

**A STUDY OF RELATIONSHIP BETWEEN ATTRIBUTES OF THAI
NATURAL COSMETIC AND CUSTOMER SATISFACTION
IN BANGKAPI DISTRICT, BANGKOK**



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ABSTRACT

Currently in global market, Natural cosmetic market is growing at a rapid pace with the rising concern for health safety and consumer's awareness about hazards in synthetic chemical have fueled the demand for the natural cosmetic. The main purpose of this thesis is to investigate the relationship between attribute of Thai natural cosmetic and customer satisfaction in Bangkok District, Bangkok.

In this Independent study, the research method is based on a quantitative approach. The findings are established by using both existing literature and primary data. The questionnaires consist of 100 respondents and only of consumers who has used Thai natural cosmetic.

According to the study, it showed that among attribute, Quality obtained the highest coefficient (0.462). This indicates that quality has most positive relationship with customer Satisfaction.

Key words: Natural Cosmetic, Customer satisfaction

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Luniva Dongol

Researcher

CONTENTS

ABSTRACT	i
ACKNOWLEDGEMENTS	ii
CONTENTS	iii
LIST OF TABLE	v
LIST OF FIGURE	vi
CHAPTER 1 INTRODUCTION	1
1.1. General Introduction.....	1
1.2. Statement of the Problem	4
1.3. Objectives of the Study.....	4
1.4. Scope of study	5
1.5. Research Question	5
1.6. Significance of study	5
1.7. Definition of term	6
CHAPTER 2 LITERATURE REVIEW	8
2.1. Cosmetic	8
2.2. Natural Cosmetic	9
2.3. Attributes	9
2.3.1. Price	10
2.3.2 Brand.....	14
2.3.3 Quality	17
2.4. Customer Satisfaction.....	19
2.5 Conceptual Framework.....	20
2.5. Hypothesis	21
CHAPTER 3 RESEARCH METHODOLOGY	22
3.1 Research Design	22
3.2 Populations and Sample Size	23
3.2.1 Population	23
3.2.2 Sample Size.....	24

CONTENTS (Cont.)

3.3 Research Instrument	25
Questionnaire	26
3.4. Data Collection	26
3.4.1 Primary data collection	27
3.4.2 Secondary data collection	27
3.5 Data Analysis	27
3.6. Reliability	28
CHAPTER 4 FINDING	29
4.1 Descriptive Statistical Analysis of Demographic Profiles	29
4.1.1 Demographic Profiles	29
4.2. Descriptive statistical analysis of Consumer Satisfaction of Thai natural cosmetic	31
4.3. Descriptive Statistic Analysis	32
4.4 Hypothesis Testing	34
4.4.1 Regression analysis between product attribute and Customer Satisfaction.	34
CHAPTER 5 DISSCUSSION	37
5.1 Conclusions.....	37
5.2 Summary of the findings.....	39
5.3 Discussion of Major findings.....	39
5.4 Recommendations for further study.....	40
5.5 Limitations of the Research	41
REFERENCES	42
APPENDIX	52
BIBLIOGRAPHY	55

LIST OF TABLE

Table 1 Sample Table	25
Table 2 Reliability Statistic.....	28
Table 3 Demographic profile	30
Table 4 Descriptive statistical analysis of Consumer Satisfaction.....	31
Table 5 Descriptive Statistic	33
Table 6 Multiple Regression Result.....	34
Table 7 The regression results of customer satisfaction on product attributes	35

LIST OF FIGURE

Figure 1 Conceptual Framework	20
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CHAPTER 1

INTRODUCTION

1.1. General Introduction

Today there is a wide variety of environmental friendly consumer goods across industries, e.g. food, building materials, beauty etc. available on the market (Cervellon and Carey, 2010). As never before consumer demand for the green category products is high. According to Organic Monitor (2011), the demand for natural and organic products has spread all over the world. Increased consumer demand is driven by increased awareness of how chemical ingredients and artificial products impact the planet. Another reason for customers to choose “natural” comes from personal needs and concerns regarding product safety and potential risks to the health. Some turn to natural just to be on-trend, since being a part of the current environmental movement is good.

Cosmetics are generally considered to be make-up products. However, they indeed present in different forms, varying from powders, body makeup, soap, shampoo, and toothpaste (Kumar, 2005). Cosmetic industry is probably the most lucrative, innovative fast paces industry. In that essence it is important to ensure customer satisfaction to be successful in the cosmetic industry.

Currently in global market, Natural cosmetic market is growing at a rapid pace with the rising concern for health safety and consumer’s awareness about hazards in synthetic chemical have fueled the demand for the natural cosmetic. According to the

Organic Natural Cosmetics 2007, the global market for natural products reached more than 8.5 billion euros and the forecast for 2011 is to be more than ten billion euros. (Report, 2007)

In Thailand, treating illness and maintaining good physical appearance from herb and local medicine has been a part of Thai local culture for a long time. The country can combine its plentiful natural resources with diversified plants and herbs, which can be used as active ingredients in making cosmetics products with its long-time renowned reputation for traditional drugs and alternative medicines (Garcia, Quaratesi, & Sincharoen, 2011)

According to Panvipa Krisdaphong, president of the Society of Cosmetic Chemist of Thailand stated, "Thailand has grown around 10-20% annually in local cosmetics industry in the last 10 years Domestic sales in 2010 posted at 50 billion baht increased from the previous year by 25% percent". (Kwanchai, 2011) In fact, many global companies have already established factories to harvest organic component for their products.

Thai cosmetic manufacturers are largely divided into 3 groups. The big enterprise (more than 200 employees) is accounted for 5%, medium enterprise (51-200 employees) is at 20% and small enterprise (less than 50 employees) is 75%. Domestic market is segmented by two groups, make-up products and skincare products (Kanjara, 2012)

Although Thailand is major manufacturer for both local and international companies, high quality international brand cosmetic product seem to play significant role in Thailand's market and probably even more popular among seen potential buyers.

According to the Ministry of Commerce, the value of cosmetics imported in 2011 increased by 17.8% i.e. US\$546.3 million, 20.5% of which came from the US, 17.6% from France, and 13.6% from Japan. (Ruangwud & Rakthum, 2012)

Phupoksakul stated that imported cosmetic brand products always do well in the Thailand market due to their good brand image and consumers' perception of their good quality, which can lead to consumers' loyalty toward brands (Phupoksakul 2005).

In today's world customer has extensive range of selection in Thai natural cosmetic. Competition in the cosmetic market seems high, especially in the middle and economy segment, which are more price sensitive than luxury cosmetic segment as well as customer retention has been a problem in Thai natural cosmetic industry. Thus, the ability to provide a high degree of customer satisfaction service is fundamental to differentiating themselves from their competitors.

Specifically, in increasingly competitive markets, developing the loyalty of consumers is seen as the key factor in appealing market share and developing a sustainable competitive advantage (Luarn & & Lin, 2003). It becomes critical to understand the relationship between attributes and customer satisfaction to retain and sustain customer toward Thai natural cosmetic.

1.2. Statement of the Problem

The Cosmetic brands competing in Thailand are both synthetic and natural cosmetic to attain the market share. Although in global scale the Thai natural cosmetic is attaining reputation and recognition but there is unstable demand in local market. Customer satisfaction is undoubtedly one of the top strategic issues in this competitive industry. According to Kotler (2000), the customer satisfaction is the important key to strengthen the relationship between company and customers and attain market share. Furthermore, marketer doesn't have clear understanding concerning the relationship between attributes like price, brand and quality with customer satisfaction. As well as, no research has been conducted to understand the relationship between attributes and customer satisfaction in Thai natural cosmetic.

Subsequently, it becomes essential to comprehend attributes associating to customer's satisfaction in Thai market. As well as, it is necessary to understand the relationship between attributes and customer satisfaction in Thai natural cosmetic market in Bangkok.

1.3. Objectives of the Study

The objectives of research are as follows

- To determine if there relationship between price and Customer Satisfaction in Thai natural cosmetic
- To determine if there is a relationship between quality and Customer Satisfaction in Thai natural cosmetic

- To determine if there is a relationship between brand and Customer Satisfaction in Thai natural cosmetic.

1.4. Scope of study

This main scope of this research paper is an attempt to determine the relationship between attributes that is price, brand & quality and customer satisfaction and to identify which among the attribute has positive relationship with customer satisfaction.

1.5. Research Question

The research question of the research is as follows:-

- Is there relationship between price and customer satisfaction?
- Is there relationship between brand and customer Satisfaction?
- Is there relationship between quality and customer satisfaction?

1.6. Significance of study

Since more and more businesses have shown concern on the customer satisfaction, as the research investigates on the relationship between attributes and customer satisfaction it becomes an instant need to study the response from the involved parties. Their experience may answer marketer's curiosity on relation between attributes and customer satisfaction

This research is aimed toward investigating relationship between attributes and customer satisfaction Thai natural cosmetic in Bangkok District, Bangkok. This research explores the relationship between attribute and customer satisfaction. The finding of the

research may also help Thai natural cosmetic companies to put emphasis on the attribute in respect to price, quality and brand that most Thai consumers are satisfied in natural cosmetics.

Upon completion of the study, the result of the study can provide a variety of benefits to natural cosmetic industry in Bangkok district, Bangkok. It is hopeful that the result of this research may give contribution to further study on this market and provide a guideline for the natural cosmetic industry in Bangkok District, Bangkok to satisfy customers' need.

1.7. Definition of term

Customer Satisfaction

Customer satisfaction generally means customer reaction to the state of fulfilment, and customer judgment of the fulfilled state (Oliver, 1997).

Price

A price acceptance represents a direct attempt to establish the potential buyers' willingness to purchase as a function of various prices (Monroe, 1990)

Price is a value that will purchase a finite quantity, weight, or other measure of a good or service. In commerce, price is determined by what (1) a buyer is willing to pay, (2) a seller is willing to accept, and (3) the competition is allowing to be charged. With

product, promotion, and place of marketing mix, it is one of the business variables over which organizations can exercise some degree of control.

Quality

Russel and Taylor (cited by Kharim, 2011) described that quality is a measure of how long and well a product performs. Product quality brings about the features of the product or service that bears on its ability to satisfy stated or implied needs.

Brand

Kotler and Keller described that Brand is important role in Purchase Intention of the consumer. Moving consumers to decide to purchase the brand or take purchase related action. While promotional offers may also encourage consumers to make a mental commitment to buy, but many consumers do not have an expressed category need and may not be aware when exposed to the promotions. There may also be unfamiliar brand names and alternatives available in the market place in the process of which consumers may prefer to trust major brand names.

CHAPTER 2

LITERATURE REVIEW

This chapter consists of a review of previous studies related to the topic of “A study of relationship between attributes of Thai natural cosmetic and customer satisfaction in Bangkapi District, Bangkok” have been addressed within a research objective. It will also include other related literature reviews, related theories, framework and models as follows:

2. Theories and concept

2.1. Cosmetic

According to the Act, a cosmetic is defined as an article intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body or any part thereof for cleansing, beautifying, promoting attractiveness, or altering the appearance without affecting structure or function. (Elsner, 2005)

Cosmetic products serve the “beautifying purposes and cover a wide range of products including: cleaning body parts, enhancing features, and changing skin tones and colors such as makeup, perfume, toothpaste, shampoo, and deodorant” (Kumar, S.Massile, & Dumonceaux, 2006, p. 286)

In Thailand, cosmetics was governed by Cosmetic Act B.E. 2535 stated that cosmetic means “articles intended for applying, rubbing, massaging, sprinkling, spraying,

dropping, putting, fumigating, or doing any other acts to part of the body for cleanliness, beauty, beautification, including articles for grooming and embellishing one's complexion, but excluding adornments which are articles for use outside the body.”

2.2. Natural Cosmetic

Australian Society Cosmetics Chemists (ASCC) publication in 2007 defines “natural” as a material harvested and processed without chemical substances. Natural cosmetics may contain plant-derived materials beneficial to microbial growth and only a few traditional preservatives or no preservatives at all, so they usually have short shelf-life (Stehlin, D., 1991).

It is obvious that natural cosmetics have more pure raw materials, and it is not able to cause less harm to the earth. This is the reason why more environmentally-friendly companies are emerging (Johri, L.M., & Sahasakmontri, K., 1998). According to Elsner, P., & Maibach, H.I. (2005), “natural is good and synthetic is bad” for many consumers, so merchants would spare no efforts to do everything possible to meet the need of customers. Now residents are also more concerned about environment than before; furthermore, the government has put many environmental measures into action (Johri, L.M., & Sahasakmontri, K., 1998).

2.3. Attributes

In this study the relationship between attributes and customer satisfaction of Thai natural cosmetic are divided into as follow:

Price

Brand,

Quality

2.3.1. Price

Price is an element, which communicates to the consumer or the market about the company's intended value positioning of its product or brand. Price is probably the most important in which an average consumer depends on. Consumers with higher brand loyalty may be willing to pay a premium price for their favorite brands. Keller (2003) stated that customers have a strong belief in the price and value of their favorite brands so much so that they would compare and evaluate prices with alternative brands. So, usually when a consumer purchases a product the value of the item must be greater than its costs. The benefits that are perceived must exceed the expenses.

Price is a factor that is playing neither an important role in affecting the distribution of newly product nor services in the market. Hence, setting a price for a new product in the market is difficult (Foxall, 1984). Price is one of the element in marketing mix, which it is very plays a very heavy role because marketers uses price as communication medium with customers where the message is being clearly perceived by customer as what it meant to the marketers (Dickson and Sawyer, 1990; Monroe and Lee, 1999). A product price is one of the main decision methods for both customer and also retailers as now the market is very competitive, price has made its position and role in

differentiate in designing marketing and business strategies. Price resulted to be the main point for customer to judge what is offered in the market (Monroe, 2003; Monroe and Lee, 1999; Oliver, 1997). Price is also a main factor in transaction relationship where it is one of the medium used by marketers to counter the market, either in attracting or in retaining customer or as a element in competing with competitors (Summerour, 2000; Patton, 2002). In making a reasonable and affordable price for a product in depth information from what does a customer perceive is needed (Munnukka, 2005). Consumers' center of concentration in developing the distinctive of price and the cognitive is the element on which the price information to be elaborated and kept (Xia, 2005). Price does not only as an element of financial sacrifice but as well as a determination of product quality (Monroe, 2003). Price maybe resulted in both positive and negative factor in influencing a purchase by customer perception which it may cue to a quality, standing or the consumer's reputation (Lichtenstein et al., 1990; Monroe and Krishnan, 1985). On the other hand, a lower price is being featured as economically sacrificing. Hence, both positive and also negative features of a price show customer decision making process in this competitive market situation (Dodds, 1995). This proves to a study that, generally price is used as the factor in determining the level of product quality (Lichtenstein et al., 1993). Price in fixed price concept, means that process are not to be negotiated and customer is paying for the same price and they would not have the thought of the price will be set lower then what they paid for today (Suri et al., 2000). Price is being portrayed as financial cost (Fox et al., 2004), it is also as a factor in a wider image of a store (Finn and Louviere, 1996) and also the customer's value (Sweeny and

Soutar, 2001). Price has also been found that it is the main factor of one customer in determining the choice of the store to proceed with their shopping (Seiders and Costley, 1994). Marketing managers are interested in which the ability in providing competitive price and the prices did resolve the customers' anxiety either before or after purchasing. This resulted in empirical proving where price is important and also price's effect on post-purchase behavior as guidance for retailers who want to adapt into low pricing strategy (Jain and Srivastava, 2000). Market price is where the prices are at equal to retailers and also consumers which they do not have the opportunity in paying high prices in store and to found lower price elsewhere (Lucas, 2001).

Sales Promotion

The International Chamber of Commerce (ICC) defines sales promotion as: "Marketing devices and techniques which are used to make goods and services more attractive by providing some additional benefit, whether in cash or in kind, or the expectation of such a benefit ". (Blattberg, C., R., & Neslin, S. A., 1990, p. 365)

Sales promotions are comparatively easy to apply, and are likely to have abrupt and considerable effect on the volume of sales (Hanssens, Parsons and Schultz 2001). Research conducted by Ailawadi and Neslin (1998) had revealed that consumer promotions affect the consumers to purchase larger amount and consume it faster; causing an increase in customer satisfaction.

Price Discounting

Price discounting is where the price that is being set lower from the normal pricing or fixed price (reference price). Price discounting might result in what does the consumer perceive towards the product's worth (Della Bitta et al. 1981). Besides that, price discounting are also being related to unambiguous and also hidden requirement which the discount is valid whereas it is being a signaling to consumers that, price discounting are up to valid until a particular date (Inman and McAlister, 1994; Inman et al. 1997; Suri and Monroe,1999). A price discounting or promotion were implemented on regular price which were gathered as the price discounting which offers special benefits to customer will not be continued as the promotion is over after a particular period of time (Suri et al. 2000). Discounts is being misunderstood because discounting has makes customers to question enquire the availability of discount either the regular price before discount is not the price which is real or inflated price meanwhile the discounted price is the real supposed to be price to the market (Suri et al., 2002) Price discounting is where consumers are being told that they are being offered with an ultimate deal from the regular pricing but at the same time, price changes will leads to consumers' uncertainty whether the price is the best offer being offered in the market (Inman et al., 1997). Price discounting uncertainty yet also to increase consumers' concern and vagueness (Suri et al., 2002) where it keeps anxiety manner of consumers and continuous seeking of information (Hofstede, 1994). Price discounting is not to be likely that to bring new customers or effect in any long term after purchase effect, since customer are purchasing because the trust they have in their mind in purchasing range (Ehrenberg et al., 1994).

Consumer need to use more of their brain in determining and evaluating (Monroe and Lee, 1999), because complication of discounting in which to evaluate or determine a deal price where the result of getting the best deal will always fail customer (Kerwin, 1997)

2.3.2 Brand

Kotler described that Brand played an important role in Purchase Intention of the consumer. Moving consumers to decide to purchase the brand or take purchase related action. While promotional offers may also encourage consumers to make a mental commitment to buy, but many consumers do not have an expressed category need and may not be aware when exposed to the promotions(1991). There may also be unfamiliar brand names and alternatives available in the market place in the process of which consumers may prefer to trust major brand names. These Brand names attract consumers to purchase the brand and bring about repeat purchasing behaviors and reduce price related switching behaviors. Brand loyalty is a function of both behavior and attitudes. It is a consumer's preference to buy a particular brand in a product category. It is because consumers perceive that brand offers the right features in the products, image or level of quality at the right price. Consumers will initially take a trial run of a product of the brand and when satisfied with the purchase prefers the same brand because of the familiarity.

Firms use brands to identify and differentiate their products or services from competitors. The commercial importance of brands is undoubtedly evident. Benefits of a great brand include a short-term gain on recognition to long-term competitive advantage on loyalty, which are ultimately translated into revenues and profits. Nevertheless, there

are several meanings of “brand” depending on whether the focus is on the narrow or broader perspective. For example, Haigh (2007) has proposed three definitions: “trademark” is a logo with associated visual elements, “brand” is a trademark with associated intellectual property rights, and “branded business” covers the whole organization.

Brand Image

According to Hsieh, Pan, and Setiono, "a successful brand image enables consumers to identify the needs that the brand satisfies and to differentiate the brand from its competitors, and consequently increases the likelihood that consumers will purchase the brand" (2004, p. 252). A company or its product/ services which constantly holds a favorable image by the public, would definitely gain a better position in the market, sustainable competitive advantage, and increase market share or performance (Park, Jaworski, & MacInnis, 1986). In addition, several empirical findings have confirmed that a favorable image (i.e. brand, store/retail) will lead to loyalty (Koo, 2003), brand equity (Faircloth, Capella, & Alford, 2001), purchase behavior (Hsieh et al., 2004) and brand performance (Roth, 1995).

Reynold noted that "an image is the mental construct developed by the consumer on the basis of a few selected impressions among the flood of the total impressions; it comes into being through a creative process in which these selected impressions are elaborated, embellished, and ordered" (1965, p. 69). Kotler defined image as "the set of beliefs, ideas, and impression that a person holds regarding an object" (2001, p. 273). On

the other hand, Keller considered brand image as "a set of perceptions about a brand as reflected by brand associations in consumer's memory" (1993, p.3). A similar definition to Keller's was proposed by Aaker, whereby brand image is referred to as "a set of associations, usually organized in some meaningful way" (1991, p. 109).

Celebrity Endorsement

A celebrity endorser is "any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement" (McCracken, 1989, p. 310). This definition explicitly encompasses celebrities who appear to have expertise or a long-term association with the manufacturer, but it excludes typical customer endorsements featuring non celebrities. Because celebrities appear to be gaining increasing influence in society (Cohen et.al, 1983), marketing managers try to exploit the process of meaning transfer from an endorser to products or brands involved (McCracken, 1989).

Associative learning theory details that celebrity endorsements influence brand image through a transfer of meaning from the endorser to the brand (Till, 1998). Communication activities establish a pattern of connectivity between the image of the celebrity and the image of the brand. Both entities represent nodes in a cognitive network, whose connectivity can be modified according to experience. An image transfer occurs when an advertisement can establish contingency between the two entities (Till, 1998; Till et al., 2008)

Packaging

Product information influences perception of quality and preference (Dransfield et al. 1998; Dimra and Skuras, 2003). Brand preference refers to the tendency to select specific product brand over a similar product brand. Therefore, packaging design has therefore been used as a strategic tool for differentiation and brand equity development (Vazquez et al., 2003). Yamoah (2005) indicated that packaging is a key means of differentiating between various cosmetic product brands, and that a well-designed package favorably influences preference for the product in question.

Packaging design is also a vehicle for brand identity and differentiation, and often influences consumer brand beliefs (Underwood, 2003). Cosmetic businesses employ packaging to inform, persuade, and remind consumers that their respective products are better than those of other brands. Visual attributes influencing brand preference and positive imagery-processing elicited by visual packaging design exert great importance on brand (Brommer et al., 2011). Previous research has suggested that consumer attitudes are formed by learning and influenced by personal experience and marketing stimuli (Wang and Heitmeyer, 2006)

2.3.3 Quality

Sproles and Kendall's study (cited by Kharim, 2011) stated that many consumers repeat the purchase of single brands or switch around several brands due to tangible quality of the product.

Russel and Taylor (cited by Kharim, 2011) described that quality is a measure of how long and well a product performs. Product quality brings about the features of the product or service that bears on its ability to satisfy stated or implied needs. Product-based approach is based on its economical roots which the differences of the elements or attributes infatuated by the product are being considered as reflecting to the differences in quality (Golob, 2007). The user-based approach is where quality of products and services meets or surpasses customers' expectation. Quality was of two parts namely, the quality of design and also the quality of conformance. Providing satisfaction to customers by the design the products to the needs of customer is referred to the "quality of design" (Juran, 1974).

In value based approach, quality is being defined as the product or services meet the consumers need and wants or expectation. Quality of design and quality of conformance is the origin of quality (Thalhammer, 2007). The quality of design is used in addressing product quality to the design which designated and met consumers' needs (Thalhammer, 2007). Meanwhile, in manufacturing approach conformance in the product meets the formulated standards or specifications (Clement, 2007). Based on value approached, product quality is been define as they have fair relations between quality with performance at an acceptable or affordable price. Always product quality is being thought to contribute to the expansion of competitive advantage whereas the product is to be designed and also manufactured to achieve customer requirements in enhancing the product performance.

Product attributes has become products quality's view where in operations management, multiple dimension of quality has been determine which it resulted in the fitness usage of the product which means does the product do as it supposed to do and does the features meets customer's needs, reliability of the product which means to what level the product is off from insufficiency (Parasuranaman et al., 1988).

Ingredient

Ingredient, in which key attributes of product that are essential quality attribute, is becoming increasingly popular among marketers (Keller and Aaker 1990, Keller 1998)

Performance

Performance is defined as an awareness of and desire for high quality products, and the need to make the best or perfect choice versus buying the first product or brand available (Sproles and Kendall, 1986). Performance encompasses the features and characteristics of a product or service that bears on its ability to satisfy stated or implied needs. In other words, performance as “fitness for use” or ‘conformance to requirement” (Russell and Taylor, 2006).

2.4. Customer Satisfaction

The entire marketing paradigm is revolving round customer satisfaction. Researchers of business and marketing has focused much more on the importance of customer satisfaction and also recommended marketers to avoid from customer dissatisfaction-due to its disastrous impact on business more then 15000, research

contributions have been published on customer satisfaction and dissatisfaction (Peterson & Sharma, 2000). Marketing scholars has focused on reviewing this concept deeply (Hunnt, 1997).

The Overall satisfaction or dissatisfaction with the organization based on all encounters and experiences with that particular organization (Bitner and Hubbert, 1993). Satisfaction can be defined as a features or characteristics that can full the either a need or want of a consumer in better way than competitors.. If a company provides a product according to the requirements of their consumers it will lead the satisfaction of those consumers. The higher or lower satisfaction of a consumer will depends upon the quality of brand characteristics that offered by a company (Huber et.all ,2007).

2.5 Conceptual Framework

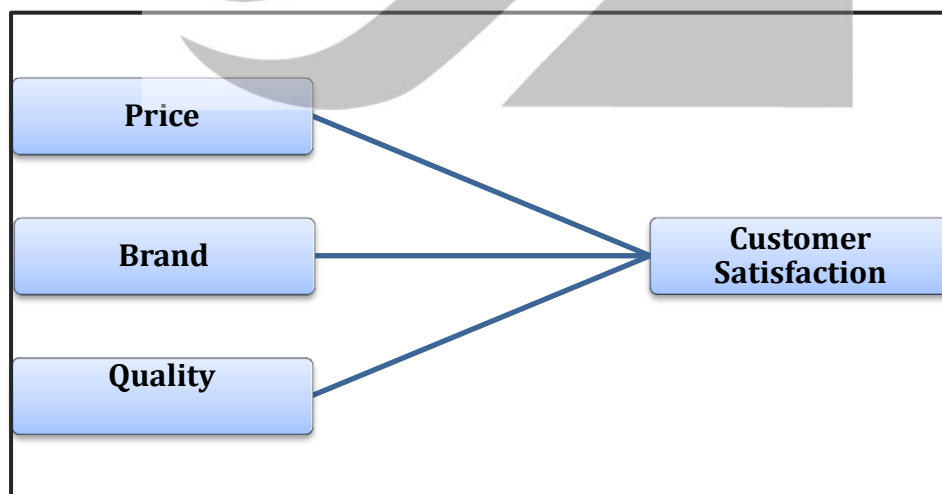


Figure 1 Conceptual Framework

The Conceptual Framework was constructed and test on successful product attributes that affect in customer's loyalty in Bangkok.

- In Thai natural cosmetic, Price has a relationship with customer satisfaction.
- In Thai natural cosmetic, Brand has a relationship with customer satisfaction.
- In Thai natural cosmetic Quality has a relationship with customer satisfaction.

2.5. Hypothesis

- H1: Price has relationship with customer satisfaction in Thai natural cosmetic.
- H2: Quality has relationship with customer satisfaction in Thai natural cosmetic
- H3: Brand has relationship with customer satisfaction in Thai natural cosmetic

CHAPTER 3

RESEARCH METHODOLOGY

This chapter explains the research methodology that was used for the collecting and interpreting the research of “A study of relationship between attributes of Thai natural cosmetic and customer satisfaction in Bangkok District, Bangkok” The procedures were as follows:

- 3.1 Research Design
- 3.2 Population and Sample Size
- 3.3 Research Instrument
- 3.4 Data Collection
- 3.5 Data Analysis

3.1 Research Design

This research was conducted to study the relationship between attribute of Thai natural cosmetic and customer satisfaction in Bangkok District, Bangkok. In order to examine the relationship between prices, brand, quality and customer satisfaction, this research was based on quantitative data. The reason why the study has chosen the quantitative method is for reliability in order to ensure this research analysis covers the statistical methods used to test hypotheses. In addition, the strength of the quantitative method is appropriate for evaluating the results since the research is studying consumer

satisfaction, which is an intangible factor. Therefore, the quantitative method can assist the researcher to strengthen research analysis.

The quantitative method is also suitable for surveys that use questionnaires in order to get the information from non-probability sample designs by using convenience sampling. The findings and conclusion of the research depended on the full utilization of statistical data collected and analyzed by using Statistical Software.

3.2 Populations and Sample Size

To determine sample size was an important concern for the researcher to collect relevant data from the relevant respondents. In this research, the research approach required a small sample of the respondents because of the particular research area.

3.2.1 Population

The target populations for this study were people who were above the age of 18 and had used Thai natural cosmetic regardless of gender. The research was conducted in the Bangkok District, Bangkok Province. The National Statistical Office Thailand (2012) has reported the total population in Bangkok District, Bangkok Province was last recorded as 148,645.

According to the sample selected in Bangkok District, Bangkok Province was found to be a very appropriate area for the survey because of the residential area and universities around this area like Stamford University, Assumption University, Ramkhamheng University.

3.2.2 Sample Size

The Sample Selection for this study were people who were 18 years old or above and had used Thai natural cosmetic. To calculate the sample size of this study the researcher used convenience Sampling based on Yamane's formula (EDIS, 2009), which provides a formula to calculate sample sizes with a 90 % confidence level and $e = 0.10$. When the researcher knows the size of the population in the Bangkok District, the sample size was determined based on the formula as follows:

$$n = \frac{N}{1 + N(e)^2}$$

n = sample size

N = population size

e = level of precision

The specific values set for the formula:

$$N = 148,645$$

$$e = 0.10$$

$$n = \frac{148,645}{1 + 148,645(0.10)^2}$$

$$n = 99.93$$

According to the result being 99.93, the researcher decided to distribute 100 sets of questionnaires in order to prevent any errors. Thus, the sample size of the research is 100 in the target population of 148,645.

Table 1: Sample Size for $\pm 3\%$, $\pm 5\%$, $\pm 7\%$, and $\pm 10\%$ Precision Levels where Confidence Level is 95% and $P = .5$.

Table 1 Sample Table

Size of Population	Sample Size (n) for Precision (e) of:		
	$\pm 5\%$	$\pm 7\%$	$\pm 10\%$
1,000	286	169	91
2,000	333	185	95
3,000	353	191	97
4,000	364	194	98
5,000	370	196	98
6,000	375	197	98
7,000	378	198	99
8,000	381	199	99
9,000	383	200	99
10,000	385	200	99
15,000	390	201	99
20,000	392	204	100
25,000	394	204	100
50,000	397	204	100
>100,000	400	204	100

Source: SPSS 16.0

3.3 Research Instrument

This study entitled “A study of relationship between attributes of Thai natural cosmetic and customer satisfaction in Bangkok District, Bangkok” uses quantitative research methods. The model contained of four section and for every section a very important liekert scale is used i.e. 1 =strongly disagree, 2 = disagree, 3 = Neutral, 4 = agree and 5 = strongly agree.

The first section (04 items) asks for information about the customer’s background (gender, age, Occupation). The second section (9 items) contains attribute scales.

Questionnaire

The Survey instruments including 100 questionnaires to ask customer about their preference in term of Brand, Price Quality toward customer satisfaction.

General Information

The first part of questionnaire included closed-end, single answer questions to obtain general demographic information, including gender, age, and occupation. Second Question requested whether they have ever used any Thai natural cosmetic.

3.4. Data Collection

Data collection for the study of “A study of relationship between attributes of Thai natural cosmetic and customer satisfaction in Bangkok District, Bangkok” used a survey method that included learning from other related researches and theories. Therefore, data collection was done in two types, as provided below:

3.4.1 Primary data collection

Primary data was collected by using questionnaires. According to the sample selected in Bangkapi District, Bangkok Province was found to be a very suitable area where the study could undertake the survey because of the residential area and universities around this area like Stamford University, Assumption University, Ramkhamheng University.

3.4.2 Secondary data collection

Which shows second hand information, and which has already been collected. So in the specific study of “A study of relationship between attributes of Thai natural cosmetic and customer satisfaction in Bangkapi District, Bangkok” the information data such as newspapers, magazines, books, the Internet websites, other MBA and PhD thesis, and independent study from the library were also used.

3.5 Data Analysis

After collecting the filled up questionnaires, coding the approach and statistical software was used to scrutinize the data. The data from the questionnaires was entered into the Statistical Software computer program and then verified. Firstly SPSS was used to conduct the reliability of the research. As well as the part one and two of questionnaire was analyzed through SPSS 16. Finally the data was analyzed as descriptive statistics

3.6. Reliability

Reliability refers to the extent, to which the scale/survey provides consistent results when surveying similar populations. In the literature, three main types of reliability have been identified as appropriate to the research. These are internal consistency, split half reliability and test-retest reliability. (Litwin) All the three method attempts to verify the reliability of the constructs of a scale but they rely on different methodologies. For the purposes of this study, however, internal consistency is the main focus. Thus, the study employed Cronbach's alpha to verify the internal consistency of each construct in order to achieve reliability.

Table 2 Reliability Statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
.890	10

Source: SPSS 16.0

The results from the internal consistency test showed that all the constructs have Cronbach's alpha of more than 0.890 with overall reliability. The findings imply that there is high level of internal consistency among the items in each construct and as such each construct is reliable.

CHAPTER 4

RESEARCH FINDING

This chapter will present the data analysis of “A study of relationship between attributes of Thai natural cosmetic and customer satisfaction in Bangkok District, Bangkok”. There were 100 questionnaires collected in this research study, along with 100 samples were accepted as being valid. The study presented the revealed data in the form of several tables by arranging data into three parts, as follows:

- Descriptive statistical analysis of demographic profiles.
- Descriptive statistical analysis of consumer Satisfaction
- Hypothesis Testing

4.1 Descriptive Statistical Analysis of Demographic Profiles

This section is the summary description of respondents' profile in terms of demographics by using frequency and percentage distribution to describe the data. The details were as follows

4.1.1 Demographic Profiles

The first part of questionnaire elicited demographic profiles in terms of gender, age and occupation. The details were as follows

Table 3: Demographic profile

Demographic profile		Frequency (N= 100)	Percentage (%)
Female	Gender	92	92
Male		8	8
18 -20	Age	28	28
21 - 25		55	55
26 - 30		16	16
31 – 35		1	1
Student	Occupation	82	82
Self employed		5	5
Employee		12	12
Other		1	1

Source: SPSS 16.0

Demographic Profile – Gender

According to the result in Table 4, the number of male respondents was 8 responses or 8% and the number of female respondents was 92 or 92%. Based on the graph, the majority gender among the respondents was female.

Demographic Profile – Age

From the total of 100 respondents, 55 people or 55% were in the range of 21-25 years old that represented the majority of adult age. The second majority of respondents were 28 people, or 28% in the range of 18-20 years old. The third majority of respondents were 16 people, or 16% in the range of 26 – 30 years old, and the fourth majority of respondents were 1 people, or 1% in the range of 31-35 years old.

Demographic Profile – Occupation

The results of Table 2 show that the occupations in the largest group of respondents are Student (82% or 82 people). The second largest group are employee (12% or 12 people); and the third largest group are self employed (12.0% or 12 people).

4.2. Descriptive statistical analysis of Consumer Satisfaction of Thai natural cosmetic

Table 4 Descriptive statistical analysis of Consumer Satisfaction

Please tick one of the following is important attribute	Frequency	Percent	Importance level
Quality	61	54.0	Very high
Brand	34	14.0	Medium
Price	5	9.0	Low
Total	100	100.0	

In this section the descriptive analysis of consumer satisfaction is conducted regarding the preference of attribute in Thai natural cosmetic. The section determines which attribute of preference in Thai natural cosmetic.

As shown in Table 5, Majority of the respondent's i.e. 61 % of the total Sample population in Bangkok District of Bangkok states quality attribute of Thai Natural cosmetic is very highly preferred. Second is Brand with 34% which is followed by price 5%.

4.3. Descriptive Statistic Analysis

In this section, the study presents the summary statistics of the variables based on the summated scale created. The means and standard deviations of each construct are presented in Table 5. Results from the summary statistics indicated that the mean response rate for most constructs is between 3.76 and 4.4. This gave an indication that, in general customers are satisfied with the Thai natural cosmetic. Apart, customer satisfaction constructs which recorded mean value has the highest value of 4.75, majority of the constructs recorded mean values below 4.75.

From theory, a low standard deviation values suggest the data points tend to be very close to the mean, whereas high standard deviation values indicate that the data are spread out over a large range of values. From Table 5, Comparative Pricing was recorded the highest value standard deviation followed closely by 100% natural ingredient. This implies that there is high level of dispersal in the data for the two constructs. The

customer satisfaction construct have the lowest standard deviation of .43, suggesting a comparatively lower spread in the data and clustering of the responses around the mean.

Table 5 Descriptive Statistic

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Quality					
100% natural Ingredient	100	3.00	5.00	4.4000	.69631
Durability	100	3.00	5.00	4.4000	.56854
Brand					
International Brand name	100	2.00	5.00	3.3600	.62797
Endoresment by celebrity	100	3.00	5.00	3.8000	.49237
Exclusive Packaging	100	2.00	4.00	2.9200	.39389
Price					
Comparative Pricing	100	3.00	5.00	3.9600	.72363
Promotional	100	2.00	4.00	3.8000	.49237
Discount	100	3.00	4.00	3.7600	.42923
Customer Satisfaction					
Overall Satisfaction	100	4.00	5.00	4.7500	.43519
Satisfaction toward used product	100	3.00	5.00	4.7500	.51981

Source: SPSS 16.0

4.4 Hypothesis Testing

4.4.1 Regression analysis between product attribute and Customer Satisfaction.

The multiple regressions analysis was applied to examine the predictive relationship between independent variables are Price, Brand, Quality and dependent variable that is Customer Satisfaction. The results of a multiple regression analysis were used to evaluate the strength of the proposed relationship.

Table 6 Multiple Regression Result

Dependent	Variables:	Standard			
Customers Satisfaction	B	Error	B	t	p-value
(Constant)	1.596	0.475		3.362	.001
$R^2 = 0.271$, Adjusted $R^2 = 0.248$, p-value = 0.001					
Statistical Significance $\alpha = 0.05$					

Source : SPSS 16.0

As Table 10, based on statistically significant with 95% confidence, the regression was statistically significant (p-value = .001). The study investigates the relationship between independent variables are Price, Brand and Quality and dependent variables is Customer Satisfaction towards Thai natural cosmetic. The diagnostic test revealed an $R^2 = 0.27$, indicating that the regression is reasonably fitted and interprets

that 27.1% of variance in customer satisfaction can be predicted by attribute in Thai natural Cosmetic.

Table 7 : The regression results of customer satisfaction on product attributes

Coefficient						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
	(Constant)	1.596	.475		3.362	.001
	Price	-.376	.118	-.340	-3.198	.002
	Brand	.304	.132	.235	2.298	.024
	Quality	.462	.090	.496	5.159	.000

Source: SPSS 16.0

In Table 11, the regression results of customer satisfaction on attributes are presented. The findings showed that, the coefficient of product attributes are mostly significant at 1% level, suggesting a positive relationship between customer satisfaction and Brand and Quality. The findings confirm the literature that, improvements in Quality may be beneficial to a firm as it helps to promote customer satisfaction.

Among attribute, Quality obtained the highest coefficient (0.462). This means, a 1% increase in the level of quality may lead to 46.2% rise in Customer Satisfaction. For Brand, the findings indicated that there is small significance in customer satisfaction which had coefficient of 0.304 which indicates that a 1% increase in the level of the

Brand may lead to 30.4% increase in customer satisfaction. Whereas, the study indicated that price has negative relationship with customer satisfaction in Thai natural cosmetic.



CHAPTER 5

DISCUSSION

After data analysis and generalization of the statistical results in Chapter 4 it would be better for the readers to have more convenience and clear understanding of this research by going through this final chapter. This chapter consists of four sections:

- 5.1 Conclusions
- 5.2 Summary of the finding
- 5.3 Discussion of Major findings
- 5.4 Recommendations for future research

5.1 Conclusions

The purpose of this study is to investigate the relationship between attribute and customer satisfaction in Thai natural cosmetic in Bangkapi district, Bangkok. The conceptual framework of this study is to investigate the relationship between attributes and customer satisfaction.

The study was undertaken in Bangkapi district, Bangkok. Hundred respondents were people from consumer of Thai Natural cosmetic in Bangkapi District in Bangkok, who were aged above 18 years old. The study used a convenience sampling group data

which was statistically delineated through frequency and percentage. The Hypothesis related to attribute and customer satisfaction was analyzed through multiple regressions.

According to the result, in the first part, the sampling group is Thai Natural Cosmetic in Bangkok. The respondents were all in the age group of 21-25 years old. Most of the respondents were student with majority of the sample population were female.

The study indicated that Majority of the respondent's i.e. 61 % of the total Sample population in Bangkok District of Bangkok states quality attribute of Thai Natural cosmetic is very highly preferred. Second is Brand with 34% which is followed by price 5%.

According to Hypothesis testing, the regression was applied to examine the predictive relationship between independent variables consisting customer Satisfaction of Thai natural cosmetic in Bangkok at 95% confidence level. The study showed that among attribute, Quality obtained the highest coefficient (0.462). This means, a 1% increase in the level of quality may lead to 46.2% rise in Customer Satisfaction.

For Brand, the findings indicated that there is small significance in customer satisfaction which had coefficient of 0.304 which indicates that a 1% increase in the level of the Brand may lead to 30.4% increase in customer satisfaction. Whereas, the study indicated that price has negative relationship with customer satisfaction in Thai natural cosmetic.

5.2 Summary of the findings

According to the results, of multiple regressions Thai natural cosmetic in Bangkapi District, Bangkok it indicates that quality is very essential towards customer satisfaction.

According to the study, it showed that among attribute, Quality obtained the highest coefficient (0.462). This indicates that quality has most positive relationship with customer Satisfaction. Secondly, Brand had positive relationship with customer satisfaction with the coefficient level at 0.304. Whereas the study indicated that price had negative relationship with customer satisfaction

5.3 Discussion of Major findings

From this research project “A study of relationship between attributes of Thai natural cosmetic and customer satisfaction in Bangkapi District, Bangkok” investigates the relationship between attributes and Customer Satisfaction. The research established that Quality was found to have positive relationship with Customer Satisfaction in Thai natural cosmetic in Bangkapi District, Bangkok.

The research finding related to relationship with price and Customer Satisfaction was unanticipated as it showed the negative relationship between customer Satisfaction and Price. As per the literature review the price has positive relationship with customer Satisfaction in Thai natural cosmetic.

5.4 Recommendations for further study

The researcher has provided recommendations on the study as detailed:

Thai natural cosmetic Businesses

From the results of this research, it became apparent that price has negative relationship with Customer Satisfaction. Therefore, Thai natural cosmetic companies should also set the standards of towards quality with providing 100% natural ingredient and durability in Thailand that would enhance them to focus on their products.

According to this research, Quality has significance towards customer satisfaction so; in that case the Thai natural cosmetic should also consider a plan to enhance the product through durability feature.

Further Research

The researcher has provided the following as suggestions for further study:

For future study, the research can also be taken for a province and also for The Kingdom of Thailand. There may be different factors that can be of significance for customer satisfaction depending on the geographical entity.

Further research can also be conducted to detailed investigation regarding the price since the result indicated there is negative relationship between price and Customer Satisfaction.

5.5 Limitations of the Research

There are specifically four limiting factors in this research project, detailed as follows:

- Research was limited to the Bangkok area, which could not be carried out in the entire Bangkok metropolitan area for the limitation of research time.
- The Research doesn't focus on other aspects of product attributes except price, Quality, Brand regarding Thai natural cosmetic.
- Since the researchers focused on Thai natural cosmetic, the results from the survey were reflected on the particular industry; not generalized to other business fields.
- The research was conducted during a specific time period, thus it cannot be generalized for all time, all year round.
- There could be a lack of details in some parts of this research, due to the time constraint during the research.

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SURVEY QUESTION:

Part I : Demographic Information

Age ☐ 18 and 20 ☐ 21 – 25 ☐ 26 – 30 ☐ 31 – 35 ☐ 35 and above

Gender ☐ Female ☐ Male

Occupation ☐ Student ☐ Self Employee ☐ Employee ☐ Others

Part II: General Information regarding Thai cosmetic product

Have you ever used any Thai Natural Cosmetic? : ☐ Yes ☐ No

Do you like Thai natural cosmetic: ☐ Yes ☐ No

1. Which of the following attributes you think is most important for you in Thai natural Cosmetic :-

☐ Quality ☐ Brand ☐ Price

Part III: Evaluation of preference of Quality, Brand and Price and Customer Satisfaction

For this section please rate how strongly you agree or disagree. 1 being strongly agree and 5 being strongly disagree

Quality					
If the ingredient of Thai natural cosmetic is 100% natural, I like it	1	2	3	4	5
If the Thai natural cosmetic long lasting than ,I like it	1	2	3	4	5
Brand					
If international Brand name is given to Thai natural cosmetic, I like it	1	2	3	4	5
If Thai natural cosmetic is endorsed by celebrity, I like it	1	2	3	4	5
If there is exclusive packaging in Thai natural cosmetic, I like it	1	2	3	4	5
Price					
If price of Thai natural cosmetic is cheap than scientific cosmetic I like it	1	2	3	4	5
If there is promotional sale for Thai natural cosmetic, I like it	1	2	3	4	5
If price of Thai natural cosmetic is discounted, I like it	1	2	3	4	5
Customer Satisfaction					
My satisfaction level related to Thai natural cosmetic product that I have already used is high	1	2	3	4	5
My satisfaction level related to Thai natural cosmetic product that I have already used is high	1	2	3	4	5

BIOGRAPHY

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POSITION