THE ANTECEDENTS AND CONSEQUENCE OF PERCEIVED CUSTOMER VALUE: A STUDY OF COUNTER BRAND FACIAL SKINCARE PRODUCTS IN BANGKOK

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Abstact

Customer value has been a growing interest in the consumer behavior literature and businesses must consistently provide superior value from customer knowledge to sustain their competitive advantage. Prior studies conducted have paid scant attention to the simultaneous influence of brand trust, advertising, salesperson communication, word-of-mouth communication, and product trial on perceived quality, perceived customer value, and behavioral intentions. There is limited theoretical and empirical support related to the perceived customer value model for counter brand facial skin care products. As such, this study will enhance academics and practitioners' understanding of perceived customer value in determining customer's behavioral intentions. The results suggested that perceived customer value plays an important role in predicting behavioral intentions.

INTRODUCTION

Customer value has been a growing interest in the consumer behavior literature (Cronin, Brady & Hult, 2000), therefore, knowledge about customer value is considered as fundamental for all marketing activities or the foundation of marketing management in order to maintain a competitive advantage (Lapierre, 2000). As such, forming customer value is a necessity for a company to remain confident of its superior positioning and/or niche in the marketplace (Lai, 1995).

Globally, women's income could climb from $13 trillion in year 2009 to reach $18 trillion in year 2014, therefore women represent a valued group in the marketplace (Silverstein & Sayre, 2009). The research results of Silverstein and Sayre (2009) reported that women spend a higher proportion of their income on beauty/cosmetic products, which are very important for their emotional well-being (Silverstein & Sayre, 2009).

Among cosmetic products, the counter brand facial skin care products were chosen in this study for three main reasons. First, the Thai facial skin care market represents an important segment since it captured almost 50 percent of the total skin care market (MRP, 2010). Many Thai people, especially women, are concerned about their facial skin

(Boonyawate, 2004; Chichitamorn, 2006; Ma, 2008; Pholvisethkul, 2002; Thaveekiattikun, 2003). Second, the counter brand facial skin care products in Thailand have the potential to grow at a rate of five to ten percent annually (Mistine, 2004; TNB, 2009). This market evidenced growth of about 10 percent from year 2008 to year 2009 (Marketeer, 2010) and many companies are currently engaged in business expansion.

LITERATURE REVIEW

Customer Value Theory has been explained by using multi-dimensional constructs (Babin, Darden & Griffin, 1994; Rintamaki, Kanto, Kuusela & Spence, 2006). The studies of Babin et al., (1994) and Rintamaki et al., (2006) which were conducted in department stores (main channel of counter brand facial skin care products in Thailand) are utilized to expand the perceived customer value literature. Perceived customer value dimensions of this study consist of utilitarian value, hedonic value, and social value which were supported by prior studies.

The study of Rintamaki et al., (2006) defines utilitarian value as the assumption that consumers are rational problem-solvers, functional, and product-centric thinking. Hedonic value as the facets of