

Customer Satisfaction and Loyalty towards Cosmetic Products: A Case Study on Bangkok's Boots Drug Stores

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ABSTRACT

This research focuses on the effects of customer satisfaction and loyalty at a well-known cosmetics store chain in Bangkok, Thailand: Boots stores. Questionnaires were distributed to collect information from 400 respondents who had received the services from the cosmetics departments of Boots stores. The results show that there is a relationship between customer satisfaction and loyalty. Every dimension of service quality namely responsiveness, tangibility, empathy, assurance and reliability has an impact on customer satisfaction, which can therefore be increased through creating loyalty through every dimension. In addition, there is a relationship between customer satisfaction and relative attitude. If the customers are satisfied with service, they will develop a favorable and positive attitude and this will create repurchase intention in the future, which is customer loyalty.

Keywords: Service Quality, Customer Satisfaction, Loyalty, Cosmetics

INTRODUCTION

Bangkok, the capital of Thailand, also known as the land of smiles, is known for its abundance of natural beauty. Therefore, it is only natural, that its people are also beauty conscious; there are plenty of retail cosmetics stores in Thailand especially in the capital city of Bangkok, where, half of them are actually small kiosk like shops, often run by young well decked up girls, who themselves are their own brand's ambassadors. The huge malls and department stores dotted all over Bangkok, are also lined up with small kiosks which seem to have overwhelming cosmetics sales during the weekends, in particular. Cosmetics are products, which have a high profit margin, which is, therefore a reason to attract people to run this business.

There are two kinds of retail cosmetics stores in Thailand. The first is those located in the malls and shopping malls, which sell brand name products, and the second is the one run by chain stores. Both types of businesses need to find out the factors, which influence consumer behavior such as satisfaction and loyalty, along with repeat purchase intention, as these variables will lead to survival in the long term.

This research primarily focuses on the effects of customer satisfaction (through perceived service quality) and loyalty at a well-known cosmetics store chain in Bangkok: Boots stores. However, other variables such as relative attitude, recommendations and repurchase intention will also be examined as they are indicated by marketing and retailing literature that they can affect loyalty. The results of this research will help us better understand factors that influence loyalty towards cosmetic products, and help drug retailers improving and developing their service quality such as product knowledge training and environment, in order to create greater customer

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