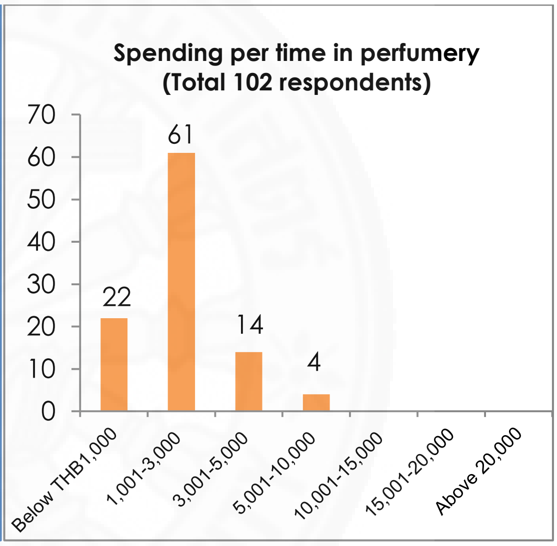

Figure 4.9 Spending per time in perfumery

4.3.2.3 Factor affecting the purchase

In this section, the correlation between attributes is tested to see whether there is relationship among each other. The result showed that there are two set of attributes that is significantly correlated and six set of attributes that are less significantly correlated which are shown as following below

	Attribute 1	Attribute 2	Correlation Coefficient	Sig. (2-tailed)
Significantly Correlated	**Store Display**	**Atmosphere**	**.807**	**.000**
	Beauty Advisor	**Service**	**.838**	**.000**
	Promotion	**Exclusivity**	**.605**	**.000**
Less significantly correlated	Promotion	Price	.481	.000
	Price	Exclusivity	.401	.000
	Adv. Material	Store display	.541	.000
	Adv. Material	Atmosphere	.519	.000
	Beauty Advisor	Atmosphere	.484	.000
	Service	Atmosphere	.434	.000

Table 4.1 Correlation among attributes

Total of 16 attributes that important to respondents when purchasing luxury cosmetics were asked to respondents to rate on the importance and finally were classified into 7 key factors by using factor analysis (cumulative percent of 76.27%). The results were presented in the table below. This factor analysis suggests that if one of the attribute in the factor is affecting the purchase in the channel, the other attribute in the factor will also affect. For example, if beauty advisor is relevant to the customer in department store, so the service is also positively affect the purchase as well.

Please refer to Question 4 under Questionnaire survey in Appendix B for these 16 attributes & Appendix D for Factor Analysis,

Factor	**Attribute**
Factor 1 : Marketing Comm.	Advertising Material , Store Display, Atmosphere
Factor 2 :Promotion	Promotion, Price, Exclusivity
Factor 3 :Service	Beauty Advisors and Service
Factor 4 :Variety	Variety of brand and variety of product
Factor 5 :New and limited	New collection , Limited edition
Factor 6 :Brand	Brand
Factor 7 :Quality	Quality

Table 4.2 Factor Analysis

To be more specific, each attribute will be analyzed with the customers in each channel. For department, the important attribute affecting the purchase is Quality (Mean=4.64), Service, Price, and Promotion (Mean=4.25). While attributes for perfumery are Quality (Mean=4.64), Price (Mean=4.43), and Promotion (Mean 4.25).

	Department Store		Perfumery	
	Mean (1-5)	**Std. Deviation**	**Mean (1-5)**	**Std. Deviation**
Brand	**4.19**	0.71	**4.20**	0.7
Quality	**4.64**	0.51	**4.66**	0.5
New Collection	3.77	0.94	3.81	0.96
Limited Edition	2.94	1.01	2.90	1.05
Convenience	**4.09**	0.81	**4.22**	0.77
Promotion	**4.25**	0.78	**4.25**	0.83
Variety of brand	3.79	0.85	3.86	0.84
Variety of product	3.91	0.86	3.86	0.94
Price	**4.25**	0.78	**4.43**	0.67
Exclusivity	3.94	0.92	3.96	0.91
Advertising material	3.22	0.78	3.22	0.77
Beauty Advisors	**4.17**	0.83	**4.01**	0.91
Service	**4.25**	0.8	**4.12**	0.84
Store Display	3.44	0.75	3.41	0.72
Atmosphere	3.55	0.78	3.53	0.78
Blogger	3.36	0.95	3.38	0.95

Table 4.3 Importance of attributes in department stores and perfumery

Apart from understanding the important attribute for customers in each channel, it is necessary to understand what the existing attitude of customers both in department store and perfumery channel are. The result showed that customers in department store feels that *The Price is affordable* (Mean = 4.26), *The brand they want is available in the channel* (Mean = 4.18), *Promotion is very attractive* (Mean = 4.07). For perfumery, customers feels that *The Price is affordable* (Mean = 4.54), *The brand they want is available in the channel* (Mean = 4.41), *Promotion is very attractive* (Mean = 4.31)

The result is also surprising that even though Beauty advisor and service are more important than in perfumery, but the attitude towards Beauty advisor and service in each channel shown in the table below are not significantly different (mean is approximately 2.8).

	Department Store		Perfumery	
	Mean (1-5)	**Std. Deviation**	**Mean (1-5)**	**Std. Deviation**
The brand I want is there	**4.18**	0.85	**4.41**	0.61
I feel ensure with the quality	3.61	0.93	3.88	0.68
I am the first to buy new collection	2.62	0.88	2.74	0.86
Limited Edition is very attractive word	2.66	1.05	2.70	0.95
The location is convenient	3.80	0.95	4.03	0.86
Promotion is very attractive	**4.07**	1.02	**4.31**	0.93
There are variety of brand	3.99	0.82	4.15	0.66
There are variety of product	3.98	0.95	4.07	0.91
The Price is affordable	**4.26**	0.91	**4.54**	0.69
Exclusivity important to me, I feel privileged	3.32	0.94	3.41	0.92
Brochure and Gift voucher attract me a lot	3.24	0.86	3.25	0.82
Beauty Advisors is impressive	**2.82**	0.91	**2.86**	0.79
Service is very nice	**2.83**	0.95	**2.82**	0.92
Store Display attract me to buy	2.92	0.95	2.95	0.84
Atmosphere is pleasant to shop	3.20	1.00	3.11	0.96
Bloggers/influencers influence me to buy	3.05	1.06	3.21	1.03

Table 4.4 Attitudes towards the purchase in department stores and perfumery

4.3.2.3 Marketing Communication

From the question of media that is influential on the purchasing of luxury cosmetics, for those purchasing in department store, the result of 134 respondents showed that the major media influential on their purchase are review from online beauty community (82%), friend & family recommendation (68%), blogger (57%), and Facebook (51%). For those 102 respondents purchasing in perfumery, the major media are review from online beauty community as well (85%), friend & family recommendation (71%), blogger (59%), and Facebook (50%)

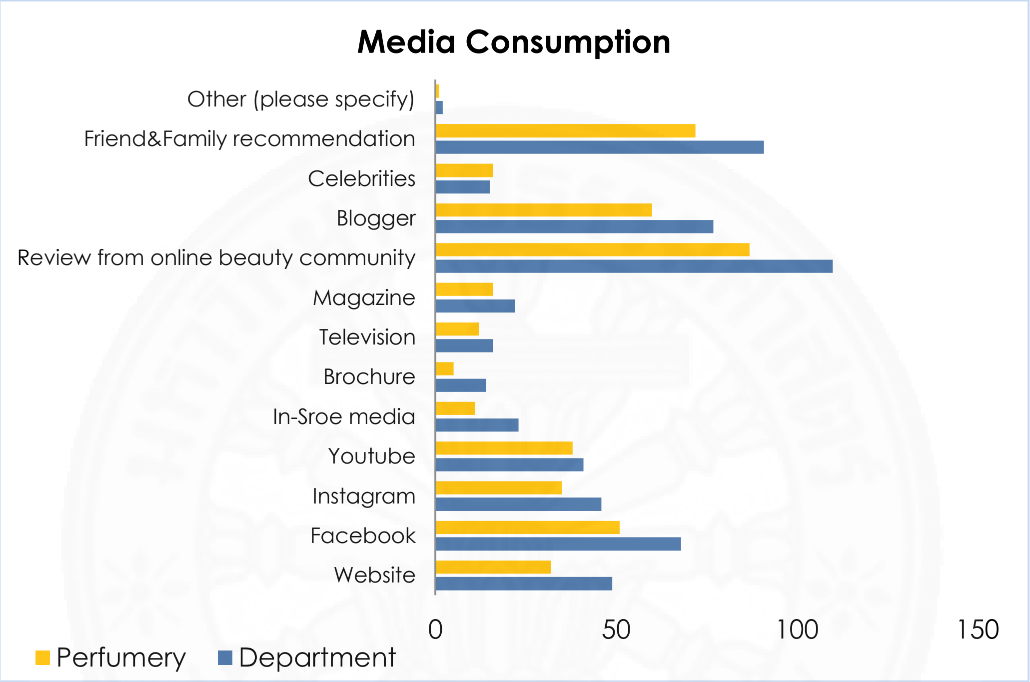

Figure 4.10 Media Consumption

Researcher asked respondents about the promotion that is influential on the purchase towards luxury cosmetics, the result based on interval scale showed that customers prefer discount the most both in department store (Mean=4.47, SD=0.69) and in perfumery (Mean 4.49, SD = 0.66) and Gift with purchase is secondly preferred both in department store (Mean=3.88, SD=0.96) and in perfumery (Mean= 3.76, SD = 0.96)

Type of Promotion	Department		Perfumery	
	Mean	Std. Deviation	Mean	Std. Deviation
1. Discount	4.47	0.69	4.49	0.66
2. 0% interest payment	2.73	1.18	2.59	1.15
3. Free Sample	3.72	0.93	3.60	0.9
4. Gift with purchase	3.88	0.96	3.76	0.96
5. Member card	3.72	0.98	3.69	1.02

Table 4.5 Promotion influential on the purchase in department stores and perfumery

CHAPTER 5
CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusion

In conclusion, the key finding from this independent study showed that the key factors influencing the purchase in department store is beauty advisor's service, perception of product quality, and special promotion provided. For perfumery store where price is approximately 10-30% cheaper than in department store, the factors influencing the purchase are quality of the product, price and promotion which implied that even the product purchased is cheaper but the quality needs to be the same as in department store where the product is perceived as newer & fresh stock.

Classifying customers in each channel, 76.6% of total respondents purchase luxury cosmetics from department store channel and 61.4% purchased luxury cosmetics in perfumery in the past six months. The products that customers in both channels purchase are mainly skincare (71% in department store and 49% in perfumery) and makeup (83% in department store and 28.6% in perfumery).

For perfumery, customers normally purchase THB1,001-3,000 and below THB 1,000 (82%). The spending each time in department store is higher than in perfumery; 49% of them spend between THB1,001-3,000 only , 26% of them spend THB3,001-5,000, and it is significantly different with perfumery that 23% of them spend over THB5,000 to the maximum of over THB 20,000 per purchase. It implied that 1) the price in perfumery is cheaper so this cause spending per bill to be less than in department store 2) it should have the factors within the department store that affect the high spending per bill in department store such as beauty advisor, service, and atmosphere as mentioned in in-depth interview and secondary research.

As mentioned earlier, the factors influencing in department store are beauty advisor’s service, quality, and promotion, and in perfumeries are quality of the product, price and promotion.

To explore whether these important factors are served to the customers, customers in department store revealed that *Price is affordable*, *The brand they want is available in the channel*, *and Promotion is very attractive*. Surprisingly, the attitude towards Beauty advisor and service in department is not satisfying and it really is close to the attitude towards Beauty advisor and service in perfumery even though they are the attributes that influence the purchase.

For media consumption, media that are influential on the purchasing of luxury in department store are review from online beauty community, friend & family recommendation, blogger, and Facebook .while perfumery’s are in the same trend as well. For the promotion, customers both in department store prefer discount and gift with purchase is secondly preferred both in department.

5.2 Limitations

Limitation in this independent study is that some management has the limited of time to interview, so that the information might not be as deep as it should be. Another limitation is that, at the beginning, customers did not clearly understand the terms department store and perfumery, so the researcher needs to explain more about the definition.

5.3 Recommendation

From the key findings above, the recommendation for brand owners and management team of the beauty company as well as the department store are :

1. **Improve Beauty Advisor and Service in department store:** Beauty company should focus more on Beauty advisor productivity and training to increase positive attitude towards to the brand; otherwise, there will not be any other competitive advantage that can compete with perfumery since service is the relevant attribute that affect purchase luxury cosmetics in department store. Beauty advisor training should focus on well-crafted service because it is related to each other, the special care and treatment should be provided to the customers. If the brand practices this the satisfaction should be raised up.

   Further study that will suggest to the brand owner is the study focusing on satisfaction on service and beauty advisor in department store including what types of service that customers will be satisfied.

2. **Marketing Communication and Promotion**: for both channels, if they want to increase sales, they should focus utilizing review from online beauty community, blogger and Facebook implying that these beauty products are bought from the channel and what is special from buying from this channel. Friend and family recommendation should be applied with department store in terms of membership exclusivity; for example, the luxury cosmetic brand provides *Member Get Member* which member will suggest friend to be the member of the brand by offering special promotion and special service to both members.

This method not only expands the customer base and increase sales but it will help make customers benefit the brand in terms of marketing communication tools which is more incredible than any other tools.

3. **Content to promote the brand :** from this study, marketing communication tools and promotion (discount & gift with purchase) are known to answer what the target actually use and want, the further study needed is to figure out the content, wording, copy writing that will attract target customers to be interested in and to purchase in each channel.
4. **Value of each distribution channel:** channel becomes the important element in marketing but study of the strategy is focused, but not the study of psychological and emotional value, so this should be put in academics to deeply understand customer's value towards each channel or different types of products.

Finally, this study will be useful for the brand owner, brand managers, retailers especially department store to understand the consumer's behavior and factors influencing the purchase in department store and perfumery based on consumer insight from this independent study.

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APPENDICES

APPENDIX A

In-depth interview Question

Customers in department store & perfumery

1. Do you purchase luxury cosmetics in department store / perfumery?
2. How often do you go to each channel?
3. What are your purchasing habits in during the shopping?
4. What is/are the key drivers towards your purchase in each channel?
5. What is/are the obstacle towards your purchase in each channel?

Management team of beauty company

1. Have the emergence of perfumery affect the sales of your brands in department store?
2. What are the factors, in your opinion, that has affect the purchase in each channel?
3. What is/are the strategy to handle and maintain the sales in department store?

Management team of Central Department Store

1. What is the effect of on sales of luxury cosmetics in department store with emerging of perfumery?
2. In your opinion, what are the factors why customers are bending to purchase at perfumery?
3. In your opinion, what are the factors why customers still purchase in department store?
4. What is your strategy to handle with the perfumery in order to maintain sales and increase sales in the future?

APPENDIX B

Questionnaire Servey Question

Questionnaire Survey

Purchase Decision of Luxury Cosmetic Brands in Department Stores
and Perfumeries in Thailand
Master Degree Program in Marketing (MIM)
International Program, Thammasat University

This questionnaire survey is a part of MK702 Independent Study MIM, Thammasat University. The objective of this research is to study about Thai women' purchase decision and behavior towards luxury cosmetics brand in each distribution channel as well as the factors influencing the purchase in each channel. All information provided by respondents is for the academic purpose only. We ensure that all information provided will be kept strictly confidential and would not be used for any commercial purpose.
The questionnaire consists of 4 main parts:

Part A: Consumer's purchase decision and behavior towards luxury cosmetics brand
Part B: Consumer's purchase behavior & attitudes towards luxury cosmetics brand in department store
Part C: Consumer's purchase behavior & attitudes towards luxury cosmetics brand in perfumery
Part D: General information

This survey takes about 15-20 minutes to complete.
I truly appreciate your valuable time and thank you for your kind cooperation.
Should you have any query, please contact
Ornphicha Mahasintunan Tel. 085-5671888 E-mail: ornphicha.m@gmail.com

Definition

Cosmetics

- Any preparation applied to the body, especially face, with the intention of bea utifying it including skincare and makeup products such as powder, lotion & cream, hair care, nail polish, and etc.

Luxury cosmetics

- Specialized beauty products/brands including skincare and makeup in selective retail outlets (department stores, perfumeries, and travel retail) such as Elizabeth Arden, Lancome, Estee Lauder, YSL, and etc.

Department store

- A retail establishment offering a wide range of consumer goods in different product categories (beauty, lingerie, apparel, and etc.) mostly located in commercial area such as Siam Paragon, Central, The Mall, Robinson, and etc.

Perfumery

- A retail establishment offering variety of cosmetics and fragrance brands at relatively lower price to department store such as Eve&Boy, Stardust, Jae-Leng, and etc.

PART A : Consumer's purchase behavior towards luxury cosmetics brand

1.Your age is between 18-35?

- o Yes/No

2.In the past 6 months, did you purchase luxury cosmetics?

- o Yes/No

3.Where do you purchase (can answer more than 1)

- o Department store
- o Perfumeries (such as Eve&Boy , Stardust, Jae-Leng and etc.)
- o Duty Free
- o Online shop
- o Others_______

4.To what extent, the following **attributes are important to you** when purchasing **luxury cosmetics in the selected channel above** (1 = Not at all important, 2 = Slightly important, 3 = Neutral, 4 = Moderately important, and 5 = Extremely important)

	Not at all important	Slightly important	Neutral	Moderatel y important	Extremely important
Brand	1	2	3	4	5
Quality	1	2	3	4	5
New collection	1	2	3	4	5
Limited Edition	1	2	3	4	5
Convenience	1	2	3	4	5
Promotion (Discount / Value set / Gift with Purchase)	1	2	3	4	5
Variety of brand	1	2	3	4	5
Variety of product	1	2	3	4	5
Price	1	2	3	4	5
Exclusivity & Privilege	1	2	3	4	5
Advertising material (TVC, brochure, voucher and etc.)	1	2	3	4	5
Beauty Advisors	1	2	3	4	5
Service	1	2	3	4	5
Store Display	1	2	3	4	5
Atmosphere	1	2	3	4	5
Influencers / Bloggers	1	2	3	4	5

5.Which kind of promotion is influential to you to purchase luxury cosmetics, you can choose more than one

	Not at all influential	Slightly influential	Neutral	Very iinfluential	The most influential
Discount	1	2	3	4	5
0% interest payment	1	2	3	4	5
Free Sample	1	2	3	4	5
Gift with purchase	1	2	3	4	5
Member card	1	2	3	4	5
Others, please specify__________	1	2	3	4	5

Which media is the most influential to you to purchase luxury cosmetics (Can choose more than 1)

- Brand's website
- Facebook
- Instagram
- Youtube
- In-store media (TV screen or poster)
- Brochure/Gift voucher
- Television
- Magazine
- Review from online beauty community
- Blogger's review
- Celebrities
- Friend / Family recommendation
- Others, please specify:
    - ________________________

PART B : Consumer's purchase behavior & attitudes towards luxury cosmetics brand in department store

1. In the past 6 months, did you purchase luxury cosmetics in department store
    - Yes (Please go to question 3)
    - No (Please go to question 2 and go to PART C)

2. Which kind of cosmetics you purchase luxury cosmetics in department store
    - Skincare
    - Makeup
    - Fragrances
    - Hair Care
    - Body Care
    - Nail polish
    - Others________

3. How often do you purchase luxury cosmetics in department store in a month?
    - Less than once a month
    - Once a month
    - 2-3 times a month
    - 4-6 times a months
    - More than 6 times a month

4. How much do you spend each time?
    - Below THB1,000
    - THB 1,001- THB 3,000
    - THB 3,001- THB 5,000
    - THB 5,001- THB 10,001
    - THB 10,001- THB 15,001
    - THB 15,001- THB 20,001
    - Above 20,000

5. The reason(s) you purchase luxury cosmetics in department store is/are? (Note : you can choose more than one answer)
    - My daily cosmetics ran out
    - Already have in mind what to purchase
    - Impulse purchase (i.e. promotion, display, etc.)
    - Purchase for other people on special occasion
    - Others , please specify__________

6. To what extent, do you agree or disagree with the following statements (1 = Strongly disagree, 2 = Disagree, 3 = Neither disagree or agree, 4 = Agree, and 5 = Strongly disagree)

    When I purchase luxury cosmetics in department store ……

	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree
The brand I want is there	1	2	3	4	5
I feel ensure with the quality	1	2	3	4	5
I am the first to buy new collection	1	2	3	4	5
Limited Edition is very attractive word	1	2	3	4	5
The location is convenient	1	2	3	4	5
Promotion is very attractive	1	2	3	4	5
There are variety of brand	1	2	3	4	5
There are variety of product	1	2	3	4	5
The Price is affordable	1	2	3	4	5
Exclusivity important to me, I feel privileged	1	2	3	4	5
Brochure and Gift voucher attract me a lot	1	2	3	4	5
Beauty Advisors is impressive	1	2	3	4	5
Service is very nice	1	2	3	4	5
Store Display attract me to buy	1	2	3	4	5
Atmosphere is pleasant to shop	1	2	3	4	5
Bloggers/influencers influence me to buy	1	2	3	4	5

<u>PART C : Consumer's purchase behavior & attitudes towards luxury cosmetics brand in perfumery</u>

1. In the past 6 months, did you purchase luxury cosmetics in perfumery
    - Yes (Please go to question 3) / No (Please go to question 2 and go to PART C)
2. Which kind of cosmetics you purchase luxury cosmetics in perfumery
    - Skincare
    - Makeup
    - Fragrances
    - Hair Care
    - Body Care
    - Nail polish
    - Others________
3. How often do you purchase luxury cosmetics in perfumery in a month?
    - Less than once a month
    - Once a month
    - 2-3 times a month
    - 4-6 times a months
    - More than 6 times a month

4. How much do you spend each time?
    - Below THB1,000
    - THB 1,001- THB 3,000
    - THB 3,001- THB 5,000
    - THB 5,001- THB 10,001
    - THB 10,001- THB 15,001
    - THB 15,001- THB 20,001
    - Above 20,000

5. The reason(s) you purchase luxury cosmetics in perfumery is/are?
   (Note : you can choose more than one answer)
    - My daily cosmetics ran out
    - Already have in mind what to purchase
    - Impulse purchase (i.e. promotion, display, etc.)
    - Purchase for other people on special occasion
    - Others , please specify__________

6. To what extent, do you agree or disagree with the following statements (1 = Strongly disagree, 2 = Disagree, 3 = Neither disagree or agree, 4 = Agree, and 5 = Strongly agree)

When I purchase luxury cosmetics in perfumery ……

	Strongly disagree	**Disagree**	**Neither agree or disagree**	**Agree**	**Strongly agree**
The brand I want is there	1	2	3	4	5
I feel ensure with the quality	1	2	3	4	5
I am the first to buy new collection	1	2	3	4	5
Limited Edition is very attractive word	1	2	3	4	5
The location is convenient	1	2	3	4	5
Promotion is very attractive	1	2	3	4	5
There are variety of brand	1	2	3	4	5
There are variety of product	1	2	3	4	5
The Price is affordable	1	2	3	4	5
Exclusivity important to me, I feel privileged	1	2	3	4	5
Brochure and Gift voucher attract me a lot	1	2	3	4	5
Beauty Advisors is impressive	1	2	3	4	5
Service is very nice	1	2	3	4	5
Store Display attract me to buy	1	2	3	4	5

Atmosphere is pleasant to shop	1	2	3	4	5
Bloggers/influencers influence me to buy	1	2	3	4	5

<u>PART D : General Information</u>

Part I: Demographic

1. Gender
   - Male
   - Female
2. Age
   - Below 18
   - 18 – 24 years old
   - 25 - 35 years old
   - 36 - 45 years old
   - Above 46

3. Education
   - Less than high school
   - High School
   - Bachelor Degree
   - Master Degree
   - Doctorate Degree
   - Others, please specify: ________________________

4. Occupation
   - Business owner
   - Employee
   - Government officer
   - Freelancer
   - Others, please specify: ________________________

-

5. How much is your income per month?
   - 15,000 Baht and below
   - 15,001 Baht - 25,000 Baht
   - 25,001 Baht - 35,000 Baht
   - 35,001 Baht - 40,000 Baht
   - 40,001 Baht and above

6. . Marital Status
    - Single
    - Married
    - Divorced/Separated
    - Others ________

APPENDIX C

Correlations (Attributes)

		Brand	Quality	New Collection	Limited Edition	Convenience	Promotion	Variety of brand	Variety of product	Price	Exclusivity	Advertising material	Beauty Advisors	Service	Store Display	Atmosphere	Blogger
Brand	Pearson Correlation	1	.205**	.212**	.124	.120	.057	.084	.252**	.020	.043	.006	.113	.019	-.070	-.079	.049
	Sig. (2-tailed)		.007	.006	.109	.120	.459	.279	.001	.796	.575	.936	.142	.805	.368	.305	.529
	N	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169
Quality	Pearson Correlation	.205**	1	.184*	.142	.118	.055	.054	.067	.156*	-.055	-.034	.144	.110	.012	.033	.018
	Sig. (2-tailed)	.007		.017	.066	.128	.475	.484	.387	.042	.475	.661	.063	.153	.874	.668	.816
	N	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169
New Collection	Pearson Correlation	.212**	.184*	1	.415**	.348**	.223**	.376**	.351**	.124	.280**	.131	.205**	.196*	.150	.223**	.037
	Sig. (2-tailed)	.006	.017		.000	.000	.004	.000	.000	.107	.000	.089	.007	.011	.052	.004	.633
	N	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169
Limited Edition	Pearson Correlation	.124	.142	.415**	1	.261**	.135	.303**	.286**	.077	.221**	.153*	.144	.050	.091	.146	-.054
	Sig. (2-tailed)	.109	.066	.000		.001	.080	.000	.000	.321	.004	.048	.061	.520	.242	.058	.486
	N	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169
Convenience	Pearson Correlation	.120	.118	.348**	.261**	1	.378**	.261**	.202**	.300**	.222**	.129	.026	.004	.061	.100	.068
	Sig. (2-tailed)	.120	.128	.000	.001		.000	.001	.008	.000	.004	.095	.733	.956	.431	.197	.383
	N	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169
Promotion	Pearson Correlation	.057	.055	.223**	.135	.378**	1	.254**	.163*	.481**	.605**	.052	.176*	.189*	.044	.092	-.019
	Sig. (2-tailed)	.459	.475	.004	.080	.000		.001	.034	.000	.000	.501	.022	.014	.573	.236	.802
	N	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169
Variety of brand	Pearson Correlation	.084	.054	.376**	.303**	.261**	.254**	1	.623**	.173*	.293**	.071	.141	.164*	.072	.143	.084
	Sig. (2-tailed)	.279	.484	.000	.000	.001	.001		.000	.024	.000	.357	.068	.034	.355	.064	.277
	N	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169
Variety of product	Pearson Correlation	.252**	.067	.351**	.286**	.202**	.163*	.623**	1	.090	.170*	.031	.079	.144	.001	-.013	.139
	Sig. (2-tailed)	.001	.387	.000	.000	.008	.034	.000		.244	.027	.690	.307	.061	.989	.867	.071
	N	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169
Price	Pearson Correlation	.020	.156*	.124	.077	.300**	.481**	.173*	.090	1	.401**	.033	.057	.045	.072	.164*	.056
	Sig. (2-tailed)	.796	.042	.107	.321	.000	.000	.024	.244		.000	.672	.463	.564	.355	.034	.466
	N	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169
Exclusivity	Pearson Correlation	.043	-.055	.280**	.221**	.222**	.605**	.293**	.170*	.401**	1	.205**	.346**	.295**	.119	.194*	.040
	Sig. (2-tailed)	.575	.475	.000	.004	.004	.000	.000	.027	.000		.007	.000	.000	.123	.012	.605
	N	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169
Advertising material	Pearson Correlation	.006	-.034	.131	.153*	.129	.052	.071	.031	.033	.205**	1	.340**	.267**	.541**	.519**	.382**
	Sig. (2-tailed)	.936	.661	.089	.048	.095	.501	.357	.690	.672	.007		.000	.000	.000	.000	.000
	N	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169
Beauty Advisors	Pearson Correlation	.113	.144	.205**	.144	.026	.176*	.141	.079	.057	.346**	.340**	1	.838**	.386**	.484**	.115
	Sig. (2-tailed)	.142	.063	.007	.061	.733	.022	.068	.307	.463	.000	.000		.000	.000	.000	.136
	N	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169
Service	Pearson Correlation	.019	.110	.196*	.050	.004	.189*	.164*	.144	.045	.295**	.267**	.838**	1	.392**	.434**	.106
	Sig. (2-tailed)	.805	.153	.011	.520	.956	.014	.034	.061	.564	.000	.000	.000		.000	.000	.172
	N	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169
Store Display	Pearson Correlation	-.070	.012	.150	.091	.061	.044	.072	.001	.072	.119	.541**	.386**	.392**	1	.807**	.184*
	Sig. (2-tailed)	.368	.874	.052	.242	.431	.573	.355	.989	.355	.123	.000	.000	.000		.000	.017
	N	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169
Atmosphere	Pearson Correlation	-.079	.033	.223**	.146	.100	.092	.143	-.013	.164*	.194*	.519**	.484**	.434**	.807**	1	.160*
	Sig. (2-tailed)	.305	.668	.004	.058	.197	.236	.064	.867	.034	.012	.000	.000	.000	.000		.038
	N	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169
Blogger	Pearson Correlation	.049	.018	.037	-.054	.068	-.019	.084	.139	.056	.040	.382**	.115	.106	.184*	.160*	1
	Sig. (2-tailed)	.529	.816	.633	.486	.383	.802	.277	.071	.466	.605	.000	.136	.172	.017	.038	
	N	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).
a. Cannot be computed because at least one of the variables is constant.

APPENDIX D

Factor Analysis

Total Variance Explained

Component	Initial Eigenvalues			Loadings			Loadings		
	Total	Variance	e %	Total	Variance	e %	Total	Variance	e %
1	3.898	24.360	24.360	3.898	24.360	24.360	2.399	14.994	14.994
2	2.394	14.962	39.322	2.394	14.962	39.322	2.188	13.676	28.669
3	1.540	9.625	48.947	1.540	9.625	48.947	2.047	12.794	41.464
4	1.295	8.091	57.037	1.295	8.091	57.037	1.743	10.893	52.356
5	1.150	7.188	64.226	1.150	7.188	64.226	1.586	9.913	62.270
6	1.078	6.738	70.964	1.078	6.738	70.964	1.140	7.123	69.392
7	.850	5.311	76.274	.850	5.311	76.274	1.101	6.882	76.274
8	.721	4.505	80.780						
9	.673	4.209	84.989						
10	.553	3.456	88.444						
11	.486	3.037	91.481						
12	.395	2.469	93.951						
13	.360	2.249	96.200						
14	.302	1.886	98.086						
15	.181	1.129	99.215						
16	.126	.785	100.000						

Extraction Method: Principal Component Analysis.

Rotated Component Matrix[a]

	Component						
	1	2	3	4	5	6	7
Brand					.201	.825	.149
Quality			.106			.147	.907
New Collection	.136	.165	.111	.318	.631	.170	.120
Limited	.102			.194	.772		
Convenience	.187	.502	-.252	.130	.387	.153	.140
Promotion		.843	.156		.102		
Variety of		.188		.837	.228	-.107	
Variety of product				.861	.170	.163	
Price		.779				-.116	.295
Exclusivity		.720	.340	.113	.157		-.290
Advertising material	.810		.114			.173	-.161
Beauty	.273	.102	.878			.110	
Service	.222		.889	.127			
Store Display	.792		.286		.142	-.232	
Atmosphere	.759		.353		.197	-.265	
Blogger	.571		-.119	.314	-.450	.396	

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 19 iterations.

BIOGRAPHY

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