

The effect of brand equity on Thai cosmetic purchasing decisions

Supannika Supapon^a and Kanyarat Sukhawatthanakun^{a*}

^aFaculty of Liberal Arts and Management Science, Kasetsart University, Chalermphrakiat Sakon Nakhon Province Campus, Thailand

ABSTRACT

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The research objective is to investigate the effect of brand equity on Thai cosmetic purchasing decisions. The study involved 500 individuals aged 20-59 who had purchased and used Thai cosmetic products within the past year. A multistage sampling method was employed to select the participants. Data collection was carried out using questionnaires, and both descriptive and multivariate statistical analyses were conducted, explicitly utilizing Second-order Confirmatory Factor Analysis and Structural Equation Modeling. The research results showed four factors influencing the purchasing decisions of Thai brand cosmetic products: Brand Equity, Buying Behavior, Consumer Satisfaction, and Perceived Value. The Second-order Confirmatory Factor Analysis and Structural Equation Model demonstrated that these factors met the assessment criteria when applied to the empirical data. Consequently, if a brand can establish brand equity that surpasses its competitors in the eyes of consumers, it will contribute to long-term profitability and sustained growth.

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1. Introduction

In the face of rapidly changing economic and social conditions, numerous businesses have experienced immediate disruptions to their operations. Consequently, companies are seeking new strategies and approaches to gain a competitive advantage. In this context, brand equity plays a pivotal role in current business operations, as branding involves offering products to consumers and establishing a strong connection between those products and the consumers themselves. Furthermore, by emphasizing the perceived value of their offerings, businesses can facilitate faster purchasing decisions. Consequently, brand equity has become a priority for companies and organizations (Cyntya & Berlianto, 2023).

Throughout history, cosmetics have been vital in enhancing personal appearance by addressing imperfections and embellishing various body parts. Globalization and the widespread use of social networks have further intensified the popularity of cosmetic beauty treatments, particularly among young women (Marchessou & Spagnuolo, 2021), who exhibit a strong interest in purchasing cosmetics. In 2022, the global beauty industry achieved a remarkable value of 18.5 trillion baht, experiencing a growth rate of 3.0%. Notably, the Asia-Pacific region is projected to hold a significant market share of 36%. Thailand, in particular, is a prominent market for the cosmetics and beauty industries globally (Ministry of Commerce, Thailand, 2023). Previous reports indicated a consistent upward trend regarding the status and development of cosmetics in Thailand. In 2022, the domestic retail market for color cosmetics alone amounted to \$811.2 million (25,953.6 million baht), reflecting an annual growth rate of 12.1%.

In terms of international trade in 2022, Thailand's cosmetics exports reached a total of \$2,384.0 million (82,736.9 million baht), with an annual growth rate of 4.9%. Key export markets for Thai cosmetics include Japan, the Philippines, Vietnam, Australia, and China. Among ASEAN countries, products manufactured in Thailand are trendy (Ministry of Commerce, Thailand, 2023). As the "2023 Global Beauty and Personal Care Trends" report indicates, consumers' demand for cosmetic

* Corresponding author
E-mail address kanyarat.suk@ku.th (K. Sukhawatthanakun)

products and the competitive landscape in the cosmetics market is intense. Therefore, marketers have incorporated the concept of marketing into their operations, placing a strong emphasis on customer satisfaction. However, a significant challenge Thai branded products face is the competition for market share and the strengthening of brands, given the increased competition from imported cosmetic brands.

Furthermore, many Thai brands lack a solid presence in the international market (The Department of International Trade Promotion, Thailand, 2020). Consequently, only a few brands in the Thai cosmetic product market have actively worked towards strengthening their brands, intensifying competition in the industry (The Thai Cosmetic Manufacturers Association, 2022). In light of these circumstances, marketers must develop strategies to navigate the fierce competition that suits their respective businesses effectively. Presently, brands have shifted their focus towards building brand equity to enhance brand awareness among consumers and ultimately drive purchasing decisions (Gong, 2018). The brand is paramount for businesses across various industries as it is essential for consumer recognition. In addition, brands are a fundamental strategic asset that can confer long-term competitive advantages and profitability to a business (Sophocleous et al., 2019). In this context, the brand plays a significant role in marketing planning, as it serves as a strategic tool to position the product above its competition. As a result, it instills confidence in ordinary consumers and leads them to believe that branded products offer superior value and quality compared to unbranded alternatives. Consequently, brand equity emerges as a crucial marketing concern, creating a compelling competitive advantage (Noorlitaria et al., 2020). Furthermore, in this technology era, digital communication tools are vital in presenting business movements such as Big Data Technology, the Internet of Things (IoT), and artificial intelligence (A.I.), enhancing business competitiveness (Sukhawattanakun et al., 2023).

Brand equity refers to the connection between consumers and their purchasing behavior concerning a brand (Mansour et al., 2017). Moreover, it signifies the value added to a product due to previous investments in marketing a specific brand. Brand equity is built upon the perception of brand reputation and prominence, reflected in product quality, characteristics, and design. By fulfilling consumer needs and establishing a positive perception in their minds, brand equity leads to customer satisfaction (Faza et al., 2022). Consequently, it enables a brand to differentiate itself and gain a sustainable competitive advantage in international marketing.

Interestingly, Capon (2017) concluded that creating brand equity strengthens a brand, provides a competitive edge, and impacts business operations. Consequently, establishing brand equity is a crucial strategy for enhancing organizational efficiency. Mukti & Pangesti (2022) also highlight that building brand equity and promoting product quality awareness is critical for effective business operations leading to consumer satisfaction, purchase decision behavior, brand loyalty, and overall company success. Hence, the researchers aim to investigate the effect of brand equity on Thai cosmetic purchasing decisions. The findings will be utilized to enhance and develop products, gain a competitive advantage, and increase market share. Such improvements will contribute to the nation's economic system in the future.

2. Theoretical and Literature Review

2.1. Brand Equity

Brand equity encompasses a collection of assets and brand credibility that enhance a product's value (Aaker, 1996); it defines the capacity and capability of a brand to meet consumer satisfaction and elevate consumer expectations regarding product usage, thereby establishing relationships between consumers and their purchasing behavior (Mansour et al., 2017). To establish brand equity, brand owners must cultivate a strong brand impression that increases consumer awareness of the brand's value. When a brand is perceived as valuable by consumers, it fosters consumer confidence in their purchasing decisions (Keller, 1993). The concept of "brand equity" arises primarily due to its potential to create a competitive advantage (Sophocleous et al., 2019). Brand equity positively influences brand loyalty and perception, and research indicates that consumers' perceptions of brand equity influence their purchase intentions and repeat buying behavior (Mansour et al., 2017; Mukti & Pangesti, 2022). Brand equity is closely aligned with consumers' purchasing habits and significantly impacts their purchasing behavior and intention (Temporal, 2019; Chalal et al., 2022).

2.2. Buying Behavior

In the context of purchasing behavior, Blackwell introduced consumer decision-making models that illustrate how internal and external factors influence purchasing behavior. These factors can be classified as cultural and social (external) and personal and psychological (internal) (Blackwell, 2006). Psychological, emotional, social, and cultural factors significantly shape consumers' purchasing decisions and behavior (Leppaniemi et al., 2017). Consumers' buying behavior refers to the habits of individuals or families who make purchases of goods and services for personal consumption. In addition, the purchasing behavior of consumers is influenced by their past positive experiences with specific brands, as well as the efforts of brand owners to establish brand equity. Therefore, brand equity is a fundamental factor influencing consumers' purchasing decisions and behavior (Solomon, 2016).

2.3 Consumer Satisfaction

Consumer satisfaction is a response to the experience of consuming a product that influences a purchase decision (Samudro et al., 2020). As a result, consumer satisfaction is used in marketing because satisfaction can drive consumers' buying and repeat buying behavior (Chiu & Cho, 2019). Consumer satisfaction is a fundamental factor of business success affecting consumers' consumption, loyalty, and attitudes toward purchasing behavior (Zhang et al., 2017). Customer satisfaction is one of the main objectives of business operations and is directly related to reputation or profitability. Factors affecting satisfaction include brand equity and perceived value (Alamsyah & Febriani, 2020). In addition, in the long term, business success depends on customer satisfaction (Rambocas et al., 2018).

2.4 Perceived Value

Perceived value is vital in measuring consumers' experiences with each branded product. As a result, perceived value concepts have become an important marketing strategic factor, and when combined with consumer satisfaction, businesses can measure consumer experience results (Kusumawati & Rahayu, 2019). The perceived value determines consumer buying behavior because people may perceive product value in many ways, which determines consumers' buying behavior (Leckie et al., 2018). Perceived value can increase consumer satisfaction, generate purchases, and advance purchase intentions for goods or services because the perceived value has become a fundamental principle that consumers use to make purchasing decisions at higher prices, considering the relationship between perceived value and brand loyalty (Tanveer & Lodhi, 2016; Tran et al., 2020).

3. Hypotheses and Conceptual Framework

From concept theory and literature review, the researchers proposed four elements that lead to the research hypotheses, as shown in Fig. 1.

Hypothesis 1 (H1): 'Brand Equity' element directly affects 'Buying Behavior'.

Hypothesis 2 (H2): 'Brand Equity' element directly affects 'Consumer Satisfaction'.

Hypothesis 3 (H3): 'Brand Equity' element directly affects 'Perceived Value'.

Hypothesis 4 (H4): 'Perceived Value' element directly affects 'Consumer Satisfaction'.

Hypothesis 5 (H5): 'Consumer Satisfaction' element directly affects 'Buying Behavior'.

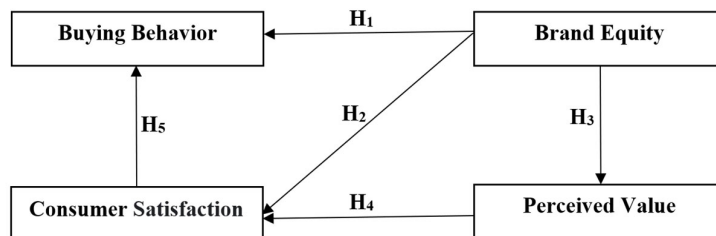


Fig. 1. Hypotheses and conceptual framework

3. Methodology

This quantitative study employs Second-order Confirmatory Factor Analysis (S-CFA) and Structural Equation Model (SEM) techniques to test the model's consistency. The procedure of research is as follows:

3.1. Research Methodology

The researchers used the sample size determination according to the criteria of SEM in experimental research, which determined the sample size to be very good at 500 samples (Comrey & Lee, 1992). Then, utilizing the multistage sampling technique (Babbie, 2021), the researchers selected the most populated provinces in each region, namely Bangkok, Nakhon Ratchasima, Chiang Mai, Chonburi, and Nakhon Si Thammarat, with a total of 7,543,999 people (National Statistical Office, Thailand, 2022). Next, stratified sampling was performed by determining the proportion of data collected in each province and using the purposive sampling method.

3.2. Population and Sample

This research studied people aged 20 - 59 years living in the most populous provinces in each region, namely Bangkok, Nakhon Ratchasima, Chiang Mai, Chon Buri, and Nakhon Si Thammarat, who had experience buying and using Thai brand cosmetic products within the past year by collecting data from 500 samples.

3.3. Research Tools Assessment

The instrument utilized in this study was a questionnaire on the effect of brand equity on Thai cosmetic purchasing decisions using a five-level Likert scale (Stockemer, 2019) consisting of four elements [Brand Equity, Buying Behavior, Consumer Satisfaction, and Perceived Value], 15 questions each, totaling 60 questions. Before sending a questionnaire to participants, it will be assessed for accuracy and reliability by validating the quality of the validity tool using content compliance analysis through the Objective Conformity Index (IOC), with five experts evaluating the consistency of questions with the operational definition and selecting questions with IOC values of 0.60 or higher for use in research. The assessment results showed that the IOC value was between 0.60–1.00, higher than the set criteria (Silpcharu, 2020). Next, 30 people were for the try-out stage of the questionnaire to determine the reliability of the questionnaire by analyzing discriminant analysis, with the discriminant analysis value of the checklist higher than the set criteria of 0.30 (Silpcharu, 2020). In addition, by analyzing the corrected item-total correlation coefficient and determining the reliability of the questionnaire in respect of questions that are characterized by a rating scale by determining the Cronbach Alpha (Rafael & Russell, 2017), with validity higher than the set criteria of 0.80 (Engel & Schutt, 2017). Analyzing data using the Statistical Package for Social Science for Windows (SPSS), the discriminant analysis value of the checklist was between 0.32 and 2.00, and the discriminant analysis of all questions correlates between 0.32 and 0.79 higher than the set criteria at 0.30 (Silpcharu, 2020). Finally, the rating scale items were analyzed through Cronbach's alpha with a validity of 0.92, higher than the criteria of 0.80 (Engel & Schutt, 2017). Therefore, it can be concluded that the questionnaire is very reliable.

3.4. Data Analysis

The researchers collected data using questionnaires, checked for completeness, and analyzed the data. First, data analysis using statistical software using descriptive statistics such as mean and standard deviation (S.D.). The inferences statistics employed to test the hypotheses. S-CFA was utilized to validate the purchasing decisions of the Thai cosmetic products model and the SEM analysis through AMOS, which considers different statistics and indices to evaluate a data model that fits into four standard criteria values (Arbuckle, 2019). The first value is the chi-squared probability level; models corresponding to data should have a p-value greater than 0.05 ($p > 0.05$). The ratio of chi-square/degrees of freedom (χ^2/df or CMIN/DF) is the second value that must be less than 2.00 in model suitability. The last value is the Root Mean Squared Error of Approximation (RMSEA) which must be less than 0.08 to indicate a fit for the appropriate value.

4. Results

4.1. General data analysis results

The importance level of purchasing Thai cosmetic products was high, with an average of 4.30. Brand Equity had the highest average at 4.51, followed by Buying Behavior with an average of 4.36, Consumer Satisfaction with an average of 4.24, and Perceived Value with an average of 4.08. A comparison of the importance level of the purchasing decisions of Thai cosmetic products, classified by age, by testing the difference between the mean of two independent groups with a t-test found that the importance level of the purchasing decisions of Thai cosmetic products overall, when classified by age, had a statistically significant difference at the level of 0.05. The 20–39-year-old age group gave more importance to the purchasing decisions of Thai cosmetic products than the 40–59-year-old age group shown in Table 1.

Table 1
Descriptive and inferential statistical analysis

Purchasing Thai Brand Cosmetic Products	\bar{X}	S.D.	t-Value	P-Value
Overall	4.30	0.50	-10.11	0.00*
Brand Equity	4.51	0.66	-9.54	0.00*
Buying Behavior	4.36	0.40	-11.13	0.00*
Consumer Satisfaction	4.24	0.50	-8.09	0.00*
Perceived Value	4.08	0.55	-9.88	0.00*

Note: *: $p < 0.05$

4.2. Results of the Second-order Confirmatory Factor Analysis (S-CFA)

Results of the S-CFA affecting the purchasing decision of Thai brand cosmetic products showed that it consists of 60 variables of four elements: Brand equity, Buying Behavior, and Consumer Satisfaction and Perceived Value are inconsistent with empirical data. The researchers then adjusted the model and considered the Goodness of Fit Index. After the researchers adjusted the considered the Goodness of modifying the S-CFA model from the final CFA, the elements were consistent with empirical data with a CMIN- $\rho = 0.058$, which is greater than 0.05, indicating that this model is not statistically significant. Therefore, the researchers have modified the model based on modification indices obtained from the packaged program with academic and theoretical principles to eliminate some unsuitable observational variables one by one and reprocess them until getting a model with all four statistical values. After that, the model was modified; the probability of the relative CMIN- $\rho = 0.110$, which is greater than 0.05, the CMIN/DF=1.117, which is less than 2.00; the GFI = 0.958, which is greater than 0.90;

and the RMSEA = 0.015, which is less than 0.08 all of which passed the model evaluation criteria and were consistent with the empirical data as shown in Fig. 2. When considering the purchasing decision of Thai brand cosmetic products, all 23 variables by four elements showed that the regression weight was between 0.85–0.95 and the R-squared value was between 0.72–0.91, statistically significant at 0.001. These results indicate that every variable weighs the element at a reliable level. Therefore, ratings can be prioritized from high to low, including: (1) Consumer Satisfaction with the regression weight at 0.95 and R-squared at 0.91, consisting of six observed variables, which were CS2, CS7, CS10, CS11, CS13, and CS15, (2) Buying Behavior with the regression weight of 0.92 and R-squared at 0.84, consisting of six observed variables, which were BB3, BB6, BB7, BB10, BB12, and BB14, (3) Brand Equity with the regression weight at 0.92 and R-squared at 0.84, consisting of six observed variables, which were BE1, BE5, BE9, BE10, BE11, and BE15, and (4) Perceived Value with the regression weight of 0.85 and R-squared at 0.72, consisted of five observed variables which were PV1, PV4, PV7, PV14, and PV15. These results could be concluded from the four statistical results that passed the assessment criteria with the empirical data.

4.3. The Structural Equation (SEM) Model Results

Results of the S-CFA affecting the purchasing decision of Thai brand cosmetic products showed that only the root index of the RMSEA passed the set criteria with a value of 0.064, but other values did not pass. Therefore, the researchers have modified the model based on modification indices obtained from the packaged program with academic and theoretical principles to eliminate some unsuitable observational variables one by one and reprocess them until getting a model with all four standard statistical values. After the model had been modified, it was found that the probability of CMIN- ρ = 0.059, which is greater than 0.05, indicating that this model is not statistically significant. The relative CMIN- ρ = 0.055, which is greater than 0.05, the CMIN/DF = 1.154, which is less than 2.00, the GFI = 0.957, which is greater than 0.90; and the RMSEA = 0.018, which is less than 0.08. Therefore, it can be concluded that all four statistics passed the set criteria. Harmonious, which passed the model evaluation criteria and was consistent with the empirical data, as shown in Fig. 3 and Table 2.

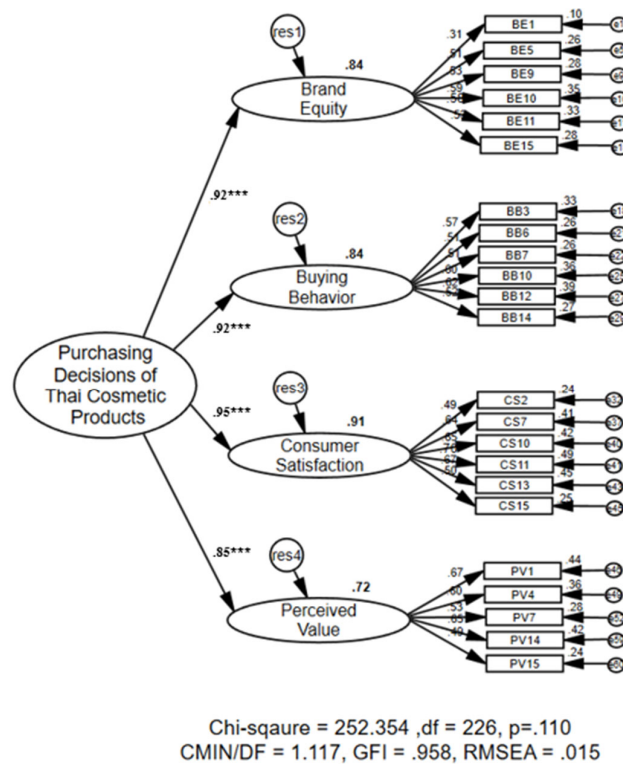


Fig 2. Results of the S-CFA model

Table 2
 Statistics for the structural equation model after modification

Evaluating the data-model fit	Recommended value	Value of initial model	Value of modified model
CMIN- ρ	≥ 0.050	0.000	0.055
CMIN/DF	≤ 2.000	3.047	1.154
GFI	≥ 0.900	0.607	0.957
RMSEA	≤ 0.080	0.064	0.018

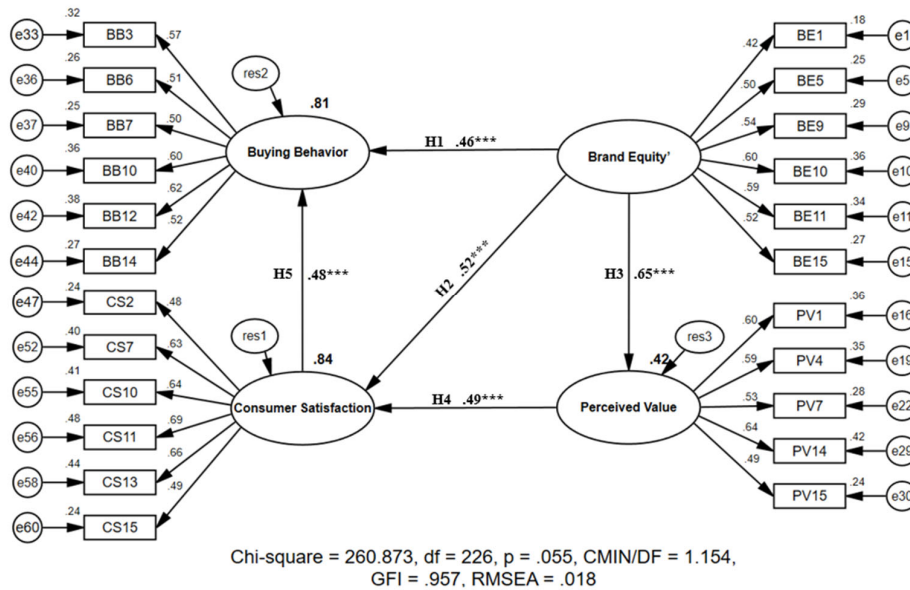


Fig 3. The final model modification in standardized estimate mode.

Analysis of the overall direct and indirect influence of the SEM model analysis of the effect of brand equity on Thai cosmetic purchasing decisions; after the model improvement, it was found that the highest overall influence was on the Brand Equity element that influenced the Consumer Satisfaction element had a standardized regression weight of 0.84 in the standardized estimate mode as shown in Table 3.

Table 3

Statistics Analysis of overall direct and indirect influence of the SEM model analysis of the effect of brand equity on Thai cosmetic purchasing decisions in standardized estimate mode after model modification

Element	Brand Equity	Perceived Value	Consumer Satisfaction	Buying Behavior
Perceived Value	0.65	0.00	0.00	0.00
Consumer Satisfaction	0.84	0.49	0.00	0.00
Buying Behavior	0.71	0.00	0.48	0.00

4.4. Results of Hypothesis Testing

Hypothesis test results for path analysis between latent variables in SEM of the effect of brand equity on Thai cosmetic purchasing decisions of five hypotheses shown in Table 4, whereby the brand equity element directly influences the Buying Behavior element, Consumer Satisfaction, and Perceived Value were statistically significant at 0.001 with loading factors of 0.46, 0.52, and 0.65, respectively, consistent with the research hypothesis. In addition, empirical data on factors related to the observed data of the Perceived Value element directly influences the Consumer Satisfaction element significantly at 0.001 with loading factors of 0.49, respectively. Empirical data on Consumer Satisfaction elements directly affect the Buying Behavior element statistically significant at 0.001 with a loading factor of 0.48, consistent with the research hypothesis. A modified SEM model with standardized coefficients and factor loadings is shown in Fig. 3.

Table 4

The results of the hypothesis test

Variable	Estimate (β)	R ²	Variance	C.R.	P
Brand Equity			0.07		
Buying Behavior	0.46	0.81	0.02	3.824	***
Consumer Satisfaction	0.52	0.84	0.02	6.104	***
Perceived Value	0.65	0.42	0.10	9.401	***
Perceived Value			0.42		
Consumer Satisfaction	0.49	0.84	0.02	6.060	***
Consumer Satisfaction			0.84		
Buying Behavior	0.48	0.81	0.02	3.891	***

Note: β = standardized beta coefficients; CR = critical ratio; *** p < 0.001

5. Discussion

The findings of this research have identified crucial insights that can serve as a guide to assist businesses in making decisions related to the purchase of Thai brand cosmetic products. This research results highlight significant factors that influence the purchasing decisions of Thai cosmetic products, with Brand Equity emerging as the element with the highest average rating. The findings align with previous studies, such as Rambocas et al. (2018), which emphasize the significant impact of Brand Equity on purchasing decisions due to the value it offers to target consumers. Furthermore, the ability of cosmetic products to address skin issues contributes to the perception among the target consumer group that there are high-quality cosmetic products available that are distinguished by their brand equity (Mansour et al., 2017; Sophocleous et al., 2019).

The research findings highlight the significance of various factors that impact the purchasing decisions of Thai cosmetic products, with a particular emphasis on the belief in the efficacy and product quality, which received the highest average rating. This finding aligns with Alamsyah & Febriani (2020); Sukhawatthanakun (2022), who argued that product quality influences brand perception, as products containing essential substances and high-quality raw materials instill confidence in the brand. Notably, the developed SEM model in this study indicates that the researchers proposed four elements (Brand Equity, Buying Behavior, Consumer Satisfaction, and Perceived Value) align well with the empirical data. Notably, Brand Equity directly influences purchasing behavior, with the observed variable of brand equity exerting a direct impact on the Buying Behavior element. Hence, if a cosmetic product brand successfully establishes substantial brand equity, it will positively influence the Buying Behavior of cosmetic product users. Additionally, the research findings demonstrate that product quality affects the brand, brand confidence, and brand reputation, consequently influencing the buying behavior of cosmetic products (Alamsyah & Febriani (2020).

Moreover, it has been observed that brand equity, particularly in terms of product quality, exerts a significant influence on repeat buying behavior, while brand reputation has a substantial impact on both trial buying behavior and repeat purchase behavior (Mansour et al., 2017; Rambocas et al., 2018). Therefore, brand equity directly and positively affects the buying behavior of cosmetic product consumers. This result can imply that when a cosmetic product brand successfully establishes substantial brand equity, it will lead to good consumer purchasing behavior. The findings of this research align with the concept discussed by Tran et al. (2020), who examined the direct influence of brand equity on the purchasing behavior of cosmetic products. Their study revealed that brand equity plays a statistically significant role in shaping buying behavior, particularly when business owners of cosmetic brands emphasize the value of their products through branding, creating consumer awareness of the brand's value by addressing consumer needs and concerns, which, in turn, influences consumer brand equity.

The brand equity element has a direct impact on the Consumer Satisfaction variable, as it differentiates the product from other brands and enables consumers to perceive its value, thereby leading to consumer satisfaction (Rambocas et al., 2018; Raduzzi & Massey, 2019; Sumitro et al., 2022). Brand equity also fosters a connection between products and consumers by delivering values that enhance satisfaction and loyalty, facilitating faster purchasing decisions (Tran et al., 2020). When a brand is perceived as valuable by consumers, it enhances their satisfaction and instills confidence in their purchasing decisions (Sophocleous et al., 2019; Cyntya & Berlianto, 2023). Moreover, consumer perception of brand equity leads to brand preference, creating a sense of trust and generating overall satisfaction (Noorlitaria et al., 2020); whatever business strategies must align with business ethics to protect consumer right in quality product consumption (Sukhawatthanakun, 2022). The Brand Equity element directly affects the Perceived Value element variable because creating brand equity will result in a positive perception among consumers who use cosmetic products, which makes brand equity, whether brand confidence or brand reputation, affects perceived value (Noorlitaria et al., 2020). Leckie et al. (2018) stated that brand equity directly impacts perceived value. Thus, when a business successfully creates value for its cosmetic product brands, such as through benefits, efficacy, quality, or essential ingredients, it will lead consumers to perceive the value of that particular cosmetic product. The Perceived Value element, in turn, directly influences the consumer satisfaction variable. Perceived value has a more decisive influence on customer satisfaction, contributing to customer loyalty and future repeat buying behavior (Kusumawati & Rahayu, 2019). This finding aligns with the research of Samudro et al. (2020), which indicates that perceived value significantly influences consumer satisfaction. Consumers tend to prioritize perceived value, as it stems from product quality that meets their expectations and creates a perception of superior quality that distinguishes the brand (Susanti et al., 2019). Indeed, the Consumer Satisfaction element directly affects the Buying Behavior element variable. Consumer satisfaction is crucial in influencing buying behavior, as satisfied consumers are likelier to engage in repeat buying behavior. Therefore, brands must prioritize satisfying their target consumers, as perceived quality positively affects customer satisfaction. Additionally, customer satisfaction significantly influences customers' repurchase intentions (Cyntya & Berlianto, 2023). Consumer satisfaction is how consumers feel after comparing the results with their expectations of using the product (Jasin et al., 2023); when consumers are satisfied with a product, their pride can drive their future buying decisions. Therefore, satisfaction strongly influences consumers' buying and repeat buying behavior (Arthur et al., 2020). Therefore, Customer satisfaction significantly affects their return-buying behavior (Jasin & Firmansyah, (2023).

The SEM model analysis reveals that the Brand Equity element significantly influences the Consumer Satisfaction element. This influence is reflected in a standardized regression weight of 0.84, representing the direct effect of brand Equity on

consumer satisfaction and the indirect effect transmitted through the perceived value element. This finding indicates that when consumers perceive the value of brand equity, it positively impacts their satisfaction with the product (Cyntya & Berlianto, 2023). As a result, businesses and organizations recognize the importance of creating brand equity, leading to brand differentiation, effectively reaching target audiences, and generating consumer satisfaction (Mukti & Pangesti, 2022). Brand equity fosters a relationship between the brand and the consumer, and when a brand is successful in creating perceived value, it enhances consumer satisfaction (Mansour et al., 2017). In addition, when consumers perceive the importance of brand equity, it instills confidence, trust, and affection for the brand, resulting in satisfaction (Chiu & Cho, 2021).

6. Conclusions and Recommendations

6.1. Conclusions

The findings highlight the significance of brand equity in the purchasing decision of Thai cosmetic products. Brand equity plays a crucial role in establishing a brand's value in consumers' eyes, instilling consumer confidence, and ultimately influencing their decision to purchase Thai-branded cosmetic products. Brand equity also reduces the perceived risk associated with purchasing and ensures product quality for consumers. Moreover, when a brand successfully creates brand equity that surpasses its competitors, it can lead to long-term profitability and sustainable growth. To leverage brand equity effectively, business owners should focus on building brand credibility, adapting their branding strategies to the evolving market environment, and implementing marketing strategies that enhance brand awareness and communicate the brand's unique value proposition. Creating content that aligns with brand equity and resonates with consumers can further reinforce the brand's credibility and generate positive consumer perceptions. By prioritizing brand equity and aligning their branding and marketing efforts accordingly, Thai cosmetic industry business can strengthen their competitive position, cultivate consumer trust, and drive customer loyalty and satisfaction.

6.2. Recommendations for purchasing decision of Thai brand cosmetic products

Expanding the cosmetic products business and developing cosmetic products with brand equity is indeed a valuable strategy for industrial entrepreneurs in Thailand. Based on consumer behavior and preferences, Thai consumers place great importance on the efficiency and quality of the products they purchase. By creating cosmetic products tested and certified for their effectiveness, businesses can instill trust and confidence in their brand among consumers. Perceived value is another critical aspect influencing consumer satisfaction with Thai cosmetic products. Thai consumers value cosmetic products that effectively nourish and address their skin concerns. Therefore, manufacturers should prioritize designing and developing cosmetic products that cater to the needs of consumers, ensuring that they provide tangible benefits and meet consumers' expectations.

The businesses can provide opportunities for consumers to participate in the brand experience to enhance consumer engagement and involvement with the brand. This strategy can be achieved through various means, such as soliciting customer feedback, involving consumers in product development decisions, and creating interactive platforms for communication and collaboration. In today's digital age, businesses must have an offline and online presence. Online channels provide opportunities to reach a broader consumer base and offer product discovery and purchasing convenience. Leveraging technologies like Virtual Reality (V.R.), Augmented Reality (A.R.), or Mixed Reality (M.R.) can further enhance the online shopping experience, allowing consumers to virtually try and experience cosmetic products, thereby creating novel and immersive purchasing experiences. By adopting these strategies, industrial entrepreneurs can effectively capitalize on brand equity, meet consumer needs and expectations, and create a robust competitive advantage in the Thai cosmetic products market.

6.3. Recommendations for Limitations and future research

The limitation is that the scope of the research covered purchasing decisions for Thai cosmetic products and studied people aged 20–59 years living in the most populous provinces in each region of Thailand only. Therefore, the results of this research may not be suitable for businesses that sell Thai cosmetic products or other cosmetic products. Secondly, various sampling techniques should be used to increase the reliability of sampling. Therefore, the following researchers recommend using the in-depth interview method in the sample, such as with business owners or other stakeholders in the cosmetic industry. Thirdly, future research may study the brand equity of cosmetic products for a specific cosmetic product group to provide a more diverse brand equity model. Finally, further studies should be conducted using other variables or adding other influencing factors to purchase decisions outside of the variables in this study, such as product, marketing communication, brand trust, brand identity, or brand image.

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