

**CONSUMER BEHAVIOR AND ATTITUDE TOWARD ONLINE
PURCHASES OF COSMETIC PRODUCTS IN THAILAND**



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PURCHASES OF COSMETIC PRODUCTS IN THAILAND**

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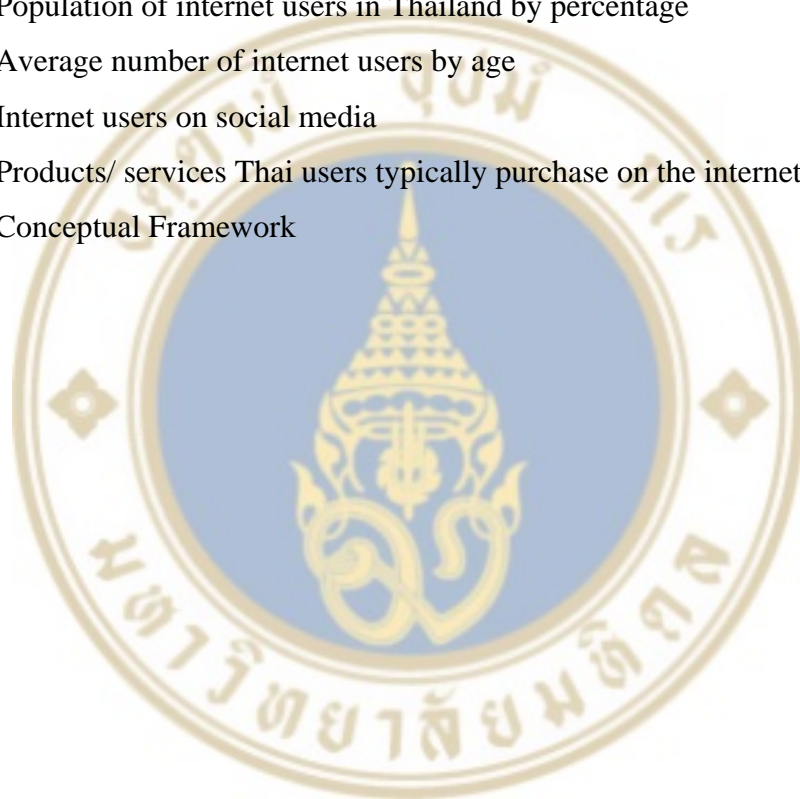
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CONSUMER BEHAVIOR AND ATTITUDE TOWARD ONLINE PURCHASES OF COSMETIC PRODUCTS IN THAILAND

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ABSTRACT

The purpose of this thematic paper is to investigate consumer behaviors and attitudes toward online purchases of cosmetic products in Thailand. This study endeavors to fill the gap in the body of literature concerned with the behavior and attitude of Thai consumers in relation to the online cosmetics industry. The research was conducted by interviewing 15 respondents.

The results of this study show that 7 factors that are able to affect and influence online purchases of online cosmetics, with the most significant being the accessibility and reliability factor, pragmatic motivation factors (Convenience) and economic motivation factors (Pricing). The results will provide the ideas and practical recommendations, which will be able to be implemented in online cosmetics businesses in order to improve, develop and generate sales growth, making it one of the powerful players in online businesses.

KEY WORDS: Online shopping / Online purchasing / Cosmetic products / Consumer behavior and attitude.

27 pages

CHAPTER I

INTRODUCTION

1.1 Background and problem statements

According to CAGR, the global skincare industry has been growing continuously and expected to increase at a compound annual growth rate of 4.5% through 2018 (Research and Markets, 2015). The industry is on the rise worldwide because customers are paying more attention to their appearance and turning to retail products for assistance.

In 2014, the market for skincare increased and was sizeable. It led the beauty products market, reaching \$91 billion in sales worldwide, with the largest share of users coming from the Asian market (GC magazine, 2010). It can be said that skincare remains the most important category in the global beauty market. The skincare industry has more demand from older consumers and a growing number of younger consumers. Younger consumers are likely using skincare products earlier to prevent or delay the signs of aging.

Combined with this trend, there has also been fast growth in the online retailing sector. A majority of the population in Thailand uses the internet in their daily life. Following recent research, Thailand has a population of around 66 million people, with around 25 million internet users and 18 million social network users (www.microbrand.co.th). Therefore, approximately one-third of all Thai people are online users. This is a large amount, providing a new channel and opportunity for market penetration.

The internet has changed customer behavior, making it easier to shop by the click of a button. Further, consumers can search for relevant information about products and services instantly, such as prices, reviews and competitors. Further benefits can be offered to customers through involvement in e-business, including the convenience of shopping directly from home information availability and accessibility, as well as the ability to compare prices. Customers can access the internet whenever or wherever they like by smartphone, tablet or any other available technology that can connect to

the internet. Internet and social media help people with convenience and comfort. It is obvious that online shopping is growing significantly in Thailand. Consumers have become more comfortable and secure with the idea of shopping online.

This paper focuses primarily on the characteristic behaviors of Thai consumers, particularly towards online cosmetic businesses. The research targets specific groups, including students and young Thai teens/adults between 20-35 years old. According to these situations, problems can be examined and investigated by purpose of study. The main objective of this paper is to examine consumer behaviors and attitudes toward online purchases of cosmetic products in Thailand. This study attempts to fill the gap in the body of literature concerned with the behavior of Thai consumers in relation to the online cosmetics industry. The results of this study will provide ideas and practical recommendations, which will be able to be implemented in online cosmetics businesses in order to improve, develop and generate sales growth, making it one of the powerful players in online businesses. The research of consumer behavior will assist in analyzing and predicting prospective online shoppers' purposes for online purchases of cosmetic products. Moreover, it will help in development of marketing plans and distribution channels for better penetration into the target market.

CHAPTER II

LITERATURE REVIEW

The Literature review consists of four parts, including definition, online business, situation analysis and the factors of consumer behavior related to online business. The first part provides a definition of consumer behavior. The second part provides the reasoning for people who shop online. The third part offers situational analysis, including market trends. The last part identifies the factors that drive consumers to shop online.

2.1 Definition

2.1.1 Consumer behavior

“Consumer behavior..... is the study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires.” (Solomon & Bamossy et al., 2006, p. 6)

Buyer behavior is about needs and demands. Behavior is an instrument to achieve goals and targets for the consumer, derived from needs and demands (Wilke, 2000). Rostami (2001) found that consumer buyer behavior is a procedure that includes the step, purchasing, utilization of products and services that incorporate disposal of three steps before purchasing activities, purchasing and after purchasing. Some researchers have explained that buyer behavior consists of different roles, which are emotions, buyers and consumers. When we purchase something for ourselves, we assume all 3 roles (Golchinfar, 2006). Consumer behavior is different in every individual because individuals have different goals and needs. However, their behaviors are difficult to indicate. Therefore, problems can be resolved by classifying the market (Abbasi & Torkamani, 2010).

2.2 Online business

2.2.1 Consumer behavior toward online businesses

Mahmood et al. (2004) recommended that demographics and lifestyle characteristics have an influence on customer buying behavior. According to Bellman et al. (1999), the definition of an online buyer is a “wired” lifestyle. This means that they have been on the internet for years. Moreover, the study found that people who are time-constrained as well as having a “wired” lifestyle buy online products more frequently. These consumers use the internet as a routine tool to receive and send e-mails, do their work and search for information, as well as being a source for news and entertainment purposes. Their routine use of the internet for other purposes leads them to use it as a shopping channel as well. Schor (1991) found there are various factors that change consumer lifestyles. Nowadays, people are constrained by work and family. The long periods of hectic activity influence living and a busy working lifestyle. Therefore, people tend to choose shopping online over shopping outside their homes for convenience and to save time. Furthermore, Assael (2005) found the results from a survey of 5,000 internet users, which showed that the majority of internet users are rather young. Because the new generation was born in the digital era of technology, they are more technologically perceptive and able to take advantage of it. Moreover, they spend more than 50 hours a week on the internet, either working or searching.

In the same study, Assael (2005) has shown a similar view that heavy internet users are likely to have a number of groups to attend and several jobs or activities to do, more so than in the past. Many have attempted to find more time as well as decrease multi-tasking in order to organize their tight schedules better (Vijayasathy, 2004).

Obviously, time-constraints and multi-tasking have the power to influence internet users to change their shopping activities and habits. Because they are occupied with working lifestyles, customers these days are energetically dependent on web shopping and dynamically linked to it. This fact has made an extreme difference in their lifestyles and buying propensities. In such an environment, information about the lifestyle of purchasers helps marketers to see and understand how buyers think and make choices that serve them more successfully.

2.3 Situation and market analysis

2.3.1 Skincare trends

In 2014, the market for skincare increased and became sizeable, leading the beauty market to reach \$91 billion worldwide. The largest share globally was held by the Asian market (GC magazine, 2010). By: Carrie Lennard, Euromonitor International Posted: August 31, 2010, from the September 2010 issue of GCI Magazine

Skincare remains the most important category in the global beauty market.

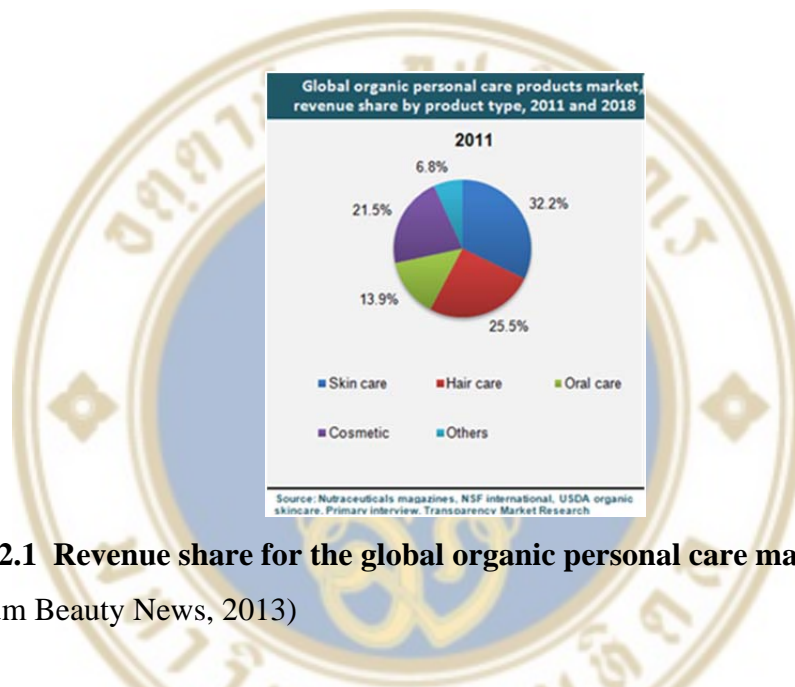


Figure 2.1 Revenue share for the global organic personal care market in 2011
(Premium Beauty News, 2013)

Personal care market size and growth by segment

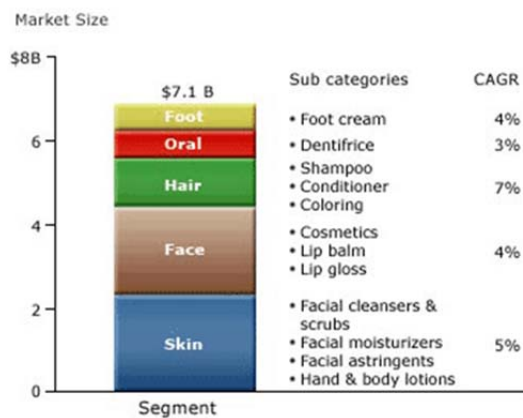


Figure 2.2 Personal care market segments

(<https://www.joinbain.com>)

The demand from older consumers and a growing number of younger consumers for skincare products has grown. Younger consumers are turning to use of skincare earlier in life to prevent and delay the signs of aging.

In Thailand, the skincare market can be divided into 2 main areas, with skincare accounting for 70% of the total market and body skincare accounting for the remaining 30%. It has a total market value of 17.5 billion baht (*The Future of the Skincare Market in Thailand to 2017, 2012*). Forecasts show that the market may grow at a CAGR of over 4% between the years 2013 -2017 with a value of around 20 billion baht by the end of 2017. The total market value globally is expected to increase by 10% per year. The skincare industry tends to grow continuously in Thailand because people are becoming more concerned about their image and maintaining good personal appearances. Some of the important drivers behind concerns are the bad environment, pollution and hot weather, which can damage the skin. Further, not only women are looking after themselves more. Men are taking more care in their appearances as well. This factors has become an important concern in this generation. As a result, the skincare industry is unlikely to slow or decline. It will probably continue to grow exponentially into the future. This is obvious from the booming business of skincare, beauty clinics and hospitals, which are constantly attracting new markets, investors and consumers.

2.3.2 Digital marketing trends



Figure 2.3 Population of internet users in Thailand by percentage

Source: ETDA (2014)

According to research by ETDA (2014), Thailand has a population of around 66 million people. There are an estimated 25 million internet users and 18 million social network users. Thai people spend about 32.2 hours per week surfing the internet or about 4.6 hours a day. The largest group of users is aged between 30-34 years old. However, the number of hours of internet use is expected to increase to about 50.5 hours a week or around 7.2 hours a day. That means approximately one-third of each day is spent on the internet by a third of the total Thai population.

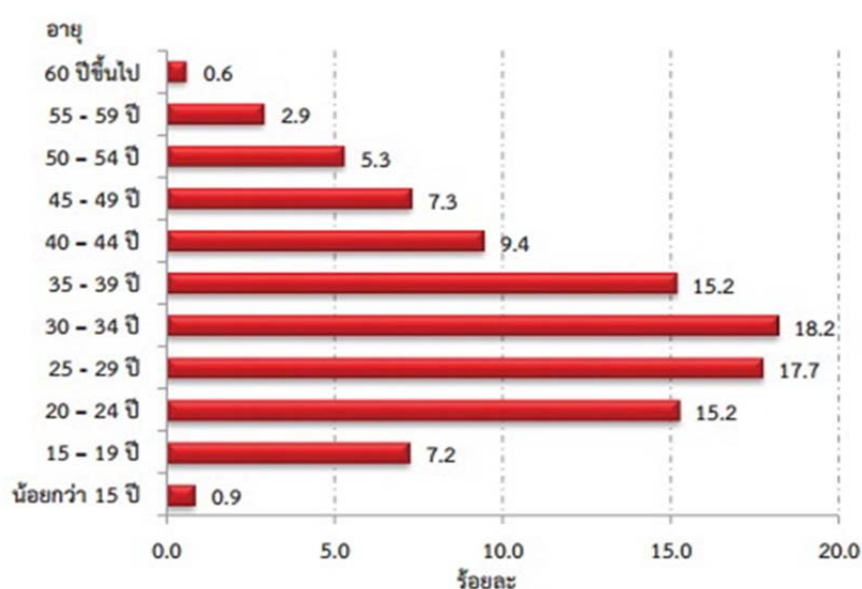


Figure 2.4 Average number of internet users by age

Source: ETDA (2014)

Thailand is one of the fastest growing markets for social networking users, seen from the continuous growth and number of smart phone users.

As the Bangkok Post (25 Dec 2013) recently reported:

“The number of mobile subscribers in Thailand this year exceeded the entire population by one-third, as some people subscribe to more than one number. The local mobile market grew by 9% to 95.5 million this year, with 25 million 3G customers using the 2100-megahertz network.”

95.5 million mobile phone users out of a total population of 66 million is a large amount by any standard. It is also a potentially lucrative target market for businesses. The amount was emphasized by NECTEC in 2014. The report “Thailand internet user

profile 2014 by NECTEC” announced that 77.1% of Thai people use the internet via smart phone, followed by computer at 69.4% and laptop at 49.5%. The busiest period for internet use is 4PM to 8 PM.

2.3.3 Consumer behavior towards shopping online

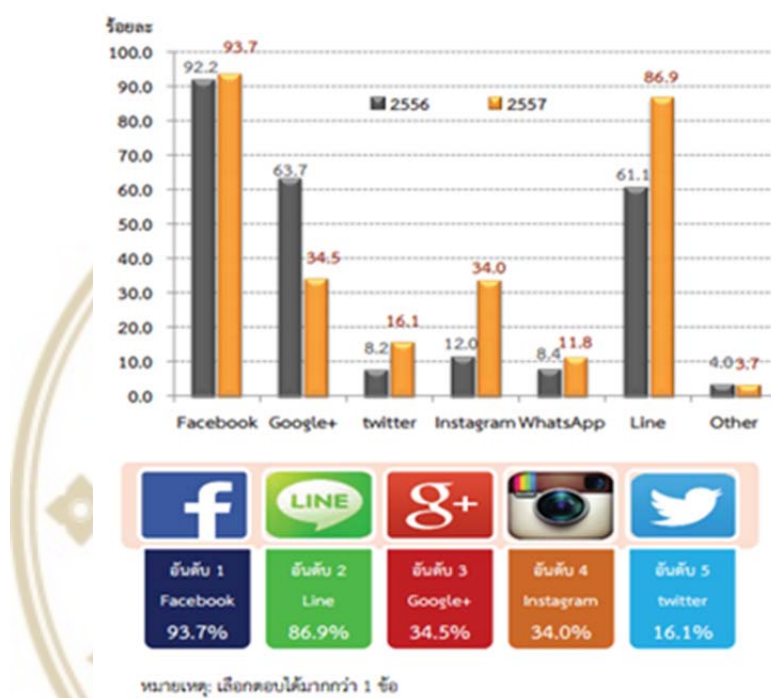


Figure 2.5 Internet users on social media

Source: NECTEC (2014)

According to internet consumer data, facebook is the biggest social network in Thailand, with 93.7% of the population using it. Thai people spend the most time on social media as above. Line, facebook and Instagram remain the most popular social networks. People have concerns when they conduct online business. From a survey (NECTEC, 2014), 38.8% of Thai consumers surf the internet for shopping online via smartphone, spending an average 4,000 THB per purchase. Combined with this trend is the fast growth of the online retailing sector. Recently, shopping online has become more popular due to changes in consumer behavior, with more time spent on the internet. Therefore, they tend to shop online much more than in the past. They are able to spend less time shopping for online products and can make purchases around the world. Moreover,

they can go shopping online via website or mobile application 24 hours per day from their home, internet café, office or even school. In contrast, many hours were needed for shopping in the past, including travel time. The internet has changed customer behavior, making it easier for them to shop and purchase with the click of a button. Consumers can search for required or relevant information about prices, product quality or make comparisons of substitute products quickly. Further benefits can be offered to customers through involvement in e-business, including the convenience of shopping directly from home, fast information availability and accessibility, as well as the beneficial ability to make price comparisons. The internet and social media have helped make shopping easier and more comfortable.



Figure 2.6 Products/ services Thai users typically purchase on the internet

Source: NECTEC (2014)

Based on research by NECTEC in 2014, the top 3 ranks for Thai consumer online include spending time to shop for books, services and clothing. However, they also tend to shop more for cosmetics, supplements and so on. This research can support Asian consumer behavior, which shows that 90% of female consumers like to shop online, while 63% of female consumers surf and enter websites for shopping online every day. 80% of female consumers buy appliances, 83% buy cosmetics and 90% buy clothing and accessories (The Economist Intelligence Unit, 2014).

Therefore, it can be stated that Thai consumer behaviors have changed in this era, with more consumers turning to the internet for shopping online. Therefore, this paper will attempt to fill the gaps in information and analyze the factors that influence and motivate consumers to shop online for cosmetics.

2.4 The factor driving consumers to shop online

There have been many studies about the factors of consumer behaviors for online business. Seven of the motivational factors that influence consumers to shop online are explained as follows:

2.4.1 Pragmatic motivation

Pragmatic motivation, or convenience, are an essential rationale to make customers purchase online. This convenience may be regarded as convenience of time, place, and the complete purchasing process (Nielson, 1999; Suki et al., 2001; Foucault and Scheufele, 2002; Alreck and Settle, 2002). It enhances adaptability regarding the time and place for consumers purchase online. Consumers are able to appreciate window-shopping on the internet without the pressure to purchase. Swaminathan et al. (1999) and Bhatnagar et al. (2000) concluded in their study that consumers who are essentially stimulated by “convenience” as a component are more inclined to make purchases online. Moreover, the internet provides important details from pre-purchase search engine activity.

In addition, internet purchasing brings along accessibility to a wide range of products from global sources, which can also be compared for price. Customers can compare close product variations, product features and prices of different brands with the simple click of a mouse (Alba et al., 1997; Shankar et al., 2003). Simple access, including information about products and service, helps consumers to make their decisions rapidly (Suki et al., 2001). When people play or work online, they tend to purchase online as well (Korgaonkar and Wolin, 1999; Joines et al., 2003).

Hectic and demanding lives motivate consumer behavior toward online purchases (Burke, 2002; Foucault and Scheufele, 2002; Evanschitzky et al., 2004; Lee and Overby, 2004; Rajamma et al., 2007). Purchasing products and services online

eliminates the complication of wasting time for driving, bad traffic, crowds and difficult parking. Further, there is the convenience of remaining at home while purchased products are delivered to your door, because online merchants often provide home delivery of purchased products.

2.4.2 Consumer motivation

A consumer's motivation to shop online may be either due to a utilitarian motive as a "problem solver" or a hedonistic motive in terms of "fun, fantasy. . . . and enjoyment" (Hirschman and Holbrook, 1982). While some internet purchasers consider shopping activity as work, others think that it is enjoyable and look at it as entertainment (Monswew' et al., 2004). Some customers, both individuals and social groups, love to purchase products from the internet for the emotional satisfaction (Bloch and Richins, 1983; Hirschman, 1983; Childers et al., 2001; Menon and Kahn, 2002; Parsons, 2002). If consumers enjoy their online experience, they will have positive attitudes toward online shopping and adopt the internet as one of their shopping channels.

2.4.3 Economic Motivation

Economic motivation such as competitive pricing and good discounts are the two main economic factors that stimulate internet users to shop online. Customers who receive less income are expected to be more price sensitive (Korgaonkar and Wolin, 1999). This is further supported by research done by Joines et al. (2003). Competitive prices affect online purchasing because consumers want to get the best deal and promotion. Moreover, they compare quality, price, service, delivery etc. through online searches, which is cost effective and saves time (Rajamma et al., 2007).

2.4.4 Accessibility and reliability factor

Accessibility is the most critical motivation factors when browsing or purchasing online. Easy and fast access to online shopping influences buyer behavior. Motivation factors also include useful information, price, time delivery and reduction of processing error (Monswew' et al., 2004).

Reliability factors, such as correct express cargo practices and item charges, time of delivery, receipt of merchandise in logical condition and quick home delivery motivate consumers to purchase online (Rajamma et al., 2007). Responsiveness and valuable associations with buyers through individual messages as well as effective channels help consumers to communicate easily with retailers. Reliability helps retailers maintain good relationships with consumers. Likewise, fast response time and smooth transactions motivate consumers to purchase online (Rajamma et al., 2007).

2.4.5 Demographic motivation

Demographic motivation, in terms of age, gender, income level and education, influence online consumer buying behavior (Foucault and Scheufele, 2002). Consumers with higher educational backgrounds and income levels are more likely to purchase online (Li et al. 1999). However, a study by Donthu and Garcia (1999) found that only age and income directly influences online purchasing. On the other hand, age, income and education influence internet usage, whereas online buying is influenced by gender and age (Korgaonkar and Wolin, 1999).

2.4.6 Social motivation

Social motivation include the social environment, norms, family and companions, which affect decisions for purchasing online (Limayem et al., 2000, Kraut et al. 1996). Some researchers have explained more about social motivation, such as review website as well as blogger motivate and is related to online buying behavior (Korgaonkar and Wolin, 1999; Joines et al., 2003).

2.4.7 Situation motivation

Situational motivation contain various factors that affect online buying by consumers, such as time pressure and geographical distance (Monsuwe´ et al., 2004). Customers with rushed time schedules are more likely to have the tendency to purchase online because it saves time. Individuals that are busy can likewise shop on the web. Moreover, there is no compelling reason to travel a long distance for shopping when a convenient alternative exists. Wolfinbarger and Gilly, (2001) supported the idea that distance and difficulty of access to places for shopping drives customers to purchase online.

CHAPTER III RESEARCH METHODOLOGY

3.1 Conceptual Framework

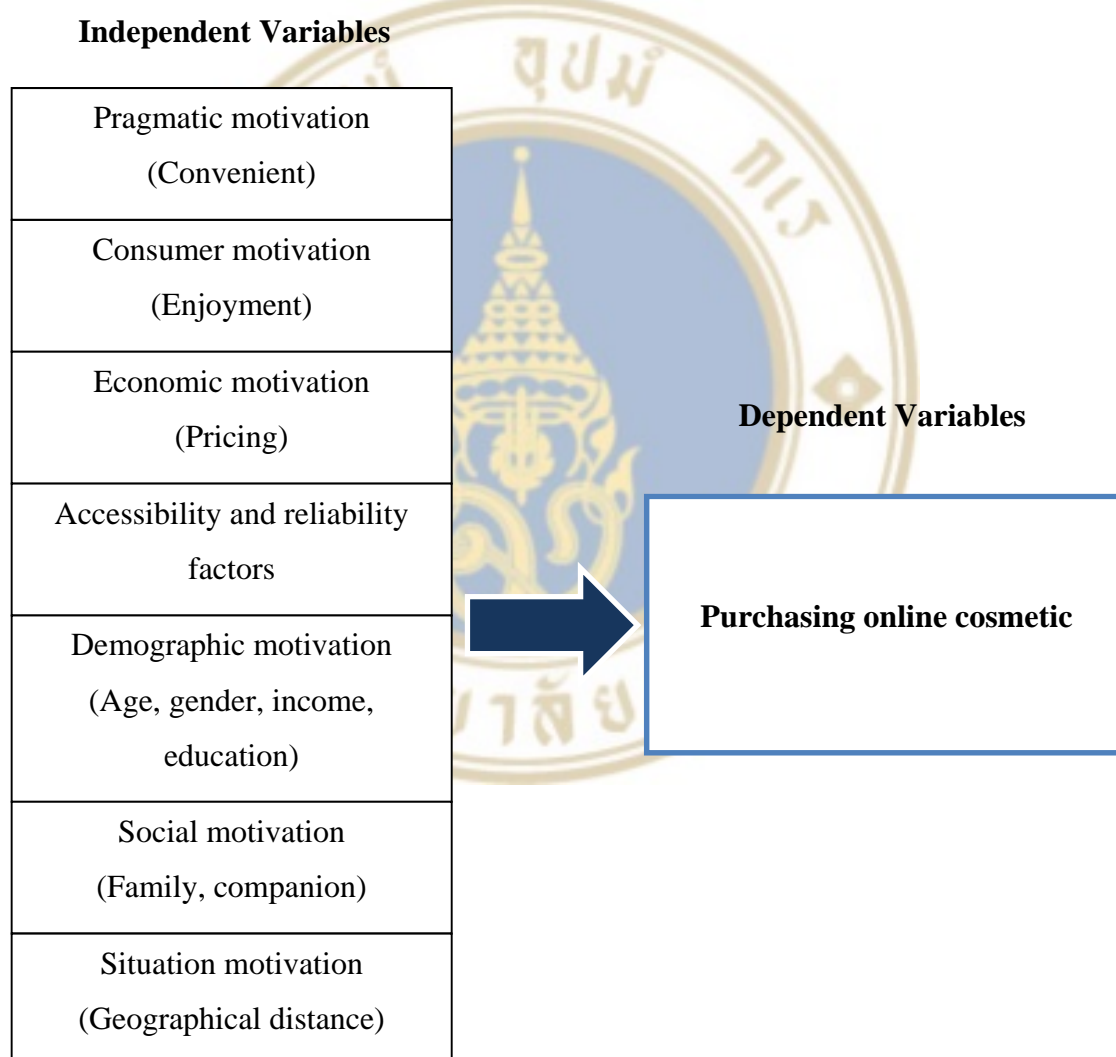


Figure 3.1 Conceptual Framework

The figure shows the concept framework for factors that are related and drives consumer behavior toward online cosmetics shopping. The 7 factors will be used to test and identify which independent variables affect consumer behavior towards cosmetics and to what degree, if any.

According to the objective of the study, collection of information on the online cosmetics market in Thailand is based on both secondary data and primary data.

The research methodology started with gathering secondary data from the online cosmetics market in Thailand. Market trends and situational analysis are included in this method. The secondary data was collected for obtaining background information. On the other hand, the purpose of gathering primary data was to address and analyze factors and research problems. Thus, consumer perception and consumer buying behavior information for online cosmetics business were collected by primary data. The research was conducted primarily in the form of interviews by relating to seven motivation factors. The target respondents were students and young Thai adults between the ages of 20-35 years, with 15 respondents used.

3.2 Data collection

The questionnaire was structured to target respondents by personal interview. The questionnaire contained 10 main questions (see Appendix A). The first section of questionnaire focused on general consumption habits for cosmetic, both online and offline. The second section aimed to measure consumer buying behavior and consumer perception towards online cosmetics businesses. In addition, this section attempted to identify the most influential factors affecting purchasing habits. The third section emphasized demographics.

3.3 Question category

The table shows the categories of information and the specific information that was asked for in the personal interview.

Table 3.1 Information Questionnaire

Information category	General information, Consumptions habits, Consumer behavior
1. Demographic	Age Nationality Career
2. Consumption habits	Use or not cosmetic Kind of product How long the use Brand Place to buy online/offline Budget Purchasing advisor The decision-making process
3. Consumer behavior	The reason for using or not use cosmetics Perception toward online cosmetic products Price sensitive Which channel are the most powerful Which factors drive and influent to consumer behavior
4. Related motivation factors	1. Pragmatic motivation 2. Consumer motivation 3. Economic motivation 4. Accessibility and reliability factors 5. Demographic motivation 6. Social motivation 7. Situation motivation

3.4 Research questions related to 7 factors

The personal interview will start with demographic information and consumption habits to confirm that the interviewee fits the target group in this research. However, consumer behavior will interview 7 factors (to investigate which factors are related to Thai consumers toward cosmetic online shopping. The factors will be used to test and find which independent variables affect cosmetics consumer behavior.

3.3.1 Questions relates to factors

1. Pragmatic motivation: convenience of time, place, and the complete purchasing process

What do you think about the convenience factor and can it motivate you to shop for cosmetics online? Explain the factor of convenience.

2. Consumer motivation: *Fun and enjoyment*

What is your reasoning for playing and shopping online?

3. Economic motivation: *competitive price and good discounts*

Do you think price can affect your online purchasing? Please explain.

4 Accessibility and reliability factors: Easy, fast access, unmistakable express cargo, time delivery

Do you have any ideas about accessibility and reliability towards shopping for cosmetics online?

5. Demographic motivation: *age, gender, income level, education*

Which factors do you think can influence shopping for cosmetics online? Why? Please explain.

6 Social motivation: norms, family and companions, review website

Have you ever asked for suggestions before purchasing cosmetics online? Why? Which channel do you prefer the most?

7 Situation motivation: *time pressure, geographical distance*

- Do you think traffic and distance to shopping affects your consumer behavior? Why?

- Do you prefer shopping online or offline?

CHAPTER IV

DATA COLLECTION AND ANALYSIS

Data collection consists of 2 parts, which include personal interview analysis and discussion. The first part is about analyzing consumer behavior towards online cosmetic business and the second part is a discussion using the 7 factors to analyze consumer behavior towards online cosmetics shopping.

4.1 The data analysis

This study used interviews with 15 female respondents. There are 3 sections in each interview, consisting of demographic information, consumption habits and consumer behaviors.

4.1.1 Demographics

The sample group is composed of 15 respondents, all female. For education level, most had a bachelor's degree at 67% (10 out of 15 respondents), while the remaining 33% (5 out of 15 respondents) had master's degrees. The age of respondents varied between 26 to 30 years old and some were older than 30. The majority 60% were 26 to 30 (9 out of 15 respondents) and the minority were older than 30 (40%, 6 out of 15 respondents). The occupations of respondents were varied, with 73% (11 out of 15 respondents) employed fulltime and 27% (4 out of 15 respondents) being business owners. Therefore, the majority of the sample group could be considered employees. It is interesting to note that 80% (12 out of 15 respondents) of all respondents earned monthly incomes greater than 30,000THB per month. This was followed by 13.3% (2 out of 15 respondents) earning 20,000 to 30,000 THB. The rest, 6.7% (1 out of 15 respondents), earned 15,000 to 20,000THB. The majority of respondents were single, at 73% (11 out of 15 respondents), with 27% (4 out of 15 respondents)of respondents being married.

In conclusion, the target respondents were young Thai adults within the age range of 26-35 years old. The majority of respondents held bachelor's degrees. Moreover, almost all respondents were single employees with a salary higher than 30,000THB. This correlated with previous research, which found that most online consumers are educated with high salaries and work in office.

4.1.2 Consumption habits

Product

In cosmetics, particularly skincare products, included are cleansing products, masks and make-up. 60% (9 out of 15 respondents) of females interviewed used online cream and BB cream. Some respondents 27% (4 out of 15 respondents) used both online cream and make up cosmetics. The rest of respondents 13% (2 out of 15 respondents) used only online make up cosmetics. Owing to the results, it can be stated that almost all respondents preferred to use skincare products from online channels.

Brand

The most popular brand respondents used was Counter brand, with 60% (9 out of 15 respondents). This was followed by use of both counter brand and local online brands, with 33.3% (5 out of 15 respondents). Only 7% (1 out of 15 respondents) of respondent used online local brands. This means that female consumers bought cosmetics online but still preferred to use the same well-known brand that they bought from the counter at shopping malls.

Frequency of purchase

Almost half of respondents 40% (6 out of 15 respondents) bought online cosmetics bimonthly. 33.3% (5 out of 15 respondents) bought cosmetics online every month. The rest bought cosmetics twice a month 13.3% (2 out of 15 respondents) or 2 to 3 times per year 13.3% (2 out of 15 respondents). According to the information, it can be said that the majority of consumers purchased cosmetics online frequently. This means that cosmetics products, including online business, are continuously growing, as predicted by the CAGR.

Payment method

Concerning payment method, the most popular method was transferring money bank to bank 87% (13 out of 15 respondents), followed by paying cash on delivery

6.7% (1 out of 15 respondents) and the same as paying by credit card 6.7% (1 out of 15 respondents) . Owing to these results, it can be said that transferring money to the bank was the most popular method among online consumers. The reasons include convenience, ease and safety. Further, consumers are able to ensure that all processes and transactions are secure.

Price

73% (11 out of 15 respondents) of people interviewed preferred to spend around 500-900THB per purchase for online cosmetics products. 27% (4 out of 15 respondents) of consumers were willing to pay more than 1,000THB. This is because the majority of interviewees were older young Thai adults who worked fulltime for a company and have the ability to pay. They used the internet every day and tended to go shopping online frequently, but were still concerned about prices because they could not see the real products. Therefore, they preferred to pay less than 1,000THB.

Factor to buy

47% (7 out of 15 respondents) of interviewees were concerned about brand, price and recommendation from others. 27% (4 out of 15 respondents) were concerned about brand image and recommendations from others to influence them to buy. 20% (3 out of 15 respondents) said that brand, price, recommendation and purchasing channel affected them. Finally, 6.7% (1 out of 15 respondents) of were concerned about brand, price and purchasing channel. Thus, it can be stated that brand image, price and recommendations from others were the top 3 factors influencing customers before purchasing online products.

4.1.3 Consumer behavior related to 7 factors

Consumer behavior

In terms of consumer behavior, a large majority of the interviewees 93.33% (14 out of 15 respondents) thought that social media was the most powerful channel, compared to others. Only 6.6% (1 out of 15 respondents) thought magazines could influence them. It is interesting to note that has that social network become more influential to this generation. Actors, actresses and net idols are able to attract customers to believe in and buy products. However, review bloggers can provide word of mouth influence and be a significant tool to offer the best data and make customers trust it.

So far, it can be said that social media is an effective method for viral advertising with visual storytelling.

Pragmatic motivation factor

More than three-fourths of the interviewees thought that the convenience factor affected and motivated them to shop online. The rest 13.33% (2 out of 15 respondents), thought that convenience did not factor into stimulating them. 86.66% (13 out of 15 respondents) of the interviewees thought that convenience in time and place were very important. They said that they worked on the internet every day. Therefore, they tended to be more eager in their behaviors to shop online. The important reason was that they did not have time to go shopping using traditional channels, including travel through traffic in downtown. The online channel saved them more time. Further, they could find more information and compare prices, as well as control budgeting. The last reason involved the fact that some cosmetics were unavailable using offline channels. According to the research, it is apparent that pragmatic motivation is the one of the factors that had a significant effect on changing consumer's behaviors.

Consumer motivation factor

Almost 93.3% (14 out of 15 respondents) of interviewees felt happy and enjoyed shopping for cosmetics online. Only 6.6% (1 out of 15 respondents) gave other reasons, such as lower price than buying offline (counter brand). Here it can be seen again that most customers liked to shop online because most of the time they spent on the internet made it easy to browse and go shopping online. They said that online shopping was one of the activities that released tensions. They felt happy to compare prices and information without any pressure from sales staff. Moreover, some cosmetics were not found in the shopping mall, but were only available through online channels.

Economic motivation factor

Three-fourths of the respondents said that price and promotion were factors that could motivate them to buy online cosmetics. Only 6.6% (1 out of 15 respondents) of respondents answered "no effect", further emphasizing that, according to research, economic motivation is one of the factors that influence customers to purchase online. Almost all online consumers preferred to pay lower prices, especially for promotional offerings, which motivated them more. Many consumers offered the disadvantage of

online cosmetic as being unable to try or see products. Thus, online business owners should set their prices lower than offline markets.

Accessibility and reliability factor

This part is aimed at determining the accessibility and reliability factors that can affect online purchase of cosmetics. 100% of the respondents said that easy, fast access, including time delivery, are important factors to drive customer purchases and sharing opinions with other people. They mentioned that if an online channel were easy to access, it would stimulate customers to enjoy and purchasing. Moreover, fast communication by sales staff was very important as well.

Demographic motivation factor

46.6% (7 out of 15 respondents) said that age and income affected online cosmetics purchases. 26.6% (4 out of 15 respondents) pointed to education as a deciding factor, while 20% (3 out of 15 respondents) were concerned about gender. The last 6.6% (1 out of 15 respondents) said “not at all”. It is interesting that the factors chosen most were age and income. They thought that people who bought online cosmetics should be educated people, first jobbers (or above) as well as having appropriate salaries. Two other factors, including education and gender were important as well. They said that people who bought cosmetics online should be educated people because they have to know how to use and have access to a computer, smart phone or smart device. Moreover, they stated that females tended to buy online cosmetics more than males. So far, it can be said that age, gender, income and education are the factors that affect online cosmetic shopping the most.

Social motivation factor

40% (6 out of 15 respondents) of respondents did not have a purchasing advisor. 33.33% (5 out of 15 respondents) listened to others and themselves, while 27% (4 out of 15 respondents) listened only to others. As a result, the averages of the three parts were similar. It can be said that media, including advertisements, TV and reviews from bloggers were influential. Moreover, recommendations from the others were also important.

Situation motivation factor

66.6% (10 out of 15 respondents) thought that traffic and distance affected their purchasing behavior. 33.33% (5 out of 15 respondents) said that traffic did not

affect them. If they wanted to go shopping, they would go to a shopping mall. It can be said that the majority were concerned about traffic. They said that traffic in downtown areas affected their purchasing behaviors. Moreover, difficulty of parking was also a consideration.

The last question was intended to determine if people preferred shopping online or offline. It was surprising to note that 53.33% of respondents (8 out of 15) still preferred offline shopping, compared to using an online channel at 46.66%.(7 out of 15) That can be easily understood from the standpoint of trust. Online cosmetics have less trustworthiness than counter brands. People prefer to shop offline because they can see and try products. They are able to make sure products are suitable and safe for them. This is especially important for cosmetics and other skincare products. Moreover, they would like to use products as soon as possible.

From the interviews conducted, the respondents suggested trustworthiness as a decisive factor. Online businesses should give clear information, approved product standards by the FDA and provide real pictures. Moreover, respondents recommended that online businesses be sincere and honest with customers because skincare and cosmetic products are sensitive, with allergic properties. They also suggested that online businesses have promotions and lower prices to motivate more customers to shop online. The last suggestion provided by respondents included fast and free delivery costs. All suggestions, provided by the respondents/consumers, are important factors for online cosmetics businesses to consider for generating more sales revenue.

4.1.4 Summary of testing factors

As illustrated in Figure 4.1, there are 7 factors that are able to affect and influence online purchases of online cosmetics, with the most significant being the accessibility and reliability factor. Improving reliability need to take into account. The second is the pragmatic motivation factor. Additionally, time and location convenience was also a noteworthy factor for motivating and altering consumer behavior toward the use of online purchasing channels, with economic motivations being the third to convenience. The price of products was a concern for the vast majority of consumers. Aside from convenience, accessibility, reliability and enjoyment factors the reduced

pricing of products online compared to offline had a significant effect on motivating consumers to make cosmetics purchases online.

Table 4.1 Summary of 7 factors by percentage of effectiveness and participants

Factor	Effective	Participants
1. Pragmatic motivation factor	86.66%	13 out of 15
2. Consumer motivation factor	93.3%	14 out of 15
3. Economic motivation factor	93.3%	14 out of 15
4. Accessibility and reliability factor	100%	15 respondents
5. Demographic motivation factor	93.3%	14 out of 15
6. Social motivation factor	60%	9 out of 15
7. Situation motivation factor	66.6%	10 out of 15

4.2 Discussions

The trend of having younger-looking skin has increased significantly around the world, including in Thailand. Most people want to have good, smooth skin that makes them look younger. They do not want to wait for the signs of ageing to come. Moreover, pollution and the climate in Thailand are major concerns for the cause of older-looking skin and acne. The total market value worldwide is expected to increase by 10% per year (CAGR). The skincare industry tends to grow continuously because Thai people are more concerned about their images and having good personal appearances. This factor has become increasingly important to this generation. However, it is interesting to see that people in this generation like to shop more online. It can be said that technology and the environment changes their behaviors. People in Thailand spend around 7 hours a day on the internet. Moreover, Thailand has one of the highest rates of social network usage (ETDA, 2014). This creates a good opportunity for merchants and businesses to generate more sales revenue by employing online channels.

The interviews were conducted with Thai females aged 20 to 35 who were fresh graduates, first jobbers or working women. It was observed that almost 60% of the respondents were between 26-30 years old. Most were employees who had monthly

incomes greater than 30,000THB per month. They preferred to buy skincare products online to other cosmetics.

According to the literature review, there are 7 factors that can drive consumers to shop online. First, pragmatic motivation is convenience in terms of time, place and process. It can be observed that 86.66% (13 out of 15 respondents) of the target turned to shopping for online cosmetics because of convenience. They did not have time to waste for driving, bad traffic and finding a place for parking. This factor can combine with situation motivation, which is about time, pressure and geographical distance. Most respondents turned to online purchases because it offered convenience and saved time. Following that, consumer motivation involves enjoyment during an online shopping period. It is not surprising that 93.66% (14 out of 15 respondents) of respondents felt joy and happiness when shopping for online cosmetics. It is emphasized that nowadays people spend most of their time on the internet for work. A way to release their tensions is to go shopping online. Moreover, accessibility and reliability factors are very important to motivate and drive people to purchase. 100% of respondents stated that ease of access to websites and fast replies or communication with staff as well as time delivery were important factors that could motivate them to shop online, including recommending shopping to others. Another factor is economic motivation. 80% (12 out of 15 respondents) of the target group said that, although they earned rather high salaries, they were still concerned about price. Almost the entire target group preferred to pay for online cosmetic products lower than counter brand because they are blind shopping. Therefore, prices for online products should be lower. Lower prices and promotions are effective tools that can motivate consumers to purchase online cosmetics. Social motivation includes family, companions and reviews on the website. Consumers' principal purchasing advisor is themselves. Therefore, it can be stated that advertisements from social media and reviews from bloggers make consumers more aware of what is happening in the market and following trends. The role of an advisor decreases slowly in contrast to advertising from celebrities, which can play a significant role and endorse products in the purchasing process. The last factor is demographic motivation, which includes age, gender, income and education. From the respondents, all factors are able to drive people to go shopping online for cosmetics. Age and income 46.66% (7 out of 15 respondents) are the factors people think are the most influential to consumer behavior. The idea is

that people who buy cosmetics should have higher income levels because many cosmetics products are extravagant luxury expenses.

4.3 Recommendation

For developing the online cosmetics market, this study suggests that online cosmetics businesses promote trustworthiness and sincerity. Likewise, the FDA should guarantee and consider delivery needs. Importantly, skincare and cosmetics products have important differentiations from apparel products. Skincare and cosmetics products must be applied directly on the skin. Therefore, this study suggests that creation of reliability and trustworthiness is needed by presenting the results of using these products. Furthermore, gaining more consumer reviews will increase their level of credibility. Belief is a crucial aspect of business. If consumers believe in products and the company fulfills consumers' requirements, it can lead to increased sales and word of mouth advertising (Armstrong and Kotler, 2013). If they improve and develop this recommendation, online businesses will be able to generate more sales and increase market share.

CHAPTER V

CONCLUSION AND RECOMMENDATION

5.1 Conclusion

This part summarizes the main ideas about consumer behavior toward online cosmetics products by interview analysis to understand consumer behaviors better. The research framework consisted of 7 factors, which were used in interviews to investigate which were related to Thai consumers toward online cosmetics shopping. The factors were used to test and identify which independent variables affected consumer behavior towards cosmetics. After analysis and comparison with the 7 consumer behavior factors studied in previous researches, the results of the survey revealed that, although all 7 factors could affect and motivate people to go shopping online for cosmetics, the main factors were accessibility and reliability factors. The second was pragmatic motivation factors. The results showed that convenience in time and place were significant factors to stimulate and change consumer behavior to use online channels more. The third significant factor was economic motivation. Almost all consumers were concerned about pricing. The lower prices available for online cosmetics had an influence to motivate consumers to purchase easier.

However, it is important to note that although online business has grown significantly, the intention of consumers to purchase online cosmetic is apparently reverse. The preferred channel for shopping remains offline (counter brand or shop at shopping mall). This is in contrast to online clothing, which has continuous growth and popularity in Thailand. The reason is that cosmetic products need to be tried before purchasing. It is a kind of product that is be easy to be sensitive for skin. Moreover, customers have to be confident that the products are suitable and safe for them. Other reasons include online ethics. Customers think that they are not able to trust the online store completely because of the presence of fake or inferior products in Thailand.

5.2 Limitations

First, the research examined only a specific segment of online consumer purchasing related to online cosmetics. The validity of the research can be limited without comparison to another segment of online products. Second, the number of respondent was rather small. Thus, the results of the survey might not be indicative or representative of the overall population of consumers and their consumer behavior toward online cosmetics purchasing. Moreover, the limitation of having respondents of only Thai nationality created a narrow focus to analyze because Thai people have unique characteristics and culture. The results might not be the similar when applied to other nationalities.

5.3 Further research

According to the limitations of research, studying such a small group of respondents made it difficult to identify exact features and factors of consumer behavior. Therefore, any the further research should expand the target group of respondents to include a variety of cultures and nationalities. Further, future study should investigate motivation factors and other factors that influence and affect online cosmetics purchasing. However, some practical suggestions will be offered in order to improve future actions as well as improve stimulation and generation of higher sales for online cosmetic products.

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Appendix A: Questionnaire

Questionnaire for interview

This study is intended towards completion of requirements for a Master's Degree in Entrepreneurship from the College of Management, Mahidol University. Please note that the main purpose of this questionnaire is to study consumer perception and behavior towards the online cosmetics industry. The results of the study could be used to assist further research into hypotheses associated with consumer perception towards online cosmetics and fulfill the objective of this project. All of your answers will be confidential. In addition, any information provided in responses will be stored electronically and deleted/destroyed upon completion of the project.

If you have any questions, please contact me by email: babaly_peary@hotmail.com

Thank you for your cooperation,
Nareerat Phongcharnchawalit

Section 1 Demographics

1. Gender

- Male Female

2. Education Level

- Lower than Bachelor's Degree Bachelor's Degree
 Master's Degree Higher than Master's degree

3. Age

- 20-25 26-30 Older than 30

4. Occupation

- Student Employed
 Unemployed Other, please specify

5. Personal Income

- Less than 15,000 THB 15,000-20,000 THB
 20,000-30,000THB More than 30,000THB
 Prefer not to declare

6. Marital Status

- Single Married Divorced

Section 2 Consumption habits

1. Do you buy cosmetics online?

- Yes No

2. What kind of cosmetics do you buy?


.....

3. Which brand(s) do you use? Why?

.....

4. How frequently do you buy cosmetics online?

- 2-3 times a week
 Weekly
 Twice a month
 Monthly
 Bimonthly
 Yearly (2-3 times per year)

5. If you buy online, which payment method do you prefer?
- transfer to bank
 - Cash on delivery
 - Credit card
6. How much are you willing to pay for cosmetics online?
- 300-500 THB
 - 500-900THB
 - above 1,000 THB
7. What do you look for when you buy cosmetics online? (Can select more than 1)
- Brand image
 - Well known brand
 - My preferred brand
 - Product price
 - Special promotion
 - Limited collection
 - Free product samples
 - Recommendation from friend(s)
 - Recommendation from blogger, review
 - Purchasing channel
- 

Section 3 Consumer behavior related to 7 factors (Please explain your answers)

1. Which channels are the most powerful influences for you to buy cosmetics online?
2. What do you think about convenience and how it motivates you to shop for cosmetics online? Explain the factor of convenience.
3. What is the primary reason you play and shop online?
4. Do you think price can affect online purchasing? Please explain.
5. Do you have any ideas about accessibility and reliability towards shopping for cosmetics online?
6. What factors do you think can influence shopping for cosmetics online? Why? Please explain.
7. Have you ever asked for suggestions before purchasing cosmetics online? Why? Which channel do you prefer the most?
8. Do you think traffic and distance to shopping location affects your consumer behavior? Why?
9. Do you prefer shopping online or offline?
10. What recommendations do you have for the online cosmetics industry?