FACTORs AFFECTING BRAND LOYALTY TO COSMETICS PRODUCT:
A CASE STUDY OF THAI CONSUMERS IN BANGKOK

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Abstract: This research aims to investigate factors affecting brand loyalty to cosmetics products of Thai consumers in the Bangkok area. After reviewing related literature, four independent variables were selected in this research: word-of-mouth, perceived value, convenience, and satisfaction on product. To measure the constructs of the research instrument, a survey questionnaire was administered and data were collected from sample of 384 experienced cosmetics product purchasers in the Bangkok area, utilizing convenience sampling techniques. The significance and relationships of word-of-mouth, perceived value, convenience, and satisfaction on product towards brand loyalty to cosmetics product were tested and analyzed using the multiple linear regression. The result showed that all independent variables are positive predictors of brand loyalty to cosmetics products. This result provided important managerial implications to cosmetics industry to focus on customer retention and loyalty to enhance sustainability and profitability. Further investigation of the factors contributing to customer loyalty and in other geographical areas is highly suggested for future studies.

Keywords: Brand Loyalty, Convenience, Cosmetics Products, Perceived Value, Satisfaction on Product, Word-of-Mouth (WOM).

Introduction

The cosmetics industry is classified into beauty and personal care industries (Bidness Etc, 2015). The cosmetic industry revenue growth rate has been 3.4% based on a 5 Year Compound Annual Growth Rate (CAGR) since 2007. Moreover, Yeomans (2012) noted that the global beauty product industry will grow up to $265 billion in 2017 due to improved global economics and increased demand for cosmetics industry.

Similar to the global cosmetics industry, the Bank of Thailand (2015) reported that the revenue of the Thai cosmetics industry has grown up every year in Thailand. Also, Euromonitor (2014) reported that the cosmetics industry in Thailand has a growth trend and Thai's consumers usually seek beauty information on the internet, which is one way to increase the level of competition (Cramer, 2014). Furthermore, the opening of Sephora beauty-retail store at Siam Center in 2013 and the increased number of the distribution channels in the Bangkok area have intensified the competition in the cosmetics industry, both of international and local brands (Euromonitor, 2014). As a result, Cramer (2014) stated that the competition in this industry tends to be getting severe and brand loyalty is highly affected by both online shopping and offline shopping. Therefore, brand loyalty has become more critical concern to the cosmetics industry and regard as an essential way to create a sustainable competitive advantage.

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