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# Segmentation of the Cosmetics Market according to Shopping Orientation

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**Abstract**

The competitiveness of the domestic cosmetics market will improve more rapidly when efficient market segmentation is secured, qualitative information about each of the segmented markets is gathered, and adequate marketing strategies to meet the demands of each segmented markets is established. Therefore, continuous studies are needed to secure qualitative information for market segmentation. In order to find out whether the domestic cosmetics market could be segmented according to consumers' shopping orientation, the present study analyzed cosmetics purchasing behavior, complaint behavior, and demographic characteristics of each consumer group classified according to their shopping orientation. The study was implemented by a normative-descriptive survey method using a questionnaire. Three groups of consumers were identified according to their shopping orientation: price-oriented group, information-oriented group, and brand-oriented group. It was confirmed that the groups, classified according to shopping orientation, have significantly different demographic, purchasing, and complaint behavior. Therefore, shopping orientation should be carefully considered in the segmentation of the cosmetics market.

***Key words:*** Cosmetics, Shopping orientation, Market segmentation; 화장품, 구매성향, 시장세분화

## I. Introduction

The needs of consumers regarding the quality and functions of cosmetics are becoming more diverse day-by-day. And cosmetics has long been considered to be a high involvement type of merchandise, which is purchased by emotional motivation. Moreover, the cosmetic industry is considered one of the most profitable and fast-growing future industries due to the increasing portion of expenditures for cosmetics among household expenses.

Total opening of the Korean market to foreign companies has resulted in a large increase in market share by global companies and an increasing competition among the domestic and foreign cosmetics companies.

In order to increase the competitiveness of the domestic cosmetics industry, domestic companies need to develop strategies for reaching individual consumers in those markets. Marketing strategies will be most effective when they are established on the basis of qualitative information about consumers' purchasing behavior. Also, cosmetics companies need to segment the market according to the information gathered, and need to apply market strategies that are suitable for the characteristics of the targeted

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market. It is well known that purchasing behavior of clothing is different according to shopping behavior (Song et al., 2002; Lim, 2001; Shim & Kotsiopulos, 1992; Gutman & Mills, 1982; Moschis, 1976). Kim and Rhee(2001) reported that the domestic underwear market is segmented according to shopping orientation. Considering this, it can be easily assumed that the domestic cosmetic market also could be segmented by shopping orientation. And it can also be assumed that there is a need for qualitative information on consumers' cosmetics purchasing behavior related to their shopping orientation. However, most of the previous studies analyzed buying motivations, information sources, criteria for purchasing, place of purchase, satisfaction level with the merchandise after purchasing, and so forth. Only a few studies were made on the characteristics of a certain specific group of consumers, or on the characteristics of patterns of use of a specific type of merchandise. Therefore, it will be meaningful to investigate cosmetics consumers' buying behavior more specifically and to segment the cosmetics market according to consumers' shopping orientation, as well as to analyze the characteristics of each consumer group classified by its shopping orientation. The results of these analyses will be very helpful in the establishment of effective product and marketing policies that will meet the diverse needs of the cosmetics consumers.

## II. Review of Literature

### 1. The Status of Domestic Cosmetics Market

#### *1) The production ratio of the domestic cosmetics market by items*

According to Hyundai Research(2004), as of the year 2001, the production ratio for cosmetics, ranked by items, is as follows: basics(non-coloring agents such as lotions, astringents, etc.), 51.1%; make-up (coloring agents), 14.6%; hair products, 14.2%; high functional products(whitening, wrinkle prevention, etc.), 8.0%; and shaving products, 3.1%. Since 1990's, high-priced products have been created to meet the increasing demands by consumers from the high social class for high quality, functional cosmetics. In addition, the social trend toward well-being has caused a large demand for high-priced cosmetics made from natural material such as herbs, aloe vera, and ingredients for aroma-therapy. These high-priced products have led the growth of the domestic cosmetics market(Donga Daily Newspaper, 2004. 7. 30). Experts also forecast that the market for middle- and low-priced items will increase more rapidly than the market for the high-priced products because of the economic downturn and the limited demand for high priced products (Donga Daily Newspaper, 2004, 7. 26).

As of the year 2003, the production ratio of several countries, ranked by items, is shown in (Table 1). According to this table, the portion of the market for basics is much larger in the Korean domestic market than in the market of foreign advanced countries. Correspondingly, the advanced countries' markets have much larger market portions for body-care products, hair products, and perfumes, compared to the domestic market. Therefore, the Korean cosmetics industry will, no doubt, exert a strong effort to increase the diversity of product lines in the domestic cosmetics market.

#### *2) Distribution networks of the cosmetics market*

The Association of Cosmetics(2003) reported that

**Table 1. The Cosmetics Market Share by Items and Countries.** (%)

| Countries | Basics Products | Make-up Products | Hair Products | Body-care Products | Perfume | Men's Products | Others |
|---|---|---|---|---|---|---|---|
| Korea | 62 | 17 | 9 | 4 | 2 | 5 | 1 |
| Japan | 27 | 17 | 22 | 9 | 3 | 10 | 12 |
| U. S. | 13 | 17 | 21 | 14 | 13 | 7 | 15 |
| Europe | 17 | 12 | 18 | 14 | 16 | 8 | 15 |
| Total Foreign Countries | 17 | 14 | 20 | 15 | 11 | 8 | 15 |

As of the end of 2003
Source : Hyundai Research (2004, 7. 9, http://www.youfirst.co.kr)

the market share was divided in 2002 according to the following percentages: specialty stores, 31.5%; sales agents commissioned directly by a manufacturer(a new system of door-to-door sales), 17.2%; sales agents commissioned by a manufacturers' distributor(an old system of door-to-door sales), 20.1 %; and department stores, 15.6%. These figures indicate that the market share of specialty stores has, in fact, decreased substantially. This decline can be explained by noting the recent emergence of a new culture of consumption caused by the appearance of new distribution networks as well as a change in consumers' attitude toward specialty stores(The Cosmetic World Weekly, 2003, 10. 23). This change appears to have taken place because the specialty sores have fallen behind the discount stores in price competition and have lagged behind the department stores and door-to-door sales in the areas of brand power and quality. On the other hand, discount stores, home shopping networks, and internet shopping malls have emerged and increased their market share rapidly. However, they are faced with the problems of an ever-growing discount competition and a saturated number of malls, resulting from the fact that the retail cosmetics business is relatively easy to launch.

#### 3) Globalization of the Korean cosmetics market

As of the year 2003, around 200 foreign companies are operating their businesses in the Korean domestic cosmetics market(Hyundai Research, 2004. 7. 9). The Korean Society of Cosmetics Industry reported that the market share of imported brands was 22% in 2000, 26% in 2001, and 30% in 2002. Most of the imported brands have been superior to local brands in terms of brand image, funds, technology, and marketing power. In addition, several global brands, such as Johnson & Johnsson, Unilever, L'Oreal, and Maybelline, launched their lines into the market for low- and middle-priced products. They have secured a high degree of brand awareness and increase of market share by following positive marketing strategies as well as by using discount stores, specialty stores, and online sales networks. Also, Avon and Mary Kay are now trying to enter into the door-to-door sales market. As far as the wholesale cosmetics market is concerned, a number of foreign companies, including Sephora(France), SaSa(Hong Kong), and Matsumoto Kiyoshi(Japan), are implementing their marketing activities through specialty stores. Therefore, the competition between local and global brands will naturally be stronger in the future.

### 2. Shopping Orientation and Cosmetics Purchasing Behavior

#### 1) Shopping orientation

Shopping orientation refers to a consumer's general attitudes and motivations regarding the act of shopping(Solomon, 1999). There is a need to understand a consumer's shopping orientation in order to increase the consumer's satisfaction and sales(Shim & Kotsiopulos, 1992). Bellenger and Korgaonkar (1980) identified several shopping orientation types, such as the economic shopper, the personalized shopper, the ethical shopper, the apathetic shopper, and the recreational shopper. The economic shopper is a rational, goal-oriented shopper who is primarily interested in maximizing the value of his or her money. The personalized shopper is a shopper who tends to form strong attachments to store personnel. The ethical shopper is a shopper who likes to help out the underdog and will support locally owned stores rather than big chains. The apathetic shopper is one who does not like to shop and sees it as a necessary but unpleasant chore. The recreational shopper is a person who views shopping as a fun, social activity- a preferred way to spend leisure time. Song et al.(2002) classified clothing shopping orientation as follows: ostentatious type, enjoyable type, economical type, and prudential type. Lee and Lee (2003) identified shopping orientations as impulsive shopping, conspicuous shopping, rational shopping, and independent shopping. Shopping orientation may vary depending on the particular product categories and store types considered(Solomon, 1999), meaning that shopping orientation for the purchase of clothing is different from that for the purchase of general merchandise. In a similar manner, cosmetics consumers' shopping orientation will have a specific type which is differentiated from consumers' shopping orientations for other products.

### *2) Purchasing behavior according to shopping orientation*

Bellenger, Robertson and Greenberg(1977), Shim and Kotsiopulos(1992), and Kim and Lee(1994) reported the existence of differences in store preferences according to a consumer's shopping orientation. According to the study of Shim and Kotsiopulos (1992), those who have different shopping orientations use different information sources. The study also indicated that economic-minded shoppers utilize mass media as an information source more often than magazines, and brand-oriented shoppers use magazines more often than economic shoppers. Nam (1998) reported that Korean consumers prefer cosmetics manufactured in France, and an unmarried person prefers foreign brand cosmetics more than a married person. According to the study of Lee(1998), those who have a fashion-oriented lifestyle prefer foreign brand cosmetics more than those who have any other type of lifestyle. The study also indicated that there are differences in cosmetics purchasing behavior according to consumer's age and social class. Chae(2001) indicated the existence of a unique cosmetics buying pattern formed by self-experiences. In addition, consumers hardly change the brand of cosmetics products they use(So, 1997; Bae, 1998). When consumers purchase cosmetics, most of them consider quality more important than price, and they utilize TV advertisement most often(Kim, 1990; Koo et al., 2000; Yoo, 1999).

Considering the previous studies mentioned above, the type of cosmetics consumption is different from that of the other merchandise. And if cosmetic consumers could be classified according to their shopping orientation, differences among the classified groups could be found in their purchasing behavior.

Therefore, there is a need for studies focusing on cosmetics consumers' shopping orientations.

## III. Methodology

(1) Research problems: specific research problems of the present study were as follows: To analyze cosmetics consumers' shopping orientation toward basic products and to classify cosmetic consumers into groups according to their shopping orientation. To investigate the demographics and purchasing behavior of each classified group in terms of the following: the place of the product manufacture, store preferences, criteria for cosmetic selection, information sources, and brand loyalty. To compare the factors that each group regards as important for the brand image of cosmetics. To analyze the satisfaction level of each classified consumer group toward cosmetics they purchased, along with their expressions of dissatisfaction with the quality of cosmetics.

(2) Research instrument: A self-administered questionnaire was used to collect the data. It consisted of five parts: cosmetics shopping orientation, cosmetics purchasing behaviors, factors forming brand image, satisfaction and dissatisfaction, and demographics. Questions for shopping orientation were developed on the basis of the questionnaires used in previous studies(M. Lee & E. Lee, 2003; Kim & Rhee, 2001; Song et al., 2002). Questions regarding purchasing behavior and satisfaction were developed also on the basis of the previous studies(Gutman & Mills, 1982; Lee 2000; Song et al., 2002; Ku et al., 2000). Based on the study of Shin(2001), questions related to the factors forming brand image were developed. Questionnaires developed on the basis of previously used questionnaires were modified appropriately for clarity and length, based on the results of a pre-test. Five-point Likert scales were used for most measures according to the following range: 1=never or strongly disagree, or very unimportant, and 5=always, strongly, or very important. Cronbach's reliability coefficient of the items were .76-.83.

(3) Sample, Data Collection and Analysis: The survey was conducted in May 2003, and the sample consisted of 444 women between the ages of 21 and 63, residing in the Seoul area. Forty-three percent of the sample were married, and 57% were unmarried.

Sixty-six of them were housewives, and the rest were employed or were students. The questionnaires were collected immediately after the respondents answered. Descriptive statistics, factor and cluster analysis, ANOVA, Duncan's multiple comparison, T-test, and chi-square were employed for the analysis of data.

# IV. Results

## 1. Cosmetics Consumers' Shopping Orientation

The results of the study indicate that consumers desire a diversity of brands more in clothing than in cosmetics(Table 2). This result supports the previous studies(So, 1997; Bae, 1998), which reported that consumers hardly change the brand of cosmetics products they use. From the results, it could be inferred that the marketing strategies for cosmetics merchandise have to be different from those for apparel merchandise, although both types of merchandise belong to the same category of fashion merchandise. Although there is a lower level of desire for brand diversity compared with clothing, it can easily be inferred that consumers have high involvement in cosmetics purchases. This fact is indicated by the responses of the consumers. Out of the eleven items used to measure consumers' shopping orientation toward cosmetics, nine items gained a mean score above 3 on the 5-point Likert scale.

Data regarding shopping orientation were analyzed by factor analysis first in order to find out the proper number of groups classified. The factor analysis indicated three numbers of factors. From the results of the factor analysis and cluster analysis, three groups of consumers could be identified

**Table 2. Level of Desire for Diversity of Brands in Clothing and Cosmetics.** ***(n=44)***

| Products | Mean | SD | t |
|---|---|---|---|
| clothing | 3.24 | 0.46 | 7.326*** |
| cosmetics | 2.96 | 0.50 | |

***<.001

**Table 3. Characteristics of Shopping Orientation According to Consumer Groups Classified by the Result of Cluster Analysis.** ***M(SD)***

| Item(*) \ Group | Price-oriented Group (*n*=121) | Information-oriented Group (*n*=176) | Brand-oriented Group (*n*=147) | F |
|---|---|---|---|---|
| 1. | 2.55(.9408)a | 3.92(.9068)b | 3.31(.9422)c | 38.715*** |
| 2. | 3.86(1.0084)a | 3.76(.7322)a | 2.29(.7309)b | 19.245*** |
| 3. | 3.02(.8394)a | 3.97(.5756)b | 4.21(.6234)c | 31.175*** |
| 4. | 1.79(.7178)a | 2.65(.9781)b | 3.70(.8726)c | 41.736*** |
| 5. | 2.13(.8640)a | 2.98(.9288)b | 3.17(.8581)c | 29.443*** |
| 6. | 2.79(.9668)a | 3.91(.7080)b | 3.79(.8035)c | 12.974*** |
| 7. | 2.75(.9685)a | 3.75(.7270)b | 3.95(.8222)c | 21.245*** |
| 8. | 2.96(.8914)a | 3.85(.6272)b | 4.17(.5588)c | 28.704*** |
| 9. | 3.14(.8596)a | 3.66(.6809)b | 3.28(.8892)c | 15.901*** |
| 10. | 2.95(.9650)a | 3.49(.8670)b | 2.97(.8635)a | 16.796*** |
| 11. | 3.86(.9988)a | 3.59(.6647)b | 2.45(.8143)c | 31.516*** |

*1. I test samples and compare the quality of many products when I purchase cosmetics.
2. I consider price as the most important factor in the purchase of cosmetics.
3. I consider the manufacturer when I purchase cosmetics.
4. I usually purchase the products of famous brands.
5. I usually purchase new products.
6. I usually check which are the best products before making a decision to purchase.
7. There are certain stores where I usually purchase cosmetics.
8. There are certain brands that I usually purchase.
9. I consider the convenience of purchasing as important when I purchase cosmetics.
10. I consider premiums of additional services as important when I purchase cosmetics.
11. I usually evaluate the value of the product in comparison with the price when I purchase cosmetics.
※Alphabetic notations indicate the results of Duncan's Test. Different alphabetic notations indicate the existence of significant differences between and among the groups.
***<.001

according to their shopping orientation. The numbers of the respondents who belong to each of the three groups are as follows: 121(group 1), 176 (group 2), and 147(group 3)(Table 3). The researcher named Group 1 as the "price-oriented group," as this group had a tendency to regard price as more important than other groups did as well as a tendency to use discount stores more often than other groups. Group 2 was dubbed the "information-oriented group," because the group showed a higher tendency to compare the quality of many companies' products before purchasing. Group 3 was called the "brand-oriented group," as the group had a higher tendency to prefer a specific brand and store than the other groups did. This group showed the highest interest in foreign brands among the three groups but the lowest score in price and in the frequency of using discount stores.

## 2. The Demographic Characteristics and Purchasing Behaviors of Each Group Classified by Shopping Orientation

### *1) Demographic characteristics of each group*

The demographic characteristics of each group classified by shopping orientation are shown in (Table 4). With reference to age, the price-oriented group includes more consumers in their thirties and forties, the information-oriented group has more in their twenties, and the brand-oriented group is composed mostly of those in their twenties and thirties. This result supports the previous studies(Lee & Lee, 2003; Lee, 2000; Suh & Lee, 2000; So, 1997; Jang, 1997) that reported the existence of differences in cosmetics consumption behavior according to the age of the consumers. It is notable that the thirties age group was divided into two groups, a price-oriented group and a brand-oriented group. In other words, many of those in their thirties belong to the price-oriented group and to the brand-oriented group as well. The implication of this fact is that the thirties age group does not have a single shopping orientation. In a similar manner, many of the consumers in their twenties could be divided also into two groups: the brand-oriented group and the information-oriented group. Therefore, it can be predicted that the twenties age group possesses a varied shopping orientation as well, and cosmetics manufacturers should not assume that the twenties age group has a single shopping orientation.

With regard to marital status, the price-oriented group includes more married persons than the other two groups.

Considering the total amount of cosmetics purchased per month, the amount of the brand-oriented group was the largest among the three groups. The amount of the information-oriented group reached to the approximate mean, and that of the price-oriented

**Table 4. Demographic Characteristics of Each Group.** *N*(%)

| | | Total | Price-oriented Group ($n$=121) | Information-oriented Group ($n$=176) | Brand-oriented Group ($n$=147) | $\chi^2$ |
|---|---|---|---|---|---|---|
| Age | 20's | 172(38.7) | 29(24.0) | 72(40.9) | 71(48.3) | 48.996*** |
| | 30's | 111(25.0) | 31(25.6) | 32(18.2) | 48(32.7) | |
| | 40's | 90(20.3) | 37(30.6) | 33(18.8) | 20(13.6) | |
| | 50's and above | 71(16.0) | 24(19.9) | 39(22.2) | 8(5.5) | |
| Marital Status | married | 253(57.0) | 89(73.6) | 92(52.3) | 72(49.0) | 18.989*** |
| | un-married | 191(43.0) | 32(26.4) | 84(47.7) | 75(51.0) | |
| Occupation | housewives | 151(34.0) | 59(48.8) | 63(35.8) | 29(19.7) | 25.341*** |
| | non-housewives | 293(66.0) | 62(51.2) | 113(64.2) | 118(80.3) | |
| Purchase Amount per Month | below 60,000 | 273(61.5) | 101(83.5) | 116(65.9) | 56(38.1) | 71.670*** |
| | above60,000 - below120,000 | 124(27.9) | 16(13.2) | 51(29.0) | 57(38.8) | |
| | above 120,000 | 47(10.6) | 4(3.3) | 9(5.1) | 34(23.1) | |

***<.001

group was the smallest.

With reference to occupation, no significant difference was found among the three groups. But when the sample was classified into two categories, namely, housewives and the others(employed or students), fewer housewives belonged to the brand-oriented group than to the other two groups.

According to the results mentioned above, there must be a considerable relationship between cosmetics consumers shopping orientation and demographics. Therefore, the cosmetic market could be segmented based on this relationship, and differentiated marketing strategies are needed to consider the characteristics of each segmented market.

### 2) Purchasing behaviors of each group

(1) Store preferences

The brand-oriented group uses department stores, specialty stores with imported cosmetics, and hospital or skin-care shops more often than the other groups. The information-oriented group uses large discount stores, multi-brand shops located downtown, and TV or Internet shopping malls more than the other groups. This result reflects the fact that large multi-brand shops play a considerable role in offering consumers cosmetics information. This conclusion was also reached in Jang's study(1997) indicating that consumers evaluated large multi-brand stores and door-to-door selling systems as the most convenient information sources. The price-oriented group uses small multi-brand discount stores located near their residence. This result also reinforces Jang's study(1997), which concluded that those who consider price as a major factor use various types of stores according to their convenience, although they use small shops near their residence most often.

Considering the sample as a whole, the use rate of department stores and large multi-brand shops is the highest, followed by small multi-brand discount stores located near the consumers residence and Internet shopping malls. Otherwise, consumers use hospital/skin care shops seldom compared to the other stores.

(2) Criteria for cosmetics selection

As shown in <Table 5>, the results indicated that consumers, as a whole, consider function or effectiveness, suitability for skin type, side effects, and date of manufacture most important when they purchase cosmetics. Besides these criteria used to select items for purchase, a number of other factors were judged as considerably important, including the following: price, brand image, quantity, manufacturer, fragrance, premium, and added services.

The fact that most of the criteria gained a mean score above three points(meaning considerably

**Table 5. Criteria for Cosmetics Selection.** ***M(SD)***

| Criteria \ Group | Total ($n$=444) | Price-oriented group ($n$=121) | Information-oriented group ($n$=176) | Brand-oriented group ($n$=147) | F |
|---|---|---|---|---|---|
| Price | 3.63(0.94) | 3.91(1.02)a | 3.61(0.84)b | 3.30(0.87)c | 17.974*** |
| Brand image | 3.66(0.88) | 3.28(0.89)a | 3.86(0.84)b | 3.95(0.84)b | 16.967*** |
| Side effects | 4.19(0.91) | 4.03(1.06)a | 4.18(0.88)ab | 4.35(0.77)b | 4.207* |
| Suitability for type of skin | 4.28(0.84) | 4.02(1.01)a | 4.26(0.77)b | 4.52(0.70)c | 12.719*** |
| Container design | 2.95(0.91) | 2.68(1.02)a | 3.07(0.87)b | 3.02(0.81)b | 7.595** |
| Fragrance | 3.56(0.85) | 3.40(0.95)a | 3.76(0.76)b | 3.46(0.83)a | 8.436*** |
| Quantity of product | 3.62(0.89) | 3.67(0.99)a | 3.81(0.84)a | 3.35(0.78)b | 11.443*** |
| The date of manufacture | 4.02(0.94) | 4.13(0.97)a | 4.09(0.89)ab | 3.84(0.97)b | 4.114* |
| Function/Effect | 4.35(0.77) | 4.14(0.93)a | 4.37(0.69)b | 4.50(0.70)b | 7.389** |
| The place of manufacture | 3.61(1.06) | 3.45(1.20) | 3.71(0.98) | 3.63(1.03) | 2.114 |
| Brand popularity | 3.67(0.95) | 3.15(0.97)a | 3.84(0.88)b | 3.90(0.85)b | 28.407*** |
| Premiums/Services added | 3.21(1.05) | 2.90(1.03)a | 3.53(0.10)b | 3.10(1.03)a | 15.109*** |
| Total | 3.73(0.49) | 3.54(0.48)a | 3.86(0.47)b | 3.74(0.47)b | 16.149*** |

※Alphabetic notations indicate the results of Duncan's Test. Different alphabetic notations indicate the existence of significant differences between and among the groups.

*<.05, **<.01, ***<.001

important) is another indicator that cosmetics is a type of high-involvement merchandise.

When the differences among the three groups is considered, it is clear that the price-oriented group, more than the other two groups, regard all the criteria as less important except price, quantity, and the date of manufacture. The differences between the information-oriented group and brand-oriented group can be summarized as follows; the information-oriented group considered price, fragrance, quantity, premiums, and services as more important than the brand-oriented group. The brand-oriented group considers suitability for skin type more important than the information-oriented group. The remaining criteria, such as brand image, side effects, design of containers, the date of manufacture, effectiveness or function, and manufacturer were considered of equal importance. No difference was found in the degree of consideration of the country of manufacture among the three groups.

(3) Information sources

As shown in <Table 6>, all three groups use self-experience most often as an information source. This result supports the previous study(Chae, 2001) that reported the existence of a unique cosmetics buying pattern formed by self-experience. Family members/friends were ranked next to self-experience in the frequency of use. The results showed that the information-oriented and the brand-oriented groups utilize cosmetics information sources more often than the price-oriented group. It is notable that Internet and product critiques by consumers posted on company webpages are used quite often compared to those of sales persons. It can be inferred easily that the Internet market will increase in the future.

(4) Brand Loyalty

When the question of brand loyalty is considered, it is clear that as supposed, the degree of brand loyalty of the brand-oriented group is the highest. (mean: 4.17). The mean score of the price-oriented group is 2.96, indicating near average. The mean score of the information-oriented group is 3.85, indicating a quite high degree of brand loyalty. It is notable that, along with the brand-oriented group, the information oriented group also has a considerably high degree of brand loyalty. Considering the previous study(Jung, 2001), which reported that those who are satisfied more and those who use non-commercial information sources more often have a higher degree of brand loyalty, it could be assumed that not only the brand-oriented group but also the information-oriented group will be stable customers of a certain brand. The price-oriented and the information-oriented groups use domestic cosmetics more than the brand-oriented group. The brand-oriented group, in particular, often uses foreign brands

**Table 6. Sources of Information Acquisition by Consumer Groups.** *M(SD)*

| Information Source | Total. | Price-oriented group | Information-oriented group | Brand-oriented group | F |
|---|---|---|---|---|---|
| Magazine | 2.89(1.09) | 2.25(0.95)a | 3.07(1.08)b | 3.18(0.98)b | 32.715*** |
| Newspaper | 2.43(0.92) | 2.08(0.89)a | 2.60(0.92)b | 2.50(0.88)b | 12.764*** |
| Ads on subway | 2.23(0.91) | 1.87(0.81)a | 2.45(0.95)b | 2.27(0.84)b | 15.762*** |
| Catalogue | 2.91(1.04) | 2.59(1.07)a | 3.13(0.99)b | 2.91(1.01)b | 9.749*** |
| TV | 3.12(1.02) | 2.83(1.04)a | 3.39(0.96)b | 3.03(1.01)a | 12.256*** |
| Family/Friends | 3.67(1.06) | 3.24(1.17)a | 3.76(1.05)b | 3.91(0.85)b | 15.231*** |
| Self-experiences | 4.08(0.92) | 3.68(1.06)a | 4.15(0.80)b | 4.33(0.82)b | 19.245*** |
| Internet ads or product comments on homepages | 2.60(1.21) | 2.12(1.18)a | 2.83(1.45)b | 2.75(1.19)b | 14.736*** |
| Home shopping ads | 2.18(1.01) | 1.94(0.95)a | 2.40(1.08)b | 2.12(1.19)a | 8.285*** |
| Salesperson | 2.33(1.09) | 2.12(1.13)a | 2.36(1.02)ab | 2.47(1.14)b | 3.455* |
| Radio | 1.87(0.91) | 1.62(0.85)a | 2.07(0.97)b | 1.84(0.85)ab | 9.058*** |

※Alphabetic notations indicate the results of Duncan's Test. Different alphabetic notations indicate the existence of significant differences between and among the groups.
*<.05, **<.01, ***<.001

from France and Japan.

### 3. Factors Forming Cosmetics Brand Image

As shown in <Table 7>, all three groups consider quality as the most important factor to form brand image. When the differences among the groups are examined, it is obvious that the information-oriented group considers price as most important, and the brand-oriented group considers price as least important among the three groups ($p<.05$). The reason why the brand-oriented group considers price less important compared to the other two groups, could be that the familiarity and strength of the brand are the factors that affect the importance of the price(DeLozier, 1976). In other words, the brand-oriented group purchases familiar brand products mostly, and this fact has made them to consider price less compared to other groups. The brand-oriented group considers advertisements and quality most among the three groups. The brand-oriented and information-oriented groups consider package, container design, and selling place more than the price-oriented group.

### 4. Satisfaction Level and Dissatisfaction Behavior

As a whole, the mean value of satisfaction is 3.38, indicating slightly above average. This result is similar to the result of the previous study(Yun, 2003). Respondents showed the lowest satisfaction level with regard to price and quantity among all the factors. Among the three groups, the brand-oriented group showed the highest degree of satisfaction with cosmetics merchandise. A previous study(Lee & Lee, 2003) reported that brand was the factor that most influenced the degree of satisfaction after purchase. Considering this fact, it can be inferred that the high level of the brand-oriented group's satisfaction might result from the fact that most of them purchase the product of their favorite brand. The group that is the next to the highest in satisfaction level was the information-oriented group. The price-oriented group showed the lowest degree of satisfaction. The degree of satisfaction with the specific factors by groups are displayed in(Table 8). Among the three groups, the brand-oriented group is satisfied most with the price, quality and effect, services and brand image. No significant difference was found between the brand-oriented group and the information-oriented group in the degree of satisfaction with fragrance and the design of containers. There were no differences in the degree of satisfaction with the convenience of purchase and quantity of product among the three groups. As shown in <Table 9>, when there is a side effect, exchanges and refunds are more often resorted to by the brand-oriented and information-oriented groups than by the price-oriented group ($p<.01$). The price-oriented group asks for an exchange or refund rarely compared to the other two groups($p<.01$). It was found that the price-oriented group gives the unsatisfactory product to others more often than the other two groups. The results also indicated that the information-oriented group posts complaints regarding side effects on company webpages more often than the other two groups. According to Smith(1999), when consumers are

**Table 7. The Factors Forming Brand Image According to Consumer Groups.**

| Factor \ Group | Total ($n$=444) | Price-oriented Group. ($n$=121) | Information-oriented Group ($n$=176) | Brand-oriented Group ($n$=147) | F |
|---|---|---|---|---|---|
| Price | 3.86(0.92) | 3.83(1.03)ab | 3.99(0.90)b | 3.71(0.84)a | 3.805* |
| Advertisement | 3.64(1.04) | 3.47(1.04)a | 3.57(1.06)a | 3.86(0.99)b | 5.326** |
| Design of Package/Container | 3.43(0.98) | 3.05(0.95)a | 3.52(0.99)b | 3.63(0.90)b | 13.651*** |
| Selling Place | 3.59(0.91) | 3.29(0.92)a | 3.62(0.93)b | 3.79(0.81)b | 10.730*** |
| Quality of Products | 4.41(0.79) | 4.31(0.85)a | 4.36(0.76)a | 4.55(0.76)b | 3.774* |
| Quality of Services | 4.13(0.83) | 4.05(0.87) | 4.10(0.79) | 4.22(0.86) | 1.561 |
| Behavior of Sales Person | 3.94(0.86) | 3.83(0.94) | 3.94(0.86) | 4.03(0.79) | 1.657 |
| Manufacture | 3.65(1.04) | 3.45(1.12)a | 3.71(1.03)b | 3.74(0.97)b | 3.010* |

*<.05, **<.01, ***<.001

**Table 8. Satisfaction Level of Each Group toward Cosmetics They Purchased.** *M(SD)*

| Factor / Group | Price | Convenience of Purchasing | Quality/ Effect | Fragrance | Brand Image | Service | Container Design | Quantity of Product | Total |
|---|---|---|---|---|---|---|---|---|---|
| Price-oriented Group (*N*=121) | 2.70 (0.90)a | 3.34 (0.70) | 3.42 (0.75)a | 3.36 (0.66)a | 3.41 (0.76)a | 3.17 (0.70)a | 3.11 (0.77)a | 2.87 (0.93) | 3.17 (0.41)a |
| Information-oriented group (*N*=176) | 2.78 (0.98)a | 3.44 (0.78) | 3.64 (0.79)a | 3.57 (0.72)b | 3.73 (0.64)b | 3.40 (0.71)b | 3.50 (0.76)b | 3.02 (1.03) | 3.38 (0.48)b |
| Brand-oriented Group (*N*=147) | 3.08 (0.86)b | 3.44 (0.82) | 3.94 (0.71)b | 3.66 (0.76)b | 4.06 (0.69)c | 3.61 (0.79)c | 3.55 (0.74)b | 3.05 (0.80) | 3.55 (0.48)c |
| Total (*N*=444) | 2.86 (0.93) | 3.41 (0.77) | 3.68 (0.78) | 3.55 (0.73) | 3.75 (0.73) | 3.41 (0.75) | 3.41 (0.78) | 2.99 (0.93) | 3.38 (0.48) |
| F | 6.741*** | 0.691 | 15.908*** | 5.866** | 29.240*** | 11.988*** | 13.499*** | 1.398 | 21.841*** |

※Alphabetic notations indicate the results of Duncan's Test. Different alphabetic notations indicate the existence of significant differences between and among the groups.
**<.01, ***<.001

**Table 9. Complaint Behavior.** *M(SD)*

| | Total (*n*=444) | Price-oriented Group (*n*=121) | Information-oriented Group (*n*=176) | Brand-oriented Group (*n*=147) | F |
|---|---|---|---|---|---|
| Exchange | 3.31(1.33) | 2.94(1.40)a | 3.46(1.23)b | 3.44(1.36)b | 6.547** |
| Ask for Refund | 3.01(1.32) | 2.67(1.34)a | 3.18(1.21)b | 3.07(1.39)b | 5.779** |
| Give to Others | 2.52(1.25) | 2.34(1.17)a | 2.69(1.29)b | 2.45(1.25)a | 3.123* |
| Discard | 2.38(1.25) | 2.48(1.34) | 2.39(1.21) | 2.29(1.23) | 0.785 |
| Refuse to Purchase the Same Brand Again | 3.95(1.20) | 4.03(1.27) | 3.90(1.11) | 3.95(1.27) | 0.412 |
| Tell Others not to Buy | 3.51(1.21) | 3.52(1.30) | 3.47(1.63) | 3.54(1.18) | 0.148 |
| Apply to Unaffected Areas | 2.72(1.23) | 2.93(1.35) | 2.70(1.15) | 2.56(1.19) | 2.941 |
| Post Complaint Regarding Side Effects on Company Webpage to Inform Company and Other Consumers | 2.44(1.20) | 2.23(1.23)a | 2.72(1.25)b | 2.29(1.03)a | 8.113*** |

※Alphabetic notations indicate the results of Duncan's Test. Different alphabetic notations indicate the existence of significant differences between and among the groups.
*<0.05 **<0.01 ***<0.001

fully satisfied with the way that a service failure was recovered, the future purchase intention increases more than when the customer was satisfied with the service given at first. Hoffman and Kelly(2000) reported that, if the service failure was not recovered properly, a switch to another brand was induced, and damaging information was spread by word of mouth. Therefore, marketing strategies that will encourage the price-oriented group to voice their complaints should be enacted as well as strategies to compensate for service failures.

## V. Conclusion and Implications

The global brands' market share has been increasing rapidly through their strong marketing strategies aimed at meeting the demands of the local market. This situation will make the competition of the Korean cosmetics industry stronger in the future. The competitiveness of the domestic cosmetics market will improve more rapidly when efficient market segmentation is secured, qualitative information about each of the segmented markets is gathered, and adequate marketing strategies to meet the demands of the each segmented markets is established. Therefore, continuous studies are needed to secure qualitative information for market segmentation.

In order to find out whether the domestic cosmetics market could be segmented according to consumers' shopping orientation, the present study analyzed the cosmetics purchasing behavior, complaint behavior, and demographic characteristics of each consumer group, classified according to their shopping orientation. The study was implemented by a normative-descriptive survey method using a questionnaire. The results and implications of the study are as follows:

(1) Although consumers desire diversity of brands more in clothing than in cosmetics, they have high involvement in cosmetics. Three groups of consumers were identified according to their shopping orientation: price-oriented group, information-oriented group, and brand-oriented group.

(2) Differences were found among the three classified groups in cosmetics buying behavior. In addition, a considerable relationship was found between cosmetics consumers' shopping orientation and demographics. However, it could be predicted that the twenties age group possesses a varied shopping orientation, and cosmetics manufacturers should not assume that the twenties age group has a single shopping orientation. In a similar manner, the thirties age group should not be assumed to possess a single shopping orientation.

(3) All three groups consider quality as the most important factor to form brand image. Looking at the differences among the groups, the brand-oriented group considers advertising and quality most among the three groups. The brand-oriented and information-oriented groups consider package, container design, and selling place more than the price-oriented group.

(4) As a whole, consumers showed the lowest degree of satisfaction with price and amount of product. Among the three groups, the brand-oriented group showed the highest degree of satisfaction, followed by the information-oriented group. The degree of satisfaction was the lowest within the price-oriented group. The price-oriented group asks for exchanges or refunds rarely compared to the other two groups. The results also indicated that the information-oriented group posts complaints regarding side effects on company webpages more often than the other two groups.

(5) It was confirmed by the results mentioned above that the groups classified according to shopping orientation have significantly different demographic, purchasing, and complaint behavior. Therefore, shopping orientation should be carefully considered in the segmentation of the cosmetics market.

(6) Marketing strategies that will encourage the price-oriented group to voice their complaints should be enacted as well as strategies to recover service failures. For the information-oriented group, more effort should be given to the effective operation of webpages. Marketers also must extend an effort to enhance the level of satisfaction with service recovery for the information-oriented group. For the brand-oriented group, advertising and design of packages and containers must be considered more.

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## 요 약

표적마케팅의 성공은 세분시장에 대한 질적 파악이 크게 좌우하며, 세분시장의 질적 파악에는 효율적인 세분화기준이 절대적으로 필요하다. 따라서 보다 효율적인 세분화기준을 발견하고 그 기준에 의해 세분된 시장의 특성에 대한 질적인 데이터 구축을 위한 연구가 지속적으로 이루어져야 할 것이다. 이에 본 연구에서는 화장품소비자들의 구매성향에 따른 화장품시장 세분화의 가능성을 확인해 보기 위하여, 화장품 구매성향의 특징에 따라 분류한 집단별 화장품 구매행동과 불평행동 및 인구통계적 특성을 분석하였다. 질문서를 이용한 조사연구법에 의해 이루어진 본고의 결론 및 제언은 다음과 같다 : (1) 화장품 소비 성향에 따라 "가격지향형", "정보추구형", "브랜드지향형" 등 3집단으로 분류되었으며, 인구통계적 특성과 화장품 쇼핑성향간에 유의한 차이가 있었다. 가격지향형 집단에는 40대와 30대, 브랜드지향형 집단에는 20대와 30대, 정보추구형집단에는 20대가 많이 포함되어있으며, 30대는 가격지향형과 브랜드지향형으로 양분되는 경향을 보였고, 20대는 브랜드지향형과 정보추구형으로 양분되는 경향을 보였다. 따라서 쇼핑성향이 고려되지 않은 연령별세분화는 그다지 효율적이지 못할 것이라 사료된다. (2) 세 집단 모두가 화장품의 브랜드 이미지를 형성하는 가장 중요한 요인은 성능 및 효과라고 응답하였으며, 가격을 이미지 형성요인으로 가장 많이 중요시하는 집단은 정보지향형 집단, 광고를 가장 많이 중시하는 집단은 브랜드 추구형 집단이었다. (3) 만족도가 가장 높은 집단은 브랜드 추구형 집단이었으며, 가격지향형의 만족도가 가장 낮았다. 가격지향형 집단이 다른 두 집단보다 불평행동을 취하는 정도가 낮았고, 정보지향형 집단이 다른 두집단보다 더 활발한 불평행동을 취하는 것으로 나타났다. 따라서, 정보지향형과 브랜드지향형 집단의 경우에는 서비스회복의 만족도를 높혀주는데 주력하고, 가격지향형 집단의 경우에는 불평행동이 보다 적극적으로 취해질수 있도록 유도하는 마케팅 전략을 서비스 회복 전략과 함께 구사하는 것이 보다 효과적일 것이라 생각된다.