



**FACTORS INFLUENCING THAI WOMEN'S BUYING
DECISION FOR LUXURY COSMETICS AND
SKINCARE IN ONLINE SHOPPING**

BY

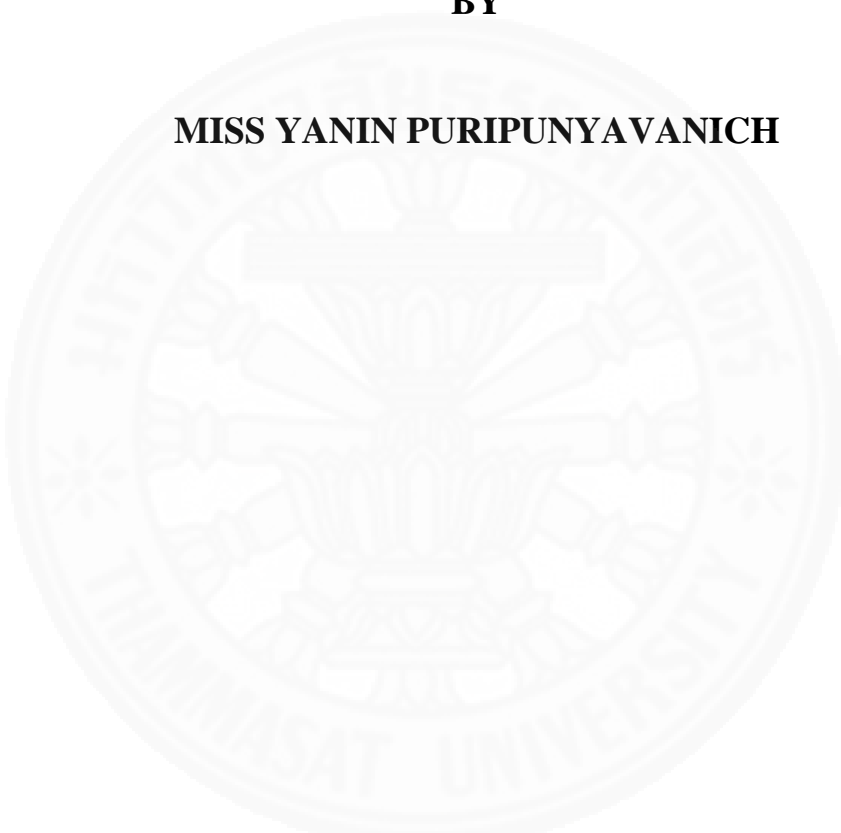
MISS YANIN PURIPUNYAVANICH

**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
THAMMASAT UNIVERSITY
ACADEMIC YEAR 2016
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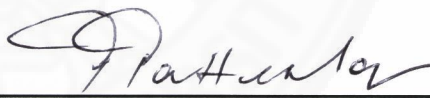
ENTITLED

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LUXURY COSMETICS AND SKINCARE IN ONLINE SHOPPING

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

on..... 8 MAY 2017

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Independent Study Title	FACTORS INFLUENCING THAI WOMEN'S BUYING DECISION FOR LUXURY COSMETICS AND SKINCARE IN ONLINE SHOPPING
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ABSTRACT

The two-digit growth of the Thailand e-commerce cosmetic and personal beauty care segment value has provided a new area of competition, which shifts from offline in-store experience to online platform. Despite the big growth, Thailand is still in the early stage of online shopping. Not all Thais are comfortable or willing to shop online. Therefore, with this big opportunity in the market, this study's findings will help luxury cosmetic and skincare brands to understand Thai women's behaviors and expectations better since the best practice in other countries might not be able to apply with Thai market and customers.

The objectives of this study are to study consumer shopping behavior when buying luxury counter brand cosmetics and skincare. Also, the study will investigate differences in consumer characteristics, behaviors and expectations between offline (physical stores) and online shopping for counter brand cosmetics and skincare. Finally, the study will identify factors that affect Thai women's online buying decisions on counter brand cosmetics and skincare.

The research conducted with two research methods which are exploratory research and descriptive research, using secondary data, observation, in-depth interviews and a survey to collect data from total 173 respondents. The important

studied variables include customer demographic, and psychographic factors, shopping behavior and marketing strategies.

The findings from this study aims to provide more insights of customer shopping behavior and expectation and identify the key success factors that brands should focus on to create effective strategies applied to a Thai's context for driving female consumers' buying decisions through online shopping channels.

Keywords: Luxury cosmetics and skincare, Online shopping, Physical store, Beauty product, digital, E-commerce



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CHAPTER 1

INTRODUCTION

1.1 Introduction to the story

According to the Department of Industrial Promotion (DIP, Sep, 2016), Thailand's total cosmetic market valued 210 billion baht, of which domestic market valued around 120 billion baht. Counter brands or luxury cosmetics and skincare are specialized beauty products/brands available in selective retail outlets (department stores, Sephora, and travel retail) such as Biotherm, Clinique, Lancôme, YSL, and etc. This market alone had value around 22,000 million baht in 2015 (arketer.co.th, Feb, 2015). The predicted market growth in 2016 is around 4-6% (www.thansettakij.com, Mar, 2016). Apart from the growth in cosmetic market, there is also a survey stating that 59% of Thai internet users have shopped online. This resulted in 12.42% growth from 2015 for Thailand e-commerce value. The current year's value is predicted to be 2.5 trillion baht. Value for cosmetic and personal beauty care segment is 143 billion baht, with 23.63% growth from 2015 (Electronic Transaction Development Agency [ETDA], 2016).

This change in Thais' shopping behavior landscape, shifting from an offline or a physical store to an online platform, also changes the behaviors and expectations of customers. Since luxury cosmetics and skincare brands are considered expensive, they are expected to offer high value. Consequently, brands must create value through their in-store experience and focus on service they offer to customers. However, with the limitation of physical contact on an online platform, it is crucial for brands to understand this change and re-design marketing strategies to better serve customers' needs.

This two-digit growth of the Thailand e-commerce cosmetic and personal beauty care segment value has opened up a new area of competition, which shifts from offline in-store experience to an online platform. Despite the big growth, Thailand is still at the early stage of online shopping comparing to other countries in Asia like China, Japan and South Korea which rank on the world's top ten e-commerce market list (Keith, Sep, 2015). Not all Thais are comfortable or willing to

shop online and the adoption rate is relatively low. Therefore, with this big opportunity in the market, this study's findings will help luxury cosmetic and skincare brands to understand Thai women's behaviors and expectations between offline and online shopping better because the best practice in other countries might not be able to apply with Thai market and customers. In addition, the findings will identify the key success factors that brands should focus on to create effective strategies for driving female consumers' buying decisions through online shopping channels.

1.2 Research objectives

The objectives of the proposed study include the following:

- To study consumer behavior when buying luxury counter brand cosmetics and skincare.
- To understand the differences in consumer characteristics, behaviors and expectations between offline (physical stores) and online shopping for luxury cosmetics and skincare.
- To identify factors that affect Thai women's buying decisions on counter brand cosmetics and skincare in online channel.
- To provide business implications for luxury cosmetic and skincare brands to develop suitable marketing strategies to improve online shopping sales.

The findings from all the aforementioned objectives will provide insightful information for the Thai luxury cosmetic and skincare industry and identify key success factors that will influence buying decisions in online shopping. Therefore, brand owners and management teams will benefit from these findings because such findings will help them develop marketing strategies that are suitable for Thai's online shopping landscape.

1.3 Project Scope

The research analyzed both qualitative and quantitative data from primary and secondary sources. Qualitative information was obtained from observation and in-depth interviews, and quantitative data from online survey. Target respondents were Thai women of any age who have shopped luxury cosmetics and skincare either

through offline or online channel within 12 months. The findings will be used to understand Thai women's shopping behaviors when purchasing luxury cosmetics and skincare, and to roughly define the factors influencing their buying decision.



CHAPTER 2

REVIEW OF LITERATURE

2.1 Thailand's e-commerce value in 2016

In 2015, Thailand's e-commerce value was 2.2 trillion baht with the expected growth of 12.42%. The current year's value is predicted to be 2.5 trillion baht. Among all industries divided by the Ministry of Digital Economy and Society, wholesales and retails industry has the highest growth at 36.35% in 2016 with the highest value of 731 billion baht. In such an industry, value for cosmetic and personal beauty care segment is 143 billion baht with 23.63% growth from 2015. The most popular e-commerce channel for this industry is social media, followed by E-Marketplace, and brands' official websites or applications (ETDA, Sep, 2016).

2.2 Digital in 2016

We Are Social has revealed that from the total global population of 7.4 billion in September 2016, 46% of them are active internet users with 10% growth from 2015 (We Are Social, 2016). While the penetration rate of active internet users in APAC is slightly lower at 40% or 1.6 billion users, which grew from 2015 at 12%. With 21% growth from 2015, Thailand has 56% active internet users' penetration rate or 38 million users in 2016, which is higher than the average of global and region active internet users. 86% of Thais use the internet every day and spend 4:45 hours on average using internet via PC or tablet and 3:53 hours via mobile phone. Among all social platforms, Facebook is the highest active social network with the 32% penetration rate, followed by Line at 29% and Facebook Messenger at 28%. The majority of Facebook users are aged between 20-29 years old at 37% with almost the same percentage of male and female users. As for the e-commerce part, 44% of internet users have recently purchased products or services online and 48% have searched for products or services to buy. Another 40% have visited an online retail store in the past 30 days of research.

2.3 Total retail survey 2016

Of all 23,000 online shoppers surveyed in 25 countries around the world, 54% bought products online weekly or monthly, and 67% admitted that reviews in social media or comments influenced their online shopping behavior (PwC, 2016). Affordability is a major driver for online shopping behavior around the world; 60% of respondents said that price was the biggest reason they shopped online. However, not only the actual price is being considered when shopping online, but also the perceived value of a purchase like convenience is also important. 47% of respondents globally said that convenience was a main factor for shopping online, slightly over than price at 43%. Unlike in Thailand, convenience was much higher at 51% and price was only 38% for reasons influencing online shopping. In addition, 53% of respondents said that reviews influenced their buying behavior. 48% used a mobile phone to compare prices online while in store, and 56% are likely to buy from other countries' online retailers if prices are cheaper. On the contrary, online shopping in the global landscape reveals that the most important factor for improving in-store experience is deep product knowledge of salespersons, while least important factors are VIP benefits and specialized customer events.

2.4 Total retail survey 2016 for health and beauty categories

The survey findings on shopping habits in the health and beauty sector show that 13% of respondents bought luxury cosmetics or fragrance items from e-retailers during last year (PwC, 2016). 12% of health and beauty shoppers bought from a luxury e-commerce site, 12% from a brand's official website, and 5% from a website outside country. Before making a buying decision, 44% of shoppers preferred doing online research, while 34% preferred visiting a physical store. Only 15% of shoppers did not do any research before making a decision. However, the majority of health and beauty shoppers at 50% still preferred buying in store, and 34% were likely to shop online (22% via PC, 6% via tablet and 5% via phone).

2.5 Global beauty industry trends in the 21st Century

Global Beauty Market has had annual growth rates ranging between 3% and 5.5% with 4.5% CAGR during the last 20 years (Łopaciuk and Łoboda, 2013).

According to the brand prestige, price, and distribution channels used, beauty products can be divided into premium and mass production segments. The mass segment dominated the total global sales at 72% in 2010, while the premium segment accounted for the remaining 28%. There was a high growth of e-commerce's cosmetics sales; in 2010 more than \$11 billion worth of sales were online transactions. Many customers shop online as a replenishment for products that they used before and to get a cheaper price than in store. The emerging markets of Asia and Latin America, an increase of the urbanization, and rapidly expanding middle class are the main contributions to a growing demand for cosmetics. The online cosmetics sales channel is also growing fast and skincare is the segment that has the biggest growth potential.

2.6 Marketing luxury brands

According to Kotler & Keller (2012, pp.356-357), brand and image are key competitive advantages to create value for luxury products. Having significantly higher prices than other products in the same category, luxury products are used in showing social status of customers or, in other words, as they want to be seen. Quality and uniqueness are two common denominators of luxury brands, which make customers feel very special. In particular, selling luxury brands is like selling a dream, displayed through product quality, status and prestige.

2.7 A 'better experience' is boosting beauty product ecommerce

According to Gada (2015), "One of the leading reasons why people opted to use ecommerce for shopping in this category was more convenience and price comparisons...". Also, more and more people started to enjoy online shopping because they feel uncomfortable with push selling and sensory overload. The highest penetration category for e-commerce is skincare, followed by value sets and kits, and color cosmetics. Fragrance ranks the lowest as customers find it difficult to buy them online because they cannot be smelled or tasted. There are many implications for the strong growth of e-commerce for beauty retailers. First, it is a direct-to-consumer channel; people directly buy from brands instead of buying through retailers. Second, even though 93% of sales are coming from the store, the role of retailers is changing.

“Or in some cases, the store becomes kind of a showroom where consumers go and test things out, but then they go back to Amazon, for instance, and buy it” (Gada, 2015). The last implication is the increasing importance of content strategy. Not only does e-commerce enable people to sell and buy things online, but also allows customers to access to information of products, reviews and brand contents before making decisions. A few years ago, online shopping for beauty products were not popular because of the limitation of touch-and-feel element. But, many e-commerce websites like Amazon have overcome this problem by offering free return and free shipping to reduce risk for customers to buy online.

2.8 A study of showrooming behavior for cosmetics in Thailand

The study showed that 67% of Thai women have a webrooming behavior (reverse showrooming). They do online research about products before making purchasing decisions at a physical store (Satitkasem, 2016). While 49% of Thai women possess a showrooming behavior, examining and experiencing products at physical stores but buying them online. The webrooming behavior is encouraged mainly by two factors – “afraid of being deceived” and “need to try cosmetics color shade”. Meanwhile, “cheaper price” is the most important factor for showrooming behavior. In the information search stage and the evaluation stage of cosmetics purchasing decision, online plays the most important role. It is easy for consumers to search for information and find product reviews online. However, physical stores are slightly preferable in the evaluation stage as consumers can really experience the product before making decision. This tangible experience makes customers still prefer to buy cosmetics from physical stores.

2.9 The role of social media influencer in shaping Thai cosmetic consumer purchasing behavior

Social media influencers or beauty bloggers/YouTubers are real cosmetic consumers who are passionate about beauty, enjoy trying new cosmetic products, and love sharing their opinions in the online community (Vonglek, 2015). Nowadays, social media influencers like beauty bloggers play a more important role for cosmetics purchasing behavior. They are considered as one of the most reliable sources of

cosmetics and beauty-related information providers. The most important attribute of social media influencers is credibility, and thus, brands need to understand the limitation of the control level when utilizing influencers. Brands cannot control all the content that these influencers will post as they need to remain credible in the eyes of consumers. Other important factors of social media influencers are attractiveness, expertise and information delivered. Consumers will still do a research for more information from other sources when making a purchasing decision despite the aforementioned attributes of social media influencers.

2.10 Global connected commerce

The Nielsen Global Connected Commerce Survey polled respondents in 26 countries to determine what motivates consumers to make an online purchase (Nielsen, 2016). The eMarketer, a digital analytics firm, projects that online retail sales will be more than double between 2015 and 2019, and will reach more than 12% of global sales by 2019. An omni-channel experience is the new retail reality. Online and physical store shopping have a closer relationship with the help of digital devices. Top online activities like looking up product information or online reviews, checking or comparing prices and searching for deals or promotions are common practices around the world in many categories, including beauty and personal care product. For beauty and personal care products, 54% of respondents looked up for product information, 44% checked and compared prices and 35% searched for deals or promotions. Beauty and personal care is a personal category with high consideration levels in which a high degree of personalization can be offered through online channel. 35% said they purchased beauty and personal care products online. Payment method is another factor to be considered, *“An ideal payment gateway has two core characteristics: It is secure, and it allows consumers to pay with whatever method fits their needs (and wallets) best,”* said Dodd. Credit cards (53%) are most commonly used, followed by digital payment systems (43%), but in developing markets, cash on delivery is particularly common. 56% of Thailand used cash on delivery online and as many as 51% of respondents do not trust giving their credit card information online. To overcome the physical limitation, online strategies should emphasize benefits of online shopping, such as convenience, high product assortment available, informed

decision-making process and value. Therefore, it is important to be shopper-centric by truly understanding customers' demography, shopping habit and the whole purchasing journey and integrating back-end system to improve the holistic shopping experience. With the benefits of digital world, it allows the personalization, which will help to increase visitor engagement, improve customers' experience, and increase conversion rates. However, with each country's unique regulatory requirements, financial and technology infrastructure and adoption rates, it is important to develop marketing strategies that suit for each country's context.

To sum up, first, there is big growth in the number of internet users and in global beauty market, which contributes to the rapid growth of online cosmetics sales worldwide with the biggest growth in skincare segment. This also applies to the growth in Thailand e-commerce value and cosmetic and personal care segment. Second, even though affordability is a major driver for online shopping around the world, convenience and product reviews are more important for consumers in Thailand. Third, most of the consumers buy luxury cosmetics on e-commerce sites and brands' official websites. Also, they do product information research online before buying at store. Fourth, beauty products can be divided into premium and mass production segments based on the brand prestige, price, and distribution channels. The mass production segment has a higher global sales contribution. An increase of the urbanization and expanding of middle class are the main contribution to a growing demand for cosmetics in the emerging markets of Asia and Latin America. Fifth, product quality, status and prestige are important for luxury products. Sixth, digital media changes the behavior of cosmetics shoppers. Some customers do online research for products before buying at a physical store (webrooming) while some experience products at physical stores and go back to shop online because of a better price. Seventh, two main factors that influence online shopping for beauty products are convenience and price. However, stores are still the main sales contribution channel because of the limitation of touch-and-feel element. Eighth, social media influencers like beauty bloggers play an important role in a cosmetics purchasing behavior. They are considered as one of the most reliable sources of cosmetics and beauty-related information providers. Ninth, with a closer relationship between online and physical stores, brands need to develop a seamless omni-channel experience.

Previous literature has indicated a big growth of online shopping in the beauty segment. This study aims to provide more insights into the key success factors that influence luxury cosmetic and skincare buying decision in an online channel in a Thai's context, which may be different from other countries. In addition, since the luxury cosmetic and skincare customers have different characteristics and expectations from general cosmetic buyers, the important factors may be different.



CHAPTER 3

RESEARCH METHODOLOGY

3.1 Research methodology

The research was conducted with two research methods – exploratory and descriptive research.

3.1.1 Exploratory research

Secondary data, observation, and in-depth interviews were used in this stage for two purposes, including to understand the differences in consumers' behaviors and expectations between offline and online shopping for luxury cosmetic and skincare brands, and to identify important factors influencing purchasing decisions. The results obtained through these methods were used as a guideline for the descriptive research design.

3.1.1.1 Secondary data

Data were obtained from the internet, articles, blogs and e-commerce sites. These data have provided a better understanding of the overview of an e-commerce landscape in Thailand, global growing trends, and industry overviews from other countries. Also, they helped identify important factors affecting purchasing decisions through customers' reviews and comments on online posts.

3.1.1.2 Observation

Observation was conducted to briefly understand consumers' behaviors when shopping for luxury cosmetics and skincare at physical stores.

3.1.1.3 In-depth interview

In-depth interviews have provided insights into consumers' behaviors and expectations when buying luxury cosmetics and skincare at both online and physical stores and the differences between these two channels. Also, they helped identify factors that influence buying decisions on luxury cosmetics and skincare in online and offline shopping channels. In addition, they were used as a guideline when designing a questionnaire in the later stage.

3.1.2 Descriptive research

Survey was used to collect data to describe characteristics and behaviors of customers who buy luxury cosmetics and skincare in online and offline shopping channels, and the differences between these two groups of respondents. Also, the survey data helped the researcher identify the important factors that affect buying decisions in an online channel, and to quantify and confirm the results from exploratory research.

3.2 Identification of key research variables

To be able to identify the key success factors for luxury cosmetic and skincare brands in online shopping, the important variables that were studied can be classified into dependent and independent variables.

A dependent variable in this study is identified as the buying decision for luxury cosmetics and skincare through online shopping.

Independent variables are possible key factors that might influence the luxury cosmetic and skincare buying decision include the following:

- Demographic (e.g., age, income, education, and occupation),
- Shopping behavior (e.g., spending per time, number of items per time, frequency of buying per year) and media consumption behavior, and
- Marketing strategies (e.g., brand, service, price, location, promotion, benefit offer, influencer and reliability of channel).

3.3 Sampling procedure

3.3.1 Qualitative data

3.3.1.1 Observation

The observation was conducted at five official retailer stores with high traffic, including Biotherm, Lancôme and Sephora. Target customers of these shops are quite different in terms of characteristic, demography and psychographic.

3.3.1.2 In-depth interview

Six in-depth interviews were conducted with the respondents aged between 25-40 years old. Three of them were done with customers who shop online

for luxury cosmetics and skincare, and the rest with customers who shop at counters. The respondents were recruited through personal connection.

3.3.2 Quantitative data

3.3.2.1 Questionnaire Survey

The survey was created and distributed online through Survey Monkey, an online survey website. Convenient (non-probability sampling) and referral (snowball) sampling methods were employed to select samples. Initially there were 266 respondents in total. However, after the screening questions were applied to filter only women respondents who have purchased and are currently using luxury cosmetics and skincare, the number of respondents decreased to 228. After the data cleaning for incomplete respondents, the total usable results were from 173 respondents. Total respondents were divided into two groups of respondents. 95 respondents are customers who shop online for luxury cosmetics and skincare, and 78 respondents are those who shop at physical stores.

3.4 Data collection

3.4.1 Qualitative data

3.4.1.1 Observation

The observation was conducted at five official retailer stores with high traffic during weekday and weekend, including 1) Biotherm at Central Pinklao 2) Biotherm at Siam Paragon 3) Lancôme at Central Pinklao 4) Lancôme at Siam Paragon and 5) Sephora at Siam Center.

3.4.1.2 In-depth interview

Six in-depth interviews were conducted (See Appendix A: In-depth interview question guide) from November to December 2016. The objective of the interview is to explore the behaviors and purchasing criteria when shopping for luxury cosmetics and skincare, and factors that influence their buying decisions. Interviews were one-by-one interviews and each took around 15-20 minutes.

3.4.2 Quantitative data

3.4.2.1 Questionnaire Survey

The survey was distributed online with personal contact through social network channels such as Facebook and Line (See Appendix B: Survey), using convenient (non-probability sampling) and referral (snowball) sampling methods to select samples. Total respondents were 173 and the survey took around 5-10 minutes to complete. The survey was divided into five parts as follows;

- (1) Part 1: Screening questions
- (2) Part 2: Consumer's purchasing behavior when buying luxury cosmetics and skincare brand
- (3) Part 3: Consumer's purchasing behavior when buying luxury cosmetics and skincare brand in online channel
- (4) Part 4: Consumer's purchasing behavior when buying luxury cosmetics and skincare brand from offline channel (physical store)
- (5) Part 5: General information

3.5 Data analysis

Qualitative information was mainly obtained from observation and in-depth interviews. The findings have been used to understand shopping behaviors and to roughly define the factors influencing luxury cosmetics and skincare buying decision. In addition, they were used in questionnaire.

Quantitative information was obtained from online questionnaire surveys to quantify and confirm the results got from in-depth interview. After receiving all online survey results from Survey Monkey, the data were screened and cleaned before coding. Then they were entered into the SPSS (Statistical Package for the Social Science) program for further analysis. Data were analyzed using statistical methods, including frequency, mean, cross-tab, multi response, custom table and independent sample t-test.

CHAPTER 4

RESULTS AND DISCUSSION

4.1 Data analysis

The research used both qualitative and quantitative analyses. Qualitative information was mainly obtained from observation and in-depth interviews. The findings have been used to understand shopping behaviors and to roughly define the factors influencing luxury cosmetics and skincare buying decision. In addition, they were used in questionnaire. Quantitative information was obtained from online questionnaire surveys to quantify and confirm the results obtained from in-depth interviews. Total 266 respondents' results were received from online through Monkey Survey. Then the data was screened and cleaned to 173 respondents with completed results before coding to put into the SPSS program for further analysis. Data were analyzed using statistical methods, including frequency, mean, cross-tab, multi response, custom table and independent sample t-test.

4.2 Results from exploratory research

4.2.1 Observation results

Observation at Lancôme and Biotherm counters in department stores during weekday and weekend has shown that most of the customers are existing customers who have shopped at counters before. They already know the brand and are familiar with products and beauty advisors. Sometimes, they have seen the brands' ads, watched blogger reviews, and/or received text messages from the brands that inform them about products or promotions, and they come to the counters. Most customers know what they are interested in and want to see and actually try the real products at the counters.

4.2.2 In-depth interview results

Six in-depth interviews were conducted with interviewees who have shopped luxury cosmetic and skincare products online and offline. There were three interviewees for each channel. All six interviewees are female living and working in

Bangkok, aged between 24-40. Four are employees, one is a business-owner, and the other one is a master's degree student.

Three interviewees who have shopped luxury cosmetics and skincare online are employees aged 26, 27, and 40 years old. All of them have already been shopping online for other products like clothes and accessories for more than a year or two. Therefore, they are familiar with the ordering and payments processes and feel comfortable with online shopping. Numbers of items they purchase per time are around one to three products, with the average spending of 1,000 to 3,500 baht per time. The results from the in-depth interviews show that price and promotion are the two main factors that influence the interviewees to shop online. Furthermore, the accessibility of brands in Thailand plays an important role in online cosmetic and skincare shopping because some brands do not have stores in Thailand or have limited stores available. Finally, the convenience that online shopping offers customers is one of the factors because sometimes they do not have time to go shopping at department stores. The reason for purchasing can be both for a first-time purchase for a new product and a replenishment. For a first-time purchase, customers will buy a product if the ads, deals and reviews are interesting enough. The second reason is a replenishment, which are most of the cases. Customers buy a product when the one they have used has run out. Also, this group of interviewees is likely to search for more product information from online reviews by bloggers and compare prices and deals in many different e-commerce websites before making a purchasing decision.

For three interviewees who have shopped luxury cosmetics and skincare at department stores, one of them is an employee (28 years old), one is a master's degree student (29 years old), and the last one is a business owner (37 years old). All of them usually shop at a brand's counter in a department store or a specialty store like Sephora or Eve and Boy and at a duty free shop when travelling. The results from the in-depth interviews reveal that even though they may shop fashion clothes or electronic devices online, they still do not like to shop for luxury cosmetics and skincare online because of the limitation of a product trial before buying. This group of interviewees also does online product information search and reads online reviews of the brand or the product they are interested in before going to a store. At a physical store before making a purchasing decision, they also ask beauty advisors about

product efficacy, recommendations, and how to use. Moreover, they want to actually try the product on their skin to ensure their purchasing decision. The purchase frequency is around once in more than three months according to a product usage period. The average spending per time varies from 1,000 to more than 6,000 baht with more than three product items being purchased per time. This is because beauty advisors will normally try to cross sell with other products. Another reason for high spending is a condition of gift with purchase. This condition urges a need for customers to buy up to a specific amount in order to receive a special gift. In addition, a CRM program like a membership with a loyalty program is another incentive for them to buy more. The important factors that influence luxury cosmetics and skincare buying at physical stores include the credibility and quality of a brand and products, and the fact that they can actually try the product before making a purchasing decision. The support from beauty advisors is another important factor.

4.3 Results from descriptive research

4.3.1 Summary of respondents' profiles

Total respondents are 173, of which 78% are single and 46.2% of total respondents' age between 26-35 years old. 52% are employees, of which 37% earn monthly income above 55,000 baht. The majority of respondents, 61.8%, has a master's degree as their highest education, and lives in Bangkok or suburbs at 85.5%. (See table 4.1)

Table 4.1 Summary of Respondents' Demographic (n=173)

Respondents' Demographic		n	%
Age	18-25	36	20.8%
	26-35	80	46.2%
	36-45	42	24.3%
	>45	15	8.7%
Occupation	Business Owner	22	12.7%
	Employee	97	56.1%
	Civil Servant	17	9.8%
	Freelancer	7	4.0%
	Student	30	17.3%
Monthly Income	0-15,000	28	16.2%
	15,001-25,000	14	8.1%
	25,001-35,000	20	11.6%
	35,001-45,000	25	14.5%
	45,001-55,000	22	12.7%
	above 55,000	64	37.0%
Highest Education	High School or Lower	5	2.9%
	Bachelor Degree	55	31.8%
	Master Degree	107	61.8%
	PhD	6	3.5%
Region	Bangkok and Suburban	148	85.5%
	Central	14	8.1%
	Northern	1	.6%
	Northeastern	1	.6%
	Western	1	.6%
	Eastern	4	2.3%
	Southern	4	2.3%
Marital Status	Single	135	78.0%
	Married	38	22.0%

Total respondents were divided into two groups by shopping channels, 95 respondents (55%) are customers who shop online for luxury cosmetics and skincare, and 78 respondents (45%) are those who shop at physical stores. The results show that more than half of online shopping respondents are employees and aged between 26-39 years old with monthly income above 55,000 baht at 31.6%. Meanwhile, those who shop at physical stores vary in age ranges from 26-35 years old (39.7%) to 18-25 years old (24.4%), and 36-45 years old (24.4%). 48.7% are employees, followed by

students at 24.4%, with monthly income above 55,000 baht at 43.6% and followed by below 15,000 baht at 21.8%. (See table 4.2.)

Table 4.2 Summary of Respondents' Demographic by Shopping Channels (n=173)

Respondents' Demographic by shopping channel		Online (n=95)		Physical Store (n=78)	
		n	%	n	%
Age	18-25	17	17.9%	19	24.4%
	26-35	49	51.6%	31	39.7%
	36-45	23	24.2%	19	24.4%
	>45	6	6.3%	9	11.5%
Occupation	Business Owner	11	11.6%	11	14.1%
	Employee	59	62.1%	38	48.7%
	Civil Servant	7	7.4%	10	12.8%
	Freelancer	7	7.4%	0	0.0%
	Student	11	11.6%	19	24.4%
Monthly Income	0-15,000	11	11.6%	17	21.8%
	15,001-25,000	11	11.6%	3	3.8%
	25,001-35,000	16	16.8%	4	5.1%
	35,001-45,000	15	15.8%	10	12.8%
	45,001-55,000	12	12.6%	10	12.8%
	Above 55,000	30	31.6%	34	43.6%
Highest Education	High School or Lower	1	1.1%	4	5.1%
	Bachelor Degree	32	33.7%	23	29.5%
	Master Degree	61	64.2%	46	59.0%
	PhD	1	1.1%	5	6.4%
Region	Bangkok and Suburban	82	86.3%	66	84.6%
	Central	7	7.4%	7	9.0%
	Northern	1	1.1%	0	0.0%
	Northeastern	1	1.1%	0	0.0%
	Western	1	1.1%	0	0.0%
	Eastern	1	1.1%	3	3.8%
	Southern	2	2.1%	2	2.6%
Marital Status	Single	76	80.0%	59	75.6%
	Married	19	20.0%	19	24.4%

4.3.2 Shopping behavior

Product categories that are more likely to be purchased through both online and offline channels are skincare and makeup. Makeup is slightly higher than skincare in an online channel at 68.1% and 64.9% respectively. While, skincare is slightly higher than makeup in physical stores at 80.8% and 74.4%. Also, 39.7% of respondents stated that they shopped for fragrance at physical stores. (See table 4.3.)

Table 4.3 Product Category Purchased by Shopping Channels (n=173)

Product Category (multiple selection)	Online (n=95)		Physical Store (n=78)	
	n	%	n	%
Skincare	61	64.9%	63	80.8%
Makeup	64	68.1%	58	74.4%
Fragrance	10	10.6%	31	39.7%
Body care	14	14.9%	15	19.2%
Haircare	17	18.1%	16	20.5%

Highest average purchase frequency is more than three months per time for both customers who shop online (46.3%) and in physical stores (43.6%). None of the respondents said that they have shopped in a physical store more than three times per month, which may be due to an effort customers need to make in visiting a physical store. Nevertheless, there are a few respondents who shop online more than three times a month. Most of the average basket size or money customers spend per time of visit is around 1,001-3,000 baht with more than half of the online shopping respondents (58.9%), and 39.7% for offline shopping respondents. The average basket size of 3,001-5,000 baht is at 21.1% and 29.5% for online and offline shopping respectively. There is no difference for the highest percentage of a number of items purchased per time for both shopping channels. On the average, they purchase two to three items per time, at 71.6% and 67.9% for online and offline consecutively. (See table 4.4.)

Table 4.4 Shopping Behavior by Shopping Channels (n=173)

Shopping Behavior		Online (n=95)		Physical Store (n=78)	
		n	%	n	%
Average purchase frequency	>3 months/time	44	46.3%	34	43.6%
	2-3 months/time	23	24.2%	30	38.5%
	once a month	16	16.8%	13	16.7%
	2-3 times/month	8	8.4%	1	1.3%
	>3 times/month	4	4.2%	0	0.0%
Money spent/time	< 1,000	12	12.6%	6	7.7%
	1,001-3,000	56	58.9%	31	39.7%
	3,001-5,000	20	21.1%	23	29.5%
	5,001-10,000	6	6.3%	15	19.2%
	10,001-15,000	1	1.1%	3	3.8%
No. item purchased/time	1 item	21	22.1%	19	24.4%
	2-3 items	68	71.6%	53	67.9%
	4-5 items	5	5.3%	4	5.1%
	> 5 items	1	1.1%	2	2.6%

The reason for shopping or the purpose of purchasing luxury cosmetics and skincare from each shopping channel was also asked in a form of the Likert scale for respondents to rate the level that suits their shopping behavior. The results show that most of respondents are likely to purchase luxury cosmetics and skincare for a replenishment purpose, that is when they have used the product before and know well what they want to buy. The second reason is for a first-time purchase of a new product they have never used before. The mean scores are 3.15 for online and 3.10 for physical stores. There is no significant difference in mean scores for both shopping channels (no p-value under 0.05). However, when comparing two means, offline channel has a relatively higher mean for almost all reasons for purchasing, except first-time purchase and impulse purchase. (See table 4.5.)

Table 4.5 Reasons of Purchasing by Shopping Channels (n=173)

Reason of purchasing	Online (n=95)		Physical Store (n=78)	
	Mean	Std. Deviation	Mean	Std. Deviation
First time purchase	3.15	.934	3.10	.831
Replenishment	3.84	.776	4.03	.644
Gifting	2.57	1.028	2.60	.858
Emergency	2.04	1.041	2.14	1.041
Impulse purchase	3.06	1.050	2.86	1.028

97% of total respondents do a product information search before purchasing a product. The top three influential media that affect their buying decisions are beauty blogger reviews, beauty community websites, and friends and family recommendations. However, the rankings are different in each shopping channel. For online shopping respondents, the highest influential media is beauty blogger reviews (70.5%), followed by friends and family recommendations (66.3%) and beauty community websites (e.g. JeBan) (57.9%). Meanwhile, the highest influential media for offline shopping respondents is friends and family recommendations (69.2%), followed by beauty blogger reviews (64.1%) and beauty community websites (50%). In terms of a brand-owned channel, a brand's official website has the highest percentage, especially for online (36.8%). The lowest influential media is traditional media like television and radio. (See table 4.6.)

Table 4.6 Influential Media Affecting Buying Decisions by Shopping Channels (n=173)

Influential Media (multiple selection)	Online (n=95)		Physical Store (n=78)	
	n	%	n	%
Brand's website	35	36.8%	20	25.6%
Brand's Facebook page	28	29.5%	15	19.2%
Instagram	10	10.5%	4	5.1%
Youtube	14	14.7%	6	7.7%
Line official account	24	25.3%	10	12.8%
In-store media (e.g. Brochure, TV screen at POS)	14	14.7%	16	20.5%
SMS/ EDM from brand	5	5.3%	5	6.4%
Television/Radio	4	4.2%	10	12.8%

Table 4.6 Influential Media Affecting Buying Decisions by Shopping Channels
(n=173)

Influential Media (multiple selection)	Online (n=95)		Physical Store (n=78)	
	n	%	n	%
Digital TV	6	6.3%	3	3.8%
Magazine	16	16.8%	15	19.2%
Beauty bloggers' review	67	70.5%	50	64.1%
Beauty community website (e.g. Jeban)	55	57.9%	39	50.0%
Celebrities	7	7.4%	7	9.0%
Friends and family recommendation	63	66.3%	54	69.2%

The question about the most popular e-commerce websites for online shopping was asked in the survey. The results reveal that many customers shop for luxury cosmetics and skincare from many websites with slightly equal percentages. It means that customers are likely to browse through many different e-commerce websites to find the best deals they want. For all e-commerce websites that have been established for more than a year like Sephora.co.th, Konvy.com, Lazada.co.th and Cental.co.th, they have almost the same percentage of popularity. On the contrary, a newly launched e-commerce website like 11street.co.th and a website that has recently changed a platform like Robinson.co.th still have a low awareness and popularity comparing to the aforementioned websites. (See table 4.7.)

Table 4.7 E-commerce Websites for Online Shopping (n=95)

E-commerce Websites (multiple selection)	n	%
Central.co.th	30	21.6%
Robinson.co.th	8	5.8%
Konvy.com	32	23.0%
11street.co.th	2	1.4%
Lazada.co.th	31	22.3%
Sephora.co.th	36	25.9%
Total	139	100.0%

4.3.3 Summary of important factors which influenced luxury cosmetics and skincare buying decision

In order to identify the important factors influencing luxury cosmetics and skincare online purchase, sets of questions were asked using a Likert scale of 5, in which 1 means the lowest and 5 the highest. Total respondents were asked to rate a set of attributes which were important to them.

By looking at the mean score of each attribute for respondents in each shopping channel, the results show that there is a difference between top five important attributes that respondents consider when purchasing luxury cosmetics and skincare. (See table 4.8.)

For respondents who shop online, top five attributes are 1. convenience and flexible shopping time (4.14), 2. brand availability (3.98), 3. product and brand variety (3.95), 4. beautiful and easy to use website display (3.92), 5. influencer reviews (3.86). On the other hand, the least important attribute is product trial (2.43).

Top five attributes for physical store shoppers are 1. product genuineness (4.73), 2. product quality and efficacy (4.27), 3. brand availability (4.21), 4. convenience (4.05), and 5. product and brand variety (3.95). The least important are price and limited edition availability, which have the same mean score (3.26).

When comparing mean scores between online and offline shopping channels using the independent t-test, the results reveal that there are many attributes that have statistically significant differences as shown in red.

First, the 'brand availability' attribute has T value=-2.056 and P=0.041, which is lower than the significant level at 0.05. It can be concluded that respondents who shop at physical stores have more concern about brand availability, so they prefer shopping at physical stores to online because they know that the brand they want to shop for has a store.

Second, the 'product quality and efficacy' attribute has T value= -4.482 and P=0.000. The results show that respondents who shop at physical stores have more concern about product quality and efficacy.

Third, the 'product genuineness' attribute has T value=-8.868 and P=0.000. It can be concluded that respondents who shop at physical stores are more

concerned about product genuineness, so they prefer shopping at physical stores to online because they can trust that the products they buy are genuine.

Fourth, the 'price' attribute has T value=4.518 and P=0.000. It indicates that online shoppers are more price-sensitive as they are more likely to browse through different e-commerce sites for best deals online.

Fifth, the 'product trial' attribute has T value=-6.981 and P=0.000. It can be concluded that respondents who shop at physical stores prefer trying the products before buying. Online shopping respondents, however, are not concerned about this attribute.

Sixth, the 'membership and loyalty program' attribute has T value=-3.771 and P=0.000. The results indicate that membership and a loyalty program for customer reward is more important to those who shop at physical stores.

Seventh, the 'beautiful and easy to use website display' attribute has T value=4.477 and P=0.000. The results reveal that a beautiful and easy to use website is more important for online shoppers as it enhances customers' shopping journey experience.

Table 4.8 Important Factor Influencing Luxury Cosmetics and Skincare Purchase by Shopping Channels (N=95)

Factor Statements	Online (n=95)		Physical Store (n=78)		t	Sig (2-tailed)
	Mean	Std. Deviation	Mean	Std. Deviation		
The brand I want to buy is there.	3.98	.758	4.21	.671	-2.056	.041
I am confident in product quality and efficacy.	3.75	.812	4.27	.696	-4.482	.000
I can trust that the product is genuine.	3.73	.904	4.73	.574	-8.868	.000
The price is decent and reasonable.	3.82	.743	3.26	.874	4.518	.000
I get to try the product from sample or tester before I buy.	2.43	1.164	3.54	.921	-6.981	.000
It is very convenience and has flexible shopping time.	4.14	.780	4.05	.643	.776	.439
There is a membership or loyalty program for customer rewards.	3.24	1.018	3.77	.821	-3.771	.000
There is a lot of information available for helping me to make a purchase decision.	3.74	.970	3.69	.778	.328	.743
I always get exclusive offer.	3.38	1.002	3.54	.949	-1.067	.288
There always has limited edition/ new collection available.	3.08	1.028	3.26	.959	-1.130	.260
Reviews from influencer (e.g. Blogger) make me want to buy and can make a decision easier.	3.86	.974	3.82	1.090	.271	.786
A beautiful website/store display improve my shopping experience and satisfaction.	3.92	.767	3.36	.868	4.477	.000
Advertisement makes me want to buy the product.	3.59	.819	3.44	.906	1.170	.244
It has high variety of product and brand available for me to choose.	3.95	.735	3.95	.701	-.012	.990

Apart from important attributes studied above, other benefit offers that respondents expect to receive are also studied in this research. Such offers will help identify effective marketing tools for improving sales for luxury cosmetics and skincare. Statements about benefit offers expectation were asked for respondents to rate their level of agreement using a Likert scale of 1-5.

By looking at the mean score of each benefit offered to respondents in each shopping channel, the results show that the difference of top three benefits that respondents in each shopping channel expect to receive when purchasing luxury cosmetics and skincare. (See table 4.9.)

For respondents who shop online, top three benefits that respondents expect to receive are 1. free delivery (4.37), 2. special discount (4.16), and 3. return and refund policy (3.99). Meanwhile, top three benefits that physical store shoppers expect to receive include 1. special discount (4.12), 2. gift with purchase (4.06), and 3. membership and loyalty program rewards (4.04).

The results from the independent t-test analysis method and a comparison of mean scores indicate that there are statistically significant differences; P value is lower than the significant level at 0.05 as shown in red.

Apparently, a free facial treatment or a makeup service at a counter is more appealing to respondents who shop at physical stores than to online shopper as they do not want to go to the store to get these free services. (T value=-2.56 and P=0.01)

On the other hand, the benefit that is more preferable by respondents who shop online is free product delivery at a significant level of T value=7 and P=0.00.

Table 4.9 Important Benefit Offer Influencing Luxury Cosmetics and Skincare Purchase by Shopping Channels (N=95)

Benefits Offer Statement	Online (n=95)		Physical Store (n=78)		t	Sig (2-tailed)
	Mean	Std. Deviation	Mean	Std. Deviation		
To get special discount	4.16	0.88	4.12	0.77	0.33	0.74
That it has membership/loyalty program rewards	3.77	1.02	4.04	0.89	-1.84	0.07
To get free sample	3.79	1.04	3.99	0.96	-1.29	0.20
To get gift with purchase	3.93	0.96	4.06	0.90	-0.97	0.34
To receive free facial treatment/ makeup service	3.35	1.08	3.62	1.03	-1.66	0.10
To receive free skin consultation	3.14	1.11	3.58	1.15	-2.56	0.01
To get free delivery	4.37	0.86	3.21	1.24	7.00	0.00
To get free gift wrapping service	3.24	1.29	3.21	1.19	0.19	0.85
That it has return & refund policy	3.99	1.02	3.91	1.11	0.49	0.62
That it has customer call center to support when I find any problem	3.67	1.03	3.41	1.16	1.59	0.11
That it has 0% interest payment	3.16	1.29	3.06	1.37	0.46	0.64

4.3.4 Reasons against luxury cosmetics and skincare online shopping

Apart from finding important factors that affect luxury cosmetics and skincare online purchase, there was a question in the survey that asked about reasons why respondents do not shop luxury cosmetics and skincare online. Top three reasons are a limitation to see the real product, including actual touch and feel before making a purchasing decision (25%), being afraid of fake products (22.3%), and finally a limitation of a product trial before buying (17.9%). (See table 4.10.)

Table 4.10 Reasons against Online Shopping (n=78)

Reasons Against Online Shopping (multiple selection)	n	%
Do not know how to purchase	2	1.1%
Complicated process	10	5.4%
Expensive	2	1.1%
Fake product	41	22.3%
Do not see before making a purchase	46	25.0%
Do not trust in payment method	12	6.5%
Afraid that you have paid but did not get the product	17	9.2%
No beauty advisor to give you advice	21	11.4%
Want to test the product before making a purchase	33	17.9%
Total	184	100.0%



CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusion

5.1.1 Summary of respondent profile

Total respondents are 173, of which most of them are single women, aged between 26-35 years old and more than half are employees. The majority of respondents have monthly income above 55,000 baht and a master's degree as their highest education. Also, most of them live in Bangkok or suburbs.

Total respondents were divided into two groups by shopping channels; 95 respondents are customers who shop online for luxury cosmetics and skincare, and 78 respondents are those who shop at physical stores. The results show that more than half of online shopping respondents are employees and aged between 26-39 years old with monthly income above 55,000 baht. In addition, the findings reveal that most customers who shop online for luxury cosmetics and skincare are working women with a busy lifestyle, so they prefer shopping online due to their busy schedules. Meanwhile, those who shop at physical stores vary in age ranges from 18 to 45 years old. Most of them are employees, followed by students, with monthly income varying between above 55,000 baht and below 15,000 baht. These results show that there is a wider range of customers, from students who have time to go shopping at department stores to older women who like to shop at physical stores.

5.1.2 Summary of shopping behavior

Product categories that are more likely to be purchased through both online and offline channels are skincare and makeup. The purchase rate for makeup is slightly higher than that of skincare in an online channel despite a limitation for customers to see real colors of makeup. Because of the lower price point, it is still easier for customers to buy makeup online. On the contrary, the purchase rate of skincare is slightly higher than makeup in physical stores probably because it has a higher price point and customers would want to test on their skin to make sure that they like the result and they are not allergic to the product before making a purchase.

Unsurprisingly, more respondents stated that they shopped for fragrance at physical stores, where they can actually smell the product and see if they like it or not.

The highest average purchase frequency is more than three months per time for both customers who shop online and in physical stores. None of the respondents said that they have shopped in a physical store more than three times per month, which may be due to an effort customers need to make in visiting a physical store. Nevertheless, there are a few respondents who shop online more than three times a month. Most of the average basket size or money customers spend per time of visit is around 1,001-3,000 baht for both online and offline shopping respondents. The average basket size is likely to be higher for offline shopping due to the cross-selling with other products by beauty advisors who try to push sales up.

As for the reason for shopping or the purpose of purchasing luxury cosmetics and skincare from each shopping channel, most respondents are likely to purchase luxury cosmetics and skincare for a replenishment purpose, that is when they have used the product before and know well what they want to buy. The second reason is for a first-time purchase of a new product they have never used before. However, an attractive and limited-time promotion offer in the online channel increases impulse purchase.

Almost all respondents do a product information search before making a buying decision. There is a rise in third party media influence towards luxury cosmetics and skincare buying decisions. The top three influential media that affect their buying decisions are beauty blogger reviews, beauty community websites, and friends and family recommendations. However, the rankings are different in each shopping channel. For online shopping respondents, the highest influential media is beauty blogger reviews, followed by friends and family recommendations and beauty community websites (e.g. Jaban). Meanwhile, the highest influential media for offline shopping respondents is friends and family recommendations, followed by beauty blogger reviews and beauty community websites. In terms of a brand-owned channel, a brand's official website has the highest percentage, especially for online. The traditional above-the-line medias like television and radio are dying as they have the lowest influence.

The popularity of e-commerce websites for online shopping is slightly equal for all e-commerce websites that have been established for more than a year like Sephora.co.th, Konvy.com, Lazada.co.th and Cental.co.th percentages. It means that customers are likely to browse through many different e-commerce websites to find the best deals they want.

5.1.3 Summary of important factors which influenced luxury cosmetics and skincare buying decision

Top three important factors which influenced luxury cosmetics and skincare online buying decision are 1. convenience and flexible shopping time, 2. brand availability and 3. product and brand variety. On the other hand, the least important attribute is product trial. Meanwhile, top three important factors that influence luxury cosmetics and skincare offline buying decision are 1. product genuineness, 2. product quality and efficacy and 3. brand availability. The least important are price and limited edition availability.

Comparing important factors between each shopping channel, the results show that there are two important factors that customers who shop online for luxury cosmetics and skincare put more emphasis on than customers who shop at physical stores. First, a reasonable price, online customers are more price-sensitive as they are more likely to browse through different e-commerce sites for best deals online. Another important factor is an attractiveness and easy to use of website, as it enhances customers' shopping journey experience. Whereas, customers who prefer to shop at physical stores focus more on brand availability, product quality and efficacy, product genuineness, product trial before buying, and membership and a loyalty program for customer reward.

Apart from important factors above, other benefit offers that respondents expect to receive when purchasing luxury cosmetics and skincare are also studied in this research. For respondents who shop online, top three benefits that respondents expect to receive are 1. free delivery, 2. special discount and 3. return and refund policy. Meanwhile, top three benefits that physical store shoppers expect to receive include 1. special discount, 2. gift with purchase and 3. membership and loyalty program rewards. When comparing different benefits between each channel, apparently, a free facial treatment or a makeup service at a counter is more appealing

to respondents who shop at physical stores than to online shoppers as they do not want to go to the store to get these free services. On the other hand, the benefit that is more preferable for respondents who shop online is free product delivery.

5.1.4 Reasons against luxury cosmetics and skincare online shopping

Top three reasons why respondents do not shop luxury cosmetics and skincare online are a limitation to see the real product, including actual touch and feel before making a purchasing decision, being afraid of fake products, and finally a limitation of a product trial before buying.

5.2 Recommendations

The objectives proposed for this study include an investigation to understand customer behaviors and the differences in characteristic, behavior and expectation between offline (physical stores) and online shopping for luxury cosmetics and skincare. Also, the study aims at identifying factors that affect Thai women's buying decisions for online channel, and finally providing business implications for luxury cosmetic and skincare brands to develop suitable marketing strategies to improve online shopping sales. Based on the research findings, recommendations for brands are proposed as follows:

- Brands should pay highest attention to convenience, brand availability, product variety, websites and reviews as they are important factors that influence online shopping for luxury cosmetics and skincare.
- Brands should consider providing free delivery service with a return-and-refund policy as customers perceive these benefits very valuable.
- According to the online respondents' demographic findings that more percentage of employees aged between 26-39 years old with monthly income above 55,000 baht, they show that most customers who shop online for luxury cosmetics and skincare are working women with a busy lifestyle, so they prefer shopping online due to their busy schedules. It is recommended that brands target this group of customers and since they have limited time, brands should design a customer's shopping journey that is easy for them.

- Brands should start from designing an attractive and easy to use website to provide product information and reviews for customers to make a buying decision more easily. Also, brands need to be available on major e-commerce websites like Sephora.co.th, Konvy.com, Lazada.co.th and Cental.co.th
- Brands should utilize third party media that have high impact on online shopping customers more, like beauty blogger reviews, a friend-get-friend program by giving incentives for current customers to recommend products to their friends and family, and doing activities with beauty community websites (e.g. Jeban).
- To overcome limitation of being unable to see and feel real products before making a purchasing decision, which is a barrier that prevents more customers from shopping online, brands should try to put as much information and pictures on the website and provide reviews from other customers to enhance customers' confidence in online shopping.

The findings from the study will provide insightful information for the Thai luxury cosmetic and skincare industry and identify key success factors that will influence buying decisions in online shopping. Therefore, brand owners and management teams will benefit from these findings because such findings will help them develop effective marketing strategies that are suitable for Thai's online shopping landscape.

5.3 Limitation of the study

Due the time constraint, the number of sample size in this research was quite small. As a result, it may not be able to represent the entire population of interest. The bigger sample size will also improve the accuracy of findings and be a better representative of population.

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GLOSSARY

Luxury cosmetics and skincare	Specialized beauty products/brands available in selective retail outlets (department stores, Sephora, and travel retail) such as Biotherm, Clinique, Lancôme, YSL, and etc. AKA counter brand.
Offline channel	A physical store of a brand's official distributor usually located in the beauty department of department stores such as Siam Paragon, Central, The Mall, Robinson or authorized distributors like Sephora.
Online channel	E-commerce channels, which sell luxury cosmetics and skincare brands, including e-boutique, e-retailer and e-tailer.
E-boutique	A brand owned e-commerce channel such as Clinique.co.th, Kiehls.co.th, etc.
E-retailer	An E-commerce channel for retailers, which has both physical and online stores, and is an authorized distributor such as central.co.th, robinson.co.th and Sephora.co.th.
E-tailer	An E-commerce channel for retailers, which has only an online channel such as lazada.com, Konvy.com



APPENDIX A

IN-DEPTH INTERVIEW QUESTION GUIDE

1. Have you shopped online?
2. Have you bought luxury cosmetics?
3. Where do you buy luxury cosmetics?
4. What kind of cosmetic products do you buy?
5. How often do you buy luxury cosmetics?
6. How much do you spend on buying luxury cosmetics per time?
7. How many items do you buy per time?
8. Which of the following reasons applies to you for buying luxury cosmetics?
 - First-time purchase
 - Replenishment
 - Gifting
 - Emergency
 - Impulse purchase
9. What are the most important factors for you to buy luxury cosmetics?
10. Do you do any research on product information?

APPENDIX B

SURVEY QUESTION

Questionnaire Survey

Factors influencing Thai women's buying decision for luxury cosmetics and skincare in online shopping

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 Thai women's shopping behaviors when buying luxury cosmetics and skincare from offline (physical stores) and online shopping as well as factors influencing buying decision in each channel.

All information provided by respondents is for the academic purpose only. All information provided will be kept strictly confidential and will not be used for any commercial purposes.

The questionnaire consists of five main parts:

Part I: Screening questions

Part II: Consumer's purchasing behavior when buying luxury cosmetics and skincare brand

Part III: Consumer's purchasing behavior when buying luxury cosmetics and skincare brand in online channel

Part IV: Consumer's purchasing behavior when buying luxury cosmetics and skincare brand from offline channel (physical store)

Part V: General information

This survey takes around 10 -15 minutes to complete.

Thank you for your kind cooperation. I truly appreciate your valuable time.

If you have any questions, please contact Yanin Puripunyanich

Tel. 082-7905931 E-mail: yaninpuri@gmail.com

Definitions for this questionnaire

Luxury cosmetics and skincare – Specialized beauty products/brands available in selective retail outlets (department stores, Sephora, and travel retail) such as Biotherm, Clinique, Lancôme, YSL, and etc. AKA counter brand.

Offline channel – A physical store of a brand’s official distributor usually located in the beauty department of department stores such as Siam Paragon, Central, The Mall, Robinson or authorized distributors like Sephora.

Online channel – E-commerce channels, which sell luxury cosmetics and skincare brands, including e-boutique, e-retailer and e-tailer.

E-boutique – A brand owned e-commerce channel such as Clinique.co.th, Kiehls.co.th, etc.

E-retailer – An E-commerce channel for retailers, which has both physical and online stores, and is an authorized distributor such as central.co.th, robinson.co.th and Sephora.co.th.

E-tailer – An E-commerce channel for retailers, which has only an online channel such as lazada.com, Konvy.com, etc.

Part I – Screening questions:

1. What is your gender?
 - a. Female
 - b. Male (end of questionnaire)

2. In the past 12 months, did you purchase any luxury cosmetics and skincare?
 - a. Yes
 - b. No (end of questionnaire)

Part II – Consumer’s purchasing behavior when buying luxury cosmetics and skincare brand:

1. Where do you usually purchase? (You can answer more than one.)
 - a. Department store (e.g. Central, The Mall, Robinson)
 - b. Sephora
 - c. Online channel
 - d. Duty Free
 - e. Others _____

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

Attributes		Not at all important	Slightly important	Neutral	Moderately important	Extremely important
		1	2	3	4	5
1	Brand					
2	Product quality and efficacy					
3	Trustworthiness					
4	Price					
5	Promotion (discount, gift with purchase, value set)					
6	Beauty advisor					
7	Service					
8	Sample/ tester (try before buy)					
9	Convenience					
10	Membership/royalty program					
11	Information available					
12	Exclusivity/ privilege offer					
13	Limited edition/ new collection					
14	Review from influencer (e.g. Blogger)					
15	Store display and atmosphere					
16	Advertisement					
17	Product/brand variety					

3. Have you searched for information before making a buying decision?
 - a. Yes
 - b. No

4. Which media has the most influence on your buying decision for luxury cosmetics and skincare? (Can answer more than 1)
- Brand's website
 - Brand's Facebook page
 - Instagram
 - YouTube
 - Line official account
 - In-store media (e.g. Brochure, TV screen at POS)
 - SMS/ EDM/ Newsletter from brand
 - Television/Radio
 - Digital TV
 - Magazines
 - Beauty bloggers' review
 - Beauty community website (e.g. Jaban, Pantip, Vanila, etc.)
 - Celebrities
 - Friends and family recommendation
5. To what extent are the following benefits influential in your buying decision for luxury cosmetics and skincare? (1 = **Not at all influential**, 2 = **Slightly influential**, 3 = **Neutral**, 4 = **Moderately influential**, and 5 = **Extremely influential**)

Benefits		Not at all influential 1	Slightly influential 2	Neutral 3	Moderately influential 4	Extremely influential 5
1	Discount					
2	Membership/royalty program					
3	Free sample					
4	Gift with purchase					
5	Free facial treatment/ touch up service					
6	Free skin consultation					
7	Free delivery					
8	Free gift wrapping					
9	Return & refund policy					
10	Customer call center					
11	0% interest payment					

Part III - Consumer's purchasing behavior when buying luxury cosmetics and skincare brand in online channel:

1. In the past 12 months, did you purchase any luxury cosmetics and skincare in online channel?
 - a. Yes (Skip to Q3)
 - b. No

2. What are the reasons you not purchase luxury cosmetics and skincare brand in online channel? (Can answer more than 1) (Skip to Part IV of questionnaire)
 - a. Do not know how to purchase
 - b. Complicated process
 - c. Expensive
 - d. Fake product
 - e. Do not see before making a purchase
 - f. Do not trust in payment method
 - g. Afraid that you have paid but did not get the product
 - h. No beauty advisor to give you advice
 - i. Want to test the product before making a purchase

3. What kind of cosmetics product do you purchase in online channel?
 - a. Skincare
 - b. Makeup
 - c. Fragrances
 - d. Body care
 - e. Hair care
 - f. Others _____

4. How often do you usually purchase luxury cosmetics and skincare brand in online channel?
 - a. Once in more than 3 months
 - b. Once in 2-3 months
 - c. Once a month
 - d. 2-3 times a month
 - e. More than 3 times a month

5. How much do you spend each time?
 - a. Below 1,000 THB
 - b. 1,001 – 3,000 THB
 - c. 3,001 – 5,000 THB
 - d. 5,001 – 10,000 THB
 - e. 10,001 – 15,000 THB
 - f. Above 15,000 THB

6. How many items do you purchase each time?
- 1 item
 - 2-3 items
 - 4-5 items
 - More than 5 items
7. What are the e-commerce websites you usually buy from? (Can answer more than 1)
- Central.co.th
 - Robinson.co.th
 - Konvy.com
 - 11street.co.th
 - Lazada.co.th
 - Sephora.co.th
 - Others _____
8. To what extent below reasons most suit your purchasing behavior for luxury cosmetics and skincare in online channel? (**1 = Never, 2 = Hardly, 3 = Sometimes, 4 = Often, and 5 = Always**)

Reasons		Never	Hardly	Sometimes	Often	Always
		1	2	3	4	5
1	First time purchase , I never use the product but I want to try.					
2	Replenishment , I have used the product before and I know what I want to buy.					
3	Gifting , I buy the product as a present or buy it for other people.					
4	Emergency , I forgot my product but I need to use it now.					
5	Impulse purchase , I do not plan to buy it but because of the promotions or display make me want to buy it.					

9. 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 and skincare in online channel, ...

Statements		Strongly disagree	Disagree	Neither disagree or agree	Agree	Strongly agree
		1	2	3	4	5
1	The brand I want to buy is there.					
2	I am confident in product quality and efficacy.					
3	I can trust that the product is genuine.					
4	The price is decent and reasonable.					
5	I get to try the product from sample or tester before I buy.					
6	The location is very convenience and flexible shopping time.					
7	There is a membership or royalty program for customer rewards.					
8	There is a lot of information available for helping me to make a purchase decision.					
9	I always get exclusive offer.					
10	There always has limited edition/ new collection available.					
11	Reviews from influencer (e.g. Blogger) make me want to buy and can <u>make a decision</u> easier.					
12	A beautiful and easy to use website improve my shopping experience and satisfaction.					
13	Advertisement makes me want to buy the product.					
14	It has high variety of product and brand available for me to choose.					

10. 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 and skincare in online channel, I expect...

Statements		Strongly disagree	Disagree	Neither disagree or agree	Agree	Strongly agree
		1	2	3	4	5
1	to get special discount					
2	that it has membership/royalty program rewards					
3	to get free sample					
4	to get gift with purchase					
5	to receive free facial treatment/ touch up service					
6	to receive free skin consultation					
7	to get free delivery					
8	to get free gift wrapping service					
9	that it has return & refund policy					
10	that it has customer call center to support when I find any problem					
11	that it has 0% interest payment					

(Then Skip to Part V of questionnaire)

Part IV - Consumer's purchasing behavior when buying luxury cosmetics and skincare brand from offline channel (physical store):

1. In the past 12 months, did you purchase any luxury cosmetics and skincare from offline channel (Physical store)?
 - a. Yes
 - b. No (Skip to Part V of questionnaire)

1. What kind of cosmetics product do you purchase from offline channel?
 - a. Skincare
 - b. Makeup
 - c. Fragrances
 - d. Body care
 - e. Hair care
 - f. Others _____

2. How often do you usually purchase luxury cosmetics and skincare brand from offline channel?
 - a. Once in more than 3 months
 - b. Once in 2-3 months
 - c. Once a month
 - d. 2-3 times a month
 - e. More than 3 times a month

3. How much do you spend each time?
 - a. Below 1,000 THB
 - b. 1,001 – 3,000 THB
 - c. 3,001 – 5,000 THB
 - d. 5,001 – 10,000 THB
 - e. 10,001 – 15,000 THB
 - f. Above 15,000 THB

4. How many items do you purchase each time?
 - a. 1 item
 - b. 2-3 items
 - c. 4-5 items
 - d. More than 5 items

5. To what extent below reasons most suit your purchasing behavior for luxury cosmetics and skincare from offline channels? (1 = Never, 2 = Hardly, 3 = Sometimes, 4 = Often, and 5 = Always)

	Reasons	Never	Hardly	Sometimes	Often	Always
		1	2	3	4	5
1	First time purchase , I never use the product but I want to try.					
2	Replenishment , I have used the product before and I know what I want to buy.					
3	Gifting , I buy the product as a present or buy it for other people.					
4	Emergency , I forgot my product but I need to use it now.					
5	Impulse purchase , I do not plan to buy it but because of the promotions or display make me want to buy it.					

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 and skincare from offline channel, ...

	Statements	Strongly disagree	Disagree	Neither disagree or agree	Agree	Strongly agree
		1	2	3	4	5
1	The brand I want to buy is there.					
2	I am confident in product quality and efficacy.					
3	I can trust that the product is genuine.					
4	The price is decent and reasonable.					
5	Beauty advisor is very helpful and can help me to choose the right product to buy.					
6	The service offers are good.					
7	I get to try the product from sample or tester before I buy.					
8	The location is very convenience and flexible shopping time.					
9	There is a membership or royalty program for customer rewards.					
10	There is a lot of information available for helping me to make a purchase decision.					
11	I always get exclusive offer.					
12	There always has limited edition/ new collection available.					
13	Reviews from influencer (e.g. Blogger) make me want to buy and can <u>make a decision</u> easier.					
14	A beautiful store display and good atmosphere improve my shopping experience and satisfaction.					
15	Advertisement makes me want to buy the product.					
16	It has high variety of product and brand available for me to choose.					

7. 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 and skincare from offline channel, I expect...

Statements		Strongly disagree	Disagree	Neither disagree or agree	Agree	Strongly agree
		1	2	3	4	5
1	to get special discount					
2	that it has membership/royalty program rewards					
3	to get free sample					
4	to get gift with purchase					
5	to receive free facial treatment/ touch up service					
6	to receive free skin consultation					
7	to get free delivery					
8	to get free gift wrapping service					
9	that it has return & refund policy					
10	that it has customer call center to support when I find any problem					
11	that it has 0% interest payment					

Part V- General information:

1. What is your age range?
 - a. Below 18
 - b. 18 - 25
 - c. 26 – 35
 - d. 36 – 45
 - e. Above 45
2. What is your occupation?
 - a. Business owner
 - b. Employee
 - c. Civil servant
 - d. Freelancer
 - e. Student
3. What is your monthly income?
 - a. 0 – 15,000 THB
 - b. 15,001 – 25,000 THB
 - c. 25,001 – 35,000 THB
 - d. 35,001 – 45,000 THB
 - e. 45,001 – 55,000 THB
 - f. Above 55,000 THB
4. What is your highest education?
 - a. High school or lower
 - b. Bachelor degree
 - c. Master degree
 - d. Ph.D.
5. Which region do you live?
 - a. Bangkok and suburb
 - b. Central
 - c. Northern
 - d. Northeastern
 - e. Western
 - f. Eastern
 - g. Southern
6. What is your marital status?
 - a. Single
 - b. Married

End of Questionnaire

APPENDIX C

**IMPORTANT ATTRIBUTES INFLUENCING LUXURY
COSMETICS AND SKINCARE PURCHASING DECISION**

Attributes	Online (n=95)		Physical Store (n=78)		t	Sig (2-tailed)
	Mean	Std. Deviation	Mean	Std. Deviation		
Brand	4.12	0.81	4.22	0.73	-0.86	0.39
Product quality and efficacy	4.78	0.47	4.88	0.32	-1.76	0.08
Trustworthiness	4.60	0.53	4.67	0.50	-0.84	0.40
Price	4.06	0.77	3.99	0.85	0.62	0.54
Promotion (discount, gift with purchase, value set)	3.94	0.98	3.63	1.05	2.00	0.05
Beauty advisor	3.46	1.06	3.62	1.15	-0.90	0.37
Service	3.84	0.91	3.83	1.04	0.06	0.95
Sample/ tester (try before buy)	3.57	1.08	3.27	1.18	1.72	0.09
Convenience	4.03	0.86	3.96	0.81	0.55	0.58
Membership/royalty program	3.60	0.92	3.38	1.02	1.46	0.15
Information available	4.22	0.70	4.28	0.68	-0.58	0.57
Exclusivity/ privilege offer	3.62	0.99	3.49	1.02	0.87	0.38
Limited edition/ new collection	3.07	1.08	2.54	1.18	3.08	0.00
Review from influencer (e.g. Blogger)	3.58	1.09	3.47	1.11	0.62	0.53
Store display and atmosphere	3.22	0.92	2.86	1.02	2.45	0.02
Advertisement	3.27	0.88	2.81	1.03	3.20	0.00
Product/brand variety	3.63	0.96	3.29	1.08	2.17	0.03

APPENDIX D

**IMPORTANT BENEFIT OFFERS INFLUENCING LUXURY
COSMETICS AND SKINCARE PURCHASING DECISION**

Benefits Offer	Online (n=95)		Physical Store (n=78)		t	Sig (2-tailed)
	Mean	Std. Deviation	Mean	Std. Deviation		
Discount	4.15	0.74	3.96	0.90	1.48	0.14
Membership/royalty program	3.61	0.94	3.47	1.00	0.92	0.36
Free sample	3.75	1.00	3.36	1.09	2.44	0.02
Gift with purchase	3.76	0.88	3.38	1.11	2.41	0.02
Free facial treatment/ touch up service	3.16	1.13	3.10	1.19	0.31	0.76
Free skin consultation	2.99	1.13	2.74	1.25	1.36	0.18
Free delivery	3.67	1.16	2.88	1.39	4.07	0.00
Free gift wrapping	2.85	1.28	2.33	1.31	2.63	0.01
Return & refund policy	3.63	1.20	3.32	1.24	1.67	0.10
Customer call center	3.03	1.11	2.79	1.29	1.30	0.20
0% interest installment	2.62	1.31	2.60	1.45	0.09	0.93

BIOGRAPHY

Name	Miss Yanin Puripunyanich
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