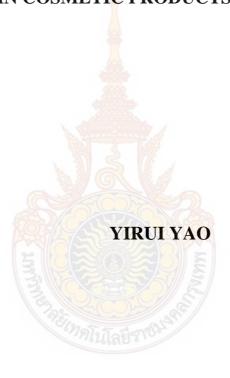
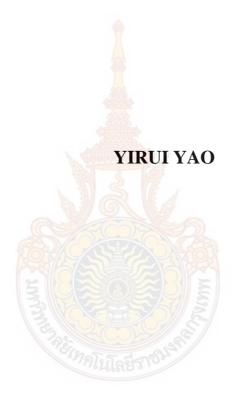


THE FACTORS IMPACTING CUSTOMER LOYALTY IN COSMETIC PRODUCTS IN CHINA



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INSTITUTE OF SCIENCE INNOVATION AND CULTURE
RAJAMANGALA UNIVERSITY OF TECHNOLOGY KRUNGTHEP
ACADEMIC YEAR 2023
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ABSTRACT

With improved living standards, cosmetics are increasingly becoming one of the most popular consumer products. China has experienced tremendous changes in the cosmetics sector, making it the world's second-biggest beauty product consumer market. Especially with the development of social media, cosmetics brands pay more and more attention to their online marketing strategies to attract more consumers. This paper investigates the factors influencing Chinese customer loyalty to cosmetic products based on demographics, consumer demand, and online marketing strategy factors. The quantitative method based on questionnaires is applied. Descriptive statistics such as frequency, percent frequency, mean, and standard deviation are introduced. Various inferential statistical methods are used to test the hypothesis, particularly the independent sample t-test, the one-way ANOVA, the simple regression analysis, and the multiple regression analysis. The results obtained from the study indicate that differences in marital status, age, and educational level generate differences in Chinese customer loyalty to cosmetic products when one-way ANOVA statistics are applied. The results obtained from the simple linear regression analyses show that consumer demand has a significant positive impact on Chinese customer loyalty to cosmetic products. Based on the multiple linear regression analyses, the online marketing strategy is found to have a significant positive impact on customer loyalty.

Keywords: Consumer Demand, On-line Marketing Strategy, Customer Loyalty, Cosmetic Product

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CHAPTER I INTRODUCTION

1.1 Background and Statement of the Problem

With the improvement of living standards, cosmetics are increasingly becoming one of the popular consumer products. China has experienced tremendous changes in the cosmetics sector, making it the world's second-biggest beauty product consumer market (Marjerison et al., 2020). In this industry, traditional brick-and-mortar businesses have long been a mainstay, but the emergence of internet marketing has completely changed the game. The emergence of e-commerce platforms, influencer partnerships, and social media advertising has significantly transformed how people find, assess, and buy cosmetics (Marjerison et al., 2020). The move to digital platforms has affected consumer behavior and loyalty and extended the reach of cosmetic businesses.

With a yearly growth rate of 6%, the cosmetics industry is predicted to reach \$580 billion by 2027 after making a strong comeback since the COVID-19 pandemic's peak (Mckinsey & Company, 2023). Especially with the development of social media, cosmetics brands pay more and more attention to online marketing strategies to attract more consumers, penetrate consumers' minds deeply, and improve consumers' loyalty and repurchase rate (Jung, 2018). Therefore, under this background, this study takes cosmetics products as the research object, aiming at further verifying the relationship between brand online marketing and consumer loyalty, thus providing academic support and suggestions for brand development.

Especially with the advent of the post-epidemic era, consumers' spending power is constantly recovering, and how to quickly attract consumers' attention and improve their loyalty is one of the important issues facing brands (Jung, 2018). The impact of internet marketing on consumer loyalty is a topic that is becoming more and more important, particularly in highly competitive industries like the cosmetics business.

With this context in mind, discussing how internet marketing affects consumer loyalty in China's cosmetics business becomes extremely relevant. In the

highly competitive and dynamic cosmetics industry, customer loyalty is even more crucial for any firm (Li, 2020). In addition to ensuring steady sales, loyal consumers serve as brand evangelists, generating recommendations through word-of-mouth that may outperform any ads. Considering this, established and recently launched companies may greatly benefit from knowing how internet marketing tactics impact consumer loyalty. The cosmetics sector uses various online marketing strategies, including influencer collaborations, social media campaigns, targeted advertisements, and online reviews (Li, 2020). Every one of these components has the potential to affect client loyalty significantly. For example, a well-run social media campaign may greatly improve consumer engagement and company image, yet badly maintained online reviews might drive away potential clients and weaken brand loyalty.

There are two reasons for concentrating on the Chinese market. First, the market is vital for academic and corporate study because of its immense size and growing potential. Secondly, the distinct features of consumer behavior in China, shaped by social, cultural, and economic aspects, provide an extensive framework for examining the subtleties of client loyalty concerning internet marketing. Therefore, by focusing on the precise effect of online marketing on consumer loyalty in China's cosmetics business, this research seeks to close a gap in the current literature. Marketers and business strategists may find the data useful as a guide, assisting them in making well-informed decisions in a dynamic and complicated market environment.

1.2 Research Questions

Nowadays, online marketing is becoming one of the most important means of brand promotion, and the market share of cosmetics in China is also expanding. Given this background, it is necessary to study the online marketing strategies of cosmetics brands. Based on this situation, this study puts forward the following research questions:

- (1) Does cosmetic marketing strategy affect consumer loyalty?
- (2) What network marketing strategies are mainly used in the Xin Shui Jing Orchid Box produced by Yunnan Keyan Pharmaceutical Biotechnology Co., Ltd.?
 - (3) What are the effects of consumer demand matching, product price,

product characteristics, and consumer word-of-mouth factors on consumer loyalty in the marketing strategy of Xinshuijing Orchid Box?

1.3 Research Hypotheses

This study presents the following research hypotheses based on the above research questions.

Hypothesis 1: Differences in demographic factors generate differences in customer loyalty to cosmetic products in China.

Hypothesis 2: Consumer demand influences customer loyalty to cosmetic products in China.

Hypothesis 3: Online marketing strategy influences customer loyalty to cosmetic products in China.

Hypothesis 4: Consumer demand and online marketing strategy influence customer loyalty to cosmetic products in China.

1.4 Research Objectives

- 1.4.1 To study customer loyalty to cosmetic products in China.
- 1.4.2 To study the impact of demographic factors on customer loyalty to cosmetic products in China.
- 1.4.3 To study the impact of consumer demand on customer loyalty to cosmetic products in China.
- 1.4.4 To study the impact of online marketing strategies on customer loyalty to cosmetic products in China.
- 1.4.4.1 To study the impact of product price factors on customer loyalty to cosmetic products in China.
- 1.4.4.2 To study the impact of product characteristics on customer loyalty for cosmetic products in China.
- 1.4.4.3 To study the impact of word-of-mouth on customer loyalty to cosmetic products in China.

1.5 Scope of the Research Study

Specifically, this study takes consumers in China as the research object, taking the product of Xinshuijing brand under Yunnan Keyan Pharmaceutical Biotechnology Co., Ltd.-Orchid Box Set as an example, and investigates consumers' cognition on the four aspects of their marketing strategy, such as consumer demand matching, product price, product characteristics, and consumer reputation, as well as the influence on consumers' loyalty.

- 1.5.1 This study aims to study the online marketing strategy of cosmetic brands, consumers' loyalty to cosmetic brands, and their relationship in the new era.
- 1.5.2 Confirm the research on the online marketing strategy of cosmetic products and consumers' brand loyalty in China to provide an academic and practical reference for developing the cosmetics industry.
- 1.5.3 This study largely focuses on Chinese customers, who may not be indicative of consumer tastes and behaviors elsewhere. The Orchid Box Set is the focus of the study, which may restrict the applicability of the findings to other goods or brands. The study is centered on items from the Xinshuijing brand.
- 1.5.4 The study's focus on four distinct marketing strategy components may have obscured other important consumer loyalty characteristics. Additionally, cultural, regional, or demographic biases might distort the results by influencing participants' opinions and reactions.
- 1.5.5 However, certain findings can become less significant over time due to the quickly changing nature of internet marketing tactics and customer preferences.

1.6 Research Framework

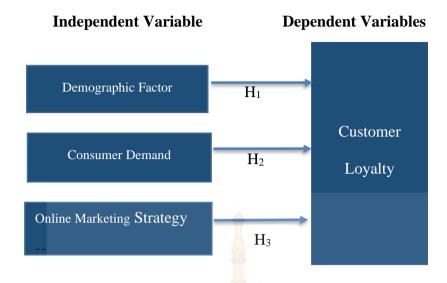


Figure 1.1 Research Framework

Choosing these variables is essential to doing thorough research. Market receptivity to online marketing initiatives is shown by consumer demand, while demographic characteristics reveal information about the diverse client base. The foundation of online marketing is strategy, which includes many campaigns and strategies that might affect client loyalty. The price and characteristics of the products are important considerations for buyers, while word-of-mouth refers to the growth of a brand's reputation. Through examining these factors, the research aims to clarify the complex relationship between online marketing tactics, consumer demand, and the ensuing loyalty patterns in the cutthroat cosmetics market, providing insightful advice to companies operating in this digital era.

1.7 Definition of Key Terms

1.7.1 Demographic Factor: Demographic variables, including age, gender, and ethnicity, greatly impact the cosmetics sector. While older generations may prioritize anti-aging remedies, younger consumers frequently seek stylish, reasonably priced items (Narang & Sharma, 2021). Therefore, gender-specific marketing is prevalent, and unisex items are becoming increasingly popular. The desire for inclusive formulations and shade ranges is driven by ethnic diversity.

- **1.7.2 Consumer Demand:** The amount of a good or service customers can buy at a specific price is called consumer demand (Guzmán & Lucia, 2021). The customers ' desire for particular products is indicated depending on their tastes, demands, and spending power.
- **1.7.3 Online Marketing Strategy:** Product Price, Product Characteristics, and Word-of-Mouth.
- (1). Product Price: The price assigned to a particular good or service is the product price (Lee et al., 2019). It is the sum of money that customers are anticipated to spend in exchange for the item. Production costs, market demand, competition, and perceived value may all affect pricing decisions.
- (2). Product Characteristics: A product's distinctive traits and properties are known as its product characteristics (Lee et al., 2019). These might include how it works, how it looks, how well it is made, and any other characteristics that set it apart from competing goods on the market.
- (3). Word-of-Mouth: When discussing goods, services, or brands among customers informally, the term "word of mouth" is used (Pujiastuti et al., 2022). It is a potent type of organic marketing where pleased consumers talk about their pleasant experiences and influence prospective customers' choices.
- 1.7.4 Consumer Loyalty: Over time, customers who are loyal to a certain brand or product consistently favor and support it (Sapitri & Onsardi, 2021). Positive experiences, contentment, and the consumer's perception of the value of the good or service all contribute to this.

CHAPTER II LITERATURE REVIEW

2.1 Related Theories

2.1.1 Demographic Factors

Furthermore, demographics determine customers' loyalty at every cycle point. Age groups have different ways of comprehending products; younger consumers can depend more on social media evaluations, while older demographics would be more interested in traditional advertising (Narang & Sharma, 2021). Men and women have distinct purchasing behaviors, which might impact an initial investment. Due to differing criteria for product differences across various groups, ethnicity can also impact post-purchase appraisal. By adjusting their marketing tactics to guide consumers through the purchase cycle successfully, organizations may promote better levels of product loyalty by taking these demographic subtleties into account. Finally, when consumers have no strong preference for a product or service, and there is no difference between products and competitive products, the frequency of repeated purchases by consumers is low; that is, customer loyalty is the lowest.

Personal information such as gender, age, marital status, income, education, and employment are demographic factors. These factors are essential for comprehending consumer behavior and, by extension, customer loyalty in the online marketing environment. Evaluating demographic information helps identify and target specific customers.

2.1.1.1 Gender

Gender, including males and females, greatly impacts customer preferences and online purchasing behavior. Research has demonstrated that when it comes to consumer behavior, men and women exhibit distinct consumption patterns and responses to marketing and retail stimuli (Karpinska-Krakowiak, 2021). From a cognitive standpoint, women use more complex and all-encompassing processing techniques, whereas men are more selective in their cognitive processes. Advertising is processed more quickly by women than by men. Compared to their male counterparts,

female consumers tend to have different motivations, purchase more goods, and consult more sources of information.

2.1.1.2 Marital Status

Purchase patterns and brand loyalty are influenced by one's marital status, which includes single, married, divorced, and widowed. Married people, for example, could be more likely to purchase items intended for their family, which could impact their brand loyalty. Married people are more inclined to remain with brands that provide family packages.

2.1.1.3 Age

Age cohorts are used to analyze and determine the target market and market trends. Online marketing tactics are more prevalent among certain age groups, particularly millennials and Gen Z. Millennials watch more material produced by celebrities on social media platforms. As digital natives, millennials were raised with social media platforms and product evaluations, allowing them to voice their thoughts before purchasing (Munsch, 2021). Customers may show their brand devotion through social media, offering an unofficial endorsement through shareable and repostable usergenerated content (UGC). Due to the inability of many traditional advertising strategies to fully capture the attention of the Millennial age, marketers have found it difficult to connect with this generation.

2.1.1.4 Education

Education levels influence the awareness and preferences of consumers. Highly educated people are more likely to be swayed by a firm's ecological and ethical business practices, which might impact brand loyalty. It was identified that respondents with higher education had better purchasing intentions when they had an environmental mindset and saw eco-labels on items (Boz et al., 2020). Online marketers should consider that educated consumers are likelier to remain loyal to environmentally friendly firms.

2.1.1.5 Occupation

A person's occupation denotes their position within a given sector or field. One's spending habits are influenced by their line of work and income. Occupation directly affects perceived behavior and subjective norms on purchase intention (Handarkho, 2020). Consumer behavior is influenced by societal status, which

is commonly shown by one's occupation. Thus, it can be said that the profession is a multifaceted lens that people use to perceive and interact with the marketplace. In addition to determining economic capacity, it also influences the social and psychological aspects that influence the decisions made by consumers.

2.1.1.6 Monthly Income

The affordability of items is determined by income levels, affecting brand loyalty. Rich people could prefer high-end goods and be loyal to upscale companies. There is a relationship between a desire for luxury cosmetic brands and greater income. Income level can strongly influence customer attention and buying behavior (Kumar & Yadav, 2021). The link between the antecedents of hedonic and utilitarian motivation and purchase intention is strongly moderated by family income, which also reduces the impact of other motivational antecedents.

2.1.2 Consumer Demand

The willingness and capacity of customers to buy a certain good or service at a given price is known as consumer demand. According to Rosário & Raimundo (2021), there is a rising need for a more sophisticated comprehension and forecasting of customer demands in the current dynamic and competitive business environment. In contrast to conventional commerce, which emphasized improving product quality and lowering manufacturing costs, consumers' rising expectations for personalization in digital markets have caused the focus to shift towards product and service standardization.

Data analytics and information technology advancements have given organizations sophisticated tools to understand customer needs better. Econometric models, sales data, and surveys are typically used to measure this. For example, businesses may obtain real-time information on inventory levels and location-based movements using Radio Frequency Identification Tags (RFID), which helps with precise product demand predictions (Rosário & Raimundo, 2021). In the realm of online marketing, customer demand plays a pivotal role. Higher brand loyalty is frequently correlated with high customer demand, particularly when online marketing strategies successfully respond to the demands and preferences of the target audience.

2.1.3 Online Marketing Strategy

Online marketing strategy includes consumer demand, product price, product characteristics, and word-of-mouth.

2.1.3.1 Product Price

The term "product price" describes the monetary value assigned to a product and is determined by several variables, including market demand, manufacturing costs, and competition. As per the views of Xu et al. (2023), the price of a product has been proven to be a crucial signaling element influencing customer behavior. Based on the product price, consumers evaluate the quality of the products or services. Furthermore, product price also helps attract potential customers, which is significantly related to customer loyalty. Product quality, competitive prices, and satisfying services directly impact customer loyalty (Romdonny & Rosmadi, 2019). Product price is frequently measured using consumer price index and price elasticity metrics. Price has multiple perspectives when it comes to online advertising. Lower costs could encourage first purchases but do not always translate into enduring loyalty, especially in a competitive sector like the cosmetics industry. Thus, identifying an appropriate pricing strategy is needed to attract target customers.

When consumers strongly prefer a product or service and clearly distinguish it from competitive products, loyalty is the highest. When consumers have no strong preference for a certain product or service, but there is a certain degree of difference with competitive products, it will help to produce higher product loyalty. However, when consumers strongly prefer a certain product or service, but the difference between them and the competitive products is not high, consumers tend to be loyal to multiple products.

2.1.3.2 Product Characteristics

Features or aspects that characterize a product, such as its quality, design, and usability, are called its characteristics. According to Chae et al. (2020), product characteristics impact the psychological value consumers attribute to the products and thus affect consumer purchase intention. Limited-edition products are the strategic marketing approaches that mostly the technology and fashion industries opt for to increase customers' demands and purchase intentions. Customer feedback, quality assurance inspections, and feature analyses are used to gauge these.

Advantageous and distinctive product features may greatly increase customer loyalty, particularly when skillfully promoted online, particularly in the cosmetics industry.

The Internet's widespread use has changed how consumers build relationships with brands. Product marketing information is no longer pushed to consumers. However, companies must extract the marketing information they want when consumers need it and guide them to complete the purchase process. In this process, many aspects can influence consumers' purchasing decisions.

2.1.3.3 Word-of-Mouth

Word-of-mouth involves informal customer information sharing regarding a product or service. According to Ajina (2019), word-of-mouth (WOM) is an effective information transmission method companies may employ to persuade customers. However, conventional WOM has several inherent limitations as it is only effective across very narrow social interaction boundaries. Numerous online social networking services and platforms have evolved due to information technology's (IT) growth.

The modern marketing landscape has been profoundly altered and disturbed by social networking platforms. Electronic word-of-mouth directly impacts sharing information, intention to use, and perceived ease of use (Siagian et al., 2022). These websites have successfully surpassed many of the constraints of conventional word-of-mouth.

With the advent of the digital era, businesses now have access to online word-of-mouth (OWOM). This new marketing tool can target certain customer groups and gradually influence their opinions. Metrics like customer reviews, social media mentions, and the Net Promoter Score (NPS) are used to measure it. Positive word-of-mouth has the potential to be an effective tool in the online market for increasing customer loyalty since it provides a social validation and trust factor, both of which are essential in online environments.

According to Griffin's (1995) research, consumers go through a buying cycle every time they complete a buying action. First-time buyers will go through five steps: understanding the product, initial investment, post-purchase evaluation, repurchase intention, and repurchase. Consumer loyalty to products or

services is determined by the degree of preference and the degree of perceived product differentiation.

2.1.4 Customer Loyalty

The probability that a customer will consistently select a specific product or service over rival offerings is known as consumer loyalty. According to Cachero-Martínez and Vázquez-Casielles (2021), customers' purchase patterns are evolving. They wish to compare goods and services and maximize their search time. Both online and offline retail is evolving due to new technology and changing consumer behavior. Metrics like client retention rates, customer lifetime value, and repeat purchase rates are used to gauge this. A more experienced consumer seeking unique and unforgettable encounters throughout the customer journey characterizes this new consumer behavior (Cachero-Martínez & Vázquez-Casielles, 2021). As a result, businesses increasingly realize how important it is to give their consumers experiences and feelings. Customer behavioral factors have received less attention in shopping experience research, concentrating on the link with customer happiness.

According to the Commitment-Trust Theory, commitment and trust are crucial in promoting customer loyalty. Building trust with a brand requires a succession of consistent, gratifying interactions (Juliana et al., 2021). Customers are more inclined to trust a business when it continuously fulfills or exceeds their expectations. Due to this trust, they are more inclined to commit to a long-term partnership with the business. Contrarily, commitment results from a customer's psychological investment in a relationship, motivated by their perception of its worth (Juliana et al., 2021). Customers are more inclined to stick with a brand if they believe it delivers something special or worthwhile, whether in quality, service or an emotional bond. This long-term commitment is periodically reviewed through post-purchase assessments, which are impacted by several demographic variables, including age, gender, and ethnicity.

2.2 Related Studies

According to Lina (2022), consumer satisfaction determines a company's success apart from being a competitive advantage in business dealings with rivals. When assessing customer satisfaction, the business must consider several variables:

cost, convenience, emotional component, product quality, pricing, customer demands, and customization. Consumer satisfaction is the consumer's reaction to a product or service's performance, including whether or not it satisfies requirements, expectations, and new desires. At the very least, three indicators can be used to determine consumer satisfaction: the satisfaction of demands, expectations, and desires. Therefore, customers are happy when a product's quality satisfies their requirements, expectations, or wishes.

Another study by Herbas Torrico & Frank (2019) evaluates that marketers are giving consumers more and more options to customize their goods and services in response to customers' demands and needs to satisfy customers. Personalization increases profitability, customer loyalty, and pleasure by allowing customers to customize goods and services to meet their unique demands. As a result of increased technological viability, marketers are giving consumers more options to customize their goods and services. Personalization may not always work, though, as customers across cultural boundaries tend to have varying expectations for personalization. Our study meets the need for research on the causes and effects of a consumer's demand for personalization, which will assist businesses in realizing the marketing benefits of personalization.

As per the views of Delima et al. (2019), product pricing significantly and favorably impacted both customer loyalty and satisfaction. Price is the sum of money required to purchase certain combinations of goods and services. Price competitiveness, affordability of pricing, price compatibility with product quality, and price compliance with the timetable, until given are the four indicators that define prices. Price has been shown to have a favorable and substantial impact on customer satisfaction, affecting customer loyalty. In light of this, customer loyalty will rise if the online retailer gives a price appropriate to the standard of the goods the customer receives.

Another study by Surya and Kurniawan (2021) found that the perceived pricing of a product is recognized as a factor that affects consumer happiness and boosts customers' loyalty towards the brand. It is claimed that although people typically cannot recall a price exactly, they do interpret or encode prices in ways that have significance for them. As a result, pricing perceptions differ between customers, items, circumstances, and settings. Perceived pricing is a precursor or influencing factor in

raising consumer happiness. Price plays a significant role in determining customer happiness because, even after assessing the worth of the good or service they have gotten, customers constantly consider the cost of the good or service. A fair price is often determined by consumers' assessments of their awareness of the prices established by producers for the entire market.

According to a study by Shalehah et al. (2019), product characteristics such as brand name, quality, design, and product advertising greatly impact brand loyalty. Beauty product firms might benefit from practical guidance on improving their marketing strategy by identifying and evaluating product attributes. Product quality (PQ) measures how highly appreciated good and terrible goods are. Product design (PD) is the visual style that includes details like shape, line, and color that influence a consumer's brand perception. Promotion (PR) is a type of communication strategy that involves actions that businesses employ to raise customer awareness and help them distinguish their products from those of competitors.

Another study conducted by ShiYong et al. (2022) evaluates that the characteristics of a product have a significant role in influencing consumers' desire to engage with brand communities. Product attributes, such as complexity, symbolism, and satisfaction, can directly impact customer engagement in brand communities. Strong brand communities help develop customers' loyalty towards brand product attributes and play a significant role in influencing customers' willingness to engage in community activities regularly, thus demonstrating how consumer-brand relationships and brand community involvement interact as causes and consequences. This study also shows that product satisfaction can promote brand community participation, indicating that satisfied consumers are more likely to engage in social media marketing. Previous research has found that community participation can promote consumer-brand relationships (e.g., brand loyalty and promise).

According to Ngoma & Ntale (2019), businesses that can hold on to their present customers will eventually prosper in the long term. Based on this phenomenon, online firms are now focusing more on relationships and longer-term goals than transactions and short-term goals, which encourages positive word-of-mouth and builds consumer loyalty. Positive word-of-mouth (WOM) and relationship management are low-cost tactics that may produce a solid, devoted customer. Positive word-of-mouth

(WOM) pertains to positive encounters; negative WOM includes product disparagement, bad experiences, and individual grievances. Customers may spread the word about a product or service's usefulness, main advantages, and characteristics to others by word of mouth. Customers dedicated to the firm and its offerings are anticipated to speak well of it and its offerings.

Al-Adwan et al. (2020) found that online vendors are rarely regarded as reliable or helpful sources of information for new consumers who have made their first purchase from these websites. In online shopping, there is a great deal of risk and uncertainty. Therefore, to remove such a high degree of ambiguity and risk, consumers look for reliable electronic word-of-mouth (eWOM) content on reputable websites and ask other reference groups for WOM information. eWOM is among the important elements influencing e-commerce website users' confidence. Expressing views online and offering suggestions, evaluations, and remarks on goods and services may aid in lowering the perceptions of risk and uncertainty associated with purchasing.

Kral et al. (2020) discovered that the company's business environment's trends must be reflected in brand management. Furthermore, good branding strategies must consider the socio-demographic aspects of customer markets. The sociodemographic factors (income, gender, age, and education) of consumer data are the primary factors influencing consumers' views and preferences for branded goods. However, the sociodemographic traits set the markets apart, even the branded product markets; as a result, the mono-brand market cannot meet every customer's demands concerning every market group. Therefore, the sociodemographic traits of the consumer base will be regarded as a trustworthy criterion for selecting products based on their appeal and potential for success.

Another study by Molinillo et al. (2021) found that gender influences users' intentions to purchase online and their loyalty to online services. It has been demonstrated that, in the context of social commerce, gender affects how people perceive the designs of social commerce websites and how much weight is placed on their usability and functionality. The influence of social support and community characteristics on consumer engagement and loyalty towards social commerce websites is influenced by gender. In the same way, an attribute that frequently affects users' conduct in an online setting is age. The impacts of social commerce website design

features on consumer perceived value are moderated by age, as is the relationship between customer perceived value and customer loyalty intentions.

Academic research on consumer loyalty has been actively carried out in various fields, among which the relationship between consumer satisfaction, trust, and loyalty has attracted much attention. Bowen and Chen (2001) studied the relationship between customer loyalty and customer satisfaction in the hotel industry. This study used the hotel database to sample focus groups and mail surveys, and the survey was completed based on 564 hotel guests. The results verified the relationship between customer satisfaction and loyalty in the hotel industry, confirmed the benefits of investigating loyalty and determined the necessity of improving customer satisfaction.

McMullan and Gilmore (2008) studied the factors of maintaining and developing consumer loyalty. The results showed that it was helpful to develop and manage customer loyalty by appropriately rewarding different levels of customers. Leninkumar (2017) investigated the relationship between customer satisfaction and loyalty trust in Sri Lankan commercial banks. The results show a significant positive correlation between customer trust and loyalty, customer satisfaction and loyalty, and customer satisfaction and trust. Among them, customer satisfaction is an important factor affecting customer loyalty. In addition, there is an indirect relationship between customer satisfaction and loyalty through customer trust.

Research on the factors influencing consumer loyalty is also being carried out. Gefen (2002) investigated the factors influencing e-commerce consumers' loyalty in the Internet age. In the non-internet market, customer loyalty is mainly the product of high-quality service and trust. Attracting new customers on the Internet is costly, and it is not easy to retain customers. The research results show that in online marketing, the brand's service quality markets consumer loyalty through trust, and the service form, response speed, and consumer empathy in service quality are important factors in improving consumer loyalty. Upamannyu and Bhakar (2014), taking 250 respondents in India as the research object, conducted a study on the influence of consumers' satisfaction with the cosmetic brand Fair Beautiful on brand image and consumer loyalty. The results show a strong relationship between customer satisfaction and brand image and between brand image and loyalty.

There is an indirect relationship between customer satisfaction and loyalty intention through brand image. In this study, the measure of brand image benefits includes many factors such as functionality, sociality, symbolism, experience, and appearance. This shows that marketers should pay attention to brand image benefits and improve customer loyalty by improving product functionality, sociality, symbolism, experience, and appearance. Chung et al. (2015) investigate the influence of perceived value on customer loyalty through the brand image and customer satisfaction of low-priced cosmetics brands and discuss the moderating effect of gender. The results show that perceived value positively impacts brand image and customer satisfaction. Brand image positively impacts customer loyalty but does not affect customer satisfaction. Customer satisfaction has a positive impact on customer loyalty, but the adjustment effect of gender is not significant. Therefore, marketers should improve customer loyalty through brand image and customer satisfaction.



CHAPTER III

RESEARCH METHODOLOGY

3.1 Research Design

According to the previous research and the case investigation of Yunnan Keyan Pharmaceutical Biotechnology Co., Ltd., the research model of this study is designed as follows:

Based on the research model, this study adopts an online questionnaire survey to conduct quantitative research. Based on the collected data, SPSS 26.0 was used to analyze the collected data. Specifically, first, through frequency analysis and descriptive statistical analysis to investigate the sample's demographic characteristics, network marketing cognition, and the degree of consumer loyalty. Secondly, the relationship between online marketing strategy and consumer loyalty is investigated through regression analysis.

3.2 Samples and Sample Size

3.2.1 Population

In this study, the population consists of consumers in China who have experience purchasing cosmetic products online. This population is counted as an infinite population.

3.2.2 Samples

Samples are consumers of Chinese nationality who have had the experience of boxed consumption of Xinshuijing orchids produced by Yunnan Keyan Pharmaceutical Biotechnology Co., Ltd. In this study, 400 samples are required.

3.2.3 Sampling Methods

Since the population is infinite, the sampling method applied in this study is based on non-probability sampling, which is particularly convenient.

3.3 Data Collection

This study conducted an online survey by China survey agency Questioner Star, aiming at Chinese consumers' awareness of the network marketing strategy of Xin Shui Jing Orchid Boxes and Chinese consumers' loyalty. The survey was conducted from September 1, 2023, to December 31, 2023. After excluding incomplete data, 400 questionnaires were used for the final analysis.

3.4 Research Instrument

In order to study the relationship between cosmetics online marketing strategy and consumer loyalty, the related variables are defined and measured. The marketing strategy consists of four variables: consumer demand matching, product price, product characteristics, and word of mouth. These variables are measured on a Likert scale of three questions for each variable. However, four questions are applied to measure consumer loyalty. Each item was measured on a five-point Likert scale (1 = "totally disagree," 2 = "not quite agree," 3 = "agree," 4 = "basically agree," and 5 = "strongly agree"). In addition, demographic factors such as gender, marital status, age, occupation, education level, and average monthly income are investigated. In order to verify the validity of the variables measured by the multi-item scale, the validity and reliability tests between items are analyzed by factor analysis.

The definitions and measurement methods of specific variables are as follows: consumer demand matching refers to the degree of matching between the product's function and the consumer's demand in cosmetic online marketing, which is embodied in the marketing strategy that arouses consumers' empathy and directly hits consumers' pain points. Specifically, in the marketing of Xinshuijing Orchid Box, it is embodied as "At the age of 25, all kinds of skin problems climb on your face: pores, dryness, looseness, wrinkles, and roughness," "Have you crossed your face? Reversing the time when you are old," and " What makes your eyes look older than 25 years old, staying up late, stress, electronic radiation, and environmental pollution cause fine lines and dark circles under your eyes," and other marketing methods.

In order to measure the matching of consumers' needs in the network marketing of Xin Shui Jing Orchid Box, three questions were specifically adopted: "I

think Xin Shui Jing Orchid Box is very suitable for my needs," "I think Xin Shui Jing Orchid Box can solve my skin problems," and "I think Xin Shui Jing Orchid Box is the cosmetic I need."

Product price refers to the degree to which the product meets the consumer's expectations in cosmetic online marketing. That is the degree to which product pricing conforms to consumers' cognition and the level of product cost performance. To measure the price factor in the network marketing of Xin Shuijing Orchid Box, three questions are adopted: "I think the price setting of Xin Shuijing Orchid Box is very reasonable," "I think Xin Shuijing Orchid Box is very affordable," and "I think Xin Shuijing Orchid Box meets my expectations of price."

Product characteristics emphasize products' efficacy, texture, and safety in online cosmetics marketing. Specifically, in the marketing of Xinshuijing Orchid Box, the efficacy, texture, and ingredients of the product are displayed in detail, with the emphasis on the product: "3 major zero additions, raw materials at ease, sensitive muscles at ease, 0 pigment, 0 alcohol, 0 prohibited ingredients for pregnant women," and so on. In order to measure the product characteristics in the network marketing of Xin Shuijing Orchid Box, three questions were specifically adopted: "I think the efficacy of Xin Shuijing Orchid Box is very attractive to me," "I think the texture of Xin Shuijing Orchid Box is very suitable for me," and "I think Xin Shuijing Orchid Box is very safe for the skin."

Consumer word-of-mouth refers to the emphasis strategy on consumer evaluation and celebrity recommendation in cosmetic online marketing. Specifically, the marketing of Xin Shui Jing Orchid Box is reflected in the quotation and publicity of user evaluation. For example, "every time you wear this BB cream, it can last all day. In this particularly hot summer, the makeup will not fall off except for the nose and forehead! It is simply the gospel of oil skin and mixed-oil skin!"

"Natural ingredients are mild and not easy to stimulate. The product is easy to use and absorb. After using it, my face feels tender and smooth. It is cost-effective; it is extracted from plants; it is not irritating to the skin; it smells good; and smells like plants." Consumer loyalty refers to consumers' high evaluation and trust in purchasing products and willingness to keep buying. The scale developed by Zeithaml et al. (1996) measures consumer loyalty and is adapted according to the research products of this

study. Specifically using four questions: "I will recommend Xin Shuijing Orchid Kit to others," "I encourage others to use Xin Shuijing Orchid Kit," "I will consider Xin Shuijing Orchid Kit as the first choice when buying cosmetics," and "I am inclined to buy more Xin Shuijing products."

"The product is very easy to use, and when it is used with the same series of products, it feels that the moisturizing effect of the skin and the firming effect of the eyes are good, so I bought another set for my girlfriend, and I really like it." In order to measure the factors of consumers' word-of-mouth in the online marketing of Xinshuijing Orchid Box, three questions are specifically adopted: "I think Xinshuijing Orchid Box has a good reputation among consumers," "I often see the praise of Xinshuijing Orchid Box," and "I often see the recommendation of celebrities and consumers to Xinshuijing Orchid Box."

3.5 Content Validity and Reliability 3.5.1 Content Validity

Table 3.1 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.857
Bartlett's Test of Sphericity	Approx. Chi-Square	1466.227
	df	120
	Sig.	.000

For factor analysis, the Kaiser-Meyer-Olkin (KMO) value of 0.857 in Table 3.1 reflects a reasonable level of sample adequacy. The correlation matrix is not an identity matrix. It is eligible for factor analysis, according to Bartlett's Test of Sphericity, with a significant chi-square value (1466.227) at a significance level of 0.000, confirming the validity of the data for the planned research.

Table 3.2 Validity Test

Factor	Index	SFL	CR	AVE
	CD1	0.826		
Consumer demand	CD2	0.817	0.86	0.68
	CD3	0.829		
	PP1	0.834		
Product price	PP2	0.83	0.87	0.70
	PP3	0.842		
	PC1	0.774		
Product characteristics	PC2	0.843	0.84	0.64
	PC3	0.777		
	CW1	0.787		
Consumer word-of-mouth	CW2	0.794	0.84	0.64
	CW3	0.817		
	CL1	0.77		
	CL2	0.771	0.85	0.59
Consumer loyalty	CL3	0.721	0.03	0.39
	CL4	0.801		

The validity test results of the questionnaire for various factors are shown in Table 3.2. The items' standardized factor loadings (SFL) are much higher than the cut-off point of 0.7, demonstrating a strong correlation between the items and the corresponding factors. The composite reliability (CR) values all exceed the suggested cut-off point of 0.7, demonstrating a high level of measurement reliability. Indicating satisfactory convergent validity, the Average Variance Extracted (AVE) values are also above the cut-off of 0.5. With an AVE of 0.70, the product price component exhibits the highest validity. These findings point to the questionnaire's strong validity and reliability in assessing consumer demand, product price, product characteristics, consumer word of mouth, and consumer loyalty. Thus, The measuring model seems well-structured and reliable in capturing the fundamental ideas underlying the

marketing dynamics of the cosmetic product, opening up the possibility of precise and useful analysis.

3.5.2 Reliability

Table 3.3 Reliability Test

Factors	Cronbach's Alpha	Number of Items
Consumer demand	.831	3
Product price	.858	3
Product characteristics	.800	3
Word-of-mouth	.778	3
Consumer loyalty	.839	4

Cronbach's Alpha reliability test findings are shown in Table 3.3, which demonstrate a high level of internal consistency for all factors. In particular, product price (.858) and consumer loyalty (.839) indicate excellent dependability. While consumer word (.778) has a slightly lower but still respectable reliability score, consumer demand (.831) and product characteristics (.800) also exhibit good reliability. These findings demonstrate the validity and reliability of the questionnaire in assessing several aspects of customer perception and loyalty towards the Xin Shui Jing Orchid Box. Each factor's corresponding items evaluate the intended underlying constructs in a cogent manner, assisting in a trustworthy analysis of the market dynamics for cosmetic products.

3.6 Research Analysis

This research analyzes data using a quantitative methodology. To ensure the validity and reliability of the study, the dataset first went through a cleaning procedure to remove any inconsistencies or missing information (Liang et al., 2019). Descriptive statistics such as means, standard deviations, and frequency distributions will be computed to summarize the data. Two main statistical techniques, namely, the independent sample t-test and the one-way analysis of variance (ANOVA), were employed for hypothesis testing (Liang et al., 2019). The null hypothesis, which states

no significant difference between males and females, was used to evaluate the effect of gender on customer loyalty using the independent sample t-test.

Conversely, the one-way ANOVA examined several demographic factors, including marital status, amount of education, kind of work, and average monthly income (Mishra et al., 2019). The null hypothesis, however, states that there is no meaningful difference in customer loyalty between these groups. Assumptions such as independence, homogeneity of variances, and normality were confirmed before these tests were run. Non-parametric tests or other data transformations were considered if the data contradicted these presumptions. Post-hoc tests were conducted to see whether particular demographic categories vary in customer loyalty should the ANOVA provide significant findings (Mishra et al., 2019). A power analysis was conducted to determine the necessary sample size for sufficient statistical power, and effect sizes were also computed to assess the findings' practical significance. Statistical software like SPSS was used for all these studies. This extensive data analysis strategy aims to provide statistically sound and perceptive findings on how Internet marketing influences consumer loyalty in China's cosmetics sector.

A quantitative analysis based on descriptive statistics and inferential statistics was applied in this study.

3.6.1 Descriptive Statistics

As far as the descriptive statistics are concerned, the absolute frequency, the percent frequency, the arithmetic mean, and the standard deviation are used in this study, which can be classified as follows:

For demographic factors, the absolute frequency and the percent frequency are presented. This study introduces the absolute frequency, the percent frequency, the arithmetic mean, and the standard deviation concerning consumer demand, online marketing strategy (the product price, the product characteristics, and the word-of-mouth), and consumer loyalty.

For the arithmetic mean, the results obtained from the consumer demand, the online marketing strategy (the product price, the product characteristics, and the word-of-mouth), and the consumer loyalty are not exactly equal to the discrete numbers (1, 2, 3, 4, and 5) as classified in the questionnaires. It is calculated in terms of a continuous number with a decimal that must be interpreted in relation to the objective

of the questionnaires. In this study, the criteria for interpreting these means are as follows:

- The arithmetic mean of 1 but less than 1.5 is strongly disagree.
- The arithmetic mean of 1.5 but less than 2.5 is at the disagree level.
- The arithmetic mean of 2.5, but less than 3.5, is at the neutral level.
- The arithmetic mean of 3.5 but less than 4.5 is at the agree level.
- The arithmetic mean of 4.5 but less than or equal to 5 strongly agrees.

3.6.2 Inferential Statistics

In inferential statistics, numerous statistics are applied according to the hypothesis.

Hypothesis 1: Differences in demographic factors generate differences in customer loyalty to cosmetic products in China.

- An independent sample t-test is used for gender.
- One-way ANOVA is applied for marital status, age, occupation, educational level, and monthly income.

Hypothesis 2: Consumer demand influences customer loyalty for cosmetic products in China.

A simple regression analysis is used.

Hypothesis 3: Online marketing strategy influences customer loyalty for cosmetic products in China.

Multiple regression analysis is used.

Hypothesis 4: Consumer demand and online marketing strategy influence customer loyalty for cosmetic products in China.

CHAPTER IV ANALYSIS RESULT

This study clarifies the impact of several elements on consumer loyalty in the cosmetic market based on the data from 400 samples gathered through a questionnaire survey. Descriptive statistics and inferential statistics are introduced in this study. In descriptive statistics, the absolute frequency, the percent frequency, the arithmetic mean, and the standard deviation are applied. For inferential statistics, the independent sample t-test, the one-way ANOVA, the linear simple regression, and the multiple linear regression are implemented. These techniques evaluated how demographic factors, consumer demand, product price, product characteristics, and word-of-mouth influence consumer loyalty. Before solving these hypotheses, the reliability and validity of the questionnaires are tested, and the results of these tests can be found in Cronbach's Alpha and KMO, which are already mentioned in Chapter 3. The study significantly contributes to our understanding of the dynamics of consumer loyalty in the cosmetics sector through a statistical analysis.

4.1 Research Finding (The Descriptive Statistics)

4.1.1 The Demographic Factor

As shown in Table 4.1, 53.00% of the respondents are female and 47.00% are male. Regarding marital status, most are married, recording approximately 73.50%, followed by single and divorced, capturing around 21.75% and 4.75%, respectively. In this study, the majority of respondents are 30 but less than 40 years old, accounting for about 53.25%, followed by 40 but less than 50 years old, 20 but less than 30 years old, and under 20 years old, recording an average of 21.75%, 14.00%, and 8.25%, respectively. The group of people aged 50 and older captures only 2.75%.

Table 4.1 The Frequency and Percent Frequency Classified by Demographic Factor

Items	Classification	Frequency	% Frequency
1. Gender	Male	188	47.00
	Female	212	53.00
2. Marital Status	Single	87	21.75
	Married	294	73.50
	Divorced	19	4.75
3. Age	Under 20 years old	33	8.25
	20 but less than 30 years old	56	14.00
	30 but less than 40 years old	213	53.25
	40 but less than 50 years old	87	21.75
	50 years old and more	11	2.75
4. Educational level	Junior high school	51	12.75
	Senior high school	92	23.00
	Bachelor degree	147	36.75
	Master degree	72	18.00
	Higher than a master's degree	38	9.50
5. Occupation	Service Industry	128	32.00
	Business and Management	44	11.00
	Technology	86	21.50
	Finance	52	13.00
	Art	33	8.25
	Student	43	10.75
	Others	14	3.50
6. Monthly income	Less than 5,000 RMB	144	36.0
	5,000 but less than 10,000 RMB	81	20.25
	10,000 but less than 15,000 RMB	117	29.25
	15,000 but less than 20,000 RMB	37	9.25
	20,000 RMB and more	21	5.25
	Total	400	100.00

Concerning educational level, most respondents have a bachelor's degree, recording about 36.75%, followed by senior high school, master's degree, and junior high school, with a ratio of about 23.00%, 18.00%, and 12.75%, respectively. Only 9.50% have more than a master's degree. In terms of occupation, the service industry is the leader with a share of approximately 32.00%, followed by technology and finance, which capture about 21.50% and 13.00%, respectively.

Business management, students, and art occupy around 11.00%, 10.75%, and 8.25%, respectively. Only 3.50% are other occupations. In terms of monthly income, most respondents have less than 5,000 yuan, accounting for about 36.00%, followed by 10,000 but less than 15,000 yuan, 5,000 but less than 10,000 yuan, and 15,000 but less than 20,000 yuan, accounting for about 29.50%, 20.25%, and 9.25%, respectively. However, the group of 20,000 yuan and more captures only 5.25%.

4.1.1.1 Gender

A nearly balanced gender perspective is given by the nearly equal proportion of male (188) and female (212) participants. This balance may make it possible to examine how attitudes and behaviors towards beauty items and marketing tactics differ or are comparable across genders. It is a good sign for evaluating gender-related biases and trends in consumer responses to cosmetic sector marketing tactics.

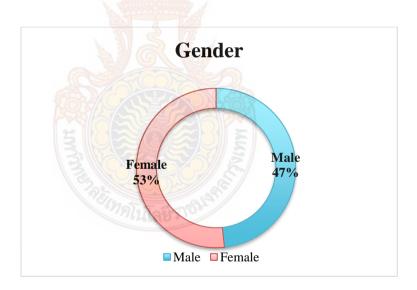


Figure 4.1 Gender

4.1.1.2 Marital Status

This study's findings that 294 out of the participants are married may indicate that they are in a more established or stable stage of life. Less representation of single and divorced groups may make understanding their habits or preferences harder.

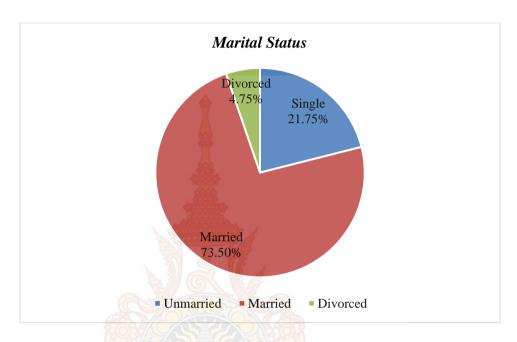


Figure 4.2 Marital Status

4.1.1.3 Age

The results show that most respondents are between 30 and 40, which may imply a demographic with established careers and perhaps families. This age group's purchasing habits and preferences may be influenced by their stage of life. In contrast, the lack of representatives from the age groups under 20 years old, 50 years old, and more may make it more difficult to comprehend the demands and behaviors of these groups' consumers about the cosmetics business.

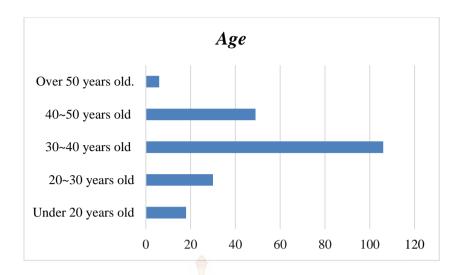


Figure 4.3 Age

4.1.1.4 Educational Level

The distribution of educational attainment shows a lean towards higher education, with a sizable fraction of individuals currently enrolled in or having finished undergraduate (36.75%) or postgraduate (27.50%) coursework. This group may have greater disposable income or distinct values and interests when purchasing cosmetics. On the other hand, a thorough understanding of the purchasing habits and preferences of those with lower education levels may not be possible due to the smaller number of participants with only junior or senior high school education.

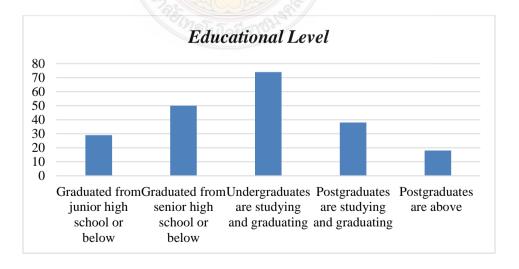


Figure 4.4 Educational Level

4.1.1.5 Occupation

Most respondents work in the service sector, suggesting that they may be exposed to encounters with the public that could influence their preferences for cosmetics. Various lifestyle and economic aspects, which may affect people's purchase decisions for cosmetics, are reflected in the representation from other industries, including technology, banking, and business.

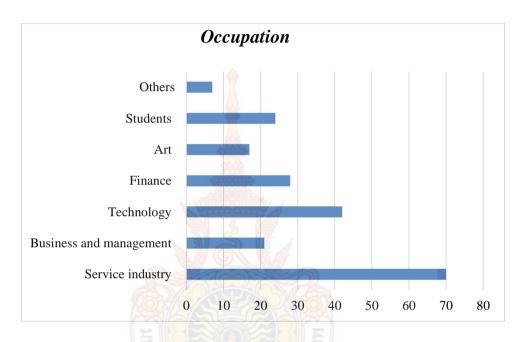


Figure 4.5 Occupation

4.1.1.6 Monthly Income

Most of them make fewer than 5,000 yuan, probably implying that they do not have much money to spend on cosmetics. As income groups rise, their representation falls, indicating a middle-class-focused demographic. Income levels probably influence the price sensitivity and expected value of cosmetics.



Figure 4.6 Monthly Income

4.1.2 Consumer Demand

Table 4.2 Percent Frequency of Consumer Demand

Items	Strongly Disagree	Disagree	Moderate	Agree	Strongly Agree
The product is very	3.00%	5.75%	9.25%	30.00%	52.00%
suitable for my needs.					
The product can solve	4.50%	7.75%	17.25%	34.50%	36.00%
my skin problem.					
The product is the	3.75%	5.25%	14.50%	36.50%	40.00%
cosmetic I need.	3781676	8851100			

According to the data in Table 4.2, consumers have a positive opinion of the Xin Shui Jing Orchid Box's fit for their needs and effectiveness in treating skin issues. Most respondents (82.00%) either agree or strongly agree that the product suits their needs. Approximately 70.50% believe the product can solve their skin problem. In addition, about 76.50% of respondents somewhat agree that this product is the cosmetic they need. This enthusiastic response shows that the Xin Shui Jing Orchid Box is in line with customer demand and may be well-positioned to meet the respondents' specific needs for skin care.

Table 4.3 Standard Deviation and Arithmetic Mean of Consumer Demand

Items	Standard Deviation	Arithmetic Mean	Mean Rank	Meaning
The product is very suitable for my needs.	1.032	4.22	1	Agree
The product can solve my skin problem.	1.114	3.90	3	Agree
The product is the cosmetic I need.	1.046	4.04	2	Agree
Consumer Demand	0.92478	4.05	-	Agree

The figures in Table 4.3 show that "the product is very suitable for my needs" is the most important reason, with a mean of about 4.22, followed by "the product is the cosmetic I need" and "the product can solve my skin problem," with the mean of about 4.04 and 3.90, respectively. Overall, the mean score of consumer demand is around 4.05, which is at the agreed level.

4.1.3 Online Marketing Strategy

Online marketing strategy can be classified into product price, product characteristics, and word-of-mouth. The details of these characteristics are described as follows:

Table 4.4 Standard Deviation and Arithmetic Mean of Online Marketing Strategy

Items	Standard Deviation	Arithmetic Mean	Mean Rank	Meaning
Product Price	1.06869	3.58	3	Agree
Product Characteristics	0.89008	3.93	1	Agree
Word-of-Mouth	0.89430	3.80	2	Agree
Online Marketing Strategy	0.67079	3.77	-	Agree

As shown in Table 4.4, it is indicated that product characteristics are the most important aspect, with a mean of about 3.93, followed by word-of-mouth and product price, with a mean of about 3.80 and 3.58, respectively. Overall, the mean score of online marketing strategy is around 3.77, at the agreed level.

4.1.3.1 Product Price

Table 4.5 Absolute Frequency and Percent Frequency of Product Price

Items	Strongly Disagree	Disagree	Moderate	Agree	Strongly Agree
The price is very reasonable.	7.25%	11.25%	13.75%	39.50%	28.25%
The price is very affordable.	8.25%	15.50%	20.50%	35.75%	20.00%
The price is accorded with	8.00%	11.50%	18.25%	38.25%	24.00%
my expectation					

Table 4.5 shows the percentage of respondents who agree and strongly agree that the Xin Shui Jing Orchid Box's price is very reasonable (67.75%) and in line with their expectations regarding price (62.25%). However, it reduces to 55.75% when it comes to affordability. This could signal that, even though consumers believe the price is reasonable, some may still find it difficult to afford. The three assertions' varying levels of agreement imply that price perception may be complex, perhaps impacted by personal financial situations or value perceptions.

Table 4.6 Standard Deviation and Arithmetic Mean of Product Price

Items	Standard Deviation	Arithmetic Mean	Mean Rank	Meaning
The price is very reasonable.	1.199	3.70	1	Agree
The price is very affordable.	1.206	3.44	3	Moderate
The price is accorded with my expectation	1.198	3.59	2	Agree
Product Price	1.06869	3.58	-	Agree

As far as the figures in Table 4.6 are concerned, it is evident that "the price is very reasonable" is the most important reason, with a mean of about 3.70, followed by "the price is accorded with my expectation" and "the price is very affordable" with a mean of about 3.59 and 3.44, respectively. Overall, the mean score of product price is around 3.58, which is at the agreed level.

4.1.3.2 Product Characteristics

Table 4.7 Absolute Frequency and Percent Frequency of Product Characteristics

Items	Strongly Disagree	Disagree	Moderate	Agree	Strongly Agree
The product is very attractive	2.50%	4.50%	15.00%	36.50%	41.50%
to me.					
The quality of the product suits	4.75%	9.50%	19.75%	35.75%	30.25%
me very well.					
The product is very safe for	3.25%	8.00%	14.75%	42.00%	32.00
the skin.					

According to Table 4.7, respondents had an overall favorable opinion of the Xin Shui Jing Orchid Box's product attributes. A sizable majority consider the product very attractive (78.00%), while 66.00% feel that the quality of the product suits them very well, and 74.00% think it is skin-safe. Although there are minor differences in the degree of agreement across the three claims, the overall positive leaning suggests that consumers have a favorable opinion of the product's features. The product appears to have successfully communicated its advantages and safety to consumers, which is critical in the cosmetics business. The perceived safety and effectiveness are particularly encouraging.

Table 4.8 Standard Deviation and Arithmetic Mean of Product Characteristics

Items	Standard Deviation	Arithmetic Mean	Mean Rank	Meaning
The product is very attractive to me.	0.981	4.10	1	Agree
The quality of the product suits me very well.	1.122	3.77	3	Agree
The product is very safe for the skin.	1.037	3.92	2	Agree
Product characteristics	0.89008	3.93	-	Agree

With respect to the figures in Table 4.8, it is evident that "the product is very attractive" is the most important reason, with a mean of about 4.10, followed by "the product is very safe for the skin" and "the quality of product suits me very well" with a mean of about 3.92 and 3.77, respectively. Overall, the mean score of product characteristics is around 3.93, which is at the agreed level.

4.1.3.3 Consumer Word-of-Mouth

Table 4.9 Absolute Frequency and Percent Frequency of Word-of-Mouth

Items	Strongly Disagree	Disagree	Moderate	Agree	Strongly Agree
The product has a good	3.00%	4.75%	19.00%	37.50%	35.75%
reputation among consumers.					
I often see the praise for the	4.75%	11.50%	25.00%	35.25%	23.50%
product.					
I often see product	5.00%	7.00%	20.25%	38.00%	29.75%
recommendations.					

According to the figures in Table 4.9, the customers see the praise of the product has a share of about 58.75%. A good reputation among consumers occupies about 73.25%. Regarding suggestions from influencers (red persons) and other customers, however, there is a slight decline in the percentage of agreement (67.75%). This data indicates a strong internet reputation and word-of-mouth, which might be strengthened even more through carefully chosen influencer partnerships or by encouraging more user testimonials and recommendations. According to the data, there is already a positive story about the product, which can help win over customers' trust and loyalty.

Table 4.10 Standard Deviation and Arithmetic Mean of Word-of-Mouth

Items	Standard Deviation	Arithmetic Mean	Mean Rank	Meaning
	Deviation	IVICall	Naiik	
The product has a good reputation among	1.005	3.98	1	Agree
consumers.				
I often see the praise for the product.	1.107	3.61	3	Agree
I often see product recommendations.	1.093	3.81	2	Agree
Word-of-mouth	0.89430	3.80	-	Agree

Concerning the figures in Table 4.10, it is evident that "the product has a good reputation among consumers" is the most important reason, with a mean of about 3.98, followed by "I often see the recommendation of the product" and "I often see the praise of the product" with a mean of about 3.81 and 3.61, respectively. Overall, the mean score of word-of-mouth is around 3.80, which is at the agreed level.

4.1.4 Customer Loyalty

Table 4.11 Absolute Frequency and Percent Frequency of Customer Loyalty

Items	Strongly Disagree	Disagree	Moderate	Agree	Strongly Agree
I will recommend the product to others.	2.00%	8.50%	21.25%	36.50%	31.75%
I encourage others to use the product.	7.25%	12.25%	25.25%	35.25%	20.00%
I will consider the product to be the first choice when buying cosmetics.	5.50%	8.00%	20.50%	39.75%	26.25%
I tend to buy more products with freshwater features.	4.00%	11.00%	23.75%	38.25%	23.00%

Table 4.11 explores consumer loyalty to the Xin Shui Jing Orchid Box. The respondents' propensity to recommend the product to others is about 68.25%, followed by "I will consider the product as the first choice when buying cosmetics," recording about 66.00%. To buy more products with freshwater features and to encourage others to use the product, record only 61.25% and 55.25%, respectively, demonstrating a marginally lower level of fidelity or happiness in these areas. This may point to areas needing improvement or additional involvement to increase customer loyalty. For instance, a more thorough investigation might determine what might discourage some customers from recommending the product to others or purchasing further items with similar qualities.

Table 4.12 Standard Deviation and Arithmetic Mean of Customer Loyalty

Items	Standard	Arithmetic	Mean	Maanina
items	Deviation	Mean	Rank	Meaning
I will recommend the product to others.	1.018	3.88	1	Agree
I encourage others to use the product.	1.155	3.49	4	Moderate
I will consider the product to be the first	1.102	3.73	2	Agree
choice when buying cosmetics.				
I tend to buy more products with freshwater	1.072	3.65	3	Agree
features.				
Consumer Loyalty	0.89729	3.69	-	Agree

With respect to the standard deviation and the arithmetic mean in Table 4.12, the opinion about "to recommend the product to others" is still the most important reason, with a mean of approximately 3.88, followed by "to consider the product as the first choice when buying cosmetics," recording about 3.73. To buy more products with freshwater features and to encourage others to use the product still rank third and fourth with a mean of around 3.65 and 3.49, respectively. The overall mean consumer loyalty score is about 3.69, at the agreed level.

4.2 Hypothesis Testing Result (Inferential Statistics)

4.2.1 Differences in Demographic Factors Generate Differences in Customer Loyalty in Cosmetic Products in China

4.2.1.1 Differences in Gender Generate Differences in Customer Loyalty in Cosmetic Products in China

H₀:
$$\mu_1 = \mu_2$$

H_a: $\mu_1 \neq \mu_2$

Table 4.13 The Independent Samples t-test of the Gender Factor

	10-0113					
Items	Gender	NN	Mean	S.D.	t-value	p-value
	Male	11	3.7274	.94633		
Consumant avaley	Male	88	3.1214	.94033	- 0.863	0.388
Consumer Loyalty	Famala	22	3.6498	.85205		
	Female 12	12 25				

It can be seen from Table 4.13 that the p-value of consumer loyalty classified by gender is about 0.388, which is much higher than the critical value of 0.05. Therefore, the null hypothesis H_0 cannot be rejected, which means that gender differences generate no differences in consumer loyalty.

4.2.1.2 Differences in Marital Status Generate Differences in Customer Loyalty in Cosmetic Products in China

$$H_0$$
: $\mu_i = \mu_j$

 H_a : $\mu_i \neq \mu_j$ at the last one pair where $i \neq j$.

Factor	Items	SS	df	MS	F-value	p-value
	Between Groups	6.997	2	3.498	4.419	.013
Marital Status	Within Groups	314.253	397	.792	-	
	Total	321.249	399			

Table 4.14 The One-way ANOVA of Customer Loyalty Classified by Marital Status

It is evident from Table 4.14 that the p-value of consumer loyalty classified by marital status is approximately 0.013, which is much lower than the critical value of 0.05. Therefore, the null hypothesis H_0 for this factor is rejected, meaning that differences in marital status generate differences in consumer loyalty.

Table 4.15 Multiple Comparisons of Marital Status

			AAA					
	Dependent Variable: Consumer Loyalty (LSD)							
Marital	Marital	Mean			95% Confide	nce Interval		
	Status (J)	Difference	Std. Error	Sig.	Lower	Upper		
Status (I)	Status (J)	(I-J)			Bound	Bound		
Single	Married	15922	.10859	.143	3727	.0543		
	Divorced	.41803	.22530	.064	0249	.8610		
Married	Single	.15922	.10859	.143	0543	.3727		
	Divorced	.57725*	.21060	.006	.1632	.9913		
Divorced	Single	41803	.22530	.064	8610	.0249		
	Married	57 725*	.21060	.006	9913	1632		
	*. The mean difference is significant at the 0.05 level.							

Table 4.15 shows the mean differences between marital status based on the least significant difference (LSD) method. The results show a significant difference in consumer loyalty between "married" and "divorced." However, there are no significant differences in consumer loyalty between "single" and "married" or between "single" and "divorced."

4.2.1.3 Differences in Age Generate Differences in Customer Loyalty in Cosmetic Products in China

 H_0 : $\mu_i = \mu_i$

 H_a : $\mu_i \neq \mu_j$ at the last one pair where $i \neq j$.

Table 4.16 The One-way ANOVA of Customer Loyalty Classified by Age

Factor	Items	SS	df	MS	F-value	p-value
	Between Groups	15.048	4	3.762	- 4.853	.001
Age	Within Groups	306.202	395	.775	4.033	.001
	Total	321.249	399			

Concerning Table 4.16, it is evident that the p-value of consumer loyalty classified by age is about 0.001, much lower than the critical value of 0.05. Therefore, the null hypothesis H_0 for this factor is rejected, meaning that age differences generate differences in consumer loyalty.

Table 4.17 Multiple Comparisons of Age

	De	ependent Va <mark>ria</mark> ble:	Consun	ner Loy	alty (LSD)	
		Mean Difference	Std.		95% Confide	nce Interval
Age (I)	Age (J)	(I-J)	Error	Sig.	Lower	Upper
		(1-3)	Elloi		Bound	Bound
Under 20	20 less 30	33834	.19322	.081	7182	.0415
	30 less 40	26622	.16471	.107	5900	.0576
	40 less 50	23145	.18000	.199	5853	.1224
	50 and more	.83333*	.30653	.007	.2307	1.4360
20 less 30	Under 20	.33834	.19322	.081	0415	.7182
	30 less 40	.07212	.13222	.586	1878	.3321
	40 less 50	.10689	.15084	.479	1897	.4034
	50 and more	1.17167*	.29037	.000	.6008	1.7425
30 less 40	Under 20	.26622	.16471	.107	0576	.5900
	20 less 30	07212	.13222	.586	3321	.1878
	40 less 50	.03477	.11203	.756	1855	.2550
	50 and more	1.09955^*	.27223	.000	.5643	1.6348
40 less 50	Under 20	.23145	.18000	.199	1224	.5853
	20 less 30	10689	.15084	.479	4034	.1897
	30 less 40	03477	.11203	.756	2550	.1855
	50 and more	1.06479*	.28175	.000	.5109	1.6187
50 and	Under 20	83333*	.30653	.007	-1.4360	2307
more	20 less 30	-1.17167*	.29037	.000	-1.7425	6008
	30 less 40	-1.09955*	.27223	.000	-1.6348	5643
	40 less 50	-1.06479*	.28175	.000	-1.6187	5109
	*. Th	ne mean difference	is signifi	cant at t	he 0.05 level.	

It is evident from Table 4.17 that there is a significant difference in consumer loyalty between the group "50 years old and older" and the other four groups. However, there are no significant differences in consumer loyalty between those four groups, namely, the group of "under 20 years old," "20 years old but less than 30 years old," "30 years old but less than 40 years old," and "40 years old but less than 50 years old."

4.2.1.4 Differences in Educational Level Generate Differences in Customer Loyalty in Cosmetic Products in China

 H_0 : $\mu_i = \mu_i$

 H_a : $\mu_i \neq \mu_j$ at the last one pair where $i \neq j$.

Table 4.18 The One-way ANOVA of Consumer Loyalty Classified by Educational Level

Factor	Items	SS	df	MS	F-value	p-value
	Between Groups	8.751	4	2.188	2.765	.027
Educational Level	Within Groups	312.499	395	.791	2.703	.027
	Total	321.249	399			

Concerning Table 4.18, it is evident that the p-value of consumer loyalty classified by age is about 0.027, much lower than the critical value of 0.05. Therefore, the null hypothesis H₀ for this factor is rejected, meaning that differences in educational level generate differences in consumer loyalty.

Table 4.19 Multiple Comparisons of Educational Level

	Dependent Variable:	Consumer L	oyalty (L	SD)		
Age (I)	Age (J)	Mean Difference	Std.	Sig.	95% Cor Inter	
Age (I)	Age (J)	(I-J)	Error	Sig.	Lower	Upper
T ' TT' 1 G 1 1	g : xx: 1 g 1 1		15500	010	Bound	Bound
Junior High School	Senior High School	36983*	.15528	.018	6751	0646
	Bachelor's degree	38956*	.14455	.007	6737	1054
	Master's degree	40380*	.16279	.014	7238	0838
	Higher than Master	08308	.19061	.663	4578	.2917
Senior High School	Junior High School	.36983*	.15528	.018	.0646	.6751
	Bachelor's degree	01972	.11824	.868	2522	.2127
	Master's degree	03397	.13995	.808	3091	.2412
	Higher than Master	.28676	.17152	.095	0504	.6240
Bachelor's degree	Junior High School	.38956*	.14455	.007	.1054	.6737
	Senior High School	.01972	.11824	.868	2127	.2522
	Master's degree	01424	.12794	.911	2658	.2373
	Higher than Master	.30648	.16187	.059	0118	.6247
Master's degree	Junior High School	.40380*	.16279	.014	.0838	.7238
	Senior High School	.03397	.13995	.808	2412	.3091
	Bachelor's degree	.01424	.12794	.911	2373	.2658
	Higher than Master	.32072	.17835	.073	0299	.6714
Higher than Master	Junior High School	.08308	.19061	.663	2917	.4578
	Senior High School	28676	.17152	.095	6240	.0504
	Bachelor's degree	30648	.16187	.059	6247	.0118
	Master's degree	32072	.17835	.073	6714	.0299
*	The mean difference	is significant a	at the 0.05	level.		

As far as the educational level is concerned, the results obtained from Table 4.19 suggest that there is a significant difference in consumer loyalty between the group "Junior High School" and the other three groups, that is, "Senior High School," "bachelor's degree," and "master's degree." For "Senior High School," "Bachelor's degree," and "master's degree," they are found to be different from only the group of "Junior High School." However, there are no significant differences in consumer loyalty between the group "higher than master" and the other four groups, namely, the group "Junior High School," "Senior High School," "bachelor's degree," and "master's degree."

4.2.1.5 Differences in Occupation Generate Differences in Customer Loyalty in Cosmetic Products in China

 H_0 : $\mu_i = \mu_i$

 H_a : $\mu_i \neq \mu_j$ at the last one pair where $i \neq j$.

Items SS df MS F-value Factor p-value Between Groups 9.176 6 1.529 1.926 .076 Occupation Within Groups 312.073 393 .794 Total 321.249 399

Table 4.20 The One-way ANOVA Consumer Loyalty Classified by Occupation

The results obtained from Table 4.20 indicate that the p-value of consumer loyalty classified by occupation is approximately 0.076, much higher than the critical value of 0.05. Therefore, the null hypothesis H_0 for this factor cannot be rejected, meaning that differences in occupation generate no differences in consumer loyalty.

4.2.1.6 Differences in Monthly Income Generate Differences in Consumer Loyalty

 H_0 : $\mu_i = \mu_i$

 H_a : $\mu_i \neq \mu_j$ at the last one pair where $i \neq j$.

Table 4.21 The One-way ANOVA Consumer Loyalty Classified by Monthly Income

Factor	Items	SS	df	MS	F-value	p-value
	Between Groups	6.122	4	1.530	- 1.918	.107
Monthly Income	Within Groups	315.127	395	.798	- 1.916	.107
	Total	321.249	399			

The results obtained from Table 4.21 indicate that the p-value of consumer loyalty classified by monthly income is approximately 0.107, which is much higher than the critical value of 0.05. Therefore, the null hypothesis H_0 for this factor cannot be rejected, meaning that differences in monthly income generate no differences in consumer loyalty.

4.2.2 Consumer Demand Influence on Consumer Loyalty

In order to determine the influence of consumer demand on consumer loyalty, a simple linear regression analysis is applied to this study.

 H_0 : $\beta_1 = 0$

 H_a : $\beta_1 \neq 0$

$$Y = \beta_0 + \beta_1 X$$

Where Y = Consumer Loyalty

 $X_1 = Consumer Demand$

The results obtained from the study can be seen in Table 4.14 and are written in terms of equation (1).

$$Y=1.834+.457X \label{eq:eq:energy} (.007) \ (.000) \(1)$$
 Adjusted $R^2=0.220$

Table 4.22 The Simple Linear Regression Analysis of Consumer Loyalty Based on Consumer Demand

	, i	Coefficier	nt ^a	,	
Modela			dized Standardized		n volvo
Model			Coefficients	t-value	p-value
	В	Std. Error	Beta		
Constant	1.834	.178		10.287	.000
X = Consumer Demand	.457	.043	.471	10.650	.000
a. Dependent variable Y =	Consumer	Loyalty)		

With reference to Table 4.22, the results obtained from the simple linear regression analysis suggest that the independent variables are found to be statistically significant at the critical level of 0.05 with a coefficient of about 0.457. The adjusted R² of this simple linear regression analysis is approximately 0.220.

4.2.3 Online Marketing Strategy Influence on Consumer Loyalty

In order to determine the influence of online marketing strategy on consumer loyalty, multiple linear regression analysis is applied in this study.

$$H_0\text{: }\beta_i=0$$

$$H_a\text{: }\beta_i\neq 0 \text{ }(I=1,\,2,\,3)$$

$$Y=\beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3$$
 Where $Y=\text{Consumer Loyalty}$
$$X_1=\text{Product Price}$$

$$X_2=\text{Product Characteristics}$$

$$X_3=\text{Word-of-Mouth}$$

The results obtained from the study can be seen in Table 4.15 and are written in terms of equation (2).

$$Y = 1.150 + .197X_1 + .234X_2 + .240X_3$$

$$(.000) \quad (.000) \quad (.000) \quad (.001) \qquad(2)$$
 Adjusted $R^2 = 0.276$

Table 4.23 The Multiple Linear Regression Analysis of Consumer Loyalty based on Online Marketing Strategy

	_	Coeffic	ient ^a		
	Unstandardized		Standardized		
Model ^a	Coeff	icients	- Coefficients	t-value	p-value
	В	Std.	Beta		
	D	Error	Deta		
Constant	1.150	.213		5.404	0.000
$X_1 = Product Price$.197	.041	.235	4.808	0.000
X_2 = Product Characteristics	.234	.049	.232	4.762	0.000
X3 = Word-of-Mouth	.240	.045	.239	5.279	0.000
a. Dependent variable Y=Con	sumer Lo	yalty			

Concerning Table 4.23, the multiple linear regression analysis results suggest that all of the independent variables are statistically significant at the critical level of 0.05. Word-of-mouth is the most important factor affecting consumer loyalty, with a coefficient of about 0.240, followed by product characteristics and product price, the coefficients of which are about 0.2234 and 0.197, respectively. The adjusted R² of this multiple linear regression analysis is approximately 0.276.

4.2.4 Consumer Demand and Online Marketing Strategy Influence Consumer Loyalty

In order to determine the influence of online marketing strategy on consumer loyalty, multiple linear regression analysis is applied in this study.

$$\begin{split} H_0 \!\!: \beta_i &= 0 \\ H_a \!\!: \beta_i &\neq 0 \; (i=1,\,2,\,3,\,4) \end{split}$$

$$Y \!\!= \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 \end{split}$$

Where Y = Consumer Loyalty

 $X_1 = Consumer Demand$

 $X_2 = Product Price$

 X_3 = Product Characteristics

 $X_4 = Word-of-Mouth$

The results obtained from the study can be seen in Table 4.16 and are written in terms of equation (1).

$$Y = .598 + .289X_1 + .154X_2 + .164X_3 + .190X_4$$

$$(.007) \quad (.000) \quad (.000) \quad (.001) \quad (.000) \qquad(3)$$
 Adjusted $R^2 = 0.347$

Table 4.24 The Multiple Linear Regression Analysis of Consumer Loyalty Based on Online Marketing Strategy

	A THE STATE OF THE	Coeffic	rient ^a	_	
Model ^a	Unstandardized Coefficients		Standardized Coefficients	t-value	p-value
	В	Std. Error	Beta		
Constant	.598	.219		2.733	.007
$X_1 = $ Consumer Demand	.289	.044	.298	6.636	.000
$X_2 = $ Product Price	.154	.040	.183	3.886	.000
X_3 = Product Characteristics	.164	.048	.163	3.430	.001
$X_4 = $ Word-of-Mouth	.190	.044	.190	4.344	.000
a. Dependent variable Y=Consumer Loyalty					

Regarding Table 4.24, the multiple linear regression analysis results suggest that all the independent variables are statistically significant at the critical level of 0.05. Consumer demand is the most important factor affecting consumer loyalty, with a coefficient of about 0.289, followed by word-of-mouth, product characteristics, and product price, the coefficients of which are about 0.190, 0.164, and 0.154, respectively. The adjusted R² of this multiple linear regression analysis is approximately 0.347.

4.3 Results Summary

In summary, according to the above study, it can be seen from the independent sample t-test that differences in demographic factors in terms of gender generate no differences in consumer loyalty. Differences in marital status, age, and educational level generate differences in consumer loyalty based on the one-way ANOVA statistics. In contrast, differences in occupation and monthly income generate no differences in consumer loyalty. As far as consumer demand is concerned, it is evident that this factor influences consumer loyalty. With respect to the online marketing strategy, it can be seen that all aspects, namely, product price, product characteristics, and word-of-mouth, have been found to influence consumer loyalty. Regarding consumer demand and the online marketing strategy, it is evident that all the aspects, namely consumer demand, product price, product characteristics, and word-of-mouth, have been found to influence consumer loyalty. The results of these findings can be seen in Table 4.25.

Table 4.25 The Summary Results of Hypothesis Testing

	<u> </u>	
	Not Reject H ₀	Reject H ₀
Hypothesis 1		
1.1 Gender	√ √	
1.2 Marital Status		$\sqrt{}$
1.3 Age		$\sqrt{}$
1.4 Educational Level		$\sqrt{}$
1.5 Occupation	$\sqrt{}$	
1.6 Monthly Income	\checkmark	
Hypothesis 2		
Consumer Demand		$\sqrt{}$
Hypothesis 3		
1. Product Price		$\sqrt{}$
2. Product Characteristics		$\sqrt{}$
3. Word-of-Mouth		$\sqrt{}$
Hypothesis 4		
1. Consumer Demand		$\sqrt{}$
2. Product Price		\checkmark
3. Product Characteristics		\checkmark
4. Word-of-Mouth		\checkmark

CHAPTER V

CONCLUSION AND DISCUSSION

The study aimed to comprehend the link between cosmetic internet marketing methods and Chinese consumer loyalty by focusing on Yunnan Keyan Pharmaceutical Biotechnology Co., Ltd. The study aimed to offer an intellectual framework for expanding the cosmetic business in light of the post-pandemic comeback of the cosmetic sector. It looked at popular internet marketing techniques and how they affected Chinese consumers' brand loyalty. According to the research, consumers favor particular marketing tactics that may improve the shopping experience and encourage brand loyalty when in line with their tastes. The study also confirmed how consumers felt about various marketing tactics, providing information that might help companies improve their methods. Although the study focused on Korean cosmetics, its universal implications offer guidance for the larger cosmetics sector.

5.1 Conclusion

Most of the respondents are female with married status, ages 30 but less than 40. They mostly have bachelor's degrees and work in the service industry, but their monthly income is less than 5,000 yuan. As far as the online marketing strategy is concerned, it is indicated that consumer demand is the most important aspect, followed by product characteristics, word-of-mouth, and product price. Overall, the mean score of online marketing strategy is around 3.84, at the agreed level.

The results obtained from the study indicate that differences in marital status, age, and educational level generate differences in Chinese customer loyalty to cosmetic products when one-way ANOVA statistics are applied. The results obtained from the simple linear regression analyses show that consumer demand has a significant positive impact on Chinese customer loyalty to cosmetic products. Based on the multiple linear regression analyses, the online marketing strategy is found to have a significant positive impact on customer loyalty.

5.2 Discussion

5.2.1 The Effect of Online Marketing Strategy on Customer Loyalty in Cosmetic Products in China

Most respondents said they would suggest and use the product as their top option when buying cosmetics. This is consistent with the findings from Leninkumar (2017), which highlighted the connection between consumer satisfaction and loyalty. Endorsing a product or selecting it as a first choice indicates that consumers are satisfied, which is a critical factor in loyalty. The reliability test results provide additional proof that the conclusions are legitimate. The reliability of the conclusions generated from the findings and their applicability for decision-making depend heavily on this uniformity. The finding's eligibility for factor analysis is further confirmed by correlation analysis, which includes the KMO measure and Bartlett's Test of Sphericity. The data is legitimate for the intended research, as shown by the significant chi-square and KMO values, guaranteeing that the conclusions obtained are supported by substantial evidence.

Gilitwala and Nag (2021) support the findings on the impact of cosmetic marketing strategies on consumer loyalty and the difficulties in luring and keeping consumers online, highlighting the significance of trust and perceived value. Positive word-of-mouth is an external confirmation of the perceived worth of the products in the Xin Shui Jing Orchid Box, which can considerably increase consumer loyalty and confidence. Additionally, Gomes et al. (2020) investigated how brand image and consumer satisfaction affected how much value was considered worthy. This is comparable to the Xin Shui Jing Orchid Box situation, where the product's perceived benefits, as evidenced by its positive reputation, add to its total perceived value, promoting brand image and satisfaction.

5.2.2 Implementation of Marketing Strategies

The company's emphasis on comprehending consumer demands might be linked to the validity test results reflecting consumer attitudes' intricacies. In the same way, the questionnaire in the study attempted to capture complex consumer preferences. This may entail market research, surveys, or consumer feedback loops. Furthermore, correlation analysis highlights how crucial it is to satisfy consumer demand. Targeting particular skin-related problems that consumers experience, the Xin Shui Jing Orchid

Box has been created with this in mind. This is consistent with the idea that meeting consumer demand greatly influences maintaining consumer loyalty.

Additionally, the regression analysis lends credence to the hypothesis that consumer loyalty is positively impacted by marketing techniques that fulfill consumer desire. By concentrating on consumer demands, Xin Shui Jing Orchid Box uses a marketing tactic experimentally shown to increase consumer loyalty. The research's high beta and R-square values could reflect how well the company's consumer-focused strategy works. Therefore, this aligns with Sun (2022), which shows that the product's capacity to satisfy consumer demand directly influences its value, impacting the brand's reputation and satisfaction. As a result, the marketing plans for the Xin Shui Jing Orchid Box are founded on empirical research, emphasizing consumer demand to enhance the brand's reputation and boost consumer satisfaction and loyalty. This provides a strong endorsement of the product's marketing approach.

5.2.3 Factors on Consumer Loyalty in the Marketing Strategy of Xinshuijing Orchid Box

5.2.3.1 Effects of Demographic Factor

Independent sample t-test was employed (Table 4.8) to examine the impact of gender on consumer loyalty. It was shown that although females scored 3.6498 and males 3.7274 on average for loyalty, this difference was not statistically significant (p = 0.388). Therefore, in this sample, loyalty is not significantly impacted by gender. To evaluate the impact of marital status, age, educational level, occupation, and monthly income on loyalty, the results obtained from the one-way ANOVA show that differences in marital status, age, and educational level generate differences in consumer loyalty, with the p -values equalling 0.013, 0.001, and 0.027, respectively. Remarkably, no significant association was found between occupation and monthly income on consumer loyalty since their p-values are equal to 0.076 and 0.107, respectively.

The study showed no significant difference in loyalty scores between men and women. Gender is a feature that is often linked to variances in customer behavior. This contradicts the conventional marketing paradigm, which frequently separates techniques according to a person's gender. Similarly, a study by Narang and Sharma (2021) found that the characteristics marketers usually consider when

customizing their offerings, age, marital status, educational attainment, employment, and average monthly income, did not substantially correspond with loyalty scores. This is especially thought-provoking for marketers who spend much money using these demographic lines to segment their consumer base. Hence, these results indicate a possible change in customer loyalty. It emphasizes the possibility that other non-demographic elements like product quality, brand values, customer service, or individual experiences may have a stronger correlation with loyalty. Brands may need to reconsider their approaches, putting more emphasis on value propositions that apply to all consumers rather than just those based on demographics.

5.2.3.2 Effects of Consumer Demand Matching

The results from Table 4.3a demonstrate how effective the Xin Shui Jing Orchid Box is in this respect. The product has successfully met consumer demand because 83% of respondents felt it met their demands, and approximately 70% of respondents said they believe the solution treats their skin concerns. Because consumers are more inclined to be loyal to brands they feel meet their particular demands, this alignment promotes trust and raises the product's perceived value. Consumer loyalty is greatly influenced by how well the product meets consumer demands, how well it is thought to treat skin conditions, and how widely it is accepted as an essential cosmetic product.

A key marketing component is consumer demand matching, particularly in sectors like the cosmetics business, where consumer preferences and demands are very influential. The results show that the marketing approach for the Xin Shui Jing Orchid Box successfully tapped into this concept by making sure the product met consumers' requirements and expectations. Bowen and Chen (2001) emphasized the inherent connection between consumer loyalty and satisfaction, which effectively helps meet consumer demand. In the context of cosmetics, Leninkumar (2017) emphasized that the degree to which a product meets consumer demand substantially impacts consumer loyalty. Given the extraordinarily favourable response to the Xin Shui Jing Orchid Box, there is a chance for the company to increase loyalty by putting in place loyalty schemes or giving out prizes to their most devoted consumers.

Similarly, Shi (2020) looked at how brand image and consumer satisfaction affect consumer loyalty and perceived value, similar to the Xin Shui Jing Orchid Box case. Hence, consumer satisfaction is fostered by the product's capacity to satisfy consumer demand, improving its brand image, and developing loyalty. Furthermore, the findings of Shi (2020) demonstrate that consumers have a favorable opinion of the Xin Shui Jing Orchid Box, which strengthens the brand's reputation. As a result, the study strongly supports the marketing approach of the Xin Shui Jing Orchid Box, which is based on satisfying consumer demands. The product enjoys a favorable position in the market and is likely to retain consumers because of its capacity to satisfy consumers and solve their skin problems. Examining the literature offers convincing proof of the significance of brand image, consumer trust, and consumer satisfaction in determining consumer loyalty.

5.2.3.3 Effects of Product Price

Table 4.4a explains how buyers feel about the cost of the Xin Shui Jing Orchid Box. While the majority (68%) think the price is appropriate, and 62% think it matches their expectations, only 56% think it is affordable. This disparity implies that although consumers may believe a product's worth is determined by its price, the real cost may be an obstacle for some. Gefen (2002), which was used as inspiration, showed the difficulties in acquiring and keeping internet consumers because of the associated expenses. Similarly, even if the Xin Shui Jing Orchid Box could be a good value, some consumers might be put off by the price, especially in an online marketplace where comparisons are more straightforward. The link between consumer satisfaction, brand image, and loyalty was highlighted in the study by Upamannyu and Bhakar (2014). Price, as a factor in perceived value, may affect brand perception and consumer loyalty. Even if a product fits consumer needs and is viewed as being pricey, this can hurt the brand's reputation and lower consumer satisfaction. The effect of perceived value on consumer loyalty was covered by Chung et al. (2015). A product's perceived advantages and cost are combined to form perceived value. Although the Xin Shui Jing Orchid Box appears valuable in satisfying consumer needs (as stated in the preceding section), the perceived cost, as shown by the decreased agreement on affordability, may be impacting its total perceived worth.

The results of the pricing perceptions of the Xin Shui Jing Orchid Box are consistent with those of Yi et al. (2021), who examined consumer loyalty and satisfaction. An excellent example is the Xin Shui Jing Orchid Box situation, where pricing perceptions may impact contentment. If some consumers feel the product is unaffordable, their overall pleasure may suffer, eroding loyalty. Additionally, Gomes and Jeive (2018) emphasised how crucial trust is to loyalty. However, if consumers think the product is expensive, loyalty may suffer, and confidence may be lost (Yi et al., 2021). In the context of a product, trust may also be correlated with cost since consumers are more likely to trust a brand if they believe they are getting value for their money. Therefore, the findings offer a varied picture of how people perceive the price of the Xin Shui Jing Orchid Box. Although the product's pricing is generally considered fair and in line with expectations, some consumers are concerned about its affordability. Inferring from the literature analysis, pricing, as a factor in perceived value, may significantly impact brand image, satisfaction, trust, and consumer loyalty. Marketers must balance price, perceived value, and affordability to achieve long-term consumer loyalty.

5.2.3.4 Effects of Product Characteristics

Table 4.5a shows that product characteristics greatly influence aspects. Particularly in the cosmetics sector, a product's characteristics may significantly impact a consumer's decision to buy and repurchase, which affects loyalty. The results show that the Xin Shui Jing Orchid Box's effects, quality, and safety have been well received by its intended audience. Significantly, 78% of respondents find the product's effects fascinating, 66% think its quality is right for them, and 74% think it is harmless for the skin. These favourable impressions are consistent with the findings from the literature, which highlighted the link between consumer loyalty and satisfaction. Consumer loyalty and satisfaction have a clear causal link in the hotel sector, according to Bowen and Chen (2001). Applying this to the cosmetics industry, consumers' loyalty to the brand will likely increase if they are pleased with the product's features. The significance of trust in affecting loyalty was highlighted by Chung et al. (2015). In the case of cosmetics, trust can be directly correlated with the efficacy and safety of the product. The perception that the Xin Shui Jing Orchid Box is skin-safe shows high trust in the product.

Furthermore, Yi et al. (2021) highlighted how brand image and perceived value affect consumer loyalty. A product's expenses and advantages are frequently combined to determine its perceived worth. The Xin Shui Jing Orchid Box has appealing effects, quality, and safety, all of benefits regarded which add to its perceived worth. This perceived value improves the product's brand image, increasing consumer loyalty.

Similarly, Sun (2022) supports the conclusions about the features of the Xin Shui Jing Orchid Box. The study examined how brand image, consumer satisfaction, and perceived value affect consumer loyalty. The perceived value has a favourable impact on consumer satisfaction and brand image, both of which impact consumer loyalty. This is comparable to the Xin Shui Jing Orchid Box situation, in which the product's perceived benefits in terms of its results, quality, and safety contribute to its total perceived worth, affecting brand image and consumer satisfaction. In order to encourage loyalty, Gomes et al. (2020) also emphasized the significance of acknowledging and rewarding different consumer tiers. Given the favourable response to the qualities of the Xin Shui Jing Orchid Box, it would be advantageous for marketers to recognise and reward loyal consumers, further fostering their loyalty. As a result, the product qualities of the Xin Shui Jing Orchid Box, as demonstrated by the data, are significant in affecting consumer perceptions, satisfaction, trust, and loyalty. The analysis clarifies that product characteristics, particularly in cosmetics, may significantly influence brand perception, perceived value, and consumer loyalty. To achieve long-term consumer loyalty, marketers must continually deliver on these characteristics.

5.2.3.5 Effects of Consumer Word-of-mouth

Consumer word-of-mouth (WOM) has long been acknowledged as a powerful tool for influencing perceptions, choices, and loyalty. Table 4.6a offers information about the Xin Shui Jing Orchid Box's reputation among consumers. Significantly, 73% of respondents said they thought consumers had a favorable opinion of the product. Furthermore, 59% typically encounter positive product reviews. The agreement declines to 68% regarding recommendations from influencers (also known as "red persons") and other consumers. This implies that even if the product has a good reputation and is frequently praised, there may be potential for growth in how well it

uses influencer endorsements—drawing from the study by Gefen (2002), which emphasized the difficulties in acquiring and keeping consumers online. WOM, particularly online evaluations and endorsements, is extremely important for swaying consumer choices in the digital era. Simay et al. (2023) say positive WOM can significantly increase trust. In the Xin Shui Jing Orchid Box instance, the favorable WOM, as demonstrated by its favorable reputation and frequent compliments, may be viewed as a testimonial to the item's high caliber, efficacy, and security. This favorable WOM might significantly increase consumer trust in the goods. Simay et al. (2023) highlighted the connection between brand loyalty, consumer satisfaction, and brand image. WOM, which represents consumer satisfaction, significantly impacts brand perception. A product with a positive reputation and many positive reviews is likelier to have a strong brand image. In turn, a good brand reputation may encourage loyalty.

Similarly, Man and Rahman (2019) investigated the effects of perceived value on consumer loyalty through brand image and satisfaction. WOM may be thought of as an outside confirmation of perceived worth. Consumers are more likely to highly appreciate a product if they regularly compliment it and think it has a positive reputation. This perceived value may impact brand satisfaction and image, which encourages loyalty. Gomes et al. (2020) also emphasized the link between consumer loyalty and satisfaction. Being a representation of consumer satisfaction, positive WOM may significantly increase loyalty. High consumer satisfaction can encourage loyalty if most consumers think a product has a good reputation and regularly hear praise for it. However, to maintain strong WOM and consumer loyalty, it is a challenge for marketers to continually deliver on product promises (Abd Aziz & Ngah, 2019). Therefore, the market must stick to the positive WOM that can significantly influence a brand's image while maintaining consumer loyalty. Hence, this can further enhance the brand's reputation.

5.3 Recommendation for Future Research

The cosmetics sector is changing quickly, notably in China. Knowing the intricacies of consumer loyalty has become crucial with the onset of the digital era and the growing importance of internet marketing. The Yunnan Keyan Pharmaceutical

Biotechnology Co., Ltd. study on the Xin Shui Jing Orchid Box sheds light on the connection between internet marketing tactics and consumer loyalty. The managers in the cosmetics sector are advised to do the following:

5.3.1 Enhancing Consumer Demand Matching with Personalised Marketing

Cosmetic businesses should invest in cutting-edge data analytics and customer relationship management (CRM) solutions to better understand specific consumer preferences. Companies may customize their marketing messages to connect more strongly with certain consumers by analyzing purchase histories, online interactions, and feedback (Ma & Yang, 2018). Personalized marketing may increase consumer satisfaction because products and promotions are more closely matched to individual requirements and tastes. In turn, this can increase brand loyalty. For instance, if a consumer often buys moisturizing goods, the business may send them information or offers on fresh moisturizers or hydrating skincare regimens.

Additionally, tailored marketing goes beyond simple product suggestions. It may also include tailored shopping experiences (Gomes *et al.*, 2020). Customers may preview how a certain makeup item appears on their skin tone using virtual tryons with augmented reality (AR). Similar to how individuals' skin types, problems, and objectives may be considered when recommending skincare regimens, businesses can also utilize machine learning algorithms. Personalized advertising may also promote a sense of belonging and community. Unique member clubs or loyalty programs may be developed by brands where customers can receive tailored beauty advice, first access to new goods, or unique discounts based on past purchases.

5.3.2 Re-evaluate Pricing Strategies to Ensure Perceived Value

Cosmetic firms could establish product lines targeting different income groups or employ tiered pricing techniques. This guarantees that there are alternatives for consumers on a tight budget, even as luxury items might appeal to consumers ready to spend more for perceived benefits (Lee et al., 2018). In order to ensure that returning consumers see value in their continuous affiliation with the business, loyalty programs or incentive systems may also be created. Periodic competition and market research may also assist businesses in understanding where their pricing stands in the marketplace and making the required modifications to guarantee they are providing

their consumers with a competitive and perceived value. Cosmetic companies may create items that appeal precisely to the requirements and tastes of each category by segmenting the market depending on income levels (Abd Aziz & Ngah, 2019). Budget lines may emphasize value for money, whereas luxury lines may emphasize exclusivity and quality components. Different product lines may employ various branding techniques. Budget brands might use customer testimonials and reviews to increase trust, but luxury lines may work with influencers or celebrities.

5.3.3 Leveraging Positive Word-of-Mouth (WOM) and Strengthening Influencer Collaborations

Cosmetic firms should actively work with influencers who share their ethos and brand values. Long-term collaborations with influencers can result in more sincere endorsements than one-time promotions, which consumers are more inclined to believe (Lee et al., 2018). Additionally, businesses must encourage pleased consumers to post favorable evaluations online by providing rewards for feedback. User evaluations, before-and-after images, and other user-generated content may be practical tools for fostering consumer loyalty and confidence (Ma & Yang, 2018). Given the current market's digital character, a consumer's buying decision can be influenced by an online review just as much as a personal suggestion from a friend or family member. Therefore, managing online reputation and promoting better WOM should be top priorities.

The landscape of the beauty business is changing, and internet marketing significantly impacts how consumers perceive products and brand loyalty. Cosmetic firms may increase their consumer bases' strength and loyalty by concentrating on personalized marketing, reviewing their pricing plans, and using favorable word-of-mouth. These tactics can offer a substantial advantage as the market gets cutthroat, ensuring continued development and success in the sector.

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APPENDICES

Questionnaire

Part 1 Demographic Factor

3) 10,001-15,000 yuan

5) more than 20,000 yuan.

9-		
1. What is your gender?		
1) male	2) female	
2. What is your marital status?		
1) Unmarried	2) Married	3) Divorced "
3. What is your age?		
1) Under 20 years old	2)20 but less than 30	years old
3) 30 but less than 40 years old	1 4)40 but less than 50	years old
5) 50 years old and more.		
4. What is your educational level?		
1) Graduated from junior high	school or below	
2) Graduated from senior high	school or below	
3) Undergraduates are studying	g and graduating	
4) Postgraduates are studying	and graduating	
5) Postgraduates are above "		
5. What is your occupation?		
1) Service Industry	2) Business and Mana	agement
3) Technology	4) Finance	
5) Artist	6) Student	
7) Others		
6. What is your average monthly inc	ome?	
1) less than 5,000 yuan	2) 5,000-10,000 yuan	

4) 15,000-20,000 yuan

Part 2 Online Marketing Strategy

The following are your perception questions about cosmetics online marketing strategy. Please choose from 1 to 5 according to your ideas: 1 strongly disagrees, 2 slightly disagrees, 3 generally, 4 slightly agree, and 5 strongly agree.

Items	1	2	3	4	5
7. Consumer Demand					
7.1 I think the Xin Shui Jing orchid box suits my needs.					
7.2 I think the Xin Shui Jing orchid box can solve my skin					
problem.					
7.3 I think the Xin Shui Jing orchid box is the cosmetic I					
need.					
8. Product Price					
8.1 I think the price setting of Xin Shui Jing Orchid Box is					
very reasonable.					
8.2 I think the Xin Shui Jing Orchid Box is very affordable.					
8.3 I think the Xin Shui Jing Orchid box accords with my					
price expectation.					
9. Product Characteristics					
9.1 I think the effect of Xin Shui Jing's orchid box is very					
attractive to me.					
9.2 I think the quality of the Xin Shui Jing orchid box suits					
me very well.					
9.3 I think the Xin Shui Jing Orchid box is very safe for the					
skin.					
10. Word-of-mouth					
10.1 I think Xin Shui Jing Orchid Box has a good					
reputation among consumers.					
10.2 I often see the praise of Xin Shui Jing orchid box.					
10.3 I often see recommendations from red people and					
consumers in the Xin Shui Jing Orchid box.					

Part 3. The following questions are about your loyalty. Please choose from 1 to 5 according to your thoughts. 1 strongly disagrees, 2 slightly disagrees, 3 generally, 4 slightly agree, and 5 strongly agree.

11. Product Characteristics	1	2	3	4	5
11.1 I will recommend the Xin Shui Jing orchid box to					
others.					
11.2 I encourage others to use the Xin Shui Jing orchid box.					
11.3 I will consider the Xin Shui Jing orchid box the first					
choice when buying cosmetics.					
11.4 I tend to buy more products with freshwater features.					



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