



A study on Online Purchase Behaviour of Thai Consumers for Beauty Products in Bangkok

SONG Youkai¹, LIANG Yezhang², WANG Wenzhen³

1 Post-Doctoral Research Center of China Tourism Academy (Data Center of the Ministry of Culture and Tourism) & Guilin Tourism University, 2,3 Guilin Tourism University, Guilin, 541006, China.

Date of Submission: 03-02-2021

Date of Acceptance: 17-02-2021

ABSTRACT: Thailand is the second largest economy in Southeast Asia and one of the countries with the largest number of Internet users in the region. At present, the e-commerce market in Thailand is worth 3.5 billion U.S. dollars, with an expected annual revenue growth rate of 13.2% and 20 billion U.S. dollars in 2022. This creates a huge profitable market for online marketers. Nowadays, many Thais choose to shop on Lazada, Shopee, Central and other e-commerce platforms. There are approximately 97 million mobile phone users. With this market potential, a large number of stakeholders will benefit, such as researchers, online store owners, policy makers and online shoppers.

The study found that cosmetic consumers' decisions to online shopping may be influenced by their personality, attitudes, perceptions, and other external environments such as culture, friends, family, and social class. Studying cosmetic consumer behaviour can help cosmetic marketers get real and useful information, which helps to assess the future of cosmetic online shopping. More importantly, this research can serve as a reference point for e-commerce infrastructure.

KEYWORDS: Thai Consumer, Beauty product, Online shopping, Online purchase behaviour

I. INTRODUCTION

The second largest economy of Southeast Asia, Thailand has one of the region's highest number of internet users. The growing internet user base makes Thailand an ideal growth environment for e-commerce businesses. At present, the Thai e-commerce market is valued at US\$3.5 billion and is expected to generate revenue growth rate of 13.2 percent annually, reaching US\$5.8 billion in 2022. (Vasundhara Rastogi, 2018) Bangkok is the capital

II. RESEARCH OBJECTIVES

The objectives of the study are developed as followed: To identify the differences between consumer's demographic characteristics and consumer attitude toward online purchasing behavior in terms of gender, age, monthly income,

of Thailand, and it is also the most populated city in the country. According to the World Bureau of Demographic Statistics as of April 24, 2019, the population of Bangkok is 10,350,204. This is big market for cosmetic marketers.

For online purchases, most Thais choose to shop on Lazada and Shopee, the two biggest e-commerce platforms in Southeast Asia. In line with the top reasons to shop this category online, the two websites are chosen for the many discounts they offer and because consumers find it convenient to shop on these platforms as they're already familiar with the sites.

Although e-commerce or online shopping in Thailand currently does not command a significant size, but the potential growth for e-commerce in Thailand is not negligible. There are approximately 97 million mobile phone subscribers. With such a market potential, online shopping behavior of people in Thailand is of interests to stakeholders, such as researcher, web store owners, policy makers, and online shoppers.

Researchers have claimed that consumers' decision making for online shopping be may inspired by their personality, attitude, perception, and other external environment such as culture, friends, family, and social class. According to the above information, attitude is one of the most important psychological factors to measure favorable and unfavorable toward objects. Understanding consumer behavior of online shopping can help cosmetic marketers gain information on how consumers purchase online and this can help evaluate the future of cosmetic online shopping. What's more, this study can be a point of reference of e-commerce infrastructure.

education and frequency of usage; To determine the relationship between consumers' benefits perception and consumer attitude toward online shopping; To analyze the relationship between consumers' psychographics and consumer attitude



toward online shopping; To study the relationship between consumers' attitudes toward online shopping and consumer online purchasing

III. RESEARCH METHODOLOGY

The research was conducted with two research methods, one is exploratory research, secondary data, observation and in-depth interviews were used in this stage for two purposes, one is to understand the differences in consumers' behaviours and expectations between offline and online shopping for beauty products, another is to identify important factors influencing purchasing decisions. another one is descriptive research; a quantitative research method was selected for this study. Since the study aims specifically for the opinion of Bangkok consumers, it was decided to translate the questionnaire with English-Thai bilingual. Thai version translation was done by two Thai native speakers who live in Bangkok. This survey is in the form of an online questionnaire and was used to collect data to describe characteristics and behaviours of customers who buy cosmetics and skincare in online shopping channels, and the reasons why do not they buy beauty products online.

Data Collection: The observation was conducted at four big malls with high traffic during Working days and non-working days, including beauty products sales areas in Seacon, Central World, Isetan and Siam Parago. The interview of cosmetics Lazada shop owner was conducted at the workplace of the shop, it also can be regarded a warehouse. And another three in-depth interviews were conducted in February 2019. The objective of the interview is to explore the behaviours and purchasing criteria when shopping for beauty

behavior; To provide a reference for the related cosmetics online shop owners to improve their shops' operation.

products, and factors that influence their buying decisions. Interviews were conducted one-by-one interviews and each took around 10-15 minutes. The survey was distributed online with personal contact through social network channels such as Wechat, Facebook, Messenger and Line (See Appendix B: Survey), using convenient (non-probability sampling) and referral (snowball) sampling methods to select samples. Total respondents were 257 and the survey took around 5-10 minutes to complete. The survey was divided into general information, usage behaviour, intention to use.

Statistical Analytic Tools: 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 JUMP SO, 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, Cronbach reliability and independent sample t-test.



IV. FINDINGS AND DISCUSSIONS

In-depth Interviews Results: The cosmetic Lazada shop owner is a Chinese, and their sources are all from China. After interviewing the owner, he said that their Cookie shop is mainly selling cheap cosmetics, so the delivery fee is often higher than the cost of the goods. He always uses the bundled sales, purchase over 299 THB postage free and other methods to promote. It can be seen from this interview that they will have thousands of sales per holiday promotion, and the price and holiday promotion are important factors affecting online shopping consumers' online shopping. Interviewing with three cosmetic consumers who live and work in Bangkok. All three respondents live and work in Bangkok, aged between 27 and 45. One is an employee, one is a student, and one is a business owner.

The two respondents who purchased luxury cosmetics and skin care products online were employees aged 27 and 36. They have been buying clothes and accessories online for a couple of years, so they are familiar with the ordering and payment process, and they are very satisfied with online shopping. They buy about one to three products each time, consuming an average of 1,000 to 3,500 baht per purchase. The results of in-depth interviews show that price and promotion are the two main factors that influence respondents' online shopping. In addition, the accessibility of Thai brands plays an important role in online cosmetics and skin care shopping, as some brands have no stores or limited stores in Thailand. Finally, the convenience of online shopping for customers is one factor, because sometimes they don't have time to go shopping in department stores. There are two reasons for buying. The first is the first purchase, and if the ads, offers and reviews are attractive enough, they will buy online. The second

reason is replenishment, which is the most common case. They will buy when they are running out. In addition, they will look at the bloggers' recommendations and then purchase them according to cost performance of the major online shopping platforms.

For one interviewee who has shopped cosmetics and skincare at physical stores, she is a business owner (45 years old) and always shops at a brand's counter in a department store or a specialty store like Sephora and at a duty-free shop when travelling. The results from this interview reveals that even though she may shop fashion clothes or electronic devices online, they still do not like to shop for cosmetics and skincare online because of the limitation of a product trial before buying. Before the purchase, she will also check the product information and some evaluations of interest through the Internet. She will also ask the beauty consultant about the product's efficacy, recommendations and methods of use. More importantly, she will buy it after trial. She buys about three months, and is recommended by a beauty consultant. She buys three combinations each time, costing about 6,000 baht each time. Occasionally, high consumption will buy gifts for people. She has a special membership card and presents a small gift every holiday, which is also an important reason for her loyalty to the cosmetics brand.

Questionnaire Results: Total respondents are 257, of which 46.3% are male and 47.47% are female. 47.47% of total respondents' age between 18-25 years old, of which 35.41% earn monthly income less than 15,000 baht. The majority of respondents, 32.68%, has a doctoral degree as their highest education.



Table 1 Summary of Respondents' Demographic (n=257)

		Have you ever purchased any cosmetics and skincare online?		Total	X ² □	p □
		Yes	No			
Gender	Male	53(44.17)	66(48.18)	119(46.30)	0.429	0.807
	Female	59(49.17)	63(45.99)	122(47.47)		
	Third-Gender	8(6.67)	8(5.84)	16(6.23)		
Total		120	137	257		
Age	18-25	73(60.83)	49(35.77)	122(47.47)	18.197	0.000**
	26-33	25(20.83)	37(27.01)	62(24.12)		
	34-41	10(8.33)	29(21.17)	39(15.18)		
	Above 41	12(10.00)	22(16.06)	34(13.23)		
Total		120	137	257		
Level of education	High school	20(16.67)	23(16.79)	43(16.73)	9.431	0.051
	Undergraduate	45(37.50)	29(21.17)	74(28.79)		
	Bachelor degree	32(26.67)	52(37.96)	84(32.68)		
	Master degree	19(15.83)	29(21.17)	48(18.68)		
	Doctoral degree	4(3.33)	4(2.92)	8(3.11)		
Total		120	137	257		
How much of your monthly income?	Less than 15,000 THB	49(40.83)	42(30.66)	91(35.41)	13.096	0.011*
	15,001-25,000 THB	34(28.33)	26(18.98)	60(23.35)		
	25,001-35,000 THB	16(13.33)	30(21.90)	46(17.90)		
	35,001-45,000 THB	9(7.50)	26(18.98)	35(13.62)		
	More than 45,000 THB	12(10.00)	13(9.49)	25(9.73)		
	Total		120	137		

* p<0.05 ** p<0.01

As indicated in table 1, the chi-square test (cross-analysis) was equipped to study the difference between the consumer population and gender, age, education level and income level. From the above table, we can see that different sample consumers are gender and the level of education does not show significance ($P>0.05$), which means that the sample of different consumer groups shows consistency in gender and education level, and there is no difference. In addition, the consumer population sample showed significance ($P<0.05$) for age and income level, which means that the consumer population sample showed

differences in age and income level. The specific analysis shows that:

The consumer population showed a significant level of 0.01 for age ($\text{Chi}=18.20$, $P=0.00<0.01$). According to the difference in percentage comparison, the proportion of 18-25% of consumers who purchased online beauty products was significantly higher than that of online shopping. The proportion of consumers in beauty products is 35.77%. The proportion of consumers who did not purchase online beauty products was 21.17%, which was significantly higher than the choice of consumers of online shopping beauty products by 8.33%.



The consumer population showed a significant level of 0.05 for the income level ($\chi^2=13.10$, $P=0.01<0.05$). According to the difference in percentage comparison, the consumer population of online shopping beauty products chose 40.83% less than 15,000 THB, which was significantly higher than the proportion of consumers who do not purchase beauty products online is 30.66%. The proportion of consumers who did not purchase

beauty products online was 35.001-45,000 THB, which was 18.98%, which was significantly higher than the 7.50% choice of consumers who purchased online beauty products. The results shows that the consumer population sample does not show significant differences in gender and education levels. In addition, the sample consumer population shows significant differences in age and income.

Table 2 Reasons against Online Shopping (n=137)

Response Rate and Penetration Rate Summary Form			
Option	Response		Penetration (N=137)
	N	Response Rate	
Do not know how to purchase	14	4.4%	10.2%
Complicated process	28	8.7%	20.4%
Expensive	21	6.5%	15.3%
Fake product	57	17.8%	41.6%
Unable to see and try before purchase	70	21.8%	51.1%
Worry about the safety of payment methods	45	14.0%	32.8%
Afraid that you have paid but cannot get the product	39	12.1%	28.5%
Prefer experiencing shopping in a physical store	47	14.6%	34.3%
Total	321	100%	234.3%
Goodness of fit test: $\chi^2=60.931$ $p=0.000$			

For the multiple-choice questions, choose whether the proportional distribution is uniform, and use the chi-square goodness-of-fit test to analyse. It can be seen from the above table that the goodness-of-fit test shows significance ($\chi^2=60.931$, $p=0.000<0.05$), which means that the selection ratio of each item has significant difference, and the difference can be specifically compared by the response rate or the popularization

rate (See table 2). Trust has a positive impact on online shopping intentions, but the role between trust and perceived risk is negative, and perceived risk will have a negative impact on online shopping intentions. Although many Thai college students have already had online shopping experience, they are not very trusting about online shopping. They are worried that online shopping has a big risk and they fear that their rights and interests cannot be properly maintained .

Table 3 The Relationship between Consumer's Benefits Perception and Attitude toward Online Shopping (n=120)

Response Rate and Penetration Rate Summary Form			
Option	Response		Penetration Rate (N=120)
	N	Response Rate	
Discount	43	16.9%	35.8%
Free delivery	55	21.6%	45.8%
Wider product selection	48	18.8%	40.0%
Detailed product	36	14.1%	30.0%



information			
Convenient	57	22.4%	47.5%
Live chat with seller	16	6.3%	13.3%
Total	255	100%	212.5%
Goodness of fit test: $X^2=26.859$ $p=0.000$			

As indicated in table 3, different purchase frequency samples show the quantity and amount of each purchase. Significance ($P<0.05$) means that different purchase frequency samples show differences in the quantity and amount of each purchase. The specific analysis shows that: The frequency of purchases showed a significant level of 0.01 for each purchase ($Chi=38.70$, $P=0.00<0.01$). According to the difference in percentage comparison, the proportion of selecting one item at a time of three months or more was 46.88%, which was significantly higher than the average 19.17%. The proportion of 2-3 items selected at 2-3 months is 60.87%, which is significantly higher than the average level of 46.67%. The ratio of 4-5 items selected two or three times a month is 37.50%, which is significantly higher than the average of 20.00%.

The ratio of more than 5 items selected more than three times a month is 36.36%, which is significantly higher than the average of 14.17%.

The frequency of purchase showed a significant level of 0.05 for each purchase ($Chi=26.72$, $P=0.04<0.05$). According to the difference in percentage comparison, the ratio of 31.25% for less than 500 plants at three months or more was significantly higher. The average level is 16.67%. The ratio of 1,001-1,500 THB is 37.50%, two or three times a month, which is significantly higher than the average of 22.50%. More than three times a month, the ratio of 45.45% over 2,000 THB will be significantly higher than the average of 12.50%.

In table 4, the summary shows that different purchase frequency samples show significant differences in the quantity and amount of each purchase.

Table 4 The online channels Thai online consumers usually buy beauty products from (N=120)

Response Rate and Penetration Rate Summary Form			
Option	Response		Penetration Rate (N=120)
	N	Response Rate	
Lazada	38	16.9%	31.7%
Shopee	45	20.0%	37.5%
Konvy	15	6.7%	12.5%
Central	43	19.1%	35.8%
Sephora	24	10.7%	20.0%
Brand official Website	27	12.0%	22.5%
Others	33	14.7%	27.5%
Total	225	100%	187.5%
Goodness of fit test: $X^2=21.929$ $p=0.001$			



Figure 1 To what extent are the following benefits influential in your buying decision (N=120)



V. CONCLUSION & SUGGESTIONS

Conclusions: Total respondents are 257, of which 46.3% are male and 47.47% are female. 47.47% of total respondents' age between 18-25 years old, of which 35.41% earn monthly income less than 15,000 baht. The majority of respondents, 32.68%, has a doctoral degree as their highest education. The total respondents were divided into two groups according to the shopping channel; 137 respondents were customers who did not purchase beauty products online, and 120 respondents were customers who purchased beauty products online. According to the survey, most of the customers who buy cosmetics and skin care products online are young people and have a busy lifestyle, so they prefer to shop online because they are busy. Almost all respondents search for product information before making a purchase decision.

Because of the lower price, it is still easier for customers to buy cosmetics online. Conversely, the purchase rate of skin care products is slightly higher than that of physical stores, probably because it has a higher price point, customers will want to test their skin to make sure they like the results and they are not allergic to the product before buying. For customers who shop online and in stores, the average purchase frequency is more than three months at a time. Some respondents shop online more than three times a month. The average basket size or amount per visit is mostly 1,001-3,000 baht. Because the beauty consultants trying to drive sales cross-sell with other products, the average shopping basket size for offline shopping may be higher. For the purpose of

shopping or the purchase of luxury cosmetics and skin care products from each shopping channel, most respondents may purchase cosmetics and skin care products for supplemental purposes, they have used the product before and clearly know that they want What to buy. The second reason is to buy new products that they have never used before. However, attractive and limited time promotional offers in online channels have increased impulse purchases.

The influence of third-party media on cosmetic and skin care purchase decisions is on the rise. The three most influential media that influence their buying decisions are beauty blogger reviews, beauty community sites, and recommendations from friends and family. However, each shopping channel has a different ranking. For online shoppers, the most influential media is beauty blogger reviews, followed by friends and family referrals and beauty community sites.

The popularity of online shopping for e-commerce sites is comparable to all e-commerce sites that have been established for more than a year, such as Sephora, Konvy, Lazada and Central percentages. This means that customers may browse many different e-commerce sites to find the best deal they want.

Suggestions: The goals presented in this study include surveys to understand customer behavior and characteristics of beauty products, behaviors and expectations for online shopping. In addition, the study aims to identify factors that influence Thailand's online channel buying decisions and ultimately provide a commercial impact on



cosmetics and skin care brands to develop appropriate marketing strategies to improve online shopping sales. According to the research results, the recommended brand recommendation is as follows:

Brands should place a high value on convenience, brand availability, product categories, websites and reviews as they are an important factor influencing online shopping for cosmetics and skin care products. Brands should consider offering free shipping and return and refund policies as customers consider these benefits to be very valuable.

Online store owners should take advantage of third-party media that have a major impact on online shopping customers, such as beauty blog reviews, friend gathering programs, encouraging existing customers to recommend products to friends and family, and launching beauty event community sites.

In order to overcome the limitations of not being able to see and feel the real product before making a purchase decision, this is an obstacle that prevents more customers from shopping online. Brands should try to place as much information and pictures as possible on the website and provide other customers with comment. Improve customer confidence in online shopping.

The results of this research will provide insightful information for the Thai beauty products industry and identify key success factors that influence online shopping purchase decisions. As a result, online store owners and management teams will benefit from these findings as they will help them develop effective marketing strategies for the online shopping environment in Thailand.

Acknowledgements

The authors thank Professor Phd. Jiekuan Zhang for his comments on a previous version of this paper.

Disclosure statement

No potential conflict of interest was reported by the authors.

Founding

Founding for this research was provided by the National Social Science Foundation of China (No.: BTY063) & Guangxi Zhuang Autonomous Region Philosophy and Social Science Fund (No.:20FTY008) & Foundation of Guilin Tourism University (No.: KQ2003).

REFERENCES

- [1]. Driediger, F., & Bhatiasevi, V. Online Grocery Shopping in Thailand: Consumer Acceptance and Usage Behavior[J]. Elsevier Ltd, 2019(Retailing and Consumer Services): 224-237
- [2]. Alhassan G. Mumuni, Karen M. Lancendorfer, Kelley A. O'Reilly, Amy MacMillan, Antecedents of Consumers' Reliance on Online Product Reviews[J]. Emerald Publishing Limited, 2019(1): 26-46
- [3]. Malin Sundström, Sara Hjelm-Lidholm, Anita Radon, Clicking the Boredom Away – Exploring Impulse Fashion Buying Behavior Online[J]. Elsevier Ltd, 2019(Retailing and Consumer Services): 150-156
- [4]. Yanin Puripunyanich, Factors Influencing Thai Women's Buying Decision for Luxury Cosmetics and Skincare in Online Shopping[D]. Thailand: Thammasat University, 2016.