

# Impact of Social Factors on Generation Z's Buying Decision Process of Organic Facial Care Products in Thailand

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**Abstract.** The objectives of this research were to study Generation Z's buying decision process towards organic facial care products. Besides, impact of social factors, including family and reference group, on buying decision process were measured. Quantitative research consisting of 500 samples was employed via online survey by using convenience sampling method at the confidence level of 95%. The results showed that most of the respondents were female, studying in high school and earned less than 10,000 baht per month. Besides, social factors of organic facial care products buying were raised mainly through reference group factors. Additionally, buying decision process was in a high level, especially in the alternative evaluation process. From hypothesis testing, overall buying decision process was positively affected by family and reference group. Reference group factors played the important role that had the major impact on buying decision process. It was recommended that organic facial care producers or sellers should employ influencers as main contact points to drive sale revenues and building trust through testimonial of the products.

**Keywords:** *Social Factors; Generation Z; Buying Decision Process; Organic Facial Care Products*

## 1 Introduction

Social factors play the important role in consumer behavior. Consumers' decision process have been affected by other people judgement in the society [1]. Consumers' buying behavior have been affected by various factors, that is, consumer characteristics, cultural factors, psychological factors, marketing factors, situational or environmental factors and social factors. When they make the decision to buy, they go through successive process steps [2]. There are three main types of social factors that affect consumer behavior, which is, reference group, family and social roles and status [3], [4]. According to cosmetic market situation in Thailand, the market value in the year of 2023 has climbed up to 8,625 million USD, increased from the previous year by 9%. Organic skin care products share the major portion

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in the market trend [5]. Thai Generation Z consumers play the important role in the market trend of clean or organic skin care market, mainly due to the buying pattern from reference groups both from local and international sources [5]. The research objectives have, therefore, been set to analyze Generation Z's buying decision process towards organic facial care products. Besides, impact of social factors, including family and reference group, on buying decision process were measured. Research contribution can be given to the organic skin care products industry in Thailand, which is one of the big S curves in the country.

## **2 Literature Review**

From theoretical study, consumers' buying behavior have been affected by various factors, including social factors [4], which play the important role in younger generation behavior [5]. Theories and literature reviews about social factors and consumer buying behavior have been elaborated as follows.

### **2.1 Social Factors**

When consumers make decision to buy things, social factors always play a vital role in many stages of the decision. Social factors, such as family, friends, reference group and opinion leaders are among the key determinants to affect consumer buying pattern [6]. Social factors employed in this research has been classified in to two variables;

#### *2.1.1 Family*

Family has been identified as the initial factors that consumers rely on and compare their decision with their own family members. Family, as a part of household units, and relationship among members of the family can affect each other decision making, especially in personal consumer products [7].

#### *2.1.2 Reference Group*

The fact that individuals conform their own decision and behavior with the related group that they belong to is the key consideration in psychological and consumer research. Reference groups are classified in to three types, informational reference groups, utilitarian reference groups and value-expressive reference groups [8]. Informational reference groups are those whom consumers seek the information from due to their expertise in the fields and credibility. Utilitarian reference groups, meanwhile, are the groups that consumers conform their behavior with due to the collective or norm of the groups. Value-expressive reference groups are those that reflect consumers' selfconcept through psychological associations, such as the celebrities, key opinion leaders, etc.

### **2.2 Consumer Buying Decision Process**

When consumers make a decision to buy things, they go through from one step to others. Consumer buying decision process is, therefore, consists of 5 stages [4].

1. Problem recognition : Consumers recognize from their needs that lead them to solve their problems or needs. The stronger the needs, the shorter of this stage driving consumers to the next stage becomes.
2. Information search : Consumers seek information either from inside, including memory and prior experience, or outside, such as the internet, testimonial, key opinion leaders, etc.
3. Evaluation of alternatives : After gathering about information to make a choice, consumers will compare among the alternatives and make the right solutions. Different consumers have different criteria to judge on their decision choices.
4. Purchase decision : After consumers compare between the choices in consideration, they will choose the right solutions of the brand , the seller, the price and related cost, the place to buy, the promotional campaign and so on.
5. Post – purchase Behavior : Consumers will evaluation the decision by comparing the expectation and perception from the products and service performances. The post-purchase feelings will affect the repurchase behavior and loyalty in the future.

### 3. Methodology

Quantitative research consisting of 500 samples was employed via online survey by using convenience sampling method at the confidence level of 95%. The questionnaire was designed according to theoretical framework with Index of Item-Objective Congruence or IOC checked for content validity by three experts and academic professors. Besides, the reliability test was done with 30 samples and got Cronbach alpha of 0.92, which was more than 0.70 [9]. The questionnaires were reliable enough to be employed in the survey. Conceptual framework was described in figure 1. Data were analyzed by using frequency, percentage and mean. Hypothesis testing was conducted through Pearson correlation coefficient and multiple regression equation analysis. Conceptual framework and hypothesis H0 and H1 were established as follows,

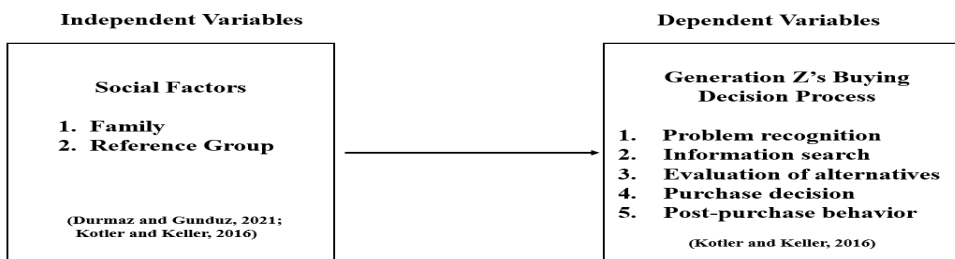


Fig. 1. Conceptual framework

H0: Social factors do not affect Generation Z's buying decision process of organic facial care products.

H1: Social factors affect Generation Z's buying decision process of organic facial care products.

### 4. Result and Discussion

The results revealed that most of the respondents were female, studying in high school and earned less than 10,000 baht per month. Besides, over all social factors of organic facial care products buying decision were in a high level of importance. It was raised mainly through

reference group factors, which was in a very high level of importance. Additionally, overall buying decision process was in a high level, especially in the alternative evaluation process, which showed the relatively highest means score, as shown in table 1 – table 2. The results showed the effect of reference group on organic facial care buying decision process in Thai Generation Z’s society.

**Table 1.** Social factors in Generation Z’s buying decision of organic facial care products  
 n=500

Social Factors	Mean	S.D.	Level of Importance
1. Family	3.78	0.79	High
2. Reference group	4.23	0.82	Very High
Overall	4.02	1.08	High

**Table 2.** Generation Z’s buying decision process of organic facial care products  
 n=500

Consumer Buying Decision Process	Mean	S.D.	Level of Importance
1. Problem Recognition	3.78	0.79	High
2. Information Search	4.02	0.82	High
3. Evaluation of Alternatives	4.19	0.81	High
4. Purchase Decision	4.01	0.79	High
5. Post- purchase Behavior	3.74	0.83	High
Overall	3.95	0.82	High

According to the Pearson correlation coefficient analysis, there was a strong relationship between social factors and consumer decision process ( $r = 0.884$ ). From hypothesis testing, overall buying decision process was positively affected by family and reference group. The hypothesis H0 was rejected and the H1 was accepted. Reference group factors played the vital role and had the major impact on Generation Z’s consumer buying decision process in every stages, as shown in table 3 and table 4. Multiple regression equation can be set as follows;

$$Y = 0.168 + 0.172 X_1 + 0.221X_2$$

Where as  $Y$  means the overall Generation Z’s buying decision process

$X_1$  means family factors

$X_2$  means reference group factors

**Table 3.** Pearson correlation coefficient analysis between social factors and  
 Generation Z’s buying decision process of organic facial care products

n=500

Social Factors		Problem Recognition	Information Search	Evaluation Of Alternative	Purchase Decision	Post-Purchase Behavior	Overall
1. Family	Pearson Correlations	0.811	0.827	0.713	0.722	0.788	0.798
	Sig. (2-tailed)	0.000**	0.000**	0.000**	0.000**	0.000**	0.000**
2. Reference group	Pearson Correlations	0.869	0.848	0.774	0.789	0.765	0.845
	Sig. (2-tailed)	0.000**	0.001**	0.000**	0.000**	0.000**	0.000**

<b>Overall</b>	Pearson Correlations	0.893	0.882	0.881	0.821	0.801	0.884
	Sig. (2-tailed)	0.000**	0.000**	0.000**	0.000**	0.000**	0.000**

\*\* at the significance level of 0.01

**Table 4.** Multiple regression analysis of social factors effect on Generation Z’s buying decision process of organic facial care products in overall

n=500

Model	b	SE	Beta	R	R <sup>2</sup>	t	P
Constant	0.168	0.080		0.884	0.821	2.095	0.037
Family Factors (X <sub>1</sub> )	0.172	0.038	0.170			4.531	0.000*
Reference Group Factors (X <sub>2</sub> )	0.221	0.053	0.220			4.147	0.000*

\* at the significance level of 0.05

The result from the study confirmed the theoretical studies that social factors played the vital role in consumer behavior. Besides, for the younger generation like Gen Z, the reference group factors played the major role when comparing with other social factors.

## 5.Recommendation

**5.1 Recommendation from the study:** Organic facial care producers or sellers should employ influencers like celebrities or key opinion leaders as main contact points to drive sale revenues and building trust through testimonial of the products among Generation Z segment. Family factors also should be in concern to help boost the repurchase behavior.

**5.2 Recommendation for further study:** Factors that should be more elaborated in next research are psychological factors such as believe, personality, opinion of the reference groups. Other clean products like organic food can be studied as it might relate to Generation Z’s consumer behavior.

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