

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



Bachelor Thesis

**Analysis of Consumption and Consumers' Behavior in
the cosmetics industry in China**

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

BACHELOR THESIS ASSIGNMENT

Qianyi Liu

Economics Policy and Administration
Business Administration

Thesis title

Analysis of Consumption and Consumers' Behaviour in Cosmetics Industry in China

Objectives of thesis

The aim of the bachelor thesis is to determine and to evaluate consumption and consumers' behaviour in the cosmetics industry in China.

The aim will be fulfilled based on the partial aims. Then, several hypotheses will be defined and verified. Based on the results of an empirical analysis the final conclusions will be introduced.

Methodology

The bachelor thesis will cover both theoretical and empirical part. Theoretical part will contain theoretical background of the selected topic as well as the methodological framework. Scientific literature will be used to prepare the literature overview. The empirical analysis will be based on own survey. Other suitable methods will be employed as well. Based on the empirical analysis the results will be presented and some recommendations will be suggested.

The proposed extent of the thesis

30 – 40 pages

Keywords

Consumption, consumers' behaviour, cosmetics, China, survey

Recommended information sources

- CARLSON, K A. – WINQUIST, J R. *An introduction to statistics : an active learning approach*. Thousand Oaks, Calif.: SAGE Publications, 2014. ISBN 9781452217437.
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Declaration

I declare that I have worked on my bachelor thesis titled "Analysis of Consumption and Consumers' Behavior in the cosmetics industry in China" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 27.11.2021

_____Liu Qianyi_____

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Analysis of Consumption and Consumers' Behavior in the cosmetics industry in China

Abstract

China is the world's second largest consumer market for cosmetics. No matter in terms of the total retail sales of cosmetics or the cosmetics market size, it still showed an increasing trend. This shows that the Chinese cosmetics market is huge and has great potential. Therefore, this thesis studies, consumption and consumer behavior in the cosmetics industry in China. This thesis explores the current state of the cosmetics industry in China and the four dimensions of product characteristics, information sources, internal motivation and external motivation as factors influencing Chinese cosmetics consumers' purchasing behavior in order to understand the relationship between these four dimensions and the amount of cosmetics purchased. In addition, this thesis makes some recommendations regarding the difficulties and challenges faced by the cosmetics industry in China and the influencing factors derived from statistical analysis. A total of 278 questionnaires were collected for this thesis. Through descriptive statistical analysis and correlation analysis, it was verified that there was a significant positive correlation between each of these four dimensions and the amount of cosmetics consumption.

Keywords: Cosmetics, Consumer behavior, Product characteristics, Information sources, Internal motivation, External motivation, Descriptive statistical analysis, Correlation analysis

Analýza spotřeby a chování spotřebitelů v kosmetickém průmyslu v Číně

Abstrakt

Čína je druhým největším spotřebitelským trhem kosmetiky na světě. Bez ohledu na celkový maloobchodní prodej kosmetiky nebo velikost kosmetického trhu stále vykazoval rostoucí trend. Je ukazováno, že čínský kosmetický trh je obrovský a má velký potenciál. Tato práce proto studuje spotřebu a spotřebitelské chování v kosmetickém průmyslu v Číně. Tato práce se zabývá současným stavem kosmetického průmyslu v Číně a čtyřmi dimenzemi vlastností produktů, informačními zdroji, vnitřní motivací a vnější motivací jako faktory ovlivňujícími nákupní chování spotřebitelů čínské kosmetiky s cílem porozumět vztahu mezi těmito čtyřmi dimenzemi a množstvím zakoupené kosmetiky. Kromě toho tato práce uvádí některá doporučení týkající se obtíží a výzev, kterým čelí kosmetický průmysl v Číně, a ovlivňujících faktorů odvozených ze statistické analýzy. Pro tuto práci bylo shromážděno celkem 278 dotazníků. Prostřednictvím deskriptivní statistické analýzy a korelační analýzy bylo ověřeno, že existuje významná pozitivní korelace mezi každou z těchto čtyř dimenzí a množstvím spotřeby kosmetiky.

Klíčová slova: Kosmetika, Spotřebitelské chování, Charakteristika produktu, Informační zdroje, Vnitřní motivace, Vnější motivace, Popisná statistická analýza, Korelační analýza

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List of abbreviations

CAGR: Compound annual growth rate

KOL: Key Opinion Leader

CZK: Czech koruna

1. Introduction

In recent years, more and more Chinese people have become concerned with managing their appearance. Cosmetics have the effect of enhancing one's appearance and improving one's skin etc. As a result, more and more Chinese people are interested in cosmetics, thus stimulating their consumption. According to Zhongwang Industry Investment Promotion (2021), from 2015 to 2020, the total retail sales of cosmetics in China was on a rising trend with a compound annual growth rate (referred as CAGR) of 8.81%. And the total retail sales of cosmetics in China reached 340 billion yuan in 2020. In addition, it is predicted that China cosmetics market size will reach 455.3 billion yuan in 2021. (Ma, 2020) Therefore, China is the second largest consumer market for cosmetics in the world after the United States. (Ma, 2021) From these data, it is easy to see that the cosmetics market in China is huge and there is still great potential. Thus, a study of consumption and consumer behaviour in the cosmetics industry in China is necessary and meaningful. Consumers are influenced by many factors when purchasing cosmetic products. They may choose to buy or not to buy this cosmetic product because of the product price, the product quality, the product brand and other product characteristics or they may be influenced by some promotional activities. Among the many factors that affect consumers' buying behavior, which factors have a greater impact on consumers, and which factors are not so important to consumers? There are many and complex factors that affect the purchasing behavior of Chinese cosmetics consumers. Many scholars have studied the factors influencing consumers' purchase of cosmetics, but their studies are relatively fragmented or only study different indicators within one dimension and there are relatively few scholars who have conducted research on the Chinese cosmetics market. Therefore, this thesis studies the factors that influence the purchasing behavior of Chinese cosmetics consumers from the four dimensions of product characteristics, information sources, internal motivations and external motivations. This is useful for marketers and cosmetic companies to understand the factors that influence the buying behaviour of Chinese cosmetic consumers and to formulate and produce cosmetics that meet consumer needs. In addition, this thesis puts forward some suggestions on the difficulties and challenges faced by the Chinese cosmetics industry as well as the influencing factors that have been statistically analyzed.

2. Objectives and Methodology

2.1 Objectives

The aim of this thesis is to analyse the current situation of cosmetics consumption in China and the factors that influence the purchasing behaviour of Chinese cosmetics consumers, and to make some recommendations in response to these influences and the difficulties and challenges faced by the cosmetics industry in China.

Firstly, a literature study is conducted to understand the current situation of the cosmetics industry in China. Secondly, the factors that influence the purchasing behaviour of Chinese cosmetics consumers are examined in the literature and statistical analysis is used to confirm whether there are consistent results with the influencing factors presented in the literature. In addition, the current difficulties and challenges faced by cosmetics industry in China are studied through literature. Finally, recommendations are made to address the most influential aspects in the influencing factors and the difficulties and challenges faced by the cosmetics industry in China.

2.2 Methodology

2.2.1 Design of the questionnaire

The first part of the questionnaire consisted of personal information questions about gender, age, job, education level, monthly income and the channels for purchasing cosmetics. These are some basic personal information and cosmetic buying methods, which are collected to facilitate the survey of the factors influencing Chinese cosmetic consumers' buying behaviour. The second part contains questions related to the factors that influence the purchasing behaviour of Chinese cosmetic consumers, i.e. 4 dimensions - 18 indicators. These four dimensions are product characteristics, information sources, internal motivation and external motivation. From these four dimensions (factors), it is explored whether it has an impact on the amount of cosmetics consumption. This part is collected using the Likert scale, where the respondent scores the indicators listed. It is divided into five levels, with a

progressively stronger level of agreement from one to five, with one being totally disagree and five being totally agree. The scores for these questions are important as a measure of respondents' agreement with these indicators. This determines whether these factors can influence consumer behaviour or not. The third part is the specific issue of the amount of cosmetics consumption. It is used to link to the questions in the second part for statistical analysis.

2.2.2 Descriptive analysis

“Descriptive analysis is the type of analysis of data that helps describe, show or summarize data points in a constructive way such that patterns might emerge that fulfill every condition of the data.” (Rawat, 2021) Descriptive analysis is the basis for conducting other statistics. Thus, this thesis uses SPSS to conduct a descriptive statistical analysis on the personal information of the respondents, the factors that affect consumer purchasing behavior, and the actual consumption amount. The descriptive analysis in this thesis are mainly to understand the overall situation of the respondents in the personal information part. While the descriptive statistical analysis of factors and consumption focuses on the mean and standard deviation of each indicator in order to understand the factors influencing the purchasing behaviour of Chinese cosmetics consumers and the actual situation of cosmetics consumption.

2.2.3 Correlation analysis

Correlation analysis refers to the analysis of two or more variables that are correlated in order to measure the degree of correlation between these variables. (Baidu Baike, n.d.) The correlation coefficient is used to measure the closeness of the relationship between variables and to judge the positive or negative correlations. The value range of the correlation coefficient is from 0 to 1. A correlation coefficient greater than 0 indicates a positive correlation between the variables, while a correlation coefficient less than 0 indicates a negative correlation between the variables. When the absolute value of the correlation coefficient is equal to 1, it means that the two variables are completely linearly correlated. When the correlation coefficient is equal to 0, it indicates that there is no linear

correlation between the two variables. An absolute value of the correlation coefficient between 0 and 1 indicates that there is a certain degree of linear correlation between the two variables. The closer the absolute value of the correlation coefficient is to 1, the closer the linear relationship between the two variables; and the closer the absolute value of the correlation coefficient is to 0, the weaker the linear relationship between the two variables. (MBAlib, n.d.) The strength of the relationship represented by the correlation coefficient is classified as follows: no correlation if the absolute value of the correlation coefficient is between 0 and 0.09; weak correlation if the absolute value of the correlation coefficient is between 0.1 and 0.3; medium correlation if the absolute value of the correlation coefficient is between 0.3 and 0.5; and strong correlation if the absolute value of the correlation coefficient is between 0.5 and 1. (Wikipedia, n.d.)

2.2.4 Formulate the hypotheses

In order to verify the relationship between the factors affecting the purchase behavior of Chinese cosmetics consumers and the amount of cosmetics consumption, the author proposes the following hypotheses:

- H0: There is no a significant positive correlation between product characteristics and the amount of cosmetic consumption.
- H0: There is no a significant positive correlation between information sources and the amount of cosmetic consumption.
- H0: There is no a significant positive correlation between internal motivation and the amount of cosmetic consumption.
- H0: There is no a significant positive correlation between external motivation and the amount of cosmetic consumption.

3. Literature Review

3.1 Status of consumption in the cosmetics industry in China

At present, the Chinese cosmetics market is huge and has great potential. In the report, Ma (2021) mentioned that by 2020, China became the world's second largest cosmetics market by market value, after the United States. According to the report of Zhongwang Industry Investment Promotion (2021), from 2015 to 2020, the total retail sales of cosmetics in China was on a rising trend, from 204.9 billion yuan to 340 billion yuan, with the CAGR of 8.81%. However, during this period, as a whole, the growth rate fluctuated significantly. Except for 2017 and 2019, when the growth rate reached or exceeded 12.6%, the rest of the years remained at around 9%.

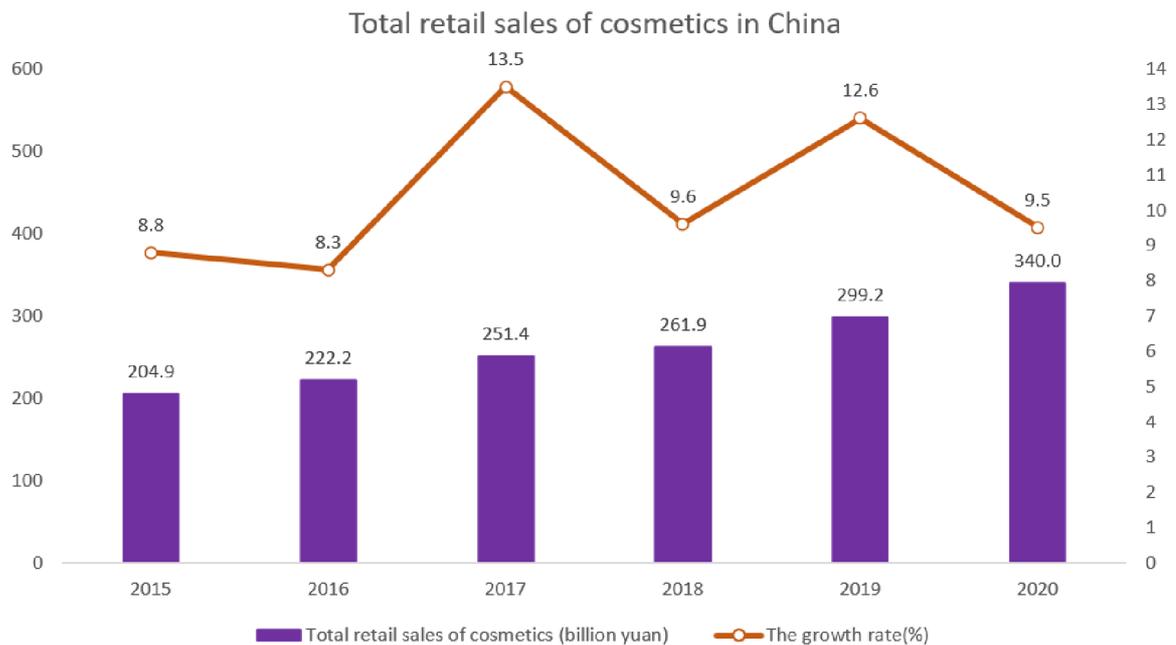


Figure 1: Total retail sales of cosmetics in China

Source: Zhongwang Industry Investment Promotion, 2021 (created by author)

The China cosmetics market size showed an overall growth trend from 2012 to 2021. During this decade, the China cosmetics market size in 2020 was lower than the previous year for the first time at 395.8 billion yuan due to the impact of COVID-19. The forecast showed that China cosmetics market size will reach 455.3 billion yuan in 2021. (Ma, 2020)

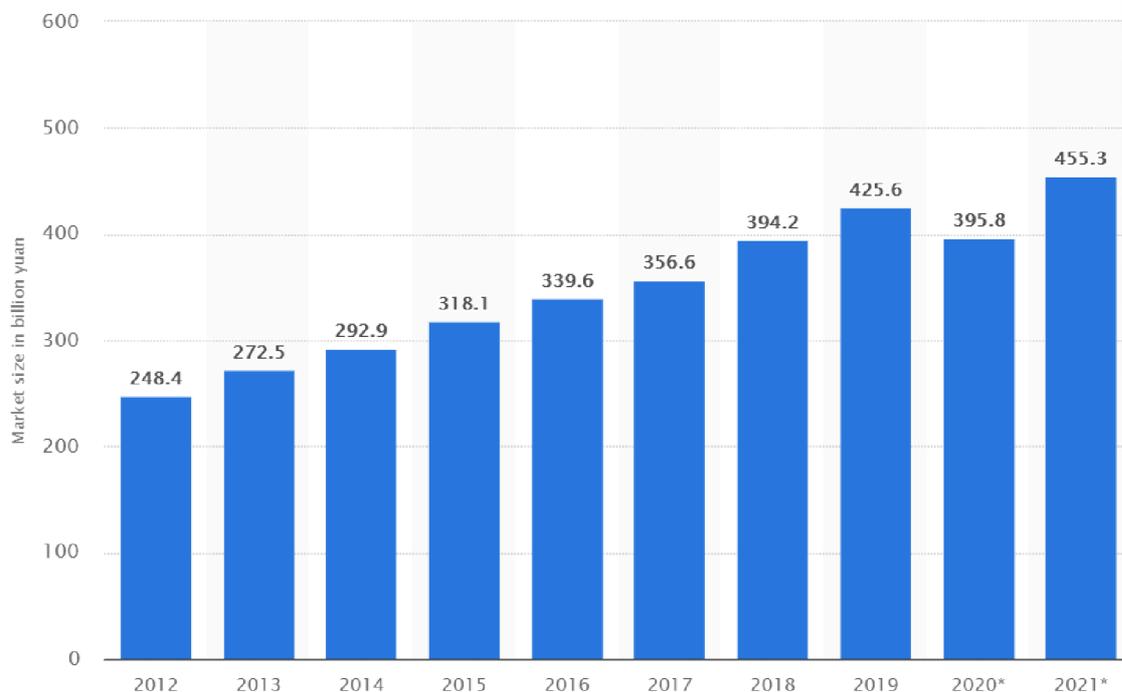


Figure 2: China cosmetics market size

Source: Ma, 2020 (Statista)

Nowadays, skincare products dominate the Chinese cosmetics market. In 2019, skincare products accounted for 51% of the cosmetics market, while make-up products accounted for only 11%. Although the proportion of make-up products was only 11%, CAGR of make-up products was the highest in 2019, reaching 19.43%, which was 9.32% higher than skincare products and 9.51% higher than the entire cosmetics industry in China. (Zhongwang Industry Investment Promotion, 2021) HKTDC Research (2021) pointed out that make-up products market in China is far from saturated. Therefore, make-up products have a lot of room for development and great potential.

In China, the e-commerce channel rose rapidly to become the number one sales channel for cosmetics in 2018, accounting for 27.4%. From 2013 to 2018, the CAGR of e-commerce was 25.6%, far outpacing the CAGR of the second largest cosmetics sales channel at 14.6%, making it the sales channel with the highest CAGR. (Youzan & C2CC Media, 2020) In addition, due to the influence of online shopping festivals such as "Double Eleven" or

"Goddess Day", cosmetics sales peaked in November 2020 and March 2021, which were respectively 32.3% and 42.5% higher than in the previous year. Online sales channels for cosmetics in China increased sharply from 5.3% ten years ago to 38% in 2020. However, many physical stores closed due to the epidemic, resulting in a 0.9% year-on-year decline in sales to 281.3 billion yuan in 2020. (HKTDC Research, 2021) According to Ma's (2021) report, Alibaba's Tmall and JD.com dominated the online sales channel, while cosmetics stores, supermarkets and hypermarkets are the main offline sales channels. Forecasts show that more than half of cosmetics will be sold through e-commerce in 2024.

Although China has become the second largest consumer of cosmetics in the world, the per capita consumption of cosmetics in China is relatively low. China Food and Drug Network (2021) reveal that in 2020, the per capita consumption of cosmetics in China was only 54 US dollars (about 345 Chinese yuan), while the per capita consumption of cosmetics in the United States, Japan and South Korea was 5.1 times, 5.2 times and 4.5 times higher than that in China, respectively. Therefore, there is a great prospect for the development of cosmetic consumption in China.

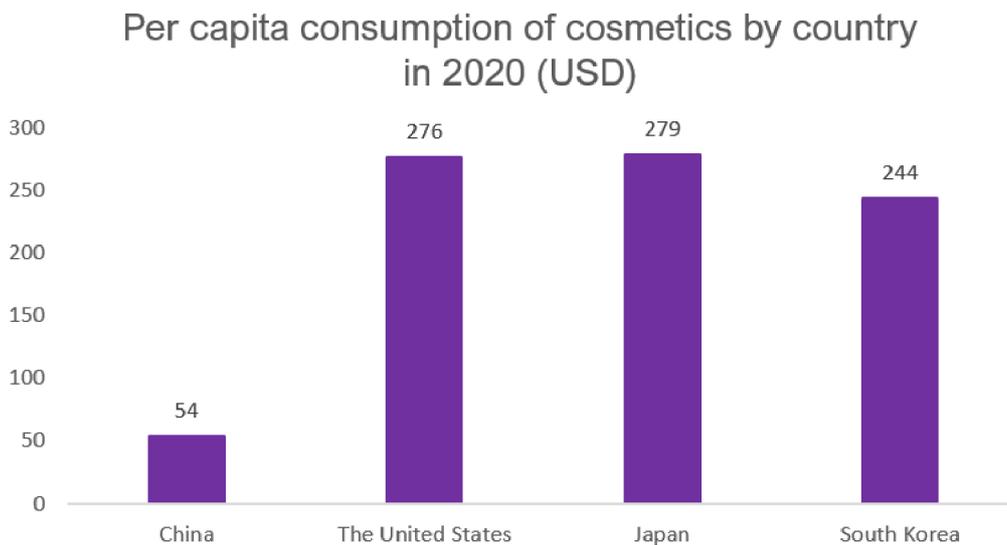


Figure 3 : Per capita consumption of cosmetics by country in 2020 (USD)

Source: China Food and Drug Network, 2021 (created by author)

It is worth noting that foreign cosmetics brands occupy a dominant position in the Chinese cosmetics consumer market. Ma (2021) indicated that more than half of Chinese consumers prefer foreign cosmetic brands to Chinese ones. In China, four-fifths of the brands that dominate the cosmetics market are foreign brands, such as L'Oréal Paris, Lancôme and Estée Lauder. However, with the rise of Chinese cosmetics brands, more cosmetics of Chinese brands rank among the top in China's cosmetics consumer market. According to Youzan & C2CC Media (2020), from 2012 to 2018, the total market share of domestic (China's) cosmetics companies that ranked among the top 20 in market share increased from 7.6% to 14.1%, showing a clear upward trend. Taking skincare products as an example, the top 20 skincare brands accounted for 44.6% of the market in 2018, including 9 Chinese brands with a market share of 20.6%. In general, Chinese consumers are currently more inclined to choose foreign cosmetic brands, but in recent years, Chinese cosmetic brands have gradually become more influential in the Chinese cosmetic market.

To sum up, China currently has a huge cosmetics market and is the second largest cosmetics consumer market in the world. No matter in terms of the total retail sales of cosmetics or the cosmetics market size, it still showed an increasing trend. Therefore, China's cosmetics market still has great potential. In the Chinese cosmetics market, although skin care products occupied a dominant position, make-up products had a high CAGR, so make-up products had more room for development. In addition, e-commerce channels (online channels) was the main channel for cosmetics sales in China and will play an increasingly important role in the future sales. Although China is the world's second largest consumer of cosmetics, per capita consumption of cosmetics in China is relatively low compared to other countries. So far, Chinese consumers prefer to choose foreign cosmetics brands, but in recent years, the influence of Chinese cosmetics brands in the Chinese cosmetics market has gradually increased.

3.2 Theory of consumer behavior

The study of consumer behavior involves many disciplines, including economics, marketing, psychology, sociology and so on. For the study of consumer behavior, the author has conducted research from the definition of consumer, the definition of consumer behavior, the model of consumer's purchase decision process and the factors that influence consumer behavior.

3.2.1 Consumer

According to Cambridge Dictionary (n.d.), a consumer is defined as a person who purchases products or services for his/her own use. Adam (1989, P.136) described a consumer as a person who does not resell the goods or services purchased to others. According to Baidu Baike (n.d.), consumers refer to individuals who purchase various products and services for personal consumption and use purposes or end user of products and services. Besides, Smyczek & Sowa (2005, P.28) pointed out that consumers buy goods or services to meet their personal consumption needs based on their personal preferences and tastes.

However, the concepts of consumer and customer are often confused. A customer is often regarded as consumer, but there is actually a difference between the two concepts. A customer is an individual or company that buys goods and services and pays for them themselves. A customer may resell goods and services or purchase and use goods and services himself. A consumer is an individual, family, or group who ultimately uses or consumes goods and services. A consumer can buy and use goods and services by himself, that is, he cannot resell goods and services to others. A consumer can also just use or consume goods and services without paying any fees. (BYJU'S, n.d.) For example, parents buy food for their children to eat. Parents are customers and children are consumers.

In addition to the concepts of customer and consumer, there are several types of decision roles that need to be identified. Stávkové (2006, P.14) adverted that it is crucial for marketers to understand the types of decision roles, because they can learn what kind of

influence or effect each role has on purchasing behavior. The types of decision roles are as follows:

The Initiator: A person who comes up with ideas for goods and services to purchase for reference.

The Influencer: A person who influences the purchasing process in various ways.

The Decider: A person who makes the final purchase decision, decides what to buy when and how to buy it.

The Purchaser: A person who orders or purchases goods and services directly.

The User: A person who ultimately uses or consumes goods and services. (Rossiter & Percy, 1985)

Although the concepts of customer and consumer are different, there are many times when the customer and consumer are indeed the same person, that is, they buy and use goods and services by themselves. The five types of decision roles can be several people or the same person, as with the concept of customer and consumer, different people or all the same person. In this thesis, the author treats the consumer and the customer as the same person and the five types of decision roles as several people to study the consumer behavior. That is, the research in this thesis assumes that consumers buy and use cosmetics themselves and play the three roles of the decider, purchaser and user. The Initiators and influencers are other people.

3.2.2 The definition of consumer behavior

For the study of consumer behavior, many scholars have given similar or different views and provided a lot of literature. Walters (1974, P.7) describes consumer behavior as a process of purchasing goods and services. This individual has the right to decide whether to buy, when to buy, where to buy, from whom to buy, and what to buy. According to Kardes, Cronley & Cline (2011, P.7), consumer behavior includes not only all activities related to the purchase, use and disposal of goods or services, but also psychological reactions and all behavioral reactions before and after the purchase of goods or services. Kotler (1997, P.172) defined consumer behavior as how individuals, groups and organizations choose, purchase, use and dispose of products, services, ideas and

experiences in order to meet their needs. Schiffman & Kanuk (1983) described consumer behavior as the behavior of consumers in finding, buying, using, evaluating and disposing of products, services and ideas to satisfy their consumption needs. They pointed out that the study of consumer behavior is to study how individuals make decisions and spend their resources on consumption items, such as how much time and money consumers spend on such consumption items. What consumers buy, how they buy, why they buy, when, where, and how often they buy.

3.2.3 The model of consumer's purchase decision process

According to Cao et al. (2013), the consumer's purchase decision process is a process in which consumers generate some demand under certain motivations, and then after evaluation and analysis, select the best plan among several purchasing plans and implement the plan to meet these demands. In addition, the consumer's purchase decision process also includes the behavior of post-purchase evaluation.

➤ Consumer purchase decision has the following characteristics:

- (1) Consumer purchase decision is purposeful. It is a purposeful process of selection and planning in order to satisfy a need and achieve the purpose of the purchase.
- (2) Consumer decision making is processual in nature and is a cyclical process (as shown in Figure 4). Internal and external factors stimulate consumers to generate demand and form purchase motivation, and then choose and implement the best purchase plan. After purchase, the experience will form feedback and affect the next purchase decision.
- (3) Consumer purchase decision is complex in nature. In other words, the process of psychological activities and purchasing decisions is very complicated. Because consumers are affected by too many factors when making decisions, they will not only be affected by psychological factors, but also by external stimuli. Under the influence of these factors, the product or service must be analyzed, reasoned and judged in order to choose a purchase option that is optimal for them. This is a very complex process.
- (4) A consumer's purchase of a certain commodity reflects his subjective needs and wishes. Thus, the consumer purchase decision reflects the subject's needs personality.

(5) Consumer purchase decision is situational in nature. The same consumer purchase decision will vary depending on the situation, as the factors influencing the decision will change over time, place and environment, rather than remain static. (Cao et al., 2013)

➤ The 5 stages of the consumer's purchase decision-making process:

Problem recognition or recognition of need: Problem recognition or recognition of need is the first stage of the consumer's purchase decision process. It occurs when there is a big difference between a person's desired or ideal state and his or her actual state. In other words, consumers decide to purchase goods or services in order to meet their needs (Armstrong, 1991), which may be affected by internal factors and stimulated by external factors. That is, consumers realize that they have certain needs.

Information search: Consumers seek information in various ways in order to find some products as alternatives to choose from. Sources of information for consumers can be divided into internal and external information. Internal information is searched from the consumer's own memory for information about the product, i.e. what the consumer knows about the product. External information is obtained from various external sources, such as family, friends, the internet, product reviews, etc. (yotpo., 2021)

Evaluation of alternatives: Evaluation of alternatives is the evaluation of alternatives by consumers based on the functional and psychosocial benefits offered by the product. Functional benefits are tangible and visible results that can be felt through direct consumer experience, such as the appearance of the product. And psychosocial benefits are abstract and cannot be seen in reality. For example, a person wearing a designer label shows his or her status. (Belch et al., 2009, P. 138)

Purchase decision: A purchase decision is a decision made by a consumer to buy a certain product. In fact, this is a consumer's purchase intention, that is, a purchase instruction to himself or herself. However, this purchase intention may sometimes not actually complete the purchase behaviour, although the consumer's purchase intention is used as a predictor of sales. (Morwitz, Steckel & Gupta, 2007) There are two factors that affect the realization of consumers' purchase intention. The first is the attitude of others, i.e. the attitudes of

others towards the goods that consumers have the intention to purchase. The attitude of others affects the consumer's attitude towards the good. And the strength of the influence depends on the strength of the attitude of others towards the good and the closeness of the relationship between others and the consumer. The second factor is unexpected situations. The formation of a consumer's purchase intention is formed by a combination of many factors and a sudden change in some of these factors can lead to a change in the consumer's purchase intention. For example, prices have risen to an unaffordable level for consumers or a job loss, etc. (Cao et al., 2013, P.47)

Post-purchase evaluation: After completing the purchase behavior, it enters the post-purchase evaluation stage, which is the last stage of the consumer's purchase decision process. At this stage, consumers provide feedback on the products they purchased, i.e. consumers' feedback on product satisfaction. These feedbacks have a significant impact on purchase patterns and consumption activities in the future. (Foxall, 2005)

Model of consumer's purchase decision process is shown in Figure 4.

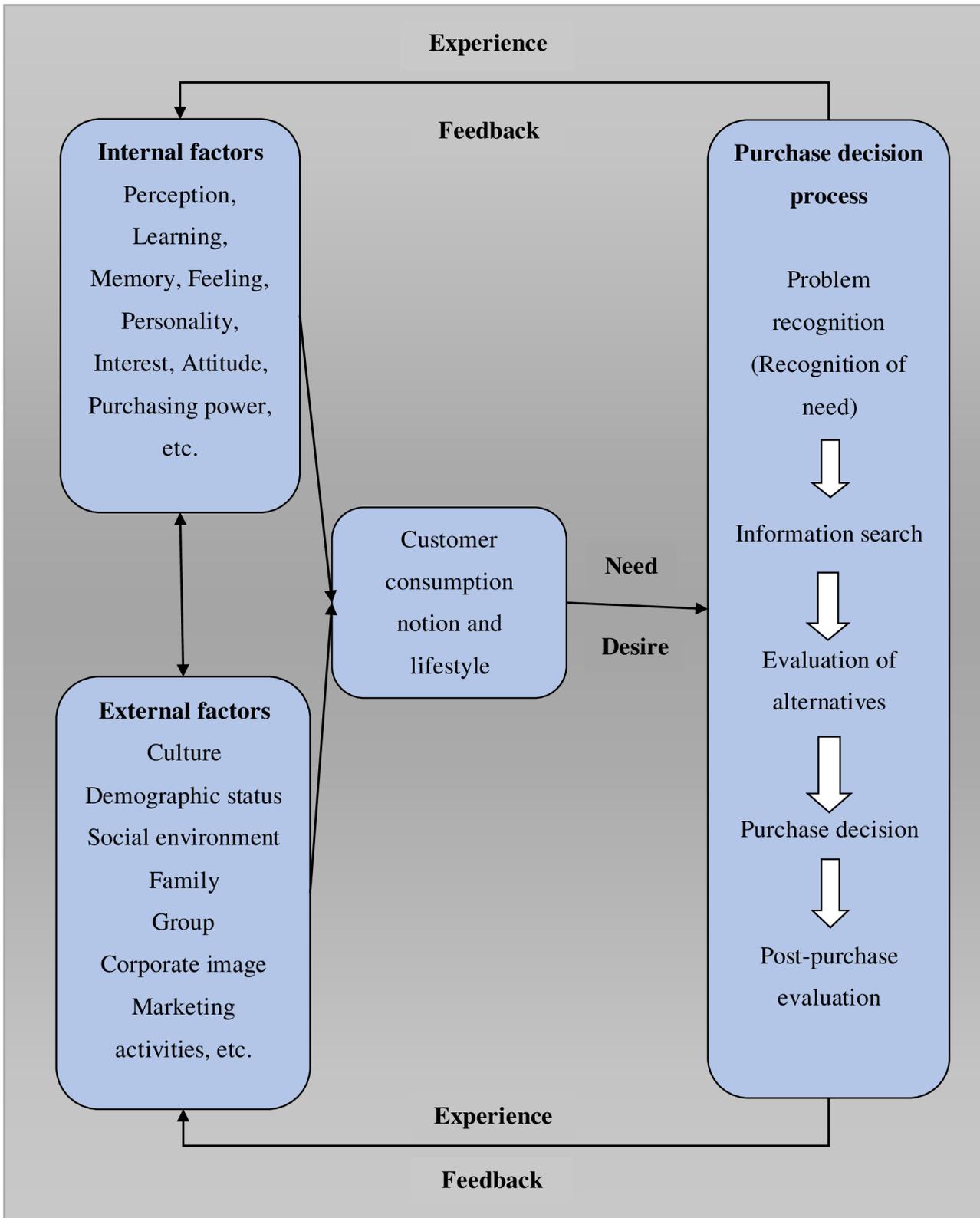


Figure 4: Model of consumer's purchase decision process

Source: Cao et al., 2013 (created by author)

3.2.4 Factors influencing consumer behavior

In order to promote consumption, many scholars have given different views on the research on factors affecting consumer behavior. Among them, the two-factor theory, the three-factor theory and the four-factor theory are relatively common and representative.

➤ **Two-factor theory:**

The two-factor theory believes that consumer behavior is mainly affected by personal and environmental factors. Personal factors include not only psychological factors such as cognition, learning, attitude, and motivation, but also gender, age, income, education, lifestyle, self-image, personality, etc. Environmental factors include family, role, reference group, social class, etc. (Robert, B., Ekelund, J.R. & Robert, F. Hebert , 2013) The two-factor theory can also be understood as external factors and internal factors are the main factors affecting consumer behavior. (Zhang, 2005)

➤ **Three-factor theory:**

The three-factor theory is based on the two-factor theory, adding the factor of marketing. That is, the three-factor theory believes that personal factors, environmental factors and marketing factors are all important factors that affect consumer behavior. The three-factor theory emphasizes the importance of marketing methods, marketing strategies, and marketing activities. In other words, how to influence consumer behavior and stimulate consumption in terms of products, prices, promotions, and channels. (Koser, 2013)

➤ **Four-factor theory:**

Kotler & Armstrong (2013) proposed that cultural factors, social factors, personal factors and psychological factors are the four major factors affecting consumer behavior. Therefore, marketers should take these factors into account when conducting marketing activities.

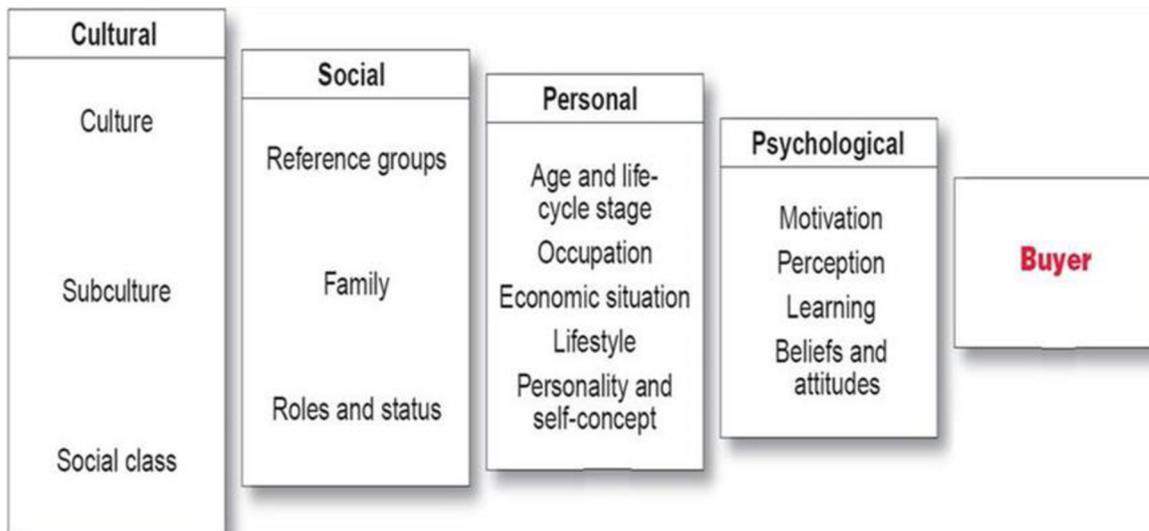


Figure 5: Factors influencing consumer behavior

Source: Kotler & Armstrong, 2013

✧ **Cultural factors:** Cultural factors include culture, subculture and social class.

Culture: Culture is a fundamental determinant of a person's wants and behavior. Culture is the perceptions, beliefs, values, preferences and behaviors that people learn from their families or other important institutions. (Kotler & Keller, 2006, P.174) Culture is a set of beliefs and values shared by the most of people in a group, which influences consumption patterns and decision processes. (N Ramya & Dr. SA Mohamed Ali , 2016)

Subculture: Each culture is made up of different subcultures, such as religion, racial groups, nationalities, and geographic region. These subcultures provide people with a more specific identity and socialization. (Kotler & Keller, 2006, P.174)

Social class: Social class refers to the hierarchy of society based on personal income, education, occupation, power, property, etc. Social class is a relatively ordered and permanent division. The same social class has the same or similar values, interests and behaviors. (N Ramya & Dr. SA Mohamed Ali , 2016)

✧ **Social factors:** Reference groups, family and roles and status belong to social factors.

Reference groups: Reference groups are groups that have a direct or indirect influence on a person. They often influence a person's attitude and behavior toward something. Reference groups can be family members, neighbors, friends, co-workers and other groups that have direct or indirect influence on a person. A person can learn their attitudes and behaviors from the reference group. (Jisana, 2014)

Family: The family has a crucial influence on consumer behavior. The most important consumer buying organization in the society is the family. (Kotler & Keller, 2006, P.177) In the family, the influence of children and wife cannot be ignored, and they have a great impact on consumer behavior.

Roles and Status: A person will have different roles and status in society, depending on the group he currently belongs to. (Kotler & Keller, 2006, P.180) For example, a person is someone's husband in a family and an ordinary worker in a company. When a person is in a different role, his buying behavior will be different.

✧ **Personal factors:** Personal factors influence purchaser decisions and these personal factors include, age and lifecycle stage, occupation, economic situation, lifestyle and personality and self-concept. (Kotler & Keller, 2006, P.180)

Age and lifecycle stage: Age and lifecycle stage have an impact on consumer behavior. At different ages and lifecycle stages, people have different consumer needs. As a result, consumer behavior will be different. (Kotler & Keller, 2006, P.181)

Occupation: Occupation has an influence on consumer behavior. The influence of occupation in consumer behavior is reflected in purchase considerations and purchase decisions. People in different occupation have different concerns when buying goods and services. (N Ramya & Dr. SA Mohamed Ali , 2016)

Economic situation: Economic situation have a significant impact on consumption patterns. (Kotler & Keller, 2006, P.181) Income and savings are important measures of individual and household economic situations. Consumers with higher incomes tend to buy more expensive and better quality products and services. Income is a reflection of purchasing power. Different incomes and savings lead to different purchasing patterns. (N Ramya & Dr. SA Mohamed Ali , 2016)

Lifestyle: Lifestyle refers to a pattern of living in a society and is expressed through interests, activities and opinions. (Kotler & Keller, 2006, P.183) It shows how a person interacts with the environment and the people around him or her. (N Ramya & Dr. SA Mohamed Ali , 2016)

Personality and self-concept: Different personality of each person has different influence on consumption behavior. Personality refers to the unique psychological characteristics used to distinguish individuals or groups. These unique psychological characteristics respond to environmental stimuli in a relatively consistent and persistent manner. (Kotler & Keller, 2006, P.182) According to Wikipedia (n.d.), a self-concept is a collection of beliefs about oneself. It refers to a self-perception or self-descriptive component of a person. Kotler & Keller (2006, P.183) pointed out that consumers usually have a self-concept about themselves. When choosing and buying goods, they will choose the brand personality that matches their self-concept.

✧ **Psychological factors:** Psychological factors affect consumer behavior, including motivation, perception, learning, beliefs and attitudes.

Motivation: “A motive (or drive) is a need that is sufficiently pressing to direct the person to seek satisfaction.” (Kotler & Armstrong, 2010, P.172) Motivation is an internal impulse that causes people to look for ways to satisfy that need. According to Maslow's motivation theory demonstrates 5 levels of needs, ranked from lowest to highest: physiological needs, safety and security needs, social needs, esteem needs and self-actualization needs. Maslow

(1943, 1954) pointed out that people usually meet the most important needs for them first. Once this need is met, the next level of needs will become a new motivation, continuing to motivate people to achieve it, and so on.

Perception: Kotler & Armstrong (2010, P.174) described perception as a process of forming a meaningful world, through the way of selecting, organizing and interpreting information. In other words, perception is the process by which consumers gather product information in various ways, interpret the collected product information and form certain opinions about the product.

Learning: Learning is a behavioral change resulting from previous experience. It is ongoing and dynamic. Learning can be the experience gained from practice that leads to behavioral change. Learning can also be the relevant knowledge gained from understanding concepts at the theoretical level, in a way called nonexperiential learning. (Lumen, n.d.) Consumers can learn and understand product information through learning.

Beliefs and attitudes: Beliefs and attitudes are consumers' feelings, evaluations and tendencies towards products and their views on products all the time. Consumers' beliefs and attitudes towards the product reflect the brand image of the product in the mind of the consumer, thereby affecting consumer behavior. (Jisana, 2014)

3.3 Factors affecting the purchase behavior of Chinese cosmetic consumers

There are many factors that affect the purchasing behavior of Chinese cosmetics consumers and they are also very complex. Not only are they influenced by internal factors, but they are also stimulated by external factors. In this section, the author has studied the factors influencing Chinese cosmetic consumers' buying behaviour in three areas: product characteristics, information sources and consumer motivation. Among them, consumer motivation is divided into internal motivation and external motivation in the research.

3.3.1 Product characteristics

The product characteristics mentioned here are different from the product characteristics in the marketing sense. The research here is about some attributes and characteristics of cosmetics. The author explores the impact of cosmetic characteristics on Chinese cosmetic consumers in terms of cosmetic brand, cosmetic packaging, cosmetic price, cosmetic quality and cosmetic efficacy.

Cosmetic brand: A brand has a unique name, symbol and design to distinguish the goods and services of other sellers. (Wikipedia, n.d.) Brand is one of the company's most important and valuable assets. (Investopedia, 2021) Brands can establish an image in the minds of consumers. Brand image is the customer's external perception of the brand experience (Chakraborty & Bhat, 2018). A good brand image can promote consumption, while a bad brand image is the opposite. Norazah (2013) pointed out that the consumer's intention to use the product is influenced by the consumer's attitude to the brand, in terms of the choice of the same type of product. Therefore, it is necessary for companies to establish a positive and good brand image. Loudon & Della Bitta (1988) mentioned that customers prefer familiar brands because they have high product quality, low purchase risk and are less likely to make mistakes. This is one of the effects that brand image has on customers. Chinese cosmetic consumers prefer foreign brands in their choice of brands, due to the good image of some foreign brands. Chinese domestic brands were less recognised by consumers for a long time, which was a result of the poor image of domestic brands. However, today the image of Chinese domestic brands has gradually become better and more and more Chinese consumers buy domestic brand cosmetics. According to Youzan & C2CC Media (2020), the total market share of the top 20 domestic (Chinese) cosmetic companies in terms of market share increased from 7.6% to 14.1% from 2012 to 2018, showing a clear upward trend.

Cosmetic packaging: Kotler et al. (2008) described packaging as the activity of using design for the production of product containers. Underwood, Klein & Burke (2001) proposed that the unique value of the company's products can be demonstrated by a good

packaging style. Therefore, Silayoi & Speece (2004) considered this to be a unique tool for product differentiation. Adelina & Morgan (2007) proposed that packaging is one of the most valuable tools for marketers, because it influences consumer buying behaviour. Chae & Jung (2017) pointed out in the report that female college students attach great importance to the appearance and packaging of cosmetics. And good-looking cosmetics packaging can attract their attention and make them want to buy.

Cosmetic price: Ejye (1997) defined price as an element of exchange. It usually occurs when two parties are trading and the price is the symbol of what the buyer has to give up to the seller in order to get what he wants. Price affects customer satisfaction, which in turn has a significant impact on consumer behavior. (Hermann et al., 2007) Besides, Mirabi, Akbariyeh & Tahmasebifard (2015) proved that consumers' buying intention is affected by price. In addition, Story & Hess (2006) pointed out that the choice of decision determines the influence of purchase behavior and price. However, price does not affect the purchase intention, when consumers are loyal to the brand. They are willing to pay a higher price in order to get a product from their favourite brand. They think it is worthwhile and believe in the value of the brand and the price that corresponds to it. (Keller, 2003) In general, the price of cosmetics affects consumers' purchasing behavior. Hameed & Kanwal (2018) demonstrated that price has a significant impact on cosmetics purchase intention. Unless a certain cosmetics consumer has high loyalty to certain certain brands.

Cosmetic quality: Product quality has a significant impact on brand loyalty. Therefore, companies can improve the quality of their products in order to achieve higher performance and thus gain a competitive advantage. (Russell & Taylor, 2006) Tsiotsou (2005) showed that customers' buying intention is affected by product quality and they are more likely to buy high quality products. For marketers, therefore, product quality plays an important role in marketing strategies. (Shaharudin et al, 2011) Consumers are paying more and more attention to the product quality, and when the high quality of the product makes consumers satisfied, they will buy it again and again, otherwise they will switch to a better quality product for their purchase. Therefore, product quality is defined as “fitness for use”. (Russell & Taylor, 2006) When buying cosmetics, consumers may consider the

quality of the product even more than the price. This is because high quality cosmetics may have more or better functionality.

Cosmetic efficacy: Efficacy is the ability to produce a intended result (Cambridge Dictionary, n.d.) or the power to produce an effect. (Merriam Webster, n.d.) The efficacy of a cosmetic product refers to the function of the cosmetic product, for example, sun protection, anti-ageing effects, whitening effects, etc. The efficacy of cosmetics is to solve, improve people's skin problems and generally have a caring effect on the skin. (Baidu Baike, n.d.) According to Fang & Liu (2019), efficacy is an important influencing factor for consumers when purchasing cosmetics. In their study, they found that the efficacy of cosmetic products was the most important factor to consumers, even surpassing price as a factor.

3.3.2 Information sources

When a consumer want to buy a cosmetic product, the consumer begins to gather information about it and the information gathered by the consumer comes from a variety of sources. Consumers get their information from these four main sources: empirical sources, personal sources, public sources and commercial sources. (Cao et al., 2013, P.40)

Experiential sources are sources of information that consumers have gained through their own experiences, that is, sources of information that they have gathered from their own purchases and use of cosmetics. Information is obtained from personal contacts such as family, friends, colleagues, etc. This source of information is called a personal source. For example, a consumer knows about cosmetics through recommendations from family and friends. Public sources refer to the way consumers obtain information from the media, such as television, radio, magazines and newspapers, etc. For example, consumers learn about cosmetics on television and radio. Commercial sources are the main sources of information available to consumers, including all information provided by advertisements, presentations by salesman and product manuals, etc. Consumers can get information about cosmetics through the presentation by cosmetic salesman before they buy them. It is also

possible to learn about cosmetics by watching advertisements or by reading cosmetic product manuals. Companies can control this source of information. (Cao et al., 2013, P.40)

Of these sources, the most important source of information is the commercial source. Because commercial sources can be controlled by companies, consumers can learn about product-related information through this information source, which is more reliable. (Cao et al., 2013, P.40)

3.3.3 Consumer motivation

Motivation is the internal drive that drives consumers to make purchases in order to satisfy their needs. It reflects consumers' psychological, emotional and spiritual needs. (Cao et al., 2013, P.82~83) Motivation is one of the psychological factors, which affects the purchasing behavior of Chinese cosmetics consumers. When a person has a need to buy cosmetics and that need is strong enough, it will turn into a motivation to buy cosmetics.

Consumers' motivations are divided into internal motivations and external motivations. Internal motivation refers to the motivation that the individual does not need external force, and is derived from the interest in the activity itself. This activity may make you happy and satisfied. For example, a consumer buys cosmetics because she is interested in skin care or make-up. The fact that buying cosmetics makes her feel happy and satisfied is an internal motivation for the consumer to buy cosmetics. External motivation refers to the motivation triggered by an external stimulus, rather than due to the activity itself. For example, someone does something to avoid punishment or a consumer is influenced by a promotion to buy cosmetics. (Baidu Baike, n.d.)

The types of cosmetics purchasing motivation in China:

- (1) Beauty motivation: This kind of purchase motivation focuses on the appreciation value and artistic value of the goods. Consumers with beauty motivation pay attention to the beautification effect of the goods on the human body, the performance effect on the body, the edification effect on people's spiritual life, the decoration effect on the environment, and pursue the psychological enjoyment and satisfaction brought by the

beauty of the goods when they buy the goods. (Cao et al., 2013, P.84) The motivation for purchasing cosmetics is very consistent with the motivation for beauty. Consumers buy cosmetics to make themselves beautiful and to pursue aesthetics in appearance.

- (2) New motivation: This purchase motivation focuses on novelty, fashion and speciality of the product. Consumers with this purchase motivation pursue unique and fashionable products and disdain old and outdated products. Generally speaking, consumers with new motivations are easily affected by the social environment and fashion trends, but on the other hand, they accept new things and new ideas quickly. (Cao et al., 2013, P.84) Some young cosmetics consumers like to try new cosmetics, whether it is a new brand of cosmetics or cosmetics with new efficacy. They are susceptible to outside influences or marketing methods. For example, they may buy new brands of cosmetic recommended by influencers through social media. Their purchase motives are in line with the concept of new motives.
- (3) Realistic motivation: Realistic motivation is a purchase motivation that focuses on the actual use value of goods or services, that is, the pursuit of the practicality of goods or services. Consumers with realistic motivation value the quality and function of the product, emphasizing economical benefits and durability. They don't care what the appearance of the product is packaging, shape, color, etc., when they buy the product. They are not easily affected by advertising and choose to purchase products carefully. (Cao et al., 2013, P.84) Some cosmetic consumers, when buying cosmetics, will consider a lot of product information, such as whether the efficacy of the cosmetics is what they need, whether the ingredients of the cosmetics are safe, and so on. Their purchase motivation is a realistic motivation.
- (4) Cheap motivation: Cheap motivation is to pursue low prices and obtain as much material as possible at the lowest possible price. The most important feature of consumers with this motivation is price sensitivity. They often buy products at discounts (or relatively large discounts). Some consumers do not even know about the products and purchase them only because of the large discounts. Or consumers with cheap motivation buy some expensive goods when they are on sale. (Cao et al., 2013, P.84) Some middle-aged cosmetics consumers may buy cosmetics at discounted prices, even though they may not be suitable for her or even cannot prove that the ingredients are safe. They blindly pursue low price cosmetics, which is a manifestation of their

cheap motivation, but it is not advisable to blindly pursue low price cosmetics while ignoring the safety of the product.

- (5) Preference motivation: Consumers have a preference for a certain commodity or a certain company's commodity. This kind of purchase motivation based on a certain commodity or a certain company is called a preference motivation. This is due to the fact that consumers often use a certain commodity or commodities produced by a certain company and develop certain emotions towards them, thus have a preference motivation. On the other hand, this also shows that these commodities have a good brand image or a good corporate image. (Cao et al., 2013, P.85) For example, some cosmetics consumers are particularly fond of perfume, even to the point of obsession. They collect and buy many different brands of perfumes with different scents. And there is the cosmetic consumer who trusts and prefers a particular medical cosmetics brand so much that she buys many different types of cosmetics under that brand. These behaviors all reflect the preference motivations of cosmetic consumers.

Previous research on motivation in Chinese cosmetics consumption behaviour:

- (1) Zhao & Sun (2012) studied the purpose of makeup for female college students from three aspects: obtaining psychological satisfaction, increasing self-confidence and adapting to the needs of the occasion. According to their survey, 61.1% of female college students believe that women in the workplace need to wear make-up, 20.4% believe that make-up is used to make themselves look better and 7.4% use make-up to pursue fashion. Understanding the specific motivations of female college students buying cosmetics is very useful and helpful for marketers to formulate corresponding marketing plans.
- (2) When Xu (2012) studied the motivations and ways of purchasing skincare products among post-80s men, he found that some of the purchase motivations and purchase ways were related. The purchase motivations he studied included five aspects: product quality, cheap motivation, flaunt of brand, novel products and interpersonal interaction. The purchase ways he studied included online and physical shop purchases. Therefore, purchase motivations and purchase ways are both important.
- (3) Chen (1991) believes that the type of purchase motivation and other key factors affect the cosmetic consumption behavior, which is mainly reflected in the difference in

purchase amount. Purchase behaviour of groups with different motivations differed significantly in terms of preference in brand selection, influence of counter service staff and the number of gifts received. Thus, it is necessary to study cosmetics purchase motivation, which will directly affect consumer behavior.

- (4) Liu (2003) pointed out that brand satisfaction affects the change of consumers' motivation to buy cosmetics. Hence, companies should pay attention to the satisfaction of cosmetic brands and improve satisfaction to attract more consumers.

3.4 Difficulties and challenges in the cosmetics industry in China

3.4.1 Small share of Chinese brands in the Chinese cosmetics market

In the Chinese cosmetics industry, foreign cosmetic brands dominate, while domestic brands occupy a smaller market share. Especially in the high-end market of makeup products, foreign brands have almost monopolised the Chinese market. (iiMedia, 2020) Foreign brands account for four-fifths of the brands that dominate the cosmetics market in China, such as L'Oréal Paris, Lancôme and Estée Lauder. (Ma, 2021) Enterprises lack the operation and innovation ability of Chinese cosmetics brands, and insufficient investment in the research and development of cosmetics products, resulting in low brand awareness and failing to establish a good brand image in the Chinese cosmetics market. (China Competition Information, 2021) Chinese cosmetic brands are not well known and have not established a good brand image, resulting in a small market share for Chinese cosmetic brands in China.

3.4.2 Regulatory issues for online sales channels

The online sales channel is the number one sales channel for cosmetics today. As there are many merchants in the online channel, some cosmetic products are not guaranteed to be of good quality and safe and after-sales protection is poor. It is also due to the fact that there are so many merchants that the authorities may not have sufficient supervision over online channels, insufficiently exposing and punishing unscrupulous merchants. This also makes

it difficult for consumers to defend their rights when they encounter problems with cosmetic products. The effectiveness of regulation of online sales channels affects the long-term development of China's cosmetics industry. (China Competition Information, 2021)

3.4.3 The quality of cosmetics is uneven

There are both safe and high quality cosmetics in the Chinese cosmetics market, but there are also poor quality cosmetics that do not meet safety standards. They exist in the Chinese cosmetics market at the same time. There are many small cosmetic companies in China who produce poor quality cosmetics but at cheap prices. There are even some small cosmetic companies whose products do not meet safety standards. They may imitate some famous brand cosmetics, pretend they are famous brand cosmetics and sell them to consumers at an expensive price. Or they may produce cosmetics with similar names or packaging to those of famous brands to confuse consumers and make consumers buy them at cheap prices. (China Competition Information, 2021)

4. Analysis Part

4.1 Descriptive analysis

4.1.1 Descriptive analysis of personal information

A total of 278 people completed the questionnaire, of which 116 were males, accounting for 41.73%; while the number of female participants was 162, accounting for 58.27%. This questionnaire has more female answers than men, so this questionnaire is more representative of women's opinions to a certain extent.

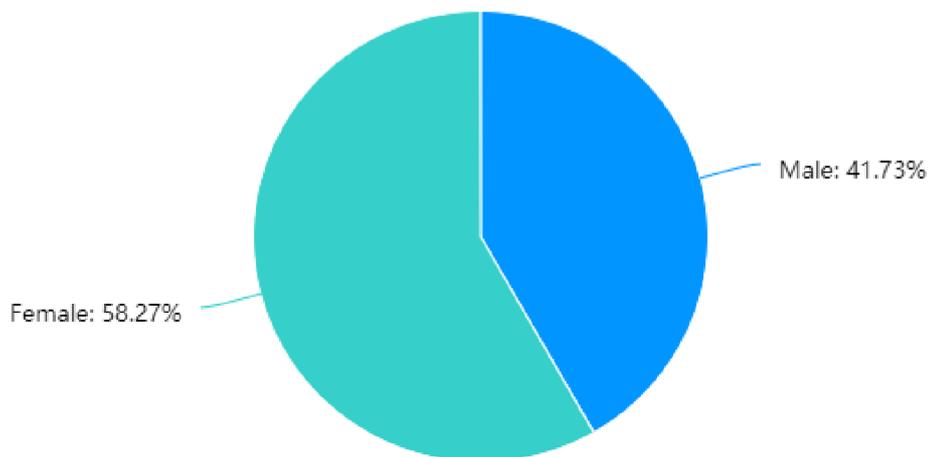


Figure 6: Gender

Source: Created by the author from the questionnaire

Among the participants in this questionnaire survey, 5 are younger than 18 years old, accounting for 1.8%. There are 129 people aged from 18 to 25, accounting for 46.4%. There are 90 people aged from 26 to 30, accounting for 32.37%. There are 46 people aged from 31 to 40, accounting for 16.55%. There are 8 people over 41 years old, accounting for 2.88%. As shown in Figure 7, the majority of people participating in this survey are young people, with most people aged between 18 and 25 and many people aged between 26 and 30, making them the second largest group in this survey.

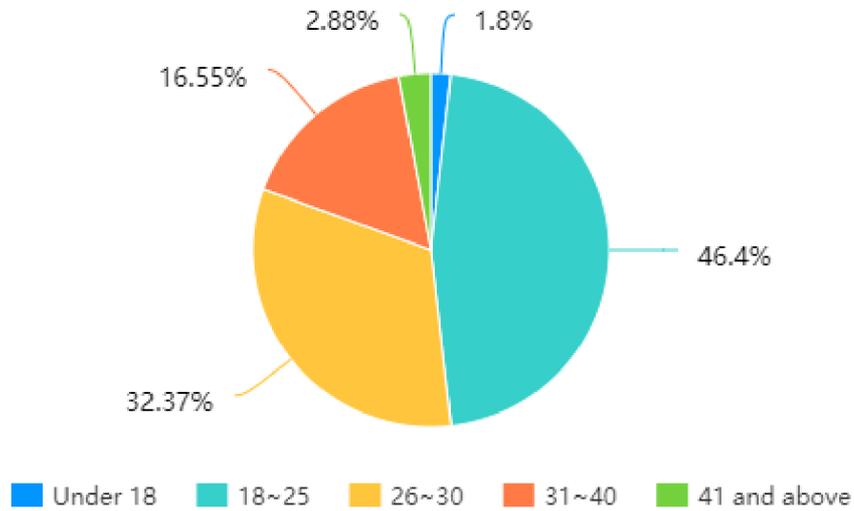


Figure 7: Age

Source: Created by the author from the questionnaire

The occupational status of the participants in this survey is shown in Figure 8. Among them, 84 students participated, accounting for 30.22%; 169 full-time employees, accounting for 60.79%; 19 freelancers, accounting for 6.83%; 2 retirees, accounting for 0.72%; 4 unemployed, accounting for 1.44%. In this survey, full-time employees participated in the largest number, followed by students.

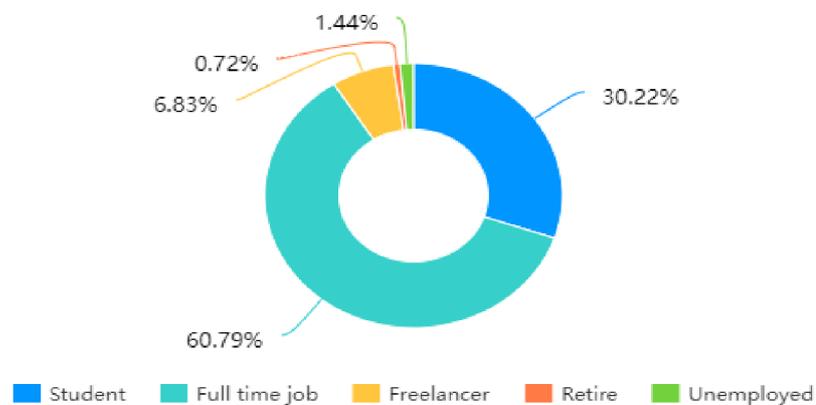


Figure 8: Job

Source: Created by the author from the questionnaire

The educational background of the participants in this survey is as follows (as shown in Figure 9) : there are 24 people with high school education or below, accounting for 8.63% of the total number; 178 people with bachelor degree, accounting for 64.03%; 67 people with master degree, accounting for 24.1%; 4 people with PhD degree, accounting for 1.44%; and 5 people with other degrees, accounting for 1.8%. Participants in this survey were predominantly bachelor's degree holders, followed by master's degree holders.

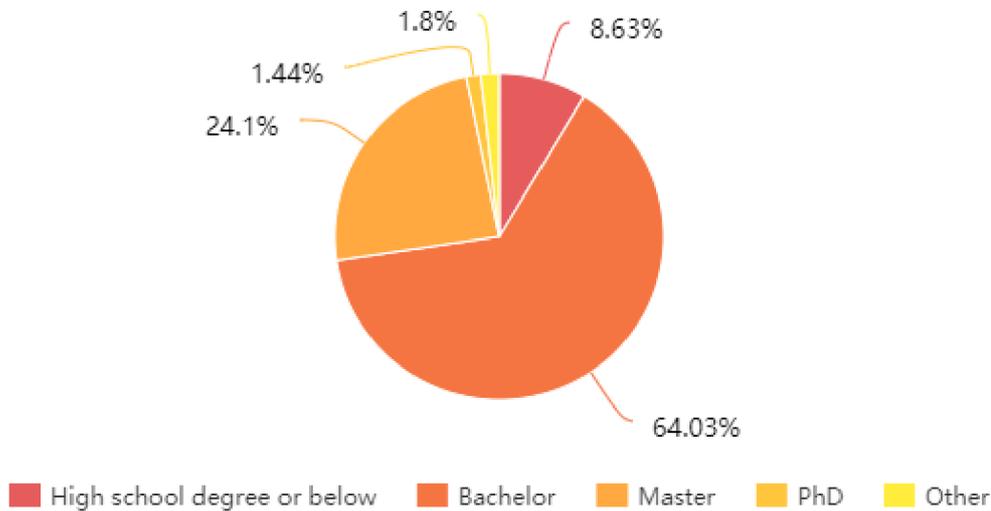


Figure 9: Education level

Source: Created by the author from the questionnaire

As there are many students participating in this survey, the part of monthly income also includes support from their parents. The monthly income of less than 3,000 yuan is 66, accounting for 23.74%. There are 26 people whose monthly income is between 3,000 and 5,000 yuan, accounting for 9.35%. There are 25 people, accounting for 8.99%, whose monthly income ranges from 5,001 yuan to 7,000 yuan. There are 35 people, accounting for 12.59%, whose monthly income ranges from 7,001 yuan to 9,000 yuan. There are 48 people, accounting for 17.27%, monthly earned 9,001-11,000 yuan. There are 78 people, accounting for 28.06%, monthly earned more than 11,000 yuan. Those earning more than \$11,000 a month are the most numerous, but those earning less than \$3,000 a month are

the second most numerous. This indicates that there is a large income gap among the participants in this survey.

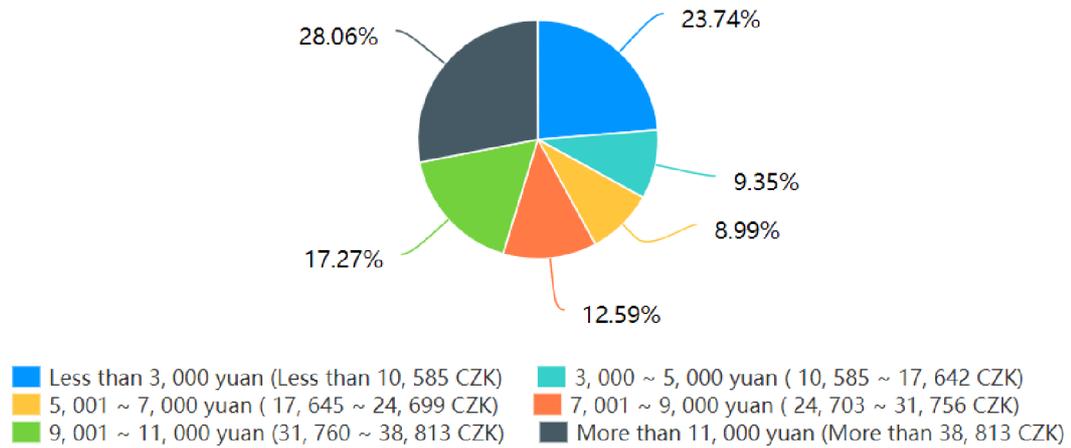


Figure 10; Monthly income

Source: Created by the author from the questionnaire

Among the respondents, 227 people prefer to buy cosmetics through online channels, accounting for 81.65%; Only 51 people, accounting for 18.35%, prefer to buy cosmetics in physical stores. The majority of people prefer to buy cosmetics in online shops in this survey.

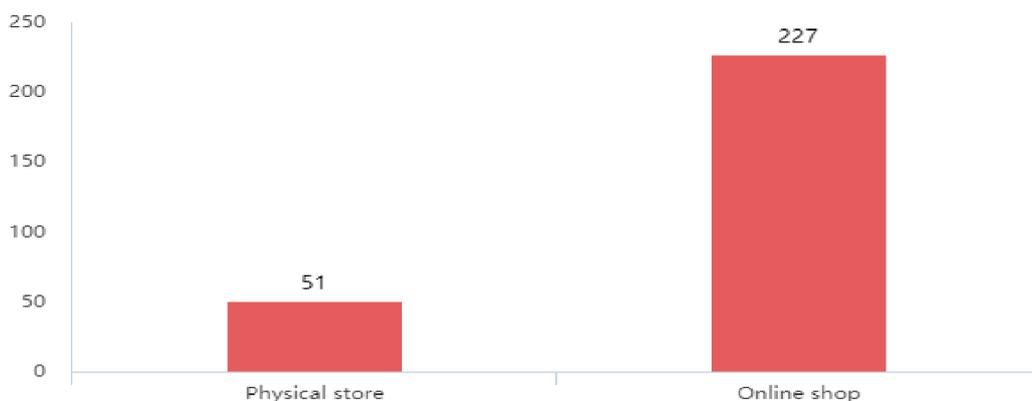


Figure 11: Cosmetics purchase channels

Source: Created by the author from the questionnaire

4.1.2 Descriptive analysis on factors and consumption

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
7. When you buy cosmetics, you value the product brand.	278	1	5	4.03	.885
8. When you buy cosmetics, you value product packaging.	278	1	5	3.59	.986
9. When you buy cosmetics, you value the product price.	278	1	5	4.21	.926
10. When you buy cosmetics, you value product quality.	278	1	5	4.50	.898
11. When you buy cosmetics, you value product efficacy.	278	1	5	4.42	.919
12. You usually get information about cosmetics through recommendations from family members and friends.	278	1	5	3.86	.884
13. You usually get information about cosmetics through newspapers and magazines.	278	1	5	3.28	1.096
14. You usually get information about cosmetics through TV and radio.	278	1	5	3.35	.994
15. You usually get information about cosmetics through the recommendations from influencers (KOL) on social media or the internet.	278	1	5	4.11	.905
16. You usually get information about cosmetics based on past experience.	278	1	5	4.29	.894
17. You buy cosmetics to be beautiful and gain confidence.	278	1	5	4.19	.947
18. You buy cosmetics because you want to try new products.	278	1	5	3.66	.947
19. You buy cosmetics because you are interested in make-up and skincare.	278	1	5	4.01	1.105
20. You are in the habit of using cosmetics in your life, so you buy them.	278	1	5	4.15	1.002
21. You buy cosmetics because of a work requirement (wearing make-up to work).	278	1	5	3.46	1.087
22. You buy cosmetics because you have just run out of them.	278	1	5	3.93	.957
23. You buy cosmetics as a result of a promotion. (For example, discounts, Double 11 shopping festival, etc.)	278	1	5	4.22	.967
24. The value placed on good looks in today's society is what motivates you to buy cosmetics. (cultural influences in society)	278	1	5	3.76	.947
25. How much do you spend each time buying cosmetics?	278	1	5	3.23	1.463

Table 1: Descriptive statistics for indicators

Source: Created by the author from the questionnaire & SPSS

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
ProductCharacteristics	278	1.00	5.00	4.1482	.73365
InformationSources	278	1.00	5.00	3.7784	.71181
InternalMotivation	278	1.00	5.00	4.0036	.82547
ExternalMotivation	278	1.00	5.00	3.8426	.77045
Valid N (listwise)	278				

Table 2: Descriptive statistics for factors (4 dimensions)

Source: Created by the author from the questionnaire & SPSS

The descriptive statistical analysis on factors and consumption focus on the mean and standard deviation of each indicator in order to understand the factors that affect the purchase behavior of Chinese cosmetics consumers and the actual situation of cosmetic consumption. The questionnaire is based on a Likert scale, i.e. it is divided into five levels, with a progressively stronger level of agreement from one to five, with one being totally disagree and five being totally agree. The mean is used to measure the level of agreement of the respondent with an indicator. The higher the mean value, the higher the degree of respondents agreeing with this indicator. In addition, the standard deviation is used to measure that the different respondents' opinions on the same indicator are relatively uniform or relatively divergent. The smaller the standard deviation, the more uniform (more similar) the opinions of different respondents on the same indicator.

According to Table 1, the mean values range from 3.23 to 4.5, indicating that the respondents generally agree with these indicators. The standard deviations range from 0.884 to 1.463, indicating that respondents have relatively large differences in opinions on some indicators, while their opinions on some indicators are relatively uniform. According to Table 2, the respondents are relatively agree on the four dimensions and their views on these four dimensions are relatively not very different. The mean values for all four dimensions exceed 3.7 and the standard deviations are between 0.7 and 0.8.

Product characteristics (Indicator 7~11): Table 2 shows that among the four dimensions, the mean value of product characteristics is highest, at 4.15, indicating that respondents are

highly in agreement with the indicators of the product characteristics dimension. The dimensions of product characteristics include product brand, product packaging, product price, product quality and product efficacy. Table 1 shows that among the product characteristics dimensions, the respondents' agreement with the packaging is lower than the other indicators, i.e. they do not care as much about the packaging as they do about the brand, price, quality and efficacy of the cosmetic product. As can be seen from Table 2, the standard deviation for the product characteristics dimension is 0.73, indicating that respondents are all relatively united in their opinions on the indicators of the product characteristics dimension. According to Table 1, respondents' opinions on product brand are the most unified (most similar) in comparison to the other indicators, with the smallest standard deviation of 0.885, while their opinions on product packaging are the most divergent in this dimension.

Information sources (Indicator 12~16): According to Table 2, the agreement of the information source dimension is the lowest compared with other dimensions, with a mean of 3.78. And it also has the smallest standard deviation compared to the other dimensions, at 0.71, so respondents have the most similar views on the indicators of the information source dimension. Table 1 shows that among the information source dimensions, there are high level of agreements on indicator 15 ("You usually get information about cosmetics through the recommendations from influencers (KOL) on social media or the internet.") and indicator 16 ("You usually get information about cosmetics based on past experience."), with the mean values of over 4. However, the level of agreement is relatively low for indicator 13 ("You usually get information about cosmetics through newspapers and magazines.") and indicator 14 ("You usually get information about cosmetics through TV and radio."), with a mean value of only around 3.3. In this dimension, the standard deviation for indicator 13 is really large, reaching 1.096, which shows that the respondents' opinions on this indicator are quite different.

Internal motivation (Indicator 17~20): As can be seen from Table 2, the internal motivation dimension has a relatively high level of agreement, with a mean of 4. Although the standard deviation of the internal motivation dimension is small overall, at 0.83, the standard deviation of the internal motivation dimension is the largest of the four

dimensions, indicating that respondents' opinions of the indicators included in this dimension are more varied than those of the other three dimensions. According to Table 1, in the internal motivation dimension, the mean value of indicator 18 ("You buy cosmetics because you want to try new products.") is the smallest compared to other indicators in the same dimension, at 3.66, which indicates that respondents' agreement with indicator 18 is the lowest compared to other indicators in the same dimension. However, the standard deviations of Indicator 19 ("You buy cosmetics because you are interested in make-up and skincare.") and Indicator 20 ("You are in the habit of using cosmetics in your life, so you buy them.") both exceed 1, indicating that respondents' opinions on Indicator 19 and Indicator 20 are highly divergent.

External motivation (Indicator 21~24): According to Table 2, the external motivation dimension has a relatively low level of agreement compared to other dimensions, with a mean value of 3.84. The standard deviation of the external motivation dimension is 0.77. On the whole, this standard deviation is not large, but compared with the standard deviations of the other three dimensions, the value of this standard is the second largest. In other words, compared with the other three dimensions, the respondents' opinions on this dimension are relatively different. Table 1 shows that in the external motivation dimension, respondents have the highest degree of agreement with indicator 23 ("You buy cosmetics as a result of a promotion. (For example, discounts, Double 11 shopping festival, etc.)"), with a mean value of 4.22, indicating that respondents consider promotions to be the external motivation that most motivates them to buy cosmetics in this survey. However, respondents' agreement with indicator 21 ("You buy cosmetics because of a work requirement (wearing make-up to work).") is the lowest in this dimension, with a mean value of 3.46. Moreover, there is a wide divergence of opinion on indicator 21, with a standard deviation of 1.087.

Cosmetic consumption amount (Indicator 25): It can be seen from Table 1 that the degree of agreement on the amount of cosmetics consumption is the lowest, with the smallest mean of all indicators at 3.23. In other words, respondents may not spend a lot of money on cosmetics. Moreover, the standard deviation of the cosmetic consumption

amount is 1.463, which is the largest among all the indicators. In other words, the respondents have very different views on the cosmetic consumption amount.

4.2 Correlation analysis

Correlation analysis refers to the analysis of two or more variables that are correlated in order to measure the degree of correlation between these variables. (Baidu Baike, n.d.) This thesis uses Pearson correlation analysis to understand the relationship between the factors that affect the purchase behavior of Chinese cosmetics consumers and the amount of cosmetics consumption, as well as the degree of influence between them.

4.2.1 Correlation analysis between product characteristics and cosmetic consumption amount

Correlations

		ProductCharacteristics	25. How much do you spend each time buying cosmetics?
ProductCharacteristics	Pearson Correlation	1	.532**
	Sig. (2-tailed)		<.001
	N	278	278
25. How much do you spend each time buying cosmetics?	Pearson Correlation	.532**	1
	Sig. (2-tailed)	<.001	
	N	278	278

** . Correlation is significant at the 0.01 level (2-tailed).

Table 3: Correlation analysis between product characteristics and cosmetic consumption amount

Source: Created by the author from the questionnaire & SPSS

H0-1: There is no significant relationship between product characteristics and cosmetic consumption amount

H1-1: There is significant relationship between product characteristics and cosmetic consumption amount

According to Table 3, α is 0.01 and the P value less than 0.001. The P value is less than α , so the null hypothesis is rejected. It means that there is significant relationship between product characteristics and cosmetic consumption amount. In addition, the correlation coefficient between product characteristics and cosmetic consumption amount is 0.532, which is positive and greater than 0.5. **Thus, there is significant positive correlation between product characteristics and cosmetic consumption amount.**

4.2.2 Correlation analysis between information sources and cosmetic consumption amount

Correlations

		Information Sources	25. How much do you spend each time buying cosmetics?
Information Sources	Pearson Correlation	1	.608**
	Sig. (2-tailed)		<.001
	N	278	278
25. How much do you spend each time buying cosmetics?	Pearson Correlation	.608**	1
	Sig. (2-tailed)	<.001	
	N	278	278

** . Correlation is significant at the 0.01 level (2-tailed).

Table 4: Correlation analysis between information sources and cosmetic consumption amount

Source: Created by the author from the questionnaire & SPSS

H0-2: There is no significant relationship between information sources and cosmetic consumption amount

H1-2: There is significant relationship between information sources and cosmetic consumption amount

As can be seen from Table 4, the P value is less than 0.01 (α), so H0-2 (the null hypothesis) is rejected. It indicates that there is significant relationship between information sources and cosmetic consumption amount. What's more, the correlation coefficient between information sources and cosmetic consumption amount is 0.608, which is positive and greater than 0.5. **Therefore, there is significant positive correlation between information sources and cosmetic consumption amount.**

4.2.3 Correlation analysis between internal motivation and cosmetic consumption amount

Correlations

		InternalMotiva tion	25. How much do you spend each time buying cosmetics?
InternalMotivation	Pearson Correlation	1	.576**
	Sig. (2-tailed)		<.001
	N	278	278
25. How much do you spend each time buying cosmetics?	Pearson Correlation	.576**	1
	Sig. (2-tailed)	<.001	
	N	278	278

** . Correlation is significant at the 0.01 level (2-tailed).

Table 5: Correlation analysis between internal motivation and cosmetic consumption amount

Source: Created by the author from the questionnaire & SPSS

H0-3: There is no significant relationship between internal motivation and cosmetic consumption amount

H1-3: There is significant relationship between internal motivation and cosmetic consumption amount

As can be seen from Table 5, the P value is less than 0.01 (α), so the null hypothesis is rejected. Thus, it indicates that there is significant relationship between internal motivation and cosmetic consumption amount. Besides, the correlation coefficient between internal motivation and cosmetic consumption amount is 0.576, which is positive and greater than 0.5. **Therefore, there is significant positive correlation between internal motivation and cosmetic consumption amount.**

4.2.4 Correlation analysis between external motivation and cosmetic consumption amount

Correlations

		ExternalMotiv ation	25. How much do you spend each time buying cosmetics?
ExternalMotivation	Pearson Correlation	1	.526**
	Sig. (2-tailed)		<.001
	N	278	278
25. How much do you spend each time buying cosmetics?	Pearson Correlation	.526**	1
	Sig. (2-tailed)	<.001	
	N	278	278

** . Correlation is significant at the 0.01 level (2-tailed).

Table 6: Correlation analysis between external motivation and cosmetic consumption amount

Source: Created by the author from the questionnaire & SPSS

H0-4: There is no significant relationship between external motivation and cosmetic consumption amount

H1-4: There is significant relationship between external motivation and cosmetic consumption amount

According to Table 6, Because the P value is less than 0.01 (α), H0-4 (the null hypothesis) is rejected, indicating that there is significant relationship between external motivation and cosmetic consumption amount. Furthermore, the correlation coefficient between external

motivation and cosmetic consumption amount is 0.526, which is positive and greater than 0.5. Therefore, there is significant positive correlation between external motivation and cosmetic consumption amount.

4.2.5 Overall correlation analysis

		Correlations				
		ProductCharacteristics	InformationSources	InternalMotivation	ExternalMotivation	25. How much do you spend each time buying cosmetics?
ProductCharacteristics	Pearson Correlation	1	.714**	.686**	.690**	.532**
	Sig. (2-tailed)		<.001	<.001	<.001	<.001
	N	278	278	278	278	278
InformationSources	Pearson Correlation	.714**	1	.750**	.722**	.608**
	Sig. (2-tailed)	<.001		<.001	<.001	<.001
	N	278	278	278	278	278
InternalMotivation	Pearson Correlation	.686**	.750**	1	.781**	.576**
	Sig. (2-tailed)	<.001	<.001		<.001	<.001
	N	278	278	278	278	278
ExternalMotivation	Pearson Correlation	.690**	.722**	.781**	1	.526**
	Sig. (2-tailed)	<.001	<.001	<.001		<.001
	N	278	278	278	278	278
25. How much do you spend each time buying cosmetics?	Pearson Correlation	.532**	.608**	.576**	.526**	1
	Sig. (2-tailed)	<.001	<.001	<.001	<.001	
	N	278	278	278	278	278

** Correlation is significant at the 0.01 level (2-tailed).

Table 7: Overall correlation analysis

Source: Created by the author from the questionnaire & SPSS

As can be seen from Table 7, the P values between all four dimensions are less than 0.01, and the P values between all four dimensions and the amount of cosmetics consumption are also less than 0.01, indicating that there is a significant relationship between the four dimensions and also between the four dimensions and the amount of cosmetics consumption. Moreover, the correlation coefficients between these four dimensions and the correlation coefficients between the four dimensions and the consumption amount are all positive and greater than 0.5, indicating that **there is a significant positive correlation between these four dimensions and also between these four dimensions and the consumption amount.** Among them, the correlation coefficient between internal

motivation and external motivation is the largest at 0.781. This means that changes in internal motivation and external motivation have the greatest influence on each other. The correlation coefficients between 4 dimensions are generally larger than the correlation coefficients between 4 dimensions and consumption amounts, which indicates a stronger relationship (correlation) between 4 dimensions, compared to the relationship (correlation) between 4 dimensions and consumption amounts.

5. Results and Discussion

5.1 Discussion about the results

From the previous descriptive statistical analysis of factors and consumption, it can be seen that the mean of these four dimensions is about 3.9, which shows that the respondents generally agree with the relevant indicators of these four dimensions. In other words, they believe that these indicators affect their purchase of cosmetics.

Combining the descriptive statistical analysis of factors with the descriptive statistical analysis of indicators, it can be found that product characteristics has the highest mean value among the four dimensions, indicating that product characteristics is the dimension that respondents value the most when they are buying cosmetics. What's more, in the dimension of product characteristics, the mean value of product quality is the highest, indicating that the quality of cosmetics is what respondents value most as consumers in this dimension. In addition, in this dimension, respondents as consumers do not care as much about product packaging as they do about product brand, product price, product quality and product efficacy.

As can be seen from the previous correlation analysis, there is a significant positive correlation between all four dimensions and the amount of cosmetic consumption. Of these, the information sources dimension has the greatest correlation with the amount of cosmetic consumption, compared to the correlation between the other three dimensions and the amount of cosmetic consumption. Not only that, but there is also a significant positive correlation between the four dimensions. That is, the higher the score for the product characteristics dimension, the higher the score for the other three dimensions. The correlation analysis demonstrated the relationship between the four dimensions and the amount spent on cosmetics (the following four hypotheses were tested and the results were as follows):

- Hypothesis 1: There is a significant positive correlation between product characteristics and the amount of cosmetic consumption under 99% confidence level.

- Hypothesis 2: There is a significant positive correlation between information sources and the amount of cosmetic consumption under 99% confidence level.
- Hypothesis 3: There is a significant positive correlation between internal motivation and the amount of cosmetic consumption under 99% confidence level.
- Hypothesis 4: There is a significant positive correlation between external motivation and the amount of cosmetic consumption under 99% confidence level.

In addition, combining the correlation analysis and the descriptive analysis, it can be found that the information sources dimension is the most relevant to the amount of cosmetic consumption. And among the information source dimensions, the two ways in which respondents most agree that they obtain about cosmetics information are through the recommendations from influencers (KOL) on social media or the internet and their own past buying experiences, i.e. they are more inclined to get cosmetics information through these two ways. However, the respondents have a relatively low degree of agreement with newspapers, magazines, television and radio to obtain cosmetics information, indicating that they are not inclined to obtain cosmetics information through these ways.

5.2 Suggestions for the cosmetics industry in China

5.2.1 Improve the quality of cosmetic products

The results of the previous survey analysis show that consumers attach great importance to the quality of cosmetic products, which can influence their purchases. However, at present, the quality of cosmetics is uneven in the Chinese cosmetics market. Therefore, enterprises should increase their investment in innovation and improve their production processes in order to improve the quality of their cosmetic products. Besides, enterprises also need to bring in cosmetics knowledge-based talents to help develop higher quality cosmetics. Furthermore, they should strictly follow the production standards of cosmetics and must not add some non-compliant ingredients in order to save costs. What's more, the authorities concerned should step up their regulatory efforts, formulate more complete cosmetics supervision rules, and strictly implement cosmetics supervision rules to supervise cosmetics. The cosmetics should be tested in strict accordance with the

production standards of cosmetics. Not only that, but the authorities should crack down on non-compliant cosmetic companies or substandard cosmetic products to ensure that the quality of cosmetics in the Chinese cosmetics market is good and safe.

5.2.2 Pay attention to the role of influencer (KOL)

According to the results of the survey and analysis, consumers prefer to obtain information about cosmetics through the recommendations of influencer (KOL) on social media or the Internet and this influences their purchasing behaviour. Therefore, the role of internet celebrity (KOL) cannot be ignored. The opinions of the internet celebrity (KOL) are very important for cosmetics companies and consumers. For consumers, the opinions of internet celebrities (KOL) may affect their purchase intentions, and thus affect their actual purchase behavior. The opinions of internet celebrities (KOL) are an opportunity for cosmetics companies to cooperate. In other words, cosmetics companies can look for internet celebrities (KOL) with relatively large influence (large fan base or many followers) and with certain cosmetic expertise and makeup skills to cooperate and recommend cosmetics to the public. In addition, cosmetics companies should also take into account the opinions of cooperating internet celebrities (KOL) on the products when improving and enhancing the quality or structure of their products. Because internet celebrities (KOL) try out cosmetics for a period of time before recommending cosmetics and they have certain cosmetic expertise. The most important thing is that their opinions have a certain impact on consumers' buying behavior. Therefore, their opinions are very important.

5.2.3 Build a good brand image

Chinese brands account for a small share of the Chinese cosmetic market. In the Chinese cosmetics market, consumers are more inclined to buy foreign brands of cosmetics. This is due to the low brand awareness of Chinese cosmetics brands and failing to establish a good brand image in the Chinese cosmetics market. Therefore, it is very important to establish a good cosmetic brand image. The first step in building a good brand image is to find a spokesperson with a good personal image and high popularity. Secondly, it is important to have certain features or advantages in terms of product packaging, product quality and

product efficacy etc. In addition, spread through social media, television, and radio etc. Building a brand image is a long process, because cosmetic companies have to create a certain feeling for the brand in various ways and finally leave an good impression of the brand in the minds of consumers.

5.2.4 Establish a sound supervision mechanism

Currently, the online channel is the number one sales channel for cosmetics. However, many problems have arisen due to the difficulty of online supervision. Therefore, it is necessary to establish a sound supervision mechanism for cosmetics. This mechanism should not only regulate the sale of cosmetics in physical shops, but also effectively regulate the sale of cosmetics in online channels. The original supervision mechanism for cosmetics may be more effective for the supervision of physical stores, because physical store is a traditional cosmetics sales channel and there has many years of experience in the supervision of physical stores. However, with the rise of online sales channels, the original cosmetics supervision mechanism is not sufficient to fully supervise online channels. This supervision mechanism may require supervisors to have a certain degree of familiarity with the internet and understand the operating mode of online cosmetics sales channels in order to better establish a sound supervision mechanism. The authorities should also review and issue licenses for businesses selling cosmetics online. They should also carry out random testing of the products sold online and so on.

6. Conclusion

This thesis focuses on the current consumption of cosmetics in China, the factors that influence the purchasing behaviour of Chinese cosmetics consumers and the difficulties and challenges in the cosmetics industry in China to analyse the consumption and consumer behaviour in the cosmetics industry in China.

At present, China is the second largest cosmetics consumer market in the world. Both the total retail sales of cosmetics and the cosmetics market size are on a growth trend, indicating that there is still great potential in the Chinese cosmetics market. In addition, skin care products dominate the Chinese cosmetics market, but make-up products have a high CAGR and the market for make-up products is far from saturated, so there is a lot of room for development of make-up products. Cosmetics companies can use marketing strategies to increase consumers' awareness of make-up products and improve their favorability, thereby influencing consumers to purchase make-up products. What's more, online sales channels have become the number one sales channel for cosmetics and it will play an increasingly important role in the future of cosmetics sales. Although China is the second largest consumer of cosmetics in the world, the per capita consumption of cosmetics in China is very low. At present, consumers are more inclined to choose foreign brands of cosmetics than Chinese brands. However, in recent years, Chinese cosmetics brands have been increasingly accepted by consumers and the market share of Chinese cosmetics brands has increased.

In particular, the author focused on the factors that influence the purchasing behavior of Chinese cosmetics consumers and conducted a statistical analysis. This thesis analyzes the factors that influence the purchase behavior of Chinese cosmetics consumers in four dimensions: product characteristics, information sources, internal motivation and external motivation. Correlation analysis revealed that product characteristics, information sources, internal motivation and external motivation each had a significant positive correlation with the amount of cosmetics consumption. That is to say, product characteristics, information sources, internal motivation and external motivation have a positive impact on the amount

of cosmetics consumption. For example, if the score of product characteristics increases, the amount of cosmetics consumption also increase.

Finally, the thesis puts forward some suggestions for the difficulties and challenges of the Chinese cosmetics industry identified in the literature research and the factors identified from the results of the statistical analysis that are more likely to influence the purchasing behaviour of Chinese cosmetics consumers.

There are many aspects of consumption and consumer behaviour in the Chinese cosmetics industry and this thesis has only selected a few for study so there are certain limitations. It is important for cosmetic companies and marketers to consider not only the influencing factors mentioned in this thesis, but also other more factors in order to produce products that consumers like and to develop more comprehensive marketing strategies.

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8. Appendix

Questionnaire

Part 1: Personal information

1. What is your gender?

- Male
- Female

2. What is your age?

- Under 18
- 18~25
- 26~30
- 31~40
- 41 and above

3. What is your current job?

- Student
- Full time job
- Freelancer
- Retire
- Unemployed

4. What is your education level?

- High school degree or below
- Bachelor
- Master
- PhD
- Other

5. What is your monthly income? (Including support from your parents)

- Less than 3, 000 yuan (Less than 10, 585 CZK)

- 3,000 ~ 5,000 yuan (10,585 ~ 17,642 CZK)
- 5,001 ~ 7,000 yuan (17,645 ~ 24,699 CZK)
- 7,001 ~ 9,000 yuan (24,703 ~ 31,756 CZK)
- 9,001 ~ 11,000 yuan (31,760 ~ 38,813 CZK)
- More than 11,000 yuan (More than 38,813 CZK)

6. Which channel do you like to buy cosmetics through?

- Physical store
- Online shop

Part 2: Factors affecting the purchase behavior of Chinese cosmetic consumers

1: Totally disagree; 2: Partly disagree; 3: Not sure; 4: Partly agree; 5: Totally agree

Product characteristics

7. When you buy cosmetics, what factors do you value?

Product brand: 1 2 3 4 5

Product packaging: 1 2 3 4 5

Product price: 1 2 3 4 5

Product quality: 1 2 3 4 5

Product efficacy: 1 2 3 4 5

Information Sources

8. How do you usually get information about cosmetics?

Recommendations from family members, friends: 1 2 3 4 5

Newspapers and magazines: 1 2 3 4 5

TV and radio: 1 2 3 4 5

Recommendations from influencers (KOL) on social media or the internet: 1 2 3
 4 5

Your own past buying experience: 1 2 3 4 5

Internal consumer motivation

9. What is the internal motivation that motivates you to buy cosmetics?

To look beautiful and gain confidence: 1 2 3 4 5

To try new products: 1 2 3 4 5

Interested in make-up and skincare: 1 2 3 4 5

Accustomed to using cosmetics in life: 1 2 3 4 5

External consumer motivation

10. What is the external motivation that motivates you to buy cosmetics?

work required (wearing make-up to work): 1 2 3 4 5

Just running out of cosmetics: 1 2 3 4 5

The promotions (discounts, Double 11 shopping festival, etc.): 1 2 3 4 5

The value placed on good looks in today's society (cultural influences in society): 1 2 3 4 5

Part 3: Cosmetic consumption amount

11. How much do you spend each time buying cosmetics?

Below 300 yuan (Below 1,059 CZK)

300~500 yuan (1,059~1,764 CZK)

501~900 yuan (1,768~3,176 CZK)

901~1,500 yuan (3,179~5,293 CZK)

more than 1,500 yuan (more than 5,293 CZK)