

UNIVERSITY THE WEST OF SCOTLAND

**CUSTOMER SATISFACTION AND CUSTOMER
LOYALTY IN THE SUBSCRIPTION-BASED
SERVICES: UK BEAUTY SECTOR**

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Thesis submitted in partial fulfilment of the requirements of the Business School, School of
Business and Enterprise, University of the West of
Scotland (Student ID: B00340298)

Declaration

I, Ngoc Phuong Thao Nguyen, confirm that the work presented in this dissertation titled "Customer satisfaction and customer loyalty in subscription-based services in the UK beauty sector " is my own, and where information has been derived from other sources, I confirm that I have indicated these in this Doctorate of Business Administration work.

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Date: 30.05.2024

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ABSTRACT

Nowadays, purchasers can buy any goods or services at any time of the day and anywhere with a click of a button. This is due to the contribution of information technology evolution and the upsurge of the commerce marketplace. Based on the study by McKinsey and Company on e-commerce consumers, it was recorded that nearly half of the purchasers (46%) already paid for online streaming services such as Netflix and Spotify and around 15% have been subscribing to a subscription box services, which is also known as box retailing, such as Stitch Fix and Blue Apron during one-year of the investigation. Accordingly, the growth of subscription-based services can be seen in the business environment. It is essential to study this innovative business model in depth.

In this research, customer satisfaction and customer loyalty have been analysed in the context of UK beauty subscription box retailers. Various grounded theories and research have been implemented in order to achieve the research aims and objectives. The researcher has reviewed theoretical frameworks that have been examined and applied empirically to analyse customer satisfaction and customer loyalty in SBS business this study, from four Cs (Andonova et al., 2021), customer loyalty management in beauty subscription box retail services (Lee et al., 2019) various conceptual customer loyalty frameworks (Nguyen, 2020; Sun, et al., 2010); (Soldatova, et al., 2021).

In the empirical study, the research writer has adopted quantitative methods for the analysis of data collected from the designed questionnaire. The questionnaire was formulated based on the conceptual frameworks, which consisted of 63 questions to test eight variables of customer satisfaction and customer loyalty. The questionnaire was given to qualified applicants who had subscribed to a beauty box before in the UK and gathered around 200 responses. While carrying out the research, there have been some limitations, such as it is only studied for UK customers who subscribed to the box, which is explained in the research as well. In order to accomplish this research, the conclusion should be reached and answered to all main research questions of the study.

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CHAPTER 1: INTRODUCTION

Introduction

“It’s like Christmas – you never know what you are getting” – A customer who has subscribed to 15 different SOS sites (Jayakumar, 2014 cited by Woo & Ramkumar, 2018, p.121).

With the improvement of the Internet and data technology, online content, which is also aware of information products or digital goods, has become a crucial part of people’s daily lives (Xu & Duan, 2018). In past, people were not willing to pay for almost any type of online content; hence, the offer of free content has been a widespread practice for a long time. However, in the last few years, the convenience of electronic payments has encouraged people to do online shopping and other e-commerce businesses. In simple words, more consumers are increasingly getting used to paying for what they need.

Consequently, during the emergence of the information age, the growth of e-commerce, which is based on the Internet, has led to the intensity of global competition in most of the industry; businesses are in need to find different ways to expand their competitive differentiation (Schuh et al., 2020). This is literal for manufacturers from high-wage countries. According to the research by Lindgardt et al. (2009), the result demonstrates that a company could accomplish more robust competitive advantages through innovations in business models than innovations in products and processes themselves. In many sectors, such as entertainment, food and beverage, and fashion and beauty, subscription business models have vitally transformed the competitive rules and found new dominating champions.

Moreover, Tzuo and Weisert (2018) stated in their book *“Subscribed: Why the subscription model will be your company’s future – and what to do about it”* that the world is switching from products to services. The traditional business has been long gone with the beginning of “the age of the customer” as “today’s customers are more informed by an order of magnitude” (Tzuo & Weiser, 2018, p. 16). Consequently, the business world started to whirl up customer relationship management (CRM) databases, build customer loyalty programmes, propose membership rewards and incentives, and carry out several customer satisfaction surveys. To the extent of explaining the key point of innovation business model in the digital era, the two authors of the book *“Subscribed: Why the subscription model will be your company’s future – and what to do about It* have depicted the model in Figure 1 as old model represented the old companies concentrated on sale by trying to sell as much products as possible while the new model in digital transformation focuses on linear transactional channels to the relationship with consumers and subscribers.

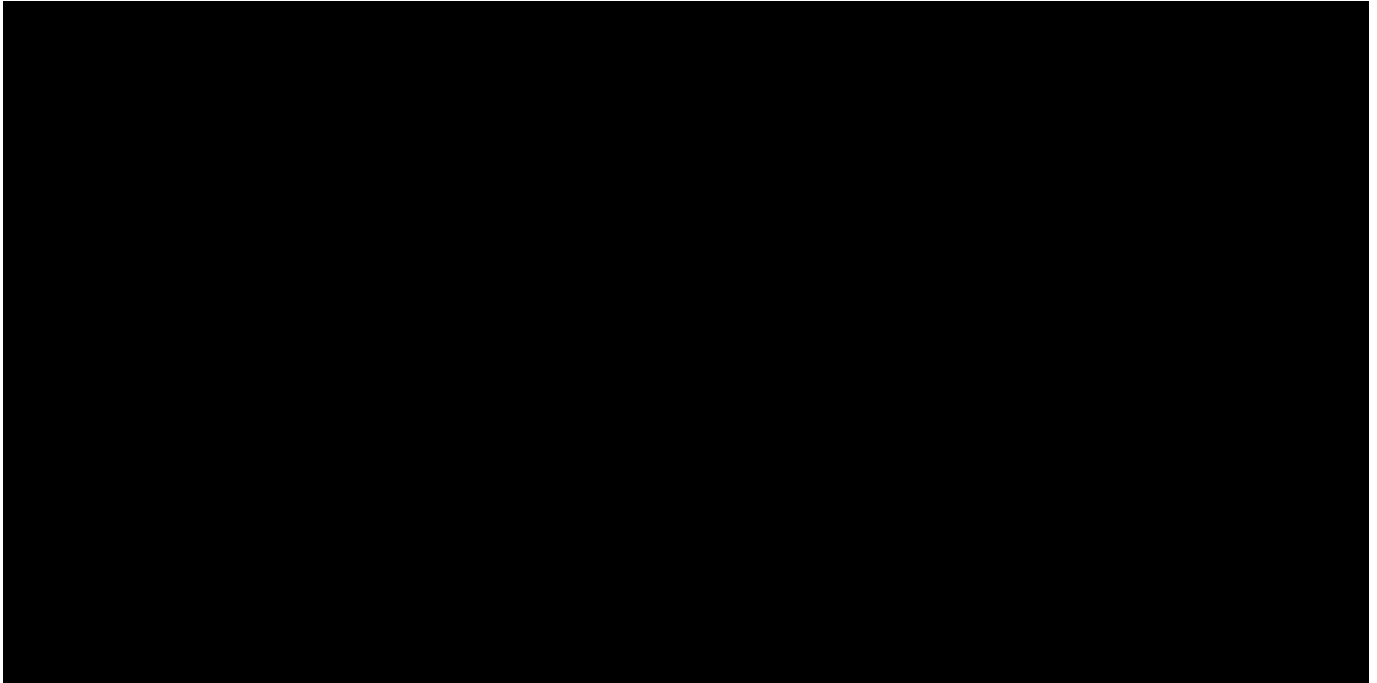


Figure 1: Old Business Model versus New Business Model (Tzuo & Weisert, 2018, p. 19)

E-commerce is evidently the economy's future as it has been recorded to be expected to achieve over \$500 billion by the end of 2018 (Tzuo & Weisert, 2018). The subscription-based model, such as Stitch Fix (clothing), Birchbox (beauty), Allbirds (shoes), HelloFresh (food and beverage) or Hop Hao Huc (children's books) in Vietnam, is getting incredibly in demand as customers choose the benefits of access over the hassles of maintenance. It also highlighted that subscription corporations such as Netflix and Spotify are just the tip of the iceberg for this new innovative business model in the digital era (Tzuo & Weisert, 2018). Until 2014, more than 2000 different SOS companies were registered in the United States and operating, and buyers were almost able to obtain any type of goods via SOS retailers (Woo & Ramkumar, 2018). This made the SOS field worth \$5 billion in the US at that time, as stated by Woo and Ramkumar (2018, p.121).

Based on the study by McKinsey and Company on e-commerce consumers, it was recorded that nearly half of the purchasers (46%) already paid for an online streaming service such as Netflix and Spotify and around 15% have been subscribing to a subscription box services, which is also known as box retailing, such as Stitch Fix and Blue Apron during one-year of the investigation (Erdogan, et al.,

2020). Following to Toteva, Lutz and Shaw (2021), SOS with subscription boxes was derived from the introduction of Birchbox in 2010, followed by Dollar Shave Club in 2011 which was acquired by Unilever for \$1 billion in 2016 (Toteva, et al., 2021, p. 1). Since its launch in the business field, SOS has always pursued customers' needs and provided their consumers a unique way to receive products. The expansions in the popularity of SOS model have also drawn attention from traditional retailers, for example, Amazon,

Sephora and even Waitrose – one of the leading supermarkets in the UK- started their own food box delivering to their consumers. The fashion and beauty sector has been striving for this so-called subscription business that Birchbox or Stitch Fix has been serving over millions of subscribers (Ramkumar & Woo, 2018).

Name of SOS	Product/service	Industry
Art in a box	Fine art in ceramic, printmaking, painting, collage, digital prints etc. by Bay Area artists	Art
Artsicle	Original art from artists from around the world	
Birchbox	Makeup and other beauty related product samples	Beauty
Glossybox	Cosmetic and wellness samples	
Good being	Organic beauty products	
Play by Sephora	Makeup and other beauty related product samples	
Atlas coffee club	Coffee from around the world	Food and beverages
Blue apron	Ingredients and recipes for meals	
Full circle	Organic fruits and vegetables	
Love with food	Organic, all-natural or gluten-free snacks	
Fabletics	Workout clothing	Fashion
Le Tote	Clothing and accessories	
Me Undies	Underwear	
Monthly socks	Socks	
Shoedazzle	Women's shoes	
Stitch Fix	Clothing and accessories	
Swag of the month	Men's t-shirts	
Wantable	Accessories, makeup, intimates and fitness	
BarkBox	Dog goodies	Pets
Baxter Boo	Dog fashion and accessories	
Best	Pet treats and toys	

Figure 2: Subscription-based online services (SoS) in various product categories (Ramkumar & Woo, 2018)

1.2 Statement of research problem

Nowadays, purchasers can buy any goods or services at any time of the day and anywhere with a click of a button. This is due to the contribution of information technology evolution and the upsurge of e-commerce marketplace (Lee, et al., 2019). Consequently, customers are dealing with numerous consumption decision-making set of circumstances which could result in cognitive overload. An innovative business model as SOS was built to support customers in this situation.

Subscription-based services with box retailing have turned into a rising trend as a fast-growing new method of purchasing online (McKinsey&Company, 2018). Subscription box retail services (SBRS) indicates a unique business model where a customer pays a weekly/ monthly subscription fee to access

beauty-related merchandise or services as per one's preferences or tastes" (Hayes, 2014 cited by (Lee et al., 2019, p. 85). This business model is considered the evolution of the tradition of delivering goods in the past, such as magazines, newspapers, and milk (Noorda, 2019). By adjusting to the digital era's change in the business world, corporations have established diverse subscription-based businesses worldwide. At present, due to being stimulated by venture-capital investments, the range of SBRS has been extended in various categories consisting of food and beverages, books, fashion and beauty, pet food, video games and child and baby items (McKinsey&Company, 2018). Noorda (2019) emphasised the rapid growth of SOS in the study that in less than 10 years from 2010, subscription boxes have rocketed nearly 30 times in the period between 2013 and 2016 alone (p. 223).

Based on the book by Tzuo & Weisert (2018), it is criticised that the subscription business model has a substantial impact on companies' sales and marketing efforts, as stated in the book "Subscription Marketing Strategies for Nurturing Customers in a World of Churn": "Marketing is no longer just about getting to the sale. To keep subscription customers renewing and re-engaging, you have to provide real value and solve problems" (cited by Tzuo and Weiser, 2018, p. 131). Saenger and Thomas (2021) also shared the same opinion as offering customers the opportunity to try a product on a limited basis is a marketing method experiencing a renewed emphasis.

According to Forbes (2021), based on recent research from West Monroe – a consulting organisation in the USA, the result presented that each American have spent approximately 273 US dollars a month on average on SOS, which used to be 237 US dollars in 2018. The pandemic has boosted the emergence of the subscription model at a prompt scale (Sung & Chattaraman, 2022). Particularly, in accordance with Toteva, et al. (2021), throughout the 2020 pandemic, subscription boxes were given as gifts during the holiday season. Initiated by start-up organisations such as Birchbox, IPSY, and the Dollar Shave Club, subscription retail has accounted for around 15 billion US dollars in sales in 2018 (Cheng, 2019). Furthermore, it has been projected that approximately 75 per cent of B2C businesses will provide subscription services by 2023 (Moore, 2019, cited by Andonova et al., 2021, p. 631). To illustrate, the giant e-commerce corporation – Amazon – has also adopted this business model as an Amazon Subscribe and Save and Subscription box to capitalise on this multibillion-dollar industry, according to Andonova, Anaza and Bennett (2021).

The UK has appeared to be one of the largest cosmetics marketplaces in Western Europe since British customers are reported to have a prominent influence on several leading beauty firms (Statista, 2021). Many cosmetics and beauty brands start subscription boxes due to its trend among consumers and to try out new products, especially after the pandemic. For example, Lush – a British cosmetic company founded in 1995 – is well-known for its 100% fresh, handmade and cruelty-free cosmetics (Lush, 2021). Lush Kitchen was first

launched in 2014 with limited products, which were handmade daily and online exclusive. However, it was stopped after 3 years and resumed in the summer of 2020 as a game-switching – subscription box (Lush, n.d.). Each month, subscribers will take part in a vote for products, which will be in that month's box, following Lush, and the price for a subscription is roughly £35/ month. Other recognisable subscription businesses in the cosmetic field are Birchbox and Glossybox. Birchbox was founded in 2010 and is believed to be the pioneer of this novel industry (Lee, et al., 2019). Differently from Lush, the company sends a subscription box to the subscriber's doorstep, which includes six sample-size beauty-related products from skincare and haircare to makeup, with the price of £12/ month. Similarly, Glossybox provides a £20-worth subscription box with five deluxe-size beauty products to the consumer's addresses each month. By this unconventional means, it brings benefits to both customers and brands as brands can promote new products to purchasers, and receivers could be exposed to a wider range of products for haul-on at lower cost (Bischof et al., 2019). Accordingly, the statistics of beauty boxes in the UK should be taken into consideration. Although SBRS has increased drastically as one of the most novel trends in the customer goods market, box retail is still required to catch on with a wider range of purchasers. Based on another survey conducted by Statista in 2021, only about 6 per cent of buyers in 8,000 British shoppers had received beauty boxes, and the perfume and cosmetics sector was ranked as the third leading category of SOS in the UK in the year 2020 (Figure 3). Moreover, there was only one beauty box appearing in the chart for "Average brand searches per month of beauty products retailers' websites in the UK in 2020", which is Birchbox, with 60,500 searches a month (Statista, 2022). Following Woo & Ramkumar (2018), fashion and beauty revealed success because of their inability to compete in the subscription economy, especially in tough markets such as the UK. Additionally, Pike (2016) stated that there have been several fashion and beauty SOSs, such as BeachMint and Wardrobe Wake Up, "collapsed because of their inability to compete in the subscription economy"(cited by Ramkumar & Woo, 2018, p. 2). For instance, Glossybox is one of the top beauty box retailers, which is recognised by 40 per cent of the UK online shoppers, purchased by 7 per cent of customers, and half of them confirmed their satisfaction. These data illustrate that subscription awareness in the UK is considerable. However, the rate of subscription, as well as their satisfaction and loyalty, are significant.

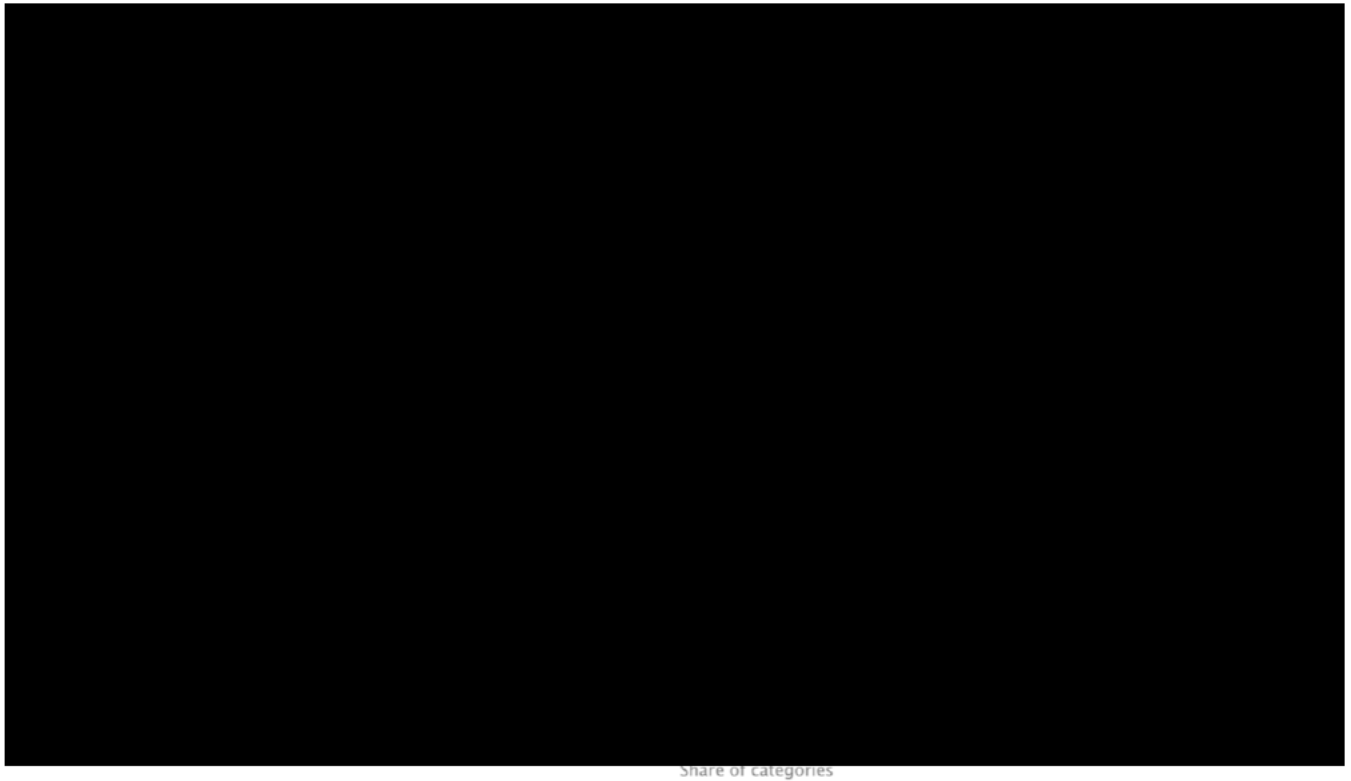


Figure 3: Leading categories of subscription boxes shoppers buy in the UK in 2020 (Statista, 2021)

Andonova, Anaza and Bennett (2021) underlined that the attractiveness of SOS business framework is the prospective stability in revenue stream from subscribers. Box retail assists customers in their decision-making procedure, which is associated with myriad options and choices in traditional brick-and-mortar stores (Bischof et al., 2020). The researchers also stated in the previous study that “the surge in popularity of subscription business framework is at least partly driven by changing customer demands” (Rudolph, et al., 2017, p. 18). Based on the research in 2017, three motives of SBS's success include convenience, consumers' expectations in shopping, which could inspire and delight them, and the sharing economy, which plays a part in the idea of valuing access over ownership (Rudolph, et al., 2017).

Unlike membership-based models where individuals are required to pay to become members, SBS customers have permission to choose their contracts. Simply put, they are not bound to a long-term bond since they are free to come and go as they prefer. This has led to one of the biggest obstacles of SBS is the high churn rate due to the free cancellations. According to the records, almost 40 per cent of subscribers choose to cancel their subscriptions (McKinsey&Company, 2018). Given that the expenditure of attaining a new subscriber is higher than retaining an existing one, organisations need to understand that they are building a long-term relationship with consumers to make a subscription box, particularly a beauty box, successful (Panko, 2022). During an interview with Amir Elaguizy - the co-founder of CrateJoy, an international market for box retail, it is pointed out that most organisations use upfront their revenue which is worth 2-4 months

so as to acquire new purchasers, and they are able to start making profit from those subscribers if they renew their subscription from the 5th month (Panko, 2022).

The SBS have established a thriving business model. However, SBS companies are dealing with a customer retention challenge (Toteva, et al., 2021). Reportedly, the churn rate for subscription boxes is approximately 20 percent, which is much higher than the 7-percent rate of other sectors (Wilcox, 2019, cited by Toteva, Lutz and Shaw, 2021, p.1). The high churn rate is driven by several motives: inconvenience in web experience, card payment declines, failure in customer personalised experience, and the company's inability to alter the delivery time (Adewusi, 2019).

A survey conducted by McKinsey in 2018 illustrated the mutual results that buyers are swift to cancel subscriptions due to inadequate services provided by SBS companies (McKinsey&Company, 2018). These include poor goods quality, shortage of perceived value, and dissatisfaction with the assortment. McKinsey's survey studied as well that over 30 per cent of consumers called off subscriptions in less than three months, and over 50 per cent churned in the period of 6-month contract. It influenced substantially to companies as not only does the cost of attaining customers make it difficult for them to reach their targets, but it also drains the company's assets (McKinsey&Company, 2018).

As the churn rate plays a crucial role in SBS business, organisations count on their long-term relationship with customers to have the ability to predict stable revenue growth and achieve greater viability. Therefore, the deep insights into consumer behaviour and satisfaction are essential for SBS. Most customers purchase subscription boxes on account of the novelty factor from ideas to products. Therefore, to allure more long-term consumers, firms are in need of fully comprehending the personal level regarding consumer behaviour and satisfaction, which builds customer loyalty.

Since consumers are enticed by a curated selection of goods (Daume & Hüttl-Maack, 2020), it is vital to keep up with consumer satisfaction and customer loyalty in subscription box retail, particularly in the beauty sector in the UK, to improve their marketing communication, product curation and achieve their goals and objectives in the long run. Additionally, the customer is the end goal for every business, especially in the SBS business. By consequently concentrating on dealing with customers' concerns and desires instead of concentrating on products, SBS retailers build a long-term connection with their purchasers so as to gain a more potent competitive position (Schuh et al., 2020). Moreover, the high churn rate in the SBS sector derives from low customer satisfaction in various way and the growth of this novel business model depends significantly on loyal consumers who subscribe more than 3 months to earn profit. If firms could have a better understanding of how to establish customer satisfaction and customer loyalty with their marketing communications, product range and other methods, they might have a better chance of retaining more loyal customers over

time. Therefore, examining customer satisfaction and customer loyalty plays fundamental parts in the emergence of the SBS business, particularly in the beauty sector in the UK, as it has been aware substantially.

1.3 Main research questions

As a result of the concerns raised in sections 1.1 and 1.2, the research questions of the research project are determined:

Question 1: How do customer satisfaction and customer loyalty impact on business growth of SBS beauty firm in the UK?

Question 2: What are the main factors affecting customer satisfaction and customer loyalty in the subscription-based services in the beauty sector in the UK?

Question 3: How to improve customer satisfaction and customer loyalty for SBS retailers in the UK beauty sector?

With reference to these research questions, the research project's aims and objectives will be explained in the next section.

1.4 Aim and Objective

The main purpose of the research project is to critically examine customer satisfaction and customer loyalty to stimulate the growth of beauty subscription services in the UK. The thesis is projected to address the issues of customer loyalty, which has drastically impacted the business growth and churn rate of SBS beauty firms in the UK. The following objectives will be signified to complete the research aims.

1.5 Objectives

To critically evaluate the effects of customer satisfaction and customer loyalty on the business growth of SBS beauty business in the UK

To critically assess the key features and understand the root that have impacts on customer satisfaction and customer loyalty in the subscription-based services in the UK (beauty sector)

To suggest solutions and improvements for SBS beauty organisations in the UK to develop their customer relationship relied on customer satisfaction and customer loyalty

1.6 Hypotheses

The study hypotheses to be appraised to accomplish each of above stated research objectives are written down below. Hypothesis 1 refers to objective 1, while hypotheses 2 to 9 test for objectives 1 and 2, respectively.

The research mainly uses primary data which will be collected via a well-designed questionnaire counted

on research and review of literature, and variables and questions were developed. The details of how hypotheses and questionnaires are accomplished will be explained in Chapter 3 of this research. The motives of how hypotheses root will also be provided in Chapter 2 of the study.

Hypothesis 1: Hypotheses 1-8 (8 hypotheses) use primary data

Ho: In subscription-based beauty businesses in the UK, perceived value statistically has significant impact on customer purchase and customer satisfaction

Hypothesis 2:

Ho: In subscription-based beauty businesses in the UK, customer experience statistically has a significant impact on customer purchase and customer satisfaction

Hypothesis 3:

Ho: In subscription-based beauty business in the UK, the company's marketing statistically has a significant impact on customer purchase and customer satisfaction

Hypothesis 4:

Ho: In subscription-based beauty business in the UK, the company's ability statistically has significant impact on customer satisfaction and customer loyalty

Hypothesis 5:

Ho: In subscription-based beauty businesses in the UK, goodwill beliefs statistically has a significant impact on customer satisfaction and customer loyalty

Hypothesis 6:

Ho: In subscription-based beauty business in the UK, good purchase stimulation statistically has a significant impact on customer satisfaction and customer loyalty

Hypothesis 7:

Ho: In subscription-based beauty businesses in the UK, customer acquisition statistically has significant impact on customer satisfaction and customer loyalty

Hypothesis 8:

Ho: In subscription-based beauty businesses in the UK, customer satisfaction and loyalty programmes statistically have a significant impact on customer loyalty

The specifics of how the hypotheses highlighted above were investigated are reviewed in-depth later in the research project, particularly in chapters 2, 3, and 4, managing the research methodology, the data

analysis, and the interpretation.

1.7 Justification and significance of the research

Despite the rapid development, market size and projected standpoint of subscription retailing, the industry is dealing with many challenges. The expenses for attracting new purchasers are considerable, and the churn rate is significantly high, up to 70 per cent, according to Becker et al. (2015, cited by Bray et al., 2021, p.1). Several researchers have examined and studied many perspectives of this business concept over the past few years since its growth.

One of the most fundamental research projects about box retailing was implemented by Andonova et al. (2021), which performs the general viewpoint of the subscription box industry based on the four Cs framework. It is also believed that the innovative business framework will continue rising due to its convenience and variety to customers (Andonova, et al., 2021). On the other hand, Bischof, et al. (2020) highlighted the surprise subscription box and hypothesised in their analysis that “curated surprise subscription carry an inherent risk to receive unappealing products, as consumers outsource the decision-making process to the subscription provider, which can influence consumers’ choice and attitudes” (p.1).

Differently, Erdogan et al. (2022) gain an understanding of subscription box optimisation by presenting two mixed integer programming simulations. in simple word, it assists companies in seeking for optimal range of products to subscription box to either minimising the total expenditure or maximising customer’s satisfaction.

Regarding to beauty industry, one of the most notable research projects is performed by Woo and Ramkumar (2018). The exploration primarily appraises not only the target customer of SBS retailers but also the buyer’s features in order to project the customer’s consumption of the subscription box, which was responded to by 385 American purchasers via a well-designed related survey. In another research, which was also illustrated by Ramkumar and Woo (2018), they address the key factors that allows SBS firms to predict consumers’ intention and attitudes towards the subscription box regarding the fashion and beauty industry. At present, subscription-based services draw much attention. However, it is more about more popular subscription sites such as Netflix, Amazon Prime, and Spotify, as each of them has a million of subscribers. Therefore, subscription box retailing should have gained much awareness as it is considered to be innovative and projected to be a billion-worth industry.

Oppositely, until now, the subscription box in the UK market is not much known by examiners as there is limited knowledge, especially in the beauty sector. Research by Bray, et al. (2021) is considered the first empirical analysing about subscription retailing in the UK as a large-scale sampling were conducted and

collected 1356 British consumers. The authors chiefly concentrated on consumer profiles, motives, and challenges by developing a typology of subscription categories and carrying out insight into customer engagement.

While the subscription sector is growing considerably, consumer behaviour research, including customer satisfaction and customer loyalty in this context – the beauty industry in the UK market – has been narrow. The research gap in this field is significant as there are various dimensions and aspects that are required to be thoroughly examined. Given the number of organisations moving to leverage this novel business framework and the amount of unsuccessful subscription services fromC leading firms, it is apparent that managers, from SBS business in general and the beauty box business in particular, necessitate assistance and guidance on how to manage and direct the SBS business successfully.

The rise of the SBS business has been undeniable over the past few years. However, most of the well-known research studying subscription boxes among institutions was managed a few years ago, as Woo and Ramkumar (2018), McKinsey (2018), Sivathanu (2018) and Andonova, et al. (2021). In other words, both the academic and practitioner literature have given limited observations and awareness of subscription services (Noorda, 2019; Rudolph et al., 2017). not only companies but also researchers should pay more attention to SBS due to its potential in the digital economy.

Therefore, this study is relevant and necessary at the present time when there are numerous difficulties concerning customer' behaviour despite its steady growth in the UK compared to its thriving increase in other marketplaces such as the US, yet this area of research project has not received the academic interest as it deserves. One of the primary purposes of this research is to assist managers and SBS firms in the beauty sector in the UK to have a clear view of their customers to deal with customer satisfaction and customer loyalty efficiently. Accordingly, this research project will be one of the pioneers in the field is subscription-based services to contribute to the growing body of professional and institutional works in the sector of SBS business mode and beauty market in the UK. Furthermore, this appraisal is established and designed to assist and improve beauty brands in the UK in terms of SBS – which is currently rising and adopted by various leading beauty organisations to not only increase their outcomes and performances but also catch up with the latest trends in the digital technology era. Besides, after the pandemic, the SBS industry in the UK has gained much awareness by British consumers due to its convenience and innovation. Subscription boxes appear to be popular during the holiday season as it is perfect in size and options for gift giving.

Additionally, according to the record by Statista, perfumes and beauty boxes in the UK are only ranked third in the popular among British consumers as at the period meal box takes more attention (Statista, 2021). The researcher explains and studies in-depth customer satisfaction and customer loyalty to support and promote the SBS

beauty brand to fully understand their customers and retain more existing subscribers to earn profits. On the other hand, it is highlighted that customers are the key to organisation growth, specifically in the customer-centric framework such as SBS. Hence, examining the customer's perspective and embracing customer satisfaction and customer loyalty plays a crucial part.

1.8 Introduction to theoretical framework

To accomplish the aim and objectives of this research project, the initial approach applied was to review and assess commonly used theoretical frameworks, supposed to specify the chosen framework that will advocate and underline the research. The researcher has reviewed theoretical frameworks that have been examining and applied empirically to analyse customer satisfaction and customer loyalty in SBS business this study, from four Cs (Andonova, et al., 2021), customer loyalty management in beauty subscription box retail services (Lee, et al., 2019) various conceptual customer loyalty frameworks (Nguyen, 2020; Sun, et al., 2010; (Soldatova, et al., 2021).

In conditions of business digital transformation, the relationship between companies and customers has become more complicated. At present, new information, new media, communication platforms and new methods of building connections with customers are considerably advancing compared to the past (Soldatova et al., 2021). As part of digital business, it is necessary for SBS business in general, and beauty SBS business in particular, to acknowledge the transformations and modifications in building linkage with consumers. Consequently, there would be significant changes in customer satisfaction and customer loyalty, and managers from SBS firms are in need to confront these issues based on more adaptive customer loyalty management to improve organisational performance.

On the one hand, according to the research by (Faed, et al., 2012), “customer satisfaction plays a significant role in identifying customer perception of the services provided” (p. 145). On the other hand, “Philip Kotler has suggested that under certain constraints, the customer is the pursuer of the maximum value, so the real target of the enterprise is the value. Value drives the behaviours of most consumers, and also the key determinant of customer buying behaviour” (Fang & Liang, 2011, p. 722). Based on a study by (Sherden, 1994), it is believed that 20 percent of the most significant clients contribute around 80 percent of the company's revenues. Fang and Liang (2011) also highlighted that “cultivating and developing customer loyalty and strengthening the relationship with customers is essential for the development of e-commerce marketing” (p.722).

This research project pursues to empirically determine and investigate the factors of customer satisfaction and customer loyalty in the beauty SBS business in the UK to expand company's growth. The challenges of

the SBS enterprise have been expanded due to the tough competition and the awareness of the customers to brands, which result in the difficulty in maintaining customer loyalty and customer satisfaction. Based on different customer satisfaction and customer loyalty theories and

frameworks, eight main variables that have impacts on the key subject of SBS in the beauty sector in the UK will be appraised and examined. These motives are considered to support companies in conducting the necessary analysis of their consumers on the basis of customer satisfaction and customer loyalty.

1.9 Research methodology introduced

Research Methodology

In the empirical study, the research writer has adopted quantitative methods for the analysis of data collected from the designed questionnaire. The questionnaire was formulated based on the conceptual frameworks which consists of 63 questions to test eight variables of customer satisfaction and customer loyalty. The questionnaire was given to qualified applicants who have subscribed to a beauty box before in the UK and gathered around 200 responses.

In order to study insight into the relations among variables, regression analysis – is a comprehensive statistical process which is a set of linear equations for testing the hypothesis about the connection between observed and latent variables. The statistics from the applicants' responses will be analysed by using statistical software as SPSS. Ratios and marginal effect tests would also be tested to determine the regression models from the statistical results collected.

Research limitations

There are some limitations while carrying out the research project that should be taken into account. The research is solely conducted in the UK for participants who have purchased beauty subscription boxes before in the UK from beauty brands such as Lush Kitchen, Birchbox and Glossybox. Moreover, the accuracy of research data and results count on the perceptions of customers toward the research subjects which might lead to some limitations in implementing.

Summary and conclusion

This chapter has demonstrated the research project background in the first section, 1.1, which is followed by the statement of the research problem (section 1.2) and justification and significance of the study (section 1.3). These have depicted the general view about the derivation of changes in customer satisfaction and customer loyalty in the digital economy, which led to the significance of observing and analysing the subjects in innovative businesses such as subscription box services. The

expansion business of SBS is undoubted as it was reported to be worth 5 billion US dollars in 2018. Also, in the UK, subscription box retailing is also rising remarkably, particularly after the pandemic. More beauty brands have decided to start their own subscription box to gain more competitive advantage to catch up trends such as Lush.

Despite the drastic growth of subscription-based services, there is limited knowledge about beauty boxes in the UK, especially regarding customer satisfaction and customer loyalty. Given the significance of customer loyalty in SBS since organisations begin to earn profit mainly from loyal customers, comprehending customer analysis from a customer satisfaction and customer loyalty perspective is crucial to the beauty industry as it was only ranked third place in the UK SBS. In this regard, sections 1.4 and 1.5, respectively, illustrated and explained the main research questions for this research project to set up and address the research aims, objectives and hypotheses. Section 1.6 refers to the research theoretical framework that assists the research. Meanwhile, section 1.7 discusses the introduction of the research methodology that would be applied later in the study.

CHAPTER 2: SUBSCRIPTION-BASED SERVICES, CUSTOMER SATISFACTION AND CUSTOMER LOYALTY

2.1 Introduction

Achieving a sustainable level of customer satisfaction and customer loyalty in a competitive sector as the beauty industry in the UK demands attention as its growth has been tremendous over the last few years. Therefore, it is vital for companies to understand fully due to its uniqueness in the e-commerce environment. There have been more organisations and start-ups considered to enter this market, particularly in the beauty industry, as it has a variety of products from skincare and cosmetics to body care and hair care. Giant businesses such as Amazon or Walmart or Liberty also entered the market and deliver to their customer customised beauty boxes frequently for those who subscribe. Given a large body of firms moving to leverage this framework and also the considerable quantity of subscription brands that failed to develop the landscape, it is essential to study this market. Based on the four Cs model, including customers, competitive landscape, categories and consumer benefits, it will be highlighted in this chapter's in-depth knowledge about subscription boxes, specifically beauty boxes in the UK.

2.2 Subscription box in UK beauty sector

The innovative business model is one of the leading evolutions of e-commerce economy that it upgraded the traditional practice of the periodic delivery of newspaper and dairy products in the past to online subscription services at the present time. However, most research works were performed and surveyed in the US market, and there is small-scale research examining the UK marketplace regarding the subscription box as Bray et al. (2021). There are numerous SBRS firms operating in the UK, such as Netflix, Amazon Prime Subscribe & Save, Holland and Barret Subscribe and Save. However, the study project concentrates solely on beauty-related box retailing such as Lush Kitchen, Birchbox and Glossybox.

Beauty SOS among consumer is certainly more captivating than other product categories in SOS industry due to its nature. According to Woo and Ramkumar (2018), purchasing fashion and cosmetics items is slightly different from other utilitarian purposes, such as meal kit subscriptions such as HelloFresh. This derives from the highly hedonic elements in customer's motivations, for instance, the satisfaction from social needs or exploration of new products from customers themselves. Moreover, beauty items are subject to individual level due to its high involvement of personal styles, tastes, and other preferences such as skin types, and hair types.

According to Ramkumar and Woo (2018), it is specified that utilitarian and hedonic consumer motives

and customer satisfaction might take measurement in affecting subscription members generally attitude foundation both negatively and positively. However, it contributes to the ease of shopping stages so consumers can prevent “decision fatigue”. Based on the findings of Bray, et al. (2021), they researched that there is still research gap in consumer behaviours as customer fulfilment and customer loyalty due to its popularity in the UK – only 19 per cent of all subscriptions are within the Fashion and Beauty fields despite the large quantity of sample size (1356 British customers).

Research has depicted that the high churn rate in SOS retailing is an urgent situation as online shoppers cancel their subscriptions after experiencing the novel shopping methods. This leads to negative outcomes in not only beauty brand recognition and competitive advantages in tough markets such as the UK but also to corporation performances and revenues. Therefore, it is essential for the research project to learn more about attributes that influence customer satisfaction to improve customer loyalty in the UK beauty sector regarding the SBS box.

Figure 4: Share of internet users in the United States and the United Kingdom (UK) who would be interested in buying a monthly subscription to the following in the next 3-6 months 2020. Source: (Globalwebindex, 2020)

The statistics from GlobalWebIndex (2020) answered mainly the question: “Which of the following products/ services, if any, would you be interested in buying a monthly subscription to in the next 3-6 months?”. It was recorded that 3,001 users aged 16 – 64 took part in the questionnaire, which included 2,000 US applicants and 1,001 UK applicants, in July 2020. At first glance, besides the TV streaming subscriptions as Netflix and Disney+ accounted for almost 50 per cent, there is a majority number of physical subscription box sector such as Meal kit/ recipe boxes, Pet products and Clothes that are popular among survey Internet participants (Statista, 2022). Following the graph, the proportion of Beauty and Cosmetics was considerable at 14 per cent and ranked eighth respectively. This demonstrates the popularity of SOS to online consumers in both the US and the UK marketplace and the potential to grow significantly in the future. Moreover, it is noted in the report by GlobalWebIndex (2020) that 22 per cent of Gen-Z consumers were considering the beauty and cosmetic SOS in the near future, and 31 per cent of respondents have purchased or showed their interest towards subscription box retailing chiefly due to its value for money. The root of SOS popularity was also examined in the information that there were important changes in buying behaviour because of Covid-19 in 2020.

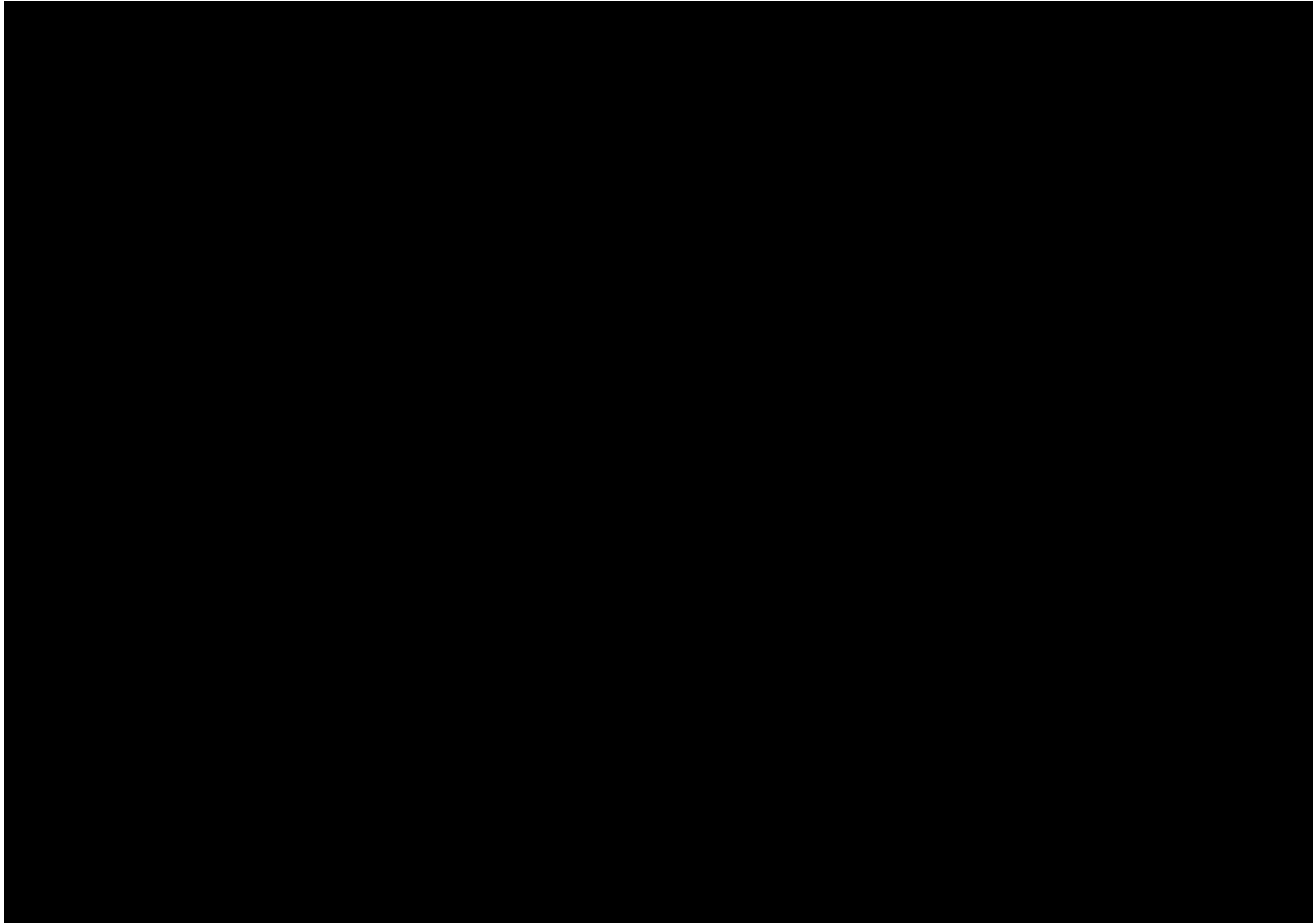


Figure 5: “Share of consumers who use subscription services for beauty products in the United Kingdom (UK) in 2019”. Source: (Statista, 2022)

The chart presents the proportion of subscribers who have followed SOS for beauty items in the UK. The online survey was performed by Swagbucks in March 2019 which collected total of 8,789 respondents – who answered to question “Do you use subscription services or beauty products?”. As can be clearly seen from the figure, the majority of applicants have not subscribed to a beauty SBS service before in the UK as of March 2019, which implies that the SOS brand awareness in the UK beauty sector was deficient. Regarding beauty-box members, half of them stated they had used subscription boxes for cosmetics before. Meanwhile, the rest indicated they no longer subscribed to any subscription retail. This means the churn rate of the beauty SOS in the UK was approximately 50 per cent in 2019, which reflects on being inflated for an industry.

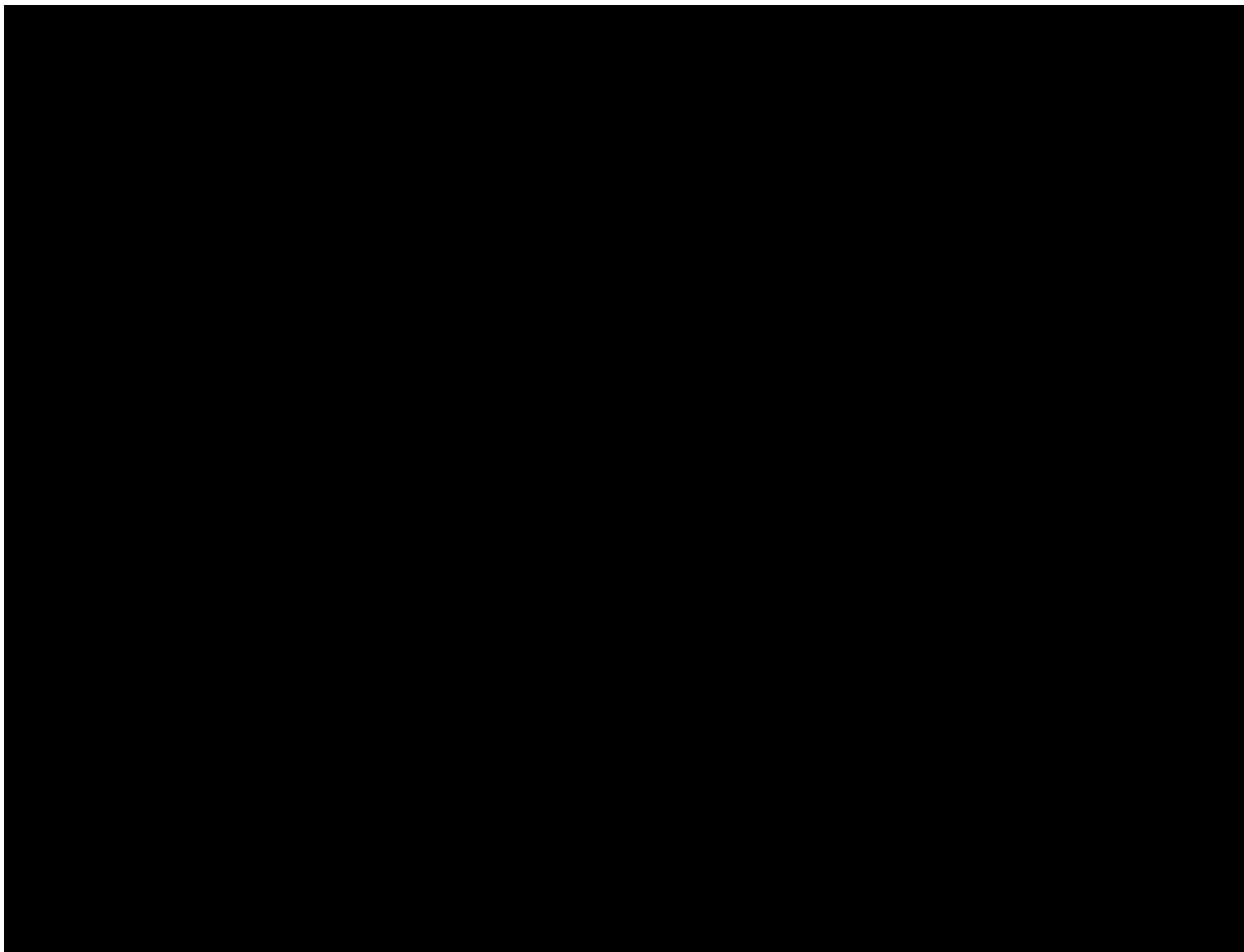


Figure 6: “UK consumers: how often do you wish to receive a beauty box?”. Source: (Statista, 2022)

In another review studied by Swagbucks in 2019 – Figure 6, the result presents the frequency of subscription boxes that UK subscription members prefer to receive their beauty box. There was a large number of responses showing their wish to be delivered the beauty box “less often than every month”. On the opposite, a small minority of applicants would like to receive beauty boxes at a periodic frequency, which is more than once per week.

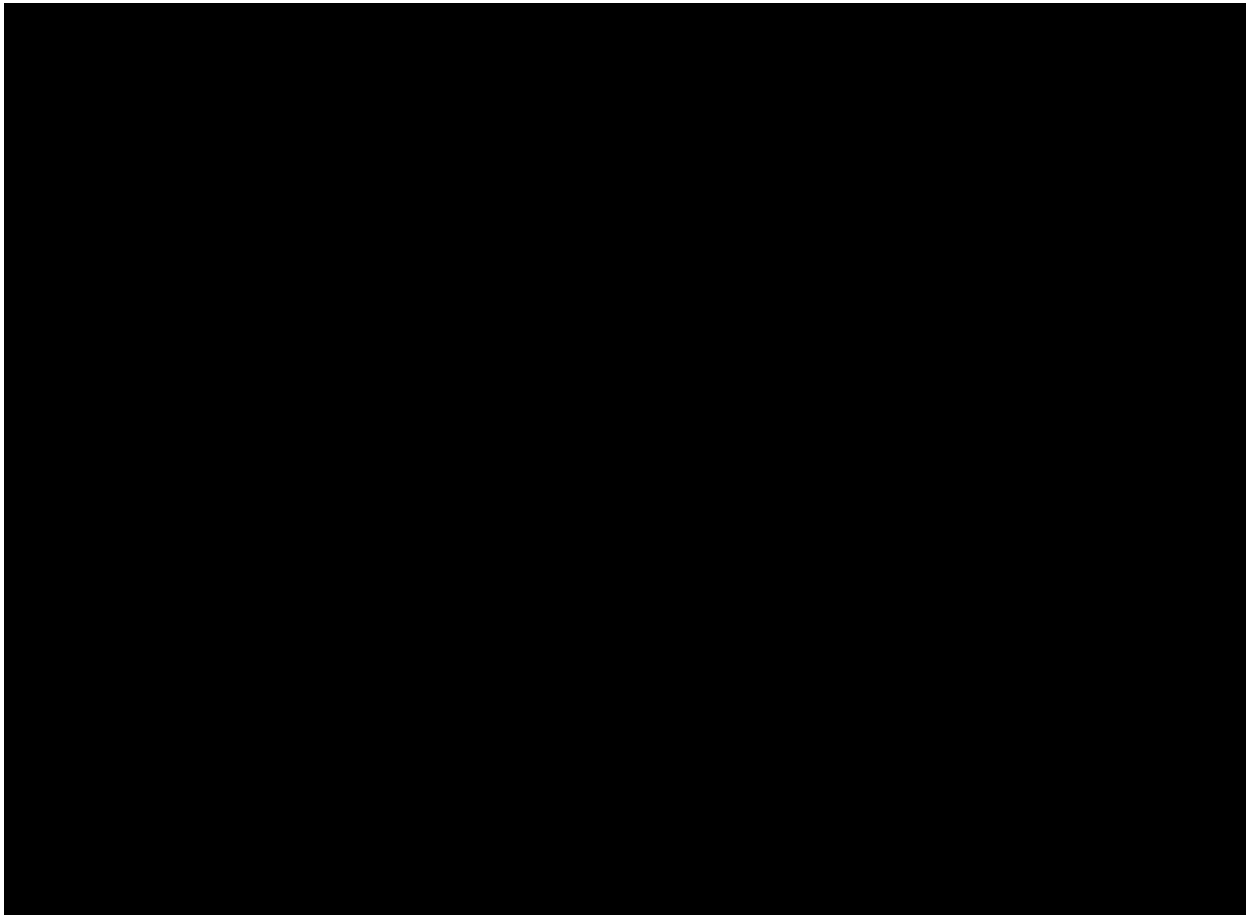


Figure 7: “Leading categories of subscription boxes shoppers buy in the UK in 2020”. Source: (Statista, 2022)

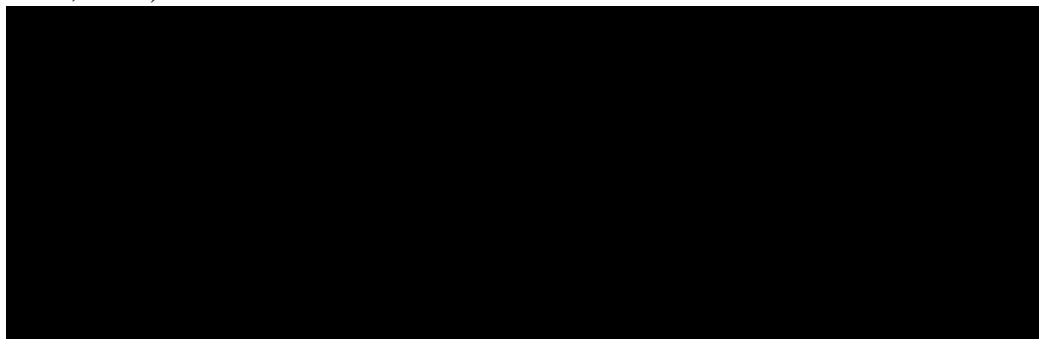


Figure 8: The proportion of shoppers based on age. Source: Royal Mail (2019, p. 11)

The top figure illustrates the percentage of five leading SBS box retailers in the UK in 2020 based on the findings by Royal Mail (2020). Food subscription with meal kit delivered home as HelloFresh

has been rising, accounting for 31 per cent among SBS purchases, while perfume and cosmetics run fourth place with 18 per cent. In accordance with the report by Royal Mail (2020), among all subscription shoppers in the UK, 8 per cent of the number purchased subscription box delivered by Royal Mail. The receivers added that the size of the subscription box plays an important part in their interest and consideration regarding to subscribe

a curation box online as it should fit through a letterbox (Royal Mail, 2020). Following the statistic by Royal Mail (2019) – Figure 8, it is transparent that the proportion of young people the age of 18 – 34 was dominant with 23 per cent when it comes to subscriptions

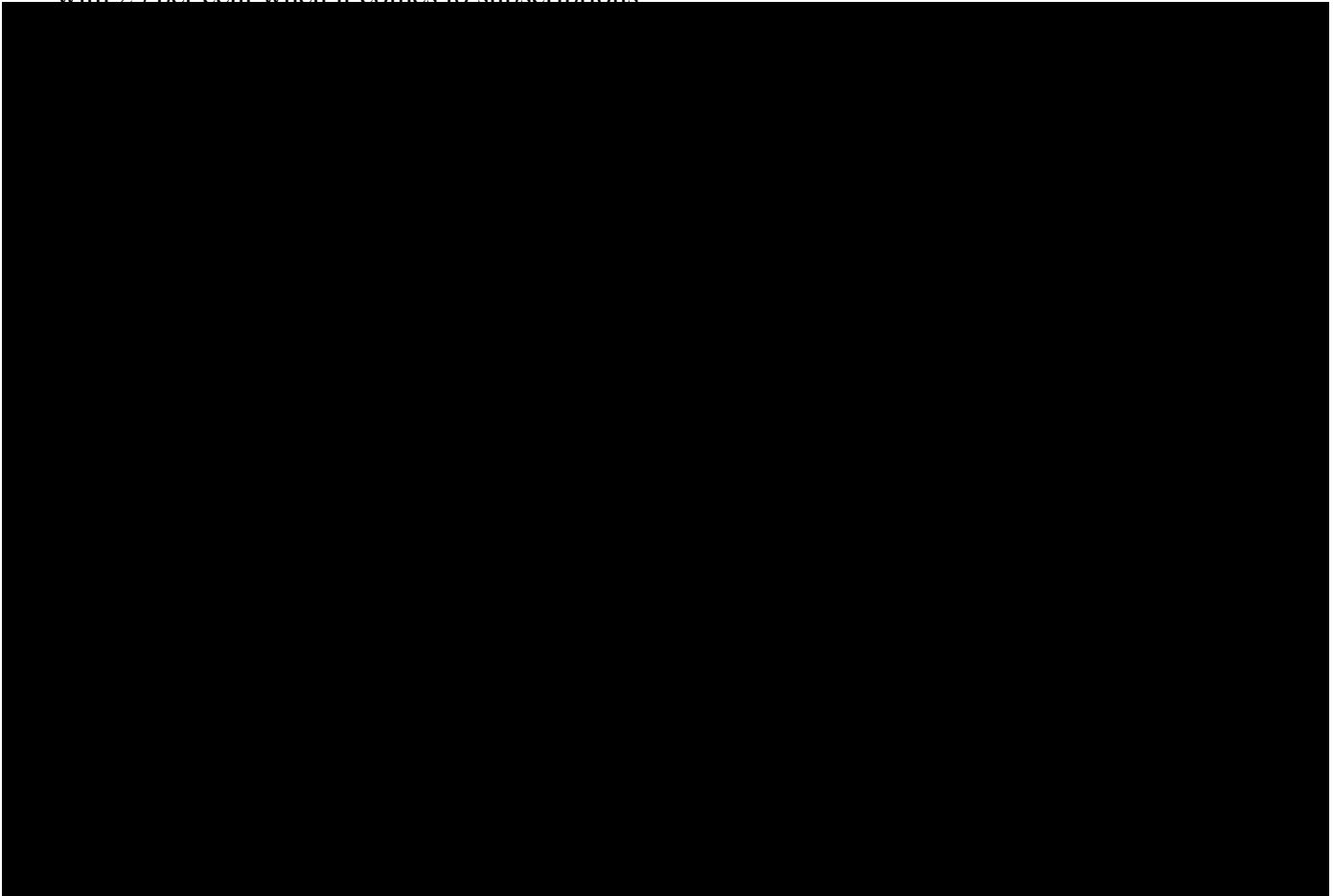


Figure 9: “Why do UK consumers use subscription services”. Source: (Statista, 2022)

In addition, the report “Delivery Matters UK 2020” by Royal Mail (2020) indicated four factors that influence their SBS box shopping motivations. The leading derivation was because consumers could purchase with low price, following by the convenience reason which takes 41 percent. However, roughly 2 out of 10 subscription members said they would like to deliver SOS as a gift to friends and relatives. Furthermore, it was found an increase of 10 per cent in the statistic of UK online purchasers buying subscription boxes in 2020 compared to 2019 (Royal Mail, 2020).

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Table 1: List of the best beauty subscription boxes in the UK (Source: Information collected by the author)

NAME	Product	PRICE	How it works
Bleach on Repeat	Haircare	From £10/ month	Bleach's subscription services covers bleaches, cult colour sets, care sets, shampoo and conditioner sets, which assists customer to have a fresh hair look
The Liberty Beauty Drop	Beauty and makeup	£20/ month	Liberty London delivers well- designed beauty box every quarter of the year featuring various leading beauty brands for its Beauty Drop members
Glossybox	Beauty and makeup	From £8.50/ month	One of the leading beauty subscription boxes attracts its customers by offering beauty lovers an opportunity to discover new beauty products for hair, skin, and body.
Birchbox	Beauty and makeup	From £10/ month	The brand has collaborated with various leading beauty brands to offer its subscriber an opportunity to try on with travel-friendly mini size products.

Flamingo	Face and body hair removal	From £3.95/ month	Lifting the bar for finest hair removal, Flamingo delivers efficient subscription box for easing hair removal process
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			for its members. Its range of products includes wax strips, razor blades and shave gels.
FFS Beauty	Hair removal	From £9/ month	The award-winning subscription box in hair removal field, FFS Beauty assists its consumers in hair removal process by providing blades, exfoliators, and shave creams for sensitive skin every month door-to-door.
Scentaddict from The Fragrance Shop	Fragrance	£12/ month	Based on the quiz designed by The Fragrance Shop, a 8ml scent sample of your choice will be sent along with a travel- friendly atomiser to your home every month for a test drive.

Freda	Period care	From £3.50	<p>Freda is the UK's first organic and eco-friendly subscription services for feminine hygiene products. Customers can pick from pre-selected Freda boxes, collaboration boxes to monthly subscription box of chosen items to help customers when they need for their period time.</p> <p>Furthermore, corporation</p>
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			<p>subscription is also available for such as schools or gyms where free period products are in need.</p>
quip	Oral hygiene	From \$5	<p>The American-based oral hygiene company aimed for better dental care for customers as it delivers to members' home electric toothbrush, replacement toothbrush heads together with travel-sized toothpaste every three months.</p>

2.3 Subscription-based services

Advanced technology in this era stimulates customer to obtain their intentions to purchase products/ services they desire effectively and efficiently. It is also the basis features in the enhancement of the subscription economy which is associating people internationally “through 4.0 and increasing supply and demand among products, services, and companies anytime and anywhere” (Schuh et al., 2020, cited by Aminah et al., 2021, p. 259).

The derivation of the subscription concept came from the book, newspaper and magazine trade of the 17th and 18th century, and it has originated the general idea of the term (Gassmann et al., 2014). Eventually, subscription services were established by retailers in 1995 (Tao & Xu, 2018). Regarding the initial reference to subscription, several definitions have been referred to in the literature, which is sharing the common idea of recurring payment for a specific product.

One of the most renowned descriptions was noted by Noorda (2019): *“A subscription box is a collection of niche and often customised items that are shipped regularly (usually once a month) to customers on a subscription payment model, in which customers subscribe and pay for a certain period; month by month, 3-moths, 6 months, and annual subscriptions are all common with subscription boxes”* (pp.223). Hayes (2014) also indicates that SBRS reflects a distinctive business concept where a buyer spends a subscription fee monthly/ weekly to purchase beauty-related products or services as per one’s preferences or tastes (cited by (Lee et al., 2019, p. 85)., the model is adopted to deliver door-to-door customised box to buyers which contains products such as cosmetic products, foods, and clothes. hence, the subscription box is also recognised as a retail service, stated by Aminah, et al. (2021).

Besides that, according to Rodríguez-García, et al. (2022), the term “subscription box” refers to “subscription models arising from digital service platforms that have managed to make the jump to physical product distribution” (p.213). Therefore, the subscription box concept is novel and a wide range of organisations operating in different fields have implemented the model, and many of them are start-ups (Randall et al., 2016). The reason behind this is due to the concept’s unique features and appears to attract firms with not only potential stable recurring income but also the rising demands from customers for this business models in recent years.

The subscription economy was founded in the recent past and has been booming for the past few years, especially in the Business-to-Consumer sector. The B2C subscription businesses with subscription boxes appealed to more than 11 million followers in 2017 in the American marketplace, and the sector as an entirety has expanded by more than 200 per cent annually since 2011 (McCarthy & Fader, 2017). This derives from the development of new technology which allows firms to ease burden of choice on buyers (Aminah, et al., 2021). From the customer’s point of view, the key competitive advantages of subscription box that attracts

consumers are convenience and comfort (Tao & Xu, 2018). According to Tao & Xu (2018), this retailing concept reflects “a drastic change in how consumers purchase products and services, from a pay-per-product model to one that is membership based. Customer needs and long-term relationships are highlighted in the subscription service” (p. 495). In simple words, customers spend their expenses on customised try-on boxes, which is time-saving for them, instead of spending time shopping at several stores to meet their needs.

2.4 Impacts of the subscription model

2.4.1 Retailer's Perspective

The subscription market has been common not only for online shoppers as they start signing up for an apparently limitless range of product offerings (George, 2018) but also for business an innovative business concept (Tao & Xu, 2018). Its growth is steady in all sectors as it has been reported by McKinsey (2018) that 15 percent of American online purchasers have subscribed for at least one subscription box, while Birchbox appears to be one of the most well-known e-retailer beauty brands for subscription boxes which is recorded to have a strong increase of 20 per cent per year for the past few years (Huaman-Ramirez & Toti, 2022). New information and technologies have transformed into a business tool that embraces consumer's decision-making in a more informed method so they are able to reach “more targeted and beneficial offers and obtain faster services and improved experiences (Grewal et al., 2017, cited by Tao & Xu, 2018, p. 494).

Due to its skyrocket in e-commerce, the subscription economy has attracted various firms, from start-ups to industry giants such as Amazon and Sephora, which decided to implement this novel business framework to generate profits and gain more competitive advantage in a tough marketplace. In accordance with Andonova, et al. (2021), it is underlined that stable revenue from subscribers is the primary feature attracting organisations to follow the model. At the end of the day, sales are still the goal that all companies concern as it represents organisational growth. Consequently, due to the striking changes in e-commerce, there are three new imperatives to enhance firms' revenue, namely: “acquire more customers, increase the value of those customers, and hold on to those customers longer (Tzuo & Weisert, 2018, p. 159).

On the other hand, Rosenbaum (2011) revealed that the core value of SBS is curation, in which customers receive a well-designed set of products chosen by experts based on preferences and tastes. This curation characteristic not only meets the demands and fulfils consumers' desires of personalisation but also gives customers the opportunity to try and explore new products which they would not have thought to purchase or give a try before (Rosenbaum, 2011). This has been demonstrated by the pioneer subscription beauty brand – Birchbox. Following to (Tao & Xu, 2018), Birchbox has applied “tryvertising” (Mumaw, 2011 cited by Tao & Xu, 2018, p.496) which allows subscribers to have experience with a set of beauty-related products

in sample size every month before actual purchase the one they prefer. Song and Zipkin (2003) considered curation SBS box sharing mutual characteristics of the assemble-to-order process in terms of the assembled product being on demand and the time to assemble the elements to a product being unimportant. Yet, the difference between them is regarding the curation subscription box; the final selection of which units to consist in the assembled package will be chosen and packed by firms, not the customers as usual assemble-to-order systems (Song & Zipkin, 2003).

Another aspect of SBS is the creation of surprise, which delivers as an experience bonus (Vanhamme & Snelders, 2003). Besides the fact that SBS retailers relieve consumers by its convenience, cultivating enjoyable item experiences is vital in order to maintain replenishing surprise boxes (George, 2018). Rudolph et al. (2020) defined the surprise element as the “inspiration” method. Various subscription box brands provide their subscriber's with customised surprise boxes such as HelloFresh and Birchbox. Consumers would regularly receive a mystery box, which includes surprise items within their chosen categories, which are hand-picked by providers and personalised based on customer preferences (Bischof et al., 2020). Via this way, SOS retailers also offer customers an occasion to experience the latest trends or new products. Bischof et al. (2020) identified them as curated surprise subscriptions.

Moreover, surprised consumers have more satisfied experiences with subscription boxes, which can result in repeated purchases or even brand loyalty (Tao & Xu, 2018). Additionally, aiming for the convenience aspect of subscription boxes to a beauty SOS together with the surprise element increases the attractiveness of brands. Hence, the value and lifetime of subscription-based companies can be improved (Ramkumar & Woo, 2018). Subscription boxes nowadays are usually the combination of both curated and surprise of whose value is deeply entrenched in the curation it offers, “which has become increasingly important as Google has made choice infinite” (Warrilow, 2015, p.92 cited by Noorda, 2019, p.227).

Schuh et al. (2020) commented that the basis of the subscription business is “the transformation of value creation from the traditional focus on the product value, which is based on the product creation process, to a consistent customer centricity” (Schuh, et al., 2020, p. 601). Forrester Research called the e-commerce era in the 21st century “The age of the Customer” (Tzuo & Weisert, 2018, p. 17). Therefore, given to be outstanding in the harsh competitive market as fashion and beauty market, organisations are required to come up with novel and unique subscription retail strategies to acquire and retain online shoppers by not only offering needful products but also deliver products in unconventional methods. As a result, it assists companies in maintaining customer satisfaction and enjoyment in receiving surprise try-on hauls and contributes considerably to long-term connections with brands.

On the other hand, based on customer preferences via subscription boxes, particularly in some industries

such as clothing, accessories or cosmetics, subscription firms have chances to learn more about their consumers' demands as well as their styles, likings, or personal data (Ewen, 2017). From the viewpoint of (Erdogan et al., 2020), curation subscription providers make the final decision of which items would be included in the package informed on the customer's preferences. On this account, the recommender system, founded on algorithms, is widely used to predict customer's styles and tastes for better customised and good stimulations.

2.4.2 Customer's perspective

CUSTOMER MOTIVATIONS AND BEHAVIOURS

Consumer motivations propose a theoretical formation for acknowledging perceived values linked to subscription services. Following Tauber (1972) and Westbrook and Black (1985), motivation controls and leads not only to customer's attitude and emotions but also their shopping behaviour and affects people's reactions in particular ways (cited by Bhatt et al., 2021, p.551). In simple words, shopping motivation is the rational explanation why consumers go shopping and embrace the psychological demands and needs of customers.

Regarding to fashion context, according to Sung & Chattaraman (2022), the study's result reflects the high involvement in fashion of Gen-Y men when they were determined to handle their styles and appearances. On top of that, the outcomes culminate in Gen-Y men's attitude concerning the fashion subscription box apart from the degree of fashion related, other reasons such as timesaving, convenience, and useful elements of SBS could impact their attitudes. The findings demonstrate the supportive relationships between Gen-Y men's attitudes and intentions towards fashion box retail.

Lee et al. (2019) examined factors that have influences on consumers' behavioural intentions towards beauty SBRS, which relied on the Stimulus – Organism – Response paradigm. The research applied a designed questionnaire with the target audience who are subscribers of any beauty SBRS and older than 19 years old. It came to conclusion and mentioned that “product-related attribute such as price and surprise of SBRS were not significant predictors of attitude toward SBRS” (p.97), in the interval, product quality, product assortment, and product uniqueness were found to have positive relationship toward behavioural intentions and repurchase.

Otherwise, Woo and Ramkumar (2018) took age and gender into consideration as following to Solomon (2011), demographic attributes play significant role in impacting a diversity of consumption behaviours due to the human subject activity (p. 123), even in SOS. Especially the authors highlighted the importance of these variables in fashion and beauty products consumption and online shoppers' behaviours. It was reviewed by literature that “most studies commonly interpreted that this is because younger consumers tend to have better

knowledge and skills with searching products and making purchases online and are less concerned about risks associated with online shopping” (Smith, 2015, cited by Woo and Ramkumar, 2018, p. 123). Holder & Svensson (2016), who conducted a project to appraise Swedish shoppers on their intentions and willingness to subscribe to SOS, agreed with the same opinion that the youth show more interest in purchasing subscription boxes.

Moreover, Woo & Ramkumar (2018) emphasised utilitarian and hedonic consumer demographics that assist directness regarding surprise boxes. It is classified by Kabalska (2021) states that the analysis of customers’ motivations aiming to select subscription services is divided into two types, which are utilitarian and hedonic motives. The writer refers to utilitarian motivations as task-oriented, such as “convenience, personalisation, cost saving, great offers”, while hedonic motivations contain “excitement, style, experimentation, surprise, and the desire to purchase unique products” (Kabalska, 2021, p. 189). Arnold & Reynolds (2003) resolved their findings that utilitarian shopping motives have connection with hedonic satisfaction as almost customer motivation in subscription box shopping associates with emotional fulfilment and satisfaction to customer (cited by Bhatt, et al., 2021, p. 551).

CUSTOMER’S BENEFITS

SOS has remarkably impacted adjusting customers’ online consumption culture by offering an online shopping means that involves practically no component of the traditional model of decision-making process and social interaction with others (Holder & Svensson, 2016). For example, SOS shopping has eased the consumer’s buying process significantly as they do not inevitably need to undergo stages such as searching for items’ information, latest trends, comparing products from different brands or even making decisions. Instead of those phases, subscription box stylists and experts from SOS companies will create a set of selected products and deliver door-to-door frequently for consumers with fixed prices and fees (Figure 10). Based on research by Woo & Ramkumar (2018), the convenience and stimulation of subscription box retailing ideally fits and captivates modern consumers’ lifestyles as not only timesaving but also being up to date with hedonic buying experience (Mimoun et. Al., 2015). SOS accelerated consumer to avoid consumer “decision fatigue”, which can be identified as the exhaustion from the buying process, such as new product searching, price comparison, and even decision making (Woo & Ramkumar, 2018; Bray et al., 2021). Mimoun et al. (2015) also underscore that the “efficacy of such a technique is usually proportional to consumer involvement in the product category” (p. 1160).

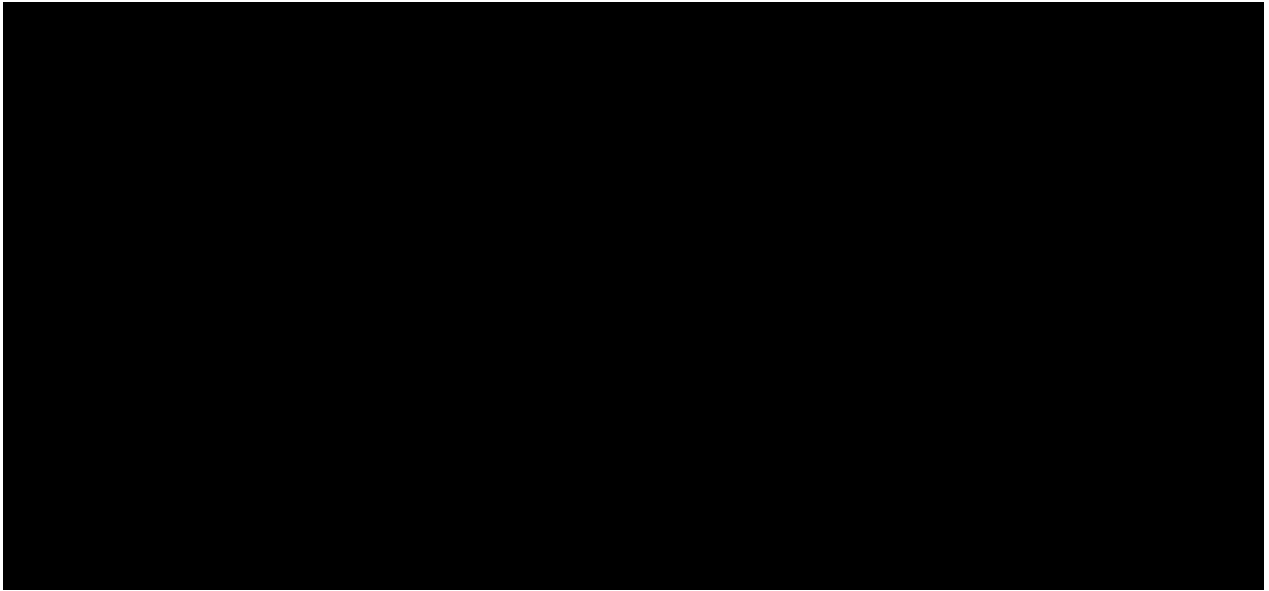


Figure 10: Differences between the traditional consumer decision making process and SOS (Woo & Ramkumar, 2018)

From the report by Longanecker (2015), signing up for a subscription box appears to bring various benefits to customers since the key to the business is to offer customers access to convenience and comfort in their lives. Particularly, the COVID-19 pandemic has had substantial effects on customers' shopping culture as shoppers decided to move to shopping from home, which has accelerated the subscription box trend in the e-commerce marketplace. Founded on the article by Aminah, et al. (2021), subscription retailing brings customers six benefits, namely: value for money, perceived variety, perceived convenience, perceived enjoyment, perceived surprise, and personalisation.

In an effort to retain and improve customers' perspective, SBS organisations and the subscription economy take customer loyalty and customer satisfaction into thoughtful account with subscription programs to develop customer engagement due to the high churn rate in this marketplace and to offer exclusive benefits for members (Iyengar, et al., 2022). While subscription models among organisations might be different from each other, several common traits are involved in such as suitable packages, free or fixed shipping fees, and certain level of custom, as suggested by (Tao & Xu, 2018). The authors agree that the combination of these attributes provide optimal benefits to both firms and subscription members. In additional, this study emphasises another benefit from customer's aspect that it will reduce cost due to reasonable price with shipping fee included. For instance, Birchbox delivers a surprise box every month to its members, which includes 2-6 products with sample size, which could save customers much time on finding and comparing different products with rational prices.

McKinsey (2018) has established insight research examining and discussing subscription boxes as a new lifestyle in the digital era. Based on the survey carried out by McKinsey (2018), around 35 percent of active subscribers have purchased more than 3 subscription boxes. It is highlighted that purchasers subscribe SBS

box due to not only curation and access but also being recommended and desire for new shopping experience. A survey was founded to assess customers' perspectives on subscription boxes' benefits to them, namely convenience, tailored experience, personalised experience, surprise and delight, value for money and sense of community. The scholars mentioned that "consumers do not have an inherent love of subscriptions" as they expect a memorable online shopping experience but not the items in the subscription and "rather, they want a great end-to-end experience and are willing to subscribe only where automated purchasing gives them tangible benefits, such as lower costs or increased personalisation". It has been demonstrated clearly from the survey collected by the McKinsey company that shoppers demand more tailored subscriptions based on their preferences and styles, as 28 per cent of consumers buying curation subscriptions show their strong opinion towards personalised experiences (Figure 11). They concluded that SOS could allure more consumers once they offer a convenient, personalised with low price and great experience.

Following the journal article written by Schuh et al. (2020), the subscription model is created to resolve consumer's concerns and accomplish their requirements in order to expand their business and build customer relationships. Nevertheless, customer's demands and problems change over time due to various factors which require organisations to make adjustments. Thus, the SBS model can be seen as a game changer in the traditional market (Baek & Kim, 2022). Consequently, Baek & Kim (2022) performed a study examining changes in consumer perceptions of product categories and purchase intentions in SBS model. It has come to the conclusion that consumer's purchase intentions improve when they receive a good as utilitarian to make sure initial success. Furthermore, there are few research analysing mixed insight regarding to genders by Punj (2013), Bray et al. (2018) and (Kovacheva, et al., 2022). There is no transparent proof indicating whether gender might affect a customer's intention or buying behaviour due to different items categories. Along with the study by (Kovacheva et al., 2022), the result identifies that men are less likely to select surprise offerings because of their reluctance to relinquish control over their purchase compared to women.

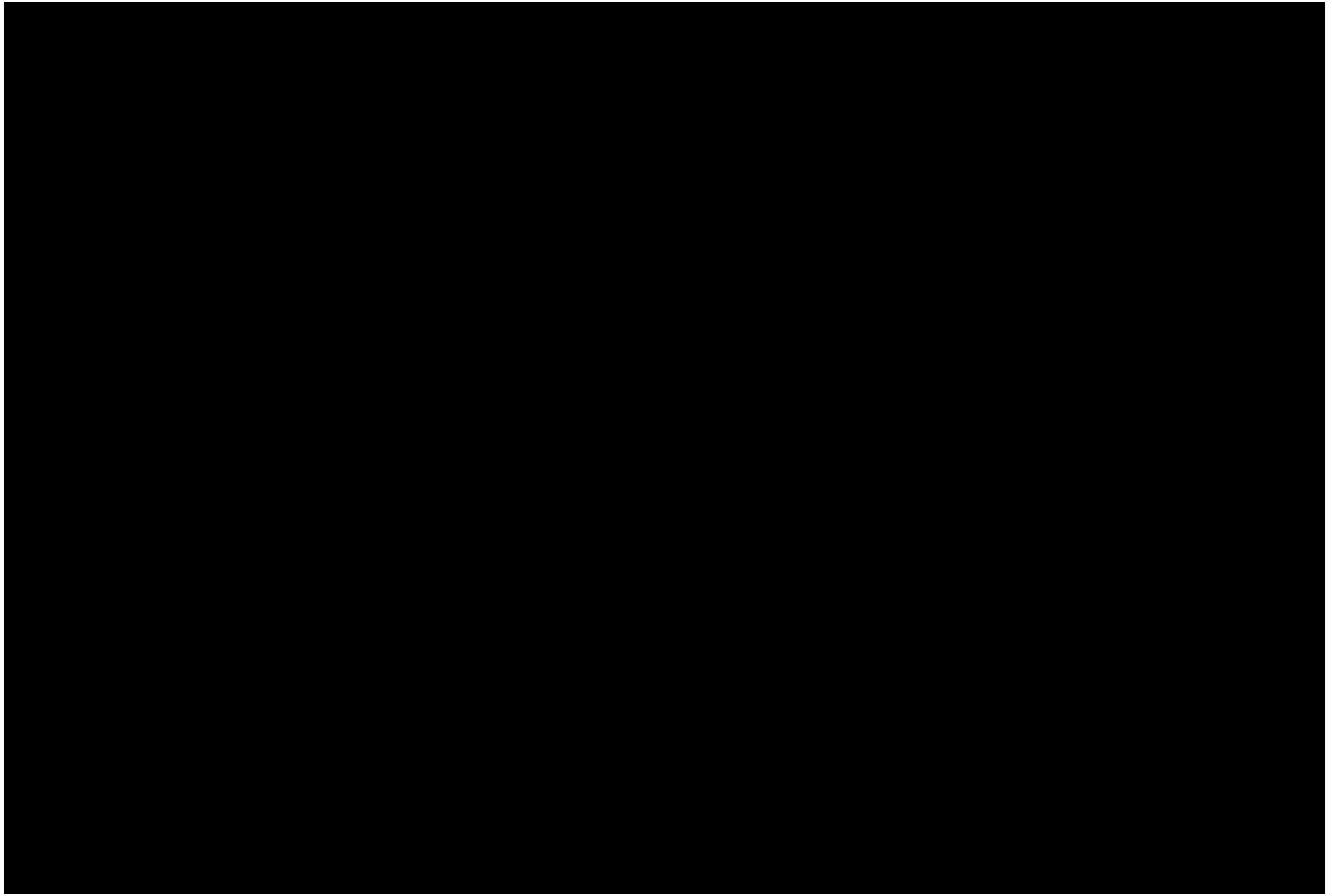


Figure 11: McKinsey Analysis (McKinsey, 2018, p.2)

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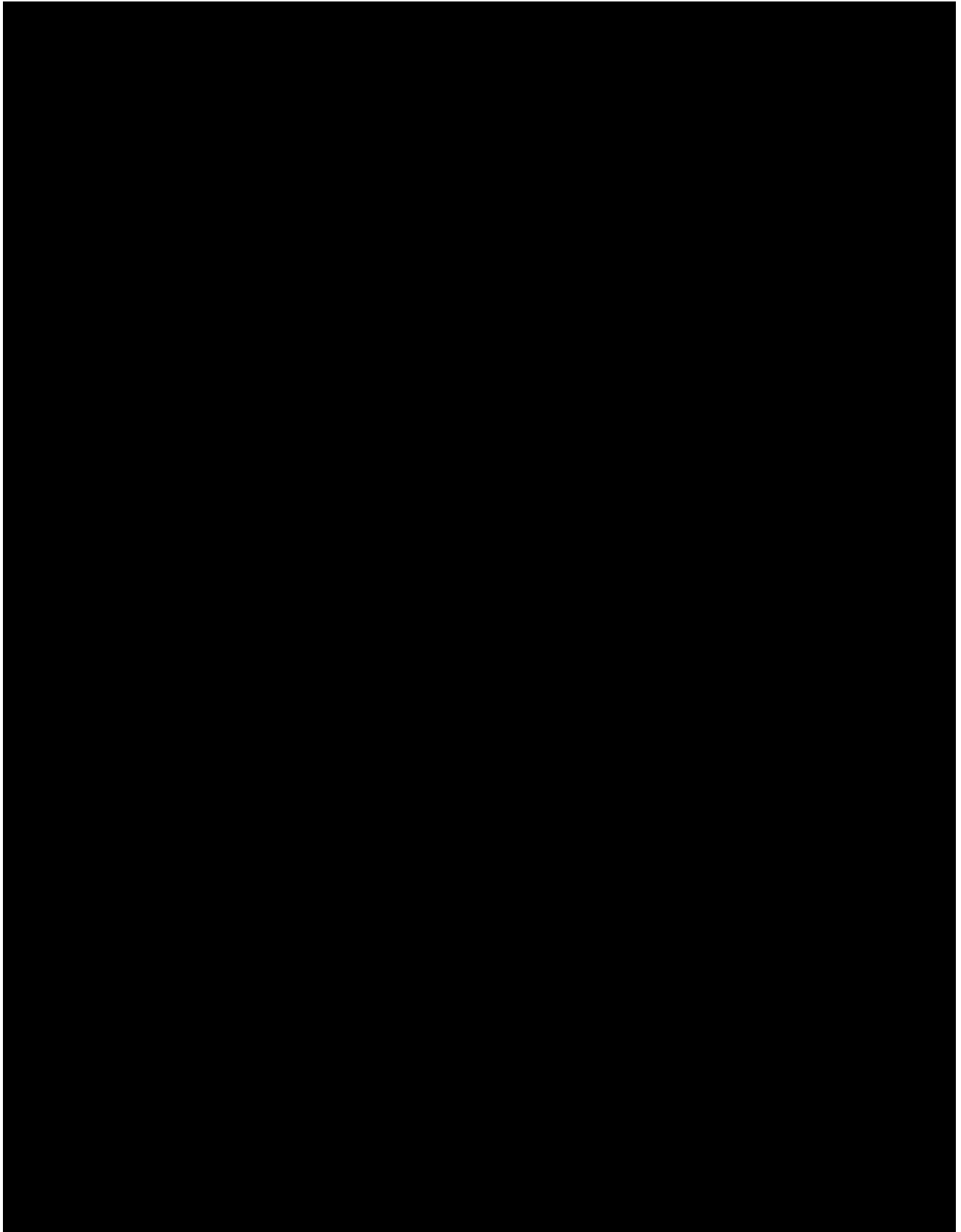


Figure 12: McKinsey Analysis (McKinsey, 2018, p.6)

2.5 Summary and conclusion

This chapter has discussed about subscription-based services from both overall viewpoint and in the UK beauty sector. It has been pointed out that despite the rapid growth of SBS retailing, several issues should be considered to improve the performance of SBS firms, particularly for UK beauty SBS organisations such as Birchbox and Lush. Some demographic elements, such as age, also draw attention as it takes a basic role in digital business.

These statistical data have shown some challenges for the SOS in the UK beauty sector. Firstly, there is a high churn rate as around half of the subscribers decided to cancel their membership after one subscription, together with a small number of consumers who have purchased subscription boxes before. Secondly, there is a lack of institutional bodies studying UK subscription box consumers in all sectors, particularly in the beauty sector. Most studies and reports examined by academics and organisations are not entirely up to date, as all the collected information was examined before 2020. Finally, none of the writer's knowledge collected data concerning customer satisfaction and customer loyalty of UK consumers in the subscription beauty industry. Therefore, it is essential for the student to examine the attributes that have an influence on customer satisfaction and customer loyalty in SOS in the UK market. Correspondingly, these factors will be classified in the next chapter – Conceptual Framework.

CHAPTER 3: LITERATURE REVIEW

3.1 Introduction

“Satisfaction influences repurchase intentions whereas dissatisfaction has been seen as a primary reason for customer defection or discontinuation of purchase” (LaBarbera & Mazursky, 1983 cited by Nguyen, 2020, p.1).

Customer satisfaction has been appraised as one of the most influential facets of organisational sales and profit. Given the extremely competitive commercial environment in which beauty and cosmetics brands operate, it exerts an impact on the fundamental underpinning of any leading firms, including fierce markets such as beauty and cosmetics. This is grounded on the fact that a higher level of customer satisfaction contributes an important part in motivating consumers to repurchase goods or reuse services (E. Park et al., 2019). In simple words, customer satisfaction is a vital measurement specifying the fulfilments of brand customers towards their purchased items or services and retaining purchasers is a basic procedure in making certain markets successful.

Furthermore, growing competitive pressure has made it significantly difficult and usually unbeneficial for businesses to constantly expand their customer margins to reach more new customers (Sharrow, 2019). According to (Ascarza et al., 2018), customer retention reflects a considerable obstacle for various retailers as academics and scholars have obtained an ample body of findings and evidence that tackles part of that issue. Pavlovskaya (2021, cited by Liu-Thompkins et al., 2022, p.92) stated that 61 percent of businesses address customer retention as their top challenge. As a result, organisations need to take action to turn existing customers into more loyal and engaged, aiming to accomplish better performance. It is believed that there is a strong connection between corporate social responsibility orientation as customer satisfaction and customer loyalty and firm performance (Salam et al., 2022). Accordingly, reviewing about customer satisfaction and customer loyalty, particularly in competitive marketplace such as beauty and cosmetics market, play a vital role in corporate outcomes in several ways.

Currently, myriad companies have adopted this innovative subscription business method available in a wide range of commercial sectors, from grocery, pharmacy, and book to beauty and cosmetics, which is one of the leading subscription retail boxes. Internet technology has become a part of daily life for the past few years as it enhances the quality of people’s lives (Yau & Tang, 2023), which is also one of the key factors that leads to the success of subscription boxes as customers can purchase their subscription with just a click. Although the subscription retail industry has been growing drastically, there is hardly much academic research that explores this successful industry to investigate the effects of customer satisfaction and customer loyalty to the

business. This chapter will review a variety of academic research and literature to obtain an in-depth analysis of customer loyalty and satisfaction.

3.2 E-SERVICE QUALITY

E-service quality was initially established by Zeithaml et al. (2000), who identified it as the level at which a website facilitates all the shopping, purchasing, and delivery of products/ services (Wider, et al., 2024). In other words, the term also refers to allocating a brand's customers with the most suitable experience. Digital transformation has drawn increasing attention from corporations that desire to maintain a competitive marketplace in the 21st digital world. Essentially, many businesses have considered and initiated various methods to improve service quality and deploy digital services so as to maintain and attract more customers for business expansions (Nguyen, et al., 2022). Subscription box services are one of these initiative digital business ideas.

Particularly during the COVID-19 period, firms have been encouraged to embrace and implement digital transformation. The pandemic in 2020 has accelerated the development of e-banking and online payment services which makes online shopping services has been more convenient to consumers and subscribers (Nguyen, et al., 2022). According to Abdirad & Krishman (2022), the pandemic 2019 has reformed e-commerce and online shopping behaviours as customers' demands and necessities for online purchases have been going up every day. The authors also emphasised that challenges and changes in different industries and countries tend to be different from each other, but they still agreed on higher customer satisfaction leads to higher loyalty and service quality is one of the most critical elements together with one of the most productive methods in initiating competitive advantages and cultivate organisational outcomes and performances.

Many studies have been carried out to have a full understanding of the concept of e-service quality. According to Boherquez et. al (2024), e-service quality is understood as the degree to which a service is capable of meeting and satisfying the needs of consumers through e-devices, in which the consumers interact only with an interface. The factors of e-service quality have a significant association with not only repurchase intentions but also with customer satisfaction (Blut, 2016). The groundwork took place in the U.S. by Blut (2016) also highlighted that online shopping experiences have positive effects on three customer buying behaviour, namely purchase intentions, website revisit and word-of-mouth. Furthermore, Tsao et al. (2016) shared the same opinion that online shopping experience and services have a great impact on online loyalty. Their research in Taiwan indicated the result of a significant connection between system quality and e-service

quality on perceived value and online loyalty. Even though research about e-service quality is all performed in different methodologies and results, it shows no definite outcomes (Rita, et al., 2019).

3.3 Customer satisfaction and customer loyalty

Customer satisfaction is a leading tool in the success of a business, as given in study reports. Essentially, customer satisfaction is a crucial component of the business strategy alongside customer retention in an organisation. In accordance with Park et. al (2019) studying airline services, Rust & Oliver (1993) and Tam (2004) identified customer satisfaction as “an emotional response that results from a cognitive process of evaluating the service received against the costs of obtaining the service” (p.187). Fundamentally, customer satisfaction is the reflection of an aggregated concept that generalises consumers’ insight and intuition in the regards of diverse factors of their linkage with the brands (Gustafsson & Johnson, 2004).

Many researches have indicated that customer satisfaction is one of the critical metrics that organisations apply to manage the outcomes and profit of the companies due to its strong correlation (Bernhardt, et al., 2000). The phenomenon has been usually scrutinised based on two different perspectives – transactional and cumulative. While the transactional aspect examines customer appraisals on specific factors affecting their shopping experience (Johnston, 1995, cited by Goic et al., 2021), the cumulative perspective concerns the loyalty level of customers relying on the consumer’s past shopping experience (Loureiro et al., 2014). In this research, both viewpoints will be considered in the framework due to the main target of the study about both customer satisfaction and customer loyalty. Goic et al. (2021) conducted the project in the context of the in-store shopping experience with a variety of elements of the service that have impacted the overall corporation performance.

Particularly, this research mainly discussed customer loyalty and satisfaction in subscription-based services, which is part of digital business. Many businesses have gradually interchanged to digital since it is a means of shopping and consumption and considered to improve e-service quality and digital services to convenience their customers. These have applied to many business fields, from banking to fitness, healthcare, and skincare (Nguyen, et al., 2022). The Internet has been bringing on consumer empowerment since the early 2000s, and the expansion of e-commerce is convenient for customers as they can make purchases from anywhere, which has resulted in a cultural shift (Rita, et al., 2019). Following to the main idea of Rita et al. (2019) research, the biggest obstacle for online shopping is to fulfil and accommodate customer satisfaction – a core element to maintain and sustain in a fierce competitive e-environment. In other words, companies are in need of suitable and ideal strategies to facilitate superior service experiences for their consumers so that in the future, they will repurchase and show loyalty to the business.

Customer care and fulfilment are on-demand and sought by the majority of organisations, particularly in the information technology era when there has been rising in online activity, interaction, and online shopping. Offering goods and services simultaneously plays the utmost role in attaining customer loyalty. Although early standpoints of brand loyalty draw attention on the behavioural aspect – consumer’s purchasing pattern or the repurchasing potential (Srinivasan, et al., 2001), it has been altered substantially. According to Chaudhury & Holbrook (2001), “brand loyalty is defined as the deeply held commitment toward rebuying the brand in the future regardless to the situational factors” (cited by Ebrahim, 2020, p. 296). Ngo & Nguyen (2016) refer to customer loyalty as the closest stage to a customer’s repurchase behaviour since it reflects the build-up shopping experience of purchasers with the brand. Hence, regarding the effect of customer loyalty, a loyalty strategy in the customer-focused construct will considerably not only raise customer retention but also decrease marketing costs in various ways.

Businesses have always sought for innovative ideas and new methods in order to promote and gain market for their products/ services in the online environment (Habes, et al., 2022). It is not exaggerated to state that the significance of customer loyalty to corporations affects their growth and future. It was also revealed by Ngo & Nguyen (2016) in their research that a customer-focused business framework has been adapted widely in intense business environments in which customer loyalty is a key element.

3.4 Features influencing customer satisfaction

Customer satisfaction is influenced by a number of aspects as well as perceptions of quality. As the author notes, it is evident that customer satisfaction is influenced by emotional responses as well as their attributions toward the specific product. Practically. When the customers are satisfied with the product or service of the company, they are more likely to purchase from the same brand and even recommend the product or service to other potential customers. It is impossible for an organisation to grow if it does not regard the needs of its customers (Budur & Poturak, 2021). According to the author, it is essential for a company to make it easy for the customers to interact with the organisation by asking questions and voicing their concerns. Besides, organisations should also ensure that the voiced concerns and issues should always be resolved as soon as they are received (Ardami et al., 2019). In some cases, customers have to jump through a number of hoops and do an extensive search before reaching organisational support (Mohammed & Rashid, 2018). This eventually results in poor customer satisfaction, especially because some people choose to ignore procedures that seem to be tedious. While it may be unpleasant to deal with unhappy customers, it is essential to ensure that their complaints are looked into as soon as they are noted. As the author mentions, it is significantly worse to deal with an unhappy client who took much time tracking down the company’s support as compared to one who found a quick response from the organisation’s support.

3.4.1 CUSTOMER VALUE

Customer value is the customer's perception of what a product or service is worth against all the possible alternatives. Customer value can be drawn from product range, product quality, customer expectation, and product value. However, as explained, these components are contained in the three CS of customer satisfaction.

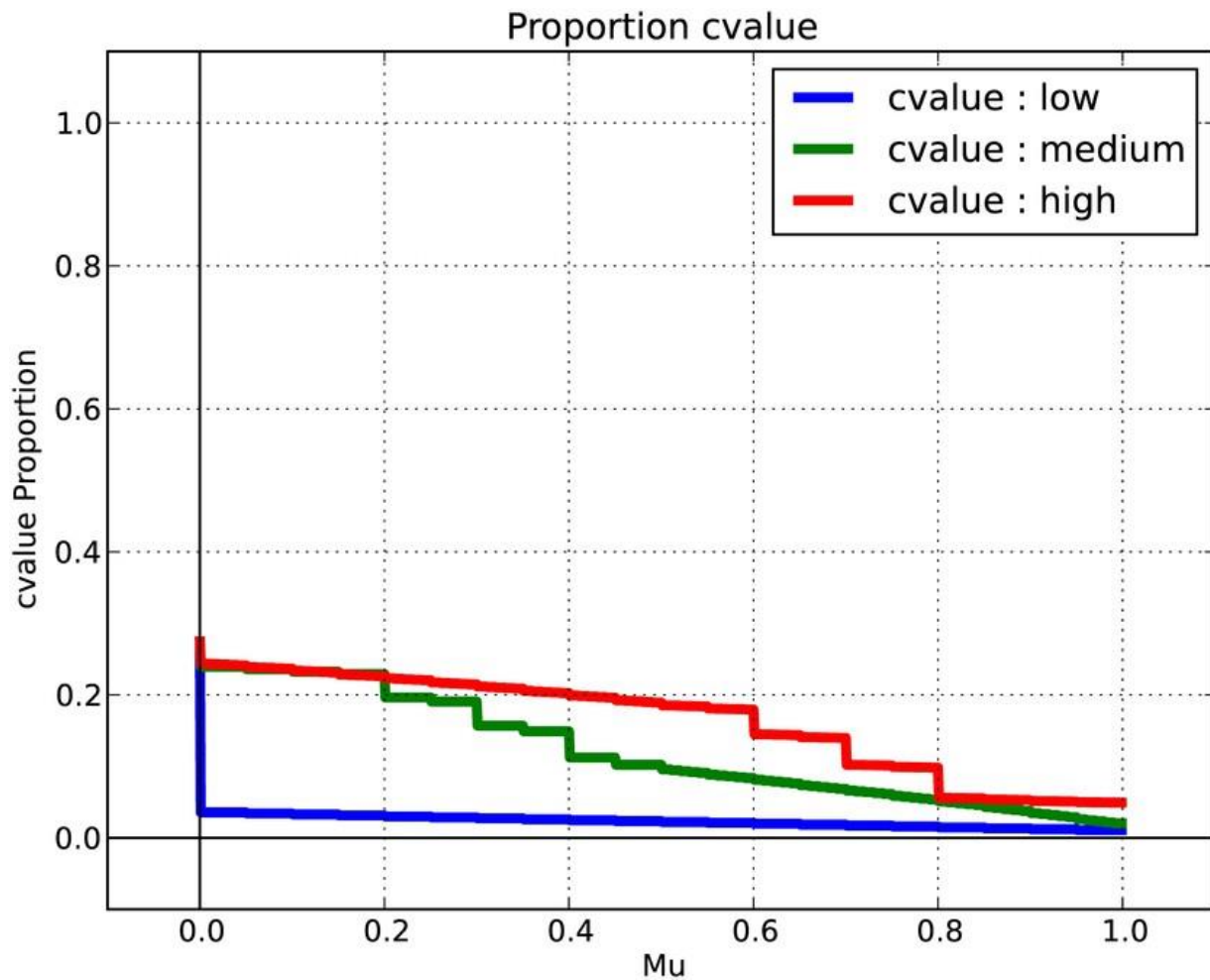


Figure 13: Three Cs of Customer Satisfaction

Different scholars have different findings on customer satisfaction and loyalty. The majority of scholars posit that there are numerous factors that influence customer satisfaction. However, some hold a different perspective on customer satisfaction, stating that customer satisfaction activities solely depend on consistency (Nobar & Rostamzadeh, 2018). In his research, he argues that consistency is the major factor influencing customer satisfaction. While there are other minor factors, consistency is the secret. For instance, if it has to be convenient, then the organisation should strive to maintain consistency inconvenience. In essence, a business should ensure that all the activities involved in building and enhancing customer satisfaction should always be consistent for as long as the company exists. It may not look appealing, but consistency is the secret

ingredient in making the customers happy (Zamry & Nayan, 2020).

The author further notes that it may be difficult to sustain customers as per their needs and confinements of happiness, but it is worth it. As he notes, keeping the customer happy demands a consistency of actions, thoughts as well as actions for as long as the business exists. In his route to music stardom, Bruce Springsteen's words are applicable in the business world. However, it has been noted that consistency is one of the least inspirational topics among managers, especially because it does not seem to have a direct impact on the outlook. However, consistency is exceptionally powerful, particularly in a supply chain with numerous personnel within the supply chain nodes. Getting consistency also requires attention from the top manager leaders. When using a variety of channels, which is the case in many businesses, there are numerous interactions that arise within the company. As a result, customers seek discrete needs and create interactions demonstrating cumulative experience with the brands. Technically, the customer journey can span multiple elements of a company, including product acquisition to the final use.

It is not enough to make the customer happy (Zamry & Nayan, 2020). In a recent customer survey, most of the customer experience surveys among American consumers across multiple markets found that effective customer journeys are essential. On the same note, measuring customer satisfaction predicts the overall customer satisfaction for every individual interaction. Additionally, maximising satisfaction journeys can not only increase customer satisfaction but also lift revenue on a larger scale. This further decreases the cost of operation, for instance, the cost of serving customers by a scale of 20%.

Customer Journey Consistency

Technically, companies must frequently work to ensure that customers receive superior services. With this, companies strive to ensure that each area of the business policies and rules support the mechanisms to ensure that customers are served with the best products or services in the organisation. However, few companies have the capacity to deliver consistency during the entire journey, including meeting basic customer needs (Nguyen, 2020). This loosely demonstrates why it is important to maintain consistency in the period of rising multi-channel and multi-touch customer journeys. For instance, if a customer interacts with a pay-Tv company, beginning from the time he or she conducts online research on the providers and ending the time the first bill is received after the first month of installation. Assuming a 90% satisfaction proportion for every individual interaction, whether assessing responsiveness or accuracy of information received, this level of performance implies that about one out of four customers will encounter poor experience during the entire journey. From this, it can be deduced that consistency is the most appropriate customer journey, and it is also a significant predictor of the general customer's experience and loyalty in the long run (Soldatova, et al., 2021). A survey of banks demonstrates that for every lower-performing bank,

there is variability in experience among the customers. The same survey also demonstrated that the issue of consistency is the major challenge and strength among the lower-performing banks and high-performing banks, respectively.

Emotional Consistency

One of the most outstanding results of the survey on emotional consistency is that positive customer experience, typically characterised by a feeling of trust, is a significant driver of satisfaction and loyalty among customers (Dash et al., 2021). The survey also demonstrated that consistency is important in forging relationships of trust among customers. For instance, customers' trust backs that have are within the higher rank in delivering consistency in the customer journey. What is so illuminating in the survey is that there is an emotional connection based on consistency, and it has a significant influence on customer loyalty. For bank customers, emotional connection is denoted by phrases such as "a brand that I feel close to" and "a brand that I can trust". In the survey, these phrases differentiate the customer experiences in different banks. In a world where research suggests that less than 30% of consumers trust major commercial brands as they are assured of consistency on customer journeys as well as building long-term growth.

Communication consistency, on the other hand, is another aspect of consideration in ensuring consistency in customer satisfaction. As mentioned earlier, a company is driven by more than the combination of the promises made by a company and the promises kept in the ultimate end. Instead, communication is crucial in demonstrating the level of commitment to delivering the promised. Technically, what is termed critical in ensuring that customers distinguish the delivery of promises is proactive communication and key messages. This message should solely highlight the delivery as well as themes (Zhang et al., 2019). A survey of Southwest Airlines, for instance, demonstrates that the airline has built customer trust over a long period. According to the report, the airline built trust through the delivery of the promises, including low cost and no frills. Besides, Progressive insurance in the company created an impression among the customers that it offers lower rates as compared to its competitors. When the company began embarking on delivering the promise of low cost, the customers were aptly informed. The insurance policy also shaped how the customers interpreted the costs-reduction actions. The customer's perception of the brand improved and further reinforced realities in the organisation. Technically, communication in such instances crease a reservoir of goodwill and makes it more resilient over time.

Becoming a company that delivers excellence in the customer journey is one of the things that should be considered in an organisation. Research reports depict that there are three priorities to be considered in ensuring consistency in customer satisfaction. First, the company should take a journey-based approach. This is essential for companies that want to improve company experience as a means of increasing revenue and

diminishing costs. Based on the survey, it is evident that customer journeys lead to the best outcomes in the organisation. Customer journey contributes to 35% of customer satisfaction and is 32% predictive of customer satisfaction (Zamry & Nayan, 2020). Since the customer journey involves every department within an organisation, it is appropriate for companies to rewire their operations to create teams that are in charge of the end-to-end customer journey. Technically, there are numerous journeys that can be considered by organisations depending on the nature and structure of the e-products or services offered in the company. However, among the infinite options, there are about three to five journeys that matter the most to both the business and the customer. To effectively track the progress, an organisation can consider retooling its metrics and its analytics to report on the journeys and insights concerning the touch points.

Secondly, the organisation should fix areas that have been noted to have common negative experiences. Since a single negative involvement results in a five times greater impact than a positive one, organisations should focus on minimising the negative experiences as it has a larger impact. For instance, training the frontier personnel to understand how to identify and address specific customer issues through role-playing as well as script framework goes a long way in engendering a higher level of customer trust. Lastly is immediate action. The survey indicates that the customer's clues average involve a lower level of patience for variability in delivery. Additionally, companies that have inconsistency issues often spend unnecessary resources without making improvements in the customer journey. Therefore, making supplementary ventures to progress customer experience without tightening the conscience of experience is less likely to bring as good as expected. From this survey, it is clear that organisations may spend many resources while aiming to improve customer journeys yet still have minimal impact. However, to have a greater impact, it is essential to enhance consistency in the customer journey for customer satisfaction in the ultimate end.

It is possible for organisations to evade coming to grips with the evolving behaviour of consumers and business customers. Essentially, customers' check prices are the keystroke, and they are becoming selective about which brand to share their connection with. From every encounter with a brand, consumers form impressions and post reviews on online platforms (Nobar & Rostamzadeh, 2018). As McKinsey in his article notes, the changes in the current markets present challenges to organisations and opportunities in equal measure. The biggest of all is that the majority of company owners have become e-marketers and have had critical moments of interaction with the customers. Therefore, organisations should consider leveraging every opportunity to ensure that the customers are satisfied. In many companies, marketing function is the best wing to orchestrate customer engagement in the entire company (Nobar & Rostamzadeh, 2018). Essentially, there is a wide spectrum of organisational choices in the current business world, and thus the difficulty in determining the appropriate role of marketing in businesses.

What's more, top executives view it as an internal effort by the marketing function to improve customer satisfaction, in some cases failing to achieve the desired deliverable. This makes the majority of companies sceptical about marketing, especially in a new environment (Eren, 2021). Although these changes are difficult to counter, organisations should not be frozen in a particular cage as they wait for a complete answer. Instead, a corporation should consider widening its lenses in customer engagement practices. These actions provide nimbler business with more ubiquitous marketing by expanding the scope through which businesses perceive customer-engagement needs, enabling more fast answers, and establishing internal channels of communication. Widening the lenses on customer engagement helps an organisation move beyond its function-by-function customer engagement (Khairawati, 2020). In essence, customer engagement, without a doubt, can help an organisation evolve as far as customer satisfaction is concerned.

3.4.2 CUSTOMER EXPERIENCE

A customer is always looking for products that best serve their intended purposes, according to Borges. Social value is connected to the perception that a product creates in society. Customers frequently favour goods that highlight their socioeconomic standing. The emotion that a specific product elicits is the focus of emotional value. Customers frequently desire to buy things that evoke lovely recollections. A research used a Value Hierarchy Model to explain how customer loyalty can be won by offering high-end value products (Budur & Poturak, 2021). The model has three levels that define customer desires. These levees include attributes, the desired consequences as well as the desired purpose. The customer attributes are the basic level in the customer desires as the auto notes. Essentially, the attributes of a product refer to the product's ability to perform the desired purpose. A product should be proficient in reaching the basic requirements of a customer. When the customer's basic needs are met, the client will achieve attribute-based satisfaction. In essence, the customer will be satisfied with the primary characteristic of the product. When a business delivers beyond the customers' expectations, it is a win for the business and industry as a whole. In a nutshell, it lessens friction and increases engagement, leaving people feeling appreciated. This amounts to brand loyalty, as demonstrated in the figure above.

The second stage, which is the anticipated results, refers to the effects that are attached to the product. Technically, a product may be capable of meeting the desired basic needs of the customer. However, the product may have factors that make the product dangerous. For instance, travelling by motorcycle may be interesting when moving from one place to another. However, there is much danger that comes with traveling on a motorcycle as compared to other means of transport. In a nutshell, it is natural that one would prefer the option with desirable outcomes to achieve consequence- based satisfaction. The customer's goal for purchasing the product is the aspect of the three levels. When the goal of purchasing the product is met, there

is goal-based satisfaction. When satisfaction is made in the three levels, then a firm can be said to have won the loyalty of the customers. While it may be difficult to achieve the three levels of satisfaction among the customers, it is worth it.

Brand influence and marketing is another topic of contention that has been studied in previous research study reports. While different scholars have varying approaches in their studies, the ultimate findings converge on a similar end. Numerous study reports converge on the conclusion that the organisational brand has a significant influence on customer satisfaction. In essence, branding helps in decision-making and also provides value to the customers (El-Adly's, 2019). The ultimate impact of a brand on customer satisfaction demonstrates consumer purchase intention and loyalty. In other words, it is a measure of how the products or services of a company help in meeting the customers' expectations.

Branding of an organisation identifies the product or service with the organisation. Branding is also a factor of differentiation in an organisation as it puts a company distinct from the rest of the companies. Essentially, brand image is the perception of a brand through association in the minds of the customers. Ideally, brand image can be assessed from the outward appearance of a product or a service in an organisation. The primary features of brand image which create an association in the minds of the customers include strength, favourability as well as the uniqueness of brand association. The elements of a brand association are the key features that keep the brand impression in the minds of the customers. Strong brand images can easily make the customers satisfied, which in turn influences the overall customer experience in the company. Besides, the product that appears in an organisation is essential. A constituent element of a brand image is the visual characteristics of the brand. Ideally, the visual elements of a brand image can only be communicated through the marketing channels used in the organisation (Islam et al., 2021). The author further notes that the visual elements of a brand image affect the shopping atmosphere of a customer and eventually influence the overall customer experience in the organisation.

Repeat customer purchase is more associated with the brand image (Sun et al., 2021). In other words, the physical outlook of a brand influences the customer's intention to come back to shop from the same brand. Repeat purchases build a positive image and can eventually influence customer loyalty to the brand (Larsson & Broström, 2019). Essentially, the brand image affects the user experience through the perceived benefits. In a nutshell, the customer's perception of how much the product can benefit them influences their choices for a product and brand. Arguably, a positive brand image naturally creates a positive perception among the customer of a particular brand (Karunaratna & Kumara, 2018). Even on occasions where there have been fractures in the user experience, a positive brand image is more likely to help cover up the small faults and loopholes that the customers may have experienced while shopping with the brand. Therefore, it can be

deeded that a positive brand image can, on a larger scale, cover up for small weaknesses that might have hindered the customer's experience while shopping with a particular brand.

Brand experience is another significant aspect of consideration in branding and customer satisfaction. Ideally, brand experience is connected to the customer's journey towards the decision to choose a particular brand. Technically, brand experience is an integration of feelings, cognition, sensations as well as responses by a brand. Brand experience is divided into four different dimensions, namely, sensory, intellectual, behavioural as well as affective dimensions (Srivastava & Rai, 2018). These dimensions are said to have a significant influence on the customer's loyalty and satisfaction, which in turn affects the brand personality. While it may be argued that these dimensions of brand experience do not have a direct impact on the brand personality, the fact remains that it has an impact, though indirectly. Essentially, customers meet their experiences with the brand when they physically visit the store. In essence, customer experiences are derived from the interaction with the organisation, either physically or virtually. In other words, the customer's experience can only be assessed as a final product or as an end journey only when after the customer is done purchasing or interacting with the organisation via any of the aforementioned means. Ideally, greater customer satisfaction suppresses the customer's churn and desire to switch to a different brand. Therefore, integration of the brand with the experience is a significant aspect of consideration when improving customer satisfaction in an organisation.

Thirdly, the support team should set quality standards. Measuring the team's performance based on speed may result in the manipulation of the system (Khairawati et al., 2020). For instance, if a customer calls an organisation and is accidentally disconnected or transferred to the wrong department, the customer may not focus much on the speed but will focus on the experience in itself. In a nutshell, the organisation should integrate speed and quality when assessing team performance. A quality standard may be as simple as asking the customers to rate their experience and also give feedback on whether their issue was resolved or not.

Convenience is another aspect of consideration when assessing customer satisfaction (Lucini et al., 2020). Based on a study conducted by Super office and Toaster Performance solutions, it is evident that convenience has a significant impact on the overall customer satisfaction among the customers in an organisation. From the study, it was noted that few customers go out of their way to do business with an organisation. In other words, no customer is willing to compromise their comfort for the sake of doing business with an organisation. Therefore, it becomes difficult for them to browse or shop from a specific brand; they will definitely look for another brand that provides easy solutions for their needs. Therefore, it is important to review the buyer's journey on a regular basis and check if there are areas that need to be tweaked to increase their convenience with the brand. From the study, it can be deduced that convenience influences how the

customers decide what to buy, where to buy and whom to engage when buying.

Another study showed that organisations should strive to retain their customers through service convenience. The study took into consideration five dimensions of service convenience. These dimensions influence access convenience, transaction convenience, benefit convenience as well as post-benefit convenience (Afthanorhan et al., 2019). From the study, it was evident that there is a resultant behavioural response that comes with the aforementioned service convenience dimensions (Afthanorhan et al., 2019). The primary goal of the research report is to help the managers, as well as the researchers, understand the behavioural responses that come with the service conveniences in an organisation (Afthanorhan et al., 2019). Besides, the research extends relevant literature in two important dimensions.

In the same study, the author first examines service convenience, customer satisfaction, and intention to switch, as well as the behavioural responses among the customers. It was found that customers often want convenience in terms of search access, purchase as well as use. It has then been reported that 52% of consumers would want to spend less time shopping, therefore demonstrating the

importance of convenience in an organisation (Afthanorhan et al., 2019). Technically, service convenience refers to the judgment that the consumers make according to their sense of control on utilisation management as well as the conversion of their time and effort to their desired goals. Customer satisfaction, on the other hand, is a topic in marketing literature that has been examined on a larger scale. Based on the available literature, customer satisfaction is a post-consumption construct based on the balance between the customer's expectation and their experience with the product. The study also indicates that in an event where the company managers upscale the customer's experience beyond their expectations, the customers are more likely to be satisfied. Customer satisfaction can also be explained as the feeling of pleasure or displeasure towards a specific product resulting from their experience with the product (Lin et al., 2020). While there is a dynamic conceptualisation of customer satisfaction, there is a harmonised agreement that customer satisfaction is a consumer response, and it is a response that occurs at a particular time, either during consumption or after consumption, based on an accumulated experience. Besides, it is also agreed that the response pertains to a specific consumption experience that may include the expectation and performance of the [product. Behavioural responses are another concept examined in the study in question. As Dash et al. (2021) demonstrate, the behavioural response is a resultant outcome of the satisfaction process. In a nutshell, behavioural intentions can be grouped into two different categories: economic behaviours as well as social behaviours. Behavioural intentions refers to customer actions that can impact the financial aspects of the firm (Dash et al., 2021). Behavioural intentions include repeat purchases as well as the customers' willingness to pay more. Essentially, consumers engage in activities

that build their relations before, during, and after the service experience. Consequently, these experiences shape their future intentions to buy from the same brand. Such relationships are important for repeat consumption, especially where the consumers enter a contractual relationship with the company involving contracts and progressive membership (Al-Omari et al., 2020). In essence, behavioural relationship represents loyalty, word of mouth as well as the purchase intentions of the customer.

3.4.3 *MARKETING*

There are numerous impacts of customer appreciation on an organisation. Customer appreciation day, for instance, can, on a large framework, improve customer loyalty and customer satisfaction. Essentially, customer appreciation day is a day that some organisations leverage to shower their customers with appreciation and thank them for their loyal patronage and trust. Many organisations use this day to show how much they value their customers. Customer Appreciation Day has had numerous impacts, particularly for beauty companies such as Charlotte Tilbury, Urban Decay, Benefit Cosmetics as well and Maybelline (Abror et al., 2019). As seen in reports, customer appreciation day in these beauty companies has improved the overall market share for these companies in different regions. Making the customers feel appreciated and valued in a company increases the chances of having more positive reviews from the customers (Sudari et al., 2019). Besides, these companies have been able to have high retention rates. Essentially, companies that appreciate their customers are more likely to influence their loyalty to the brand and therefore increasing the chances of having long-lasting relationships.

Concerning customer satisfaction and customer loyalty in the beauty industry in the UK, study reports demonstrate that the UK is one of the leading economies in the world, which is vibrant in beauty products. Beauty products in the UK attract not only local customers but also attract international customers (Sun et al., 2021). Based on study reports, it is clear the UK and France are some of the leading top fashion centres in the global market. In essence, buyers from different regions all over the world come to this country to purchase different items in the beauty industry. Among the common products offered in the UK beauty industry are skin care products, hair care products, luxury spas, colognes, massage parlours, perfumes as well as nail care products. The beauty industry in the UK is also described as a dynamic industry with different customer needs across different customer segments. In this market, customers may choose from a variety of products that are available in the vast market. While both men and women purchase these items, it is clear that social class disparity influences the choice of quality of products to purchase. In many instances, the rich often look for expensive and high-quality beauty products, which demonstrates their class, while those within the lower class often buy cheap and lower-quality products as per their financial capacity.

Essentially, different firms have different types of specialised market segments based on numerous factors.

Some fashion stores have specified features that suit the needs and desires of the customers within the given market segment. In essence, some fashion stores in the UK sell high-end and high-quality fashion products. These stores are majorly located in rich neighbourhoods occupied by people from the upper-class division. Similarly, some stores have concentrated in selling products to middle-class individuals. There is the largest segment as compared to the upper-class segment. However, there are those stores that sell basic beauty products to the people within the lowest social class division. Service quality is increasingly becoming important in the beauty industry regardless of the market segment in question. In other words, companies in every market segment have found the essence of quality when delivering their product to their customers in the ultimate end. It is essential to differentiate between product quality and service quality, stating that a firm may have very high-quality products but have a small pool of customers (Khairawati, 2020). This is a major result of poor-quality services. In essence, poor quality services are the distinctive factor in an event where their products are similar in the market.

Clients often remember the way they received services from a company. Technically, customers are human beings with feelings, and therefore their feelings can be affected by the nature of interaction and reception in an organisation (Islam et al., 2021). Therefore, firms that keep ensuring that they have a pool of loyal customers should ensure that the customers receive high-quality services on top of high-quality products.

A recent study examined the impact of customer service on customer loyalty in the skin care segment in the UK. While the study did not incorporate the subscription aspect, the findings also resonated with the research problem in question. The primary aim and objective of the research were to find the existing connection between service quality and customer satisfaction (Arora & Narula, 2018). Another aim of the study was to examine the relationship between customer satisfaction and customer loyalty. Lastly, it will explore whether the service quality in an organisation can affect consumer loyalty in the beauty industry of the UK. Based on the research, it is evident that there is a close relationship between the quality of service provided to the customer and the loyalty that the customer develops towards the firm. From the study, it was also found that customer loyalty is created when customers believe that the quality they receive from the company is equal to or even more than what they expected before making the purchase (Arora & Narula, 2018). In his report, loyalty may also be developed if the service quality matches their desires. In an event where the customer receives both high-quality service or product, both the customer and the service producer are more likely to create a bond, which will build the customers' loyalty towards the brand.

Referrals, on the other hand, refer to recommendations from already existing customers. A business that may run a referral program is more likely to keep tabs on new customers (Alam et al., 2021). An organisation

can introduce a register in which every referred customer registers themselves for the company to gauge the impact of referral to the organisation. By measuring referrals, a brand can not only track new conversions but can also track the number of customers who are satisfied with their services entirely. Net promoter score, NSP estimates the customer's intention to tell others about the brand. Though the metric does not tell the business if the customer recommends the brand or the product, it helps the business to find out the general royalty rate among the customers toward the brand. A study conducted a survey on customer satisfaction in Hoosier. In the survey, about 1200 Hoosiers were surveyed and responses were obtained independently from at least 200 people in each district (Slack et al., 2020). It was found that the majority of customers in the contemporary business world consider a number of aspects when purchasing items from a specific brand. However, these factors significantly influence their overall satisfaction as well as the desire to come back for more; among the common aspects of consideration when purchasing items from a specific brand include the conveniences, quality as well as customer service. The primary purpose of the study was to help organisations highlight services and make improvements that are crucial to the success of the business. Among the areas of the survey in the study was the label of satisfaction among the customers, specifically in transportation and other related issues. It is through the survey that it was found out the majority of the factors that customers consider before purchasing items are interconnected in the sense that one-factor influences another.

Lastly is word of mouth. Consumers in the past would talk to other people when looking got opinions concerning a specific brand. As a result, the practice was coined as word of mouth in marketing literature (Zhang et al., 2019). Essentially, word of mouth is an old mechanism in which opinions on specific brands and products are formulated, expressed, and eventually spread. Recent articles and books demonstrate an increasing interest in word of mouth. There are numerous definitions of word of mouth. Early scalars define word of mouth as person-to-person communication done orally between the receiver and the communicator. In this case, the receiver perceives the information as non-commercial. On the other hand, word of mouth can be defined as informal communication, which is directed to other consumers about the denatures, ownership, as well as usage of a particular product or service (Nunkoo et al., 2020). In his definition, the auto argues that word of mouth gives consumers the ability to make more infield choices when opting for similar products. As a result, the consumer can benefit from word of mouth by reducing the perceived risk of buying behavior. In another study, it was discovered that consumers who are more risk-averse tend to consider word of mouth as a very useful strategy for reducing the common types of risks (Nobar & Rostamzadeh, 2018).

3.4.4 COMPANY ABILITY

Consumer problems vary from one business to another depending on the nature and type of goods that a company deals with. Essentially, consumer problems can amount in a significant impact on the overall

performance of a company. On equal measure, consumer complaints can be used by the marketing team to point out the areas that need further improvements in an organisation.

Responses time is another significant factor that influences customer satisfaction. Essentially, we live in a fast-moving world. Customers often expect the products in an organisation to arrive at their doorstep hours after they order them (Pakurár et al., 2019). Besides, the customer also expects to be answered as soon as they ask questions. While many companies do not have round-the-clock staff, Chabot's and FAQs can be the most appropriate approach to answer the customer's questions on time. However, if their expected answers are not within the FAQs and Chabot's, then they should contact the customer service of the company. Therefore, the organisation should be able to respond to the customers as soon as possible. There is a positive correlation between quick response with higher customer satisfaction (Vasic et al., 2019). In his study, the author notes that time is a powerful factor when measuring the customer's interaction quality. An answer to a customer's question will be considered awesome if it arrives within 30 minutes and is considered disappointing if it arrives days later. As the author notes, 77% of customers value time and consider time as the most important thing that an organisation should prioritise. The further author notes customer expectations drive their experiences, and therefore if an organisation gets back to the customers as soon as possible, then it will automatically reflect positively on the organisation's customer services as well as the company as a whole. On the contrary, if the organisation is slower than the customers expect, then the gesture is more likely to create a negative experience among its customers.

To improve response time, there are three smart approaches that organisations can employ to minimise the time they take to respond to their customers (Pakurár et al., 2019). Firstly, an organisation should set a goal. Before taking action to increase the speed of responding to customers, the team should first formulate a clear goal. Sending an automatic "We have received your email! We are on it" may be appropriate. However, the automatic response is not the actual process of minimising response time in an organisation. Isolation is a speeding response key when setting goals. For instance, any customer who sends an inquiry email for payment on any business day should have a response within four hours after sending the email (Hamzah & Shamsudin, 2020). Laos demonstrates that the second approach to minimising response time is by starting with the first reply time. In an event where the customer requests help, it is crucial for the support team to first reply to the customer before giving the final response. The first reply matters more than response time, and it reflects the correlation between the customer and the organisation (Islam et al., 2021). Getting an immediate and solid reply builds the customer's confidence in the team and gives them the patience to keep waiting for the final response. Besides, it creates a positive impression that the support team can reinforce in the entire conversation. In an avenue where the customer has had a responsive and helpful

conversation in their previous experience, the customer will be more understanding about the need to wait for the final response from the support team.

The last approach to minimise response time is by identifying areas that cause delays in the entire customer service system. The organisational support team should browse the closed conversations in the organisation and take a look at the time a question was received as well as the time the first reply was sent. Where there is much time spent, it is possible to point out the specific issue that causes delay (Fida et al., 2020). In some instances, one of the team members should use their own experience to point out the areas that might cause delays in the service.

Among the common approaches that an organisation can use to solve consumer problems is through creation of awareness within the organisation. In other words, all the stakeholders in the organisation should be aware of the existing problem. Secondly, the company should set a time frame in which they can resolve the issue and communicate to all the persons affected by the issue. Failure to address such issue is more likely to increase the churn rate in a company (Alam et al., 2021).

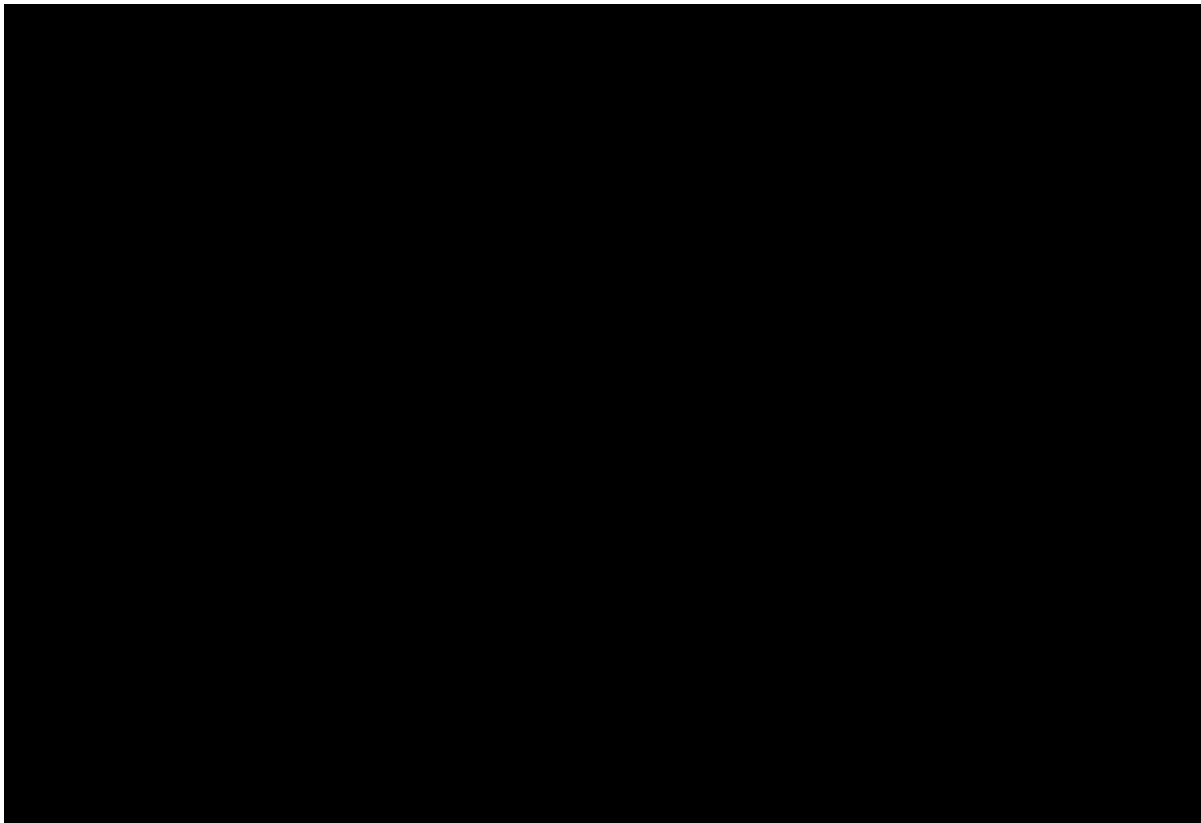
Churn rate on the other hand refers to the customers who cancel or disengage. For an organisation to determine the churn rate, marketers can calculate the percentage of customers lost based on the number of customers at the start of a given timeline. To get the user churn rate in an organisation, the number of customers should be divided by the number of customers at the beginning. This percentage can be used by marketers to understand the number of customers lost in every period. If there is a decreasing percentage in the churn metric, then it can be said that the customers lost over time are decreasing in number. Another crucial aspect of consideration in calculating churn metric is revenue churn. It allows the company to determine the churn in terms of the amount of revenue lost over a particular time. Essentially, revenue churn presents a more accurate picture of how business is going as well as the ultimate expectation about the business.

Another study explained some of the specific ways in which an organisation can improve customer satisfaction, specifically in the beauty sector (Abror et al., 2019). As earlier stated, the UK is one of the leading economies with dynamic industries. Among the dynamic markets in the UK is the beauty market, which significantly changes over time. To counter the challenges that come with the dynamic nature of the market, the author notes that it is essential for a beauty company to consider using customer satisfaction surveys as well as a quick customer response approach. As the author notes, a company should first understand the specific target market by conducting surveys. Once the company has a grasp of the target market, the next thing to consider is to understand the needs of the selected market. This helps in the customisation of products as per the desires and wants of the customers in the market. Besides, personalised products help

in focusing on quality and customer satisfaction. As for the case of quick customer response, it is essential for an organisation to develop an automatic customer response system. Alongside the system is active customer care personnel who engages customers who call for inquiries.

3.4.5 GOODWILL BELIEF

The ethical behaviours of the organisation's executive have a significant influence on the value of a variety of components that have a direct influence on the overall goodwill of the company. This includes brands and customer relationships. Essentially, goodwill derived from ethical business practices can generate a long-term business success. A graphical representation of ethics and profitability in an organisation demonstrates that organisations with high ethical standards have a high chance of optimizing profits.



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Figure 14: Percent Returns – World's Most Ethical Companies vs S&P 500 Source: Ethisphere Institute (Sterling, 2011)

Measuring true profitability demands a long-term perspective including a number of activities.

Essentially, satisfying customer demands requires going green, acting above, going beyond the basic requirements as well as being socially responsible. It should be noted that the extra cost and effort included results in profits in the long run.

3.4.6 GOOD PURCHASE SIMULATION

Rewarding loyal customers is an approach to building customer loyalty. Technically, a customer reward system should be able to reward the most loyal customers for keeping them coming back. Among the simple and most widespread customer loyalty award programs is the use of a point system; the systems work in a way that the customers earn points for every purchase they make from a store. These points accumulate the more the customer visits the shop. Once the points reach a threshold for redeeming, the customer can be able to redeem these points and get a reward thereafter (Iglesias et al. 2020). Rewards, in this case, can be discounts, freebies, or special client treatment. Another loyalty program that enhances customer loyalty is the card-based system where the customers get rewarded for spending using the card. With loyalty programs, whether monetary or non-monetary, customers will always keep coming for more. Since customer service is crucial to customer loyalty, it is essential for an organisation to make customer care important for a brand (Soldatova et al., 2021). Effective customer relationship management refers to more concentrated solutions for typical customer demands. Primarily, organisations should first learn about the different needs of each customer segment. Among the crucial aspects of learning about customers, segments include buying habits, favourites as well as feedback about the products. Besides, the company should ensure that the staff tackle customers directly and should have the information that they need to serve the customers effectively.

Introducing VIP is another approach to boost customer experience, which in turn increases customer satisfaction, as seen in study reports. Essentially, social status is a great motivator and can influence the behaviour of customers on a larger scale (Ramkumar & Woo, 2018). By adding the VIP status for the most loyal customers, the company is more likely to boost loyalty among existing customers. Besides, these customers can further entice new customers and other less engaged customers to interact more with the company. To achieve this, an organisation should start with small rewards for all customers who are part of the loyalty program. Thereafter, the organisation can then encourage repeat purchases by increasing the rewards for every step up the loyalty ladder of the company. However, rewarding the customers requires the segmentation of each group of customers. Ideally, segmenting customers in a loyalty program is a difficult task especially if the organisation does not have a marked approach. To be on the right track at the right time, segmentation should be used as it enables marketers to divide their mailing list based on their age, gender, geographic location, preference as well as engagement. The organisation should craft different email

campaigns with offers that are relevant to each group. By doing so, the company will be able to customise rewards and avoid rewarding the customers with rewards that may not be of use to them.

Event-based emails and referral programs may also be used to boost customer loyalty, as explained by (Iglesias et al. 2020). Ideally, the best way to personalise communication with the customers in an organisation is to use event-based emails. Sending a similar email to customers may be irritating to the recipient. However, sending event-based emails makes it more efficient as it sounds more relevant to the customer. For instance, when a customer is interacting with the brand, a response should be given to them which is in line with the specific function that the customer is performing. When a new subscriber joins, order booking and tours are the most relevant responses that they should be given automatically to evoke their interest in knowing more about the brand. However, doing this manually may be tiresome, and therefore, a company can choose to use a bot or automation software that allows users to send personalised emails. Automation software such as Automation 360 allows the user to send customised emails and also allows web push notifications. Referral programs on the other hand should be optimised in a way that a customer is rewarded for every referral made. Research has shown that consumers are more likely to trust recommendations from a friend or a family member who has interacted with a brand rather than buying the product without asking (Khairawati, 2020). However, not all customers may recommend others, especially if they're not around them. To enhance every opportunity, a company can introduce a reward system where every referral is rewarded. To boost the program, both the sender and the receiver should be rewarded to encourage them to spread the word about the brand through different channels.

Giving feedback and acting on it can boost customer loyalty. A company should always strive to encourage customers to leave feedback and act on the feedback as soon as they receive it (Molinillo et al., 2022). However, customers should not have a hard time giving feedback. For instance, the feedback mechanism of an organisation should not be difficult since most customers want to go the extra mile doing what is not part of their needs. Therefore, the feedback mechanism of an organisation should be as easy as possible to encourage every customer to leave feedback (Fida et al., 2020). The organisational marketing team may also ask them what they would want to buy from the brand as opposed to competitors and should also suggest areas they think the company should improve. A dedicated line can also be set for customers to use whenever they need assistance. Lastly is appreciating the customers. Appreciating the customers may be done by just thanking them for choosing to shop with the company.

While different scholars have different views on measuring customer loyalty, there is a common agreement that customer loyalty can be assessed. Technically, repeat customers make more purchases and are more likely to make referrals. However, all these things can be assessed, as the author notes. Among the

common metrics for measuring customer loyalty include; lifetime value, churn rate, net promoter score as well as referrals. Lifetime value (LTV) refers to the total amount of money that shoppers can spend on a brand from the time they make their first purchase to the time they make their recent purchase. Marketers can get the metric from numerous subscription payment systems in an organisation. A significant increase in the lifetime value of a customer demonstrates good customer loyalty. However, boosting the lifetime value of a customer is possible through the establishment and development of good customer relationships.

3.4.7 CUSTOMER ACQUISITION

Customer acquisition technically involves gaining new consumers through persuasion. Customer acquisition solely depends on a number of factors, including telesales, also referred to as telemarketing, mailing by post, online marketing, referral as well as acquisition through partners. Brand loyalty is the primary aspect of consideration in customer acquisition. Technically, brand loyalty provides significant leverage to trade (Sun et al., 2021). In a nutshell, condensed marketing costs and building an augmented market share depend on brand loyalty. Primarily, marketers should emphasise developing trust in the minds of the customers as it eventually results in customer satisfaction. As the author notes that brand loyalty can be gained by providing quality services or a higher value. Ideally, loyal customers are not too sensitive about price as compared to new customers. Loyalty consists of two different dimensions; attitudinal and purchase (Sun et al., 2021). These dimensions are significant in assessing oral customer loyalty either in online avenues or physical avenues. Generally, e-loyalty is emerging as a new marketing challenge, especially because many users are influenced by a variety of products in online stores. Therefore, satisfying them to the point of creating loyalty is challenging. The managerial implication of the study from the author in question is that organisations can make decisions from the findings. The findings, in this case, demonstrate that customer satisfaction and brand experience play a significant role in enhancing the customers' loyalty toward a particular brand.

Customer loyalty is considered a core feature of the relationship between the re-patronage as well as the individual's relative attitude. Although customer satisfaction is crucial to the success of a business, it should also be noted that satisfaction alone may not take the company to the next level, regardless of how satisfied the customers are. In short, customer satisfaction creates a positive financial result for the company, although it may not entirely improve the organisational performance in the market. Customer satisfaction and organisational improvement occur where all the other factors are held constant (Khairawati, 2020). In essence, when other factors are held constant, an increase in customer satisfaction implies an improvement in organisational performance. Islam et al. (2021) further note that today's market is an unforgiving market whereby it is difficult to create customer loyalty as compared to previous years. The author associates the

complexity of creating customer loyalty with the rising use of technology (Romdonny & Rosmadi, 2019). In his study, he states that an increase in technological advances uncocks the horizons, which makes it difficult for customers to settle for less when there is more in other areas. As a result, loyalty-building requires the company to consult continuous research and development on the trends in customer needs. Besides, it requires the organisation to focus on the value of its products and service to demonstrate that they are interested in fulfilling the desires of the customers.

Loyalty among customers is profitable. In essence, loyalty rewards more in an organisation not only through repeat purchases but also through recommendations to other customers. Essentially, a new or a potential customer is more likely to trust a returning customer as compared to the organisation in itself. In other words, it is easier for a returning customer to win new customers to an organisation through references as compared to when the organisation decides to win new customers by itself.

Some researchers argue that for every recommendation that customers make to Poet Nail customers, 8 out of ten of the referred customers are more likely to trust the brand (El-Adly, 2019). As for the case where the organisation reaches new customers, maybe through marketing, there is a forty to fifty per cent chance that the customer will trust the brand and choose to make their first purchase (El-Adly, 2019). Therefore, as an organisation, it is essential to focus on building customer loyalty as it ascertains winning new customers and also ascertains repeat purchases in the long run. However, it should be noted that it is not possible to create customer loyalty by accident. Instead, customer loyalty is designed through sourcing and design decisions. Technically, design for customer loyalty requires a customer-center approach that recognises the needs as well as interests of the customers. Therefore, it can be deduced that customer loyalty is built over time across numerous transactions.

A good relationship with the customer is important in customer loyalty and requires an organisation to work in a broader context to extend itself (Romdonny & Rosmadi, 2019). However, it should be noted that there is no company that can be said to be world-class in everything. Customer loyalty can be divided into three different categories; behavior loyalty, emotional loyalty as well as intentional loyalty. As he states, behaviour loyalty refers to the repeating purchase behaviour where the customers buy from the same company over time, while intentional loyalty refers to the customers' buying intention. Emotional intention, on the other hand, refers to loyalty achieved when the customer feels that the company aligns activities and operations aligns with their ideas, passion, and value.

“The concept of customer satisfaction seems to be prevalent at the start of the new millennium. Customer satisfaction is a crucial component of service delivery since it can lead to greater market share via recurring business when requirements and wants are recognised and met. The emphasis on customer happiness is not

a new trend” (Khairawati, 2020). Numerous prosperous businesspeople have acknowledged the value of customer happiness and how it affects business outcomes over the years. Customer happiness is an attitude, whereas customer loyalty is typically a behaviour. As a result, there are typically differences among factors which have impacts on both customer pleasure and also customer loyalty. Other variables such as price, quality and empathy are specific the key factors that influences customers happiness and customer loyalty.

Customer loyalty is directly protean to profitability in an organisation (El-Adly, 2019). For a business to be profitable, the revenue should be higher than the expenses. However, if it takes hundred dollars to convert a potential customer to a buyer, then acquiring more new customers will even be costlier. Customer Acquisition Cost (CAC) often includes items like sales labour, software cost as well as marketing spend. Studies have shown that most businesses need to retain their customers for at least 12 to 18 months for the business to break even (El-Adly, 2019). Customer loyalty in an organisation is, therefore, essential to keep the business afloat. As the author notes, it is essential for a business to direct its resources toward improving customer loyalty. Based on the report, a 2% increase in customer loyalty has a rippling effect, which reduces operating costs by 10% (El-Adly, 2019). Therefore, it is advisable to spend more on retaining customers rather than spending much on winning new customers, as the payoffs of customer retention and loyalty are worth it.

While it is difficult to estimate the exact value of customer loyalty, it is possible for an organisation to assess the overall contribution of customer loyalty in an organisation. As seen in the report, keeping customers happy and loyal for the long term is a serious task that includes working on various processes, including monitoring and observations, generating accurate data collection, as well as ensuring constant improvements on the strategies in the different business aspects of the organisation. However, dealing with the aforementioned activities requires an organisation to have a reliable system of metrics to facilitate tracking customer retention. This should be done in conjunction with the well- developed knowledge nose tools that allow the classification of data. Similarly, customer loyalty can also be measured but the level of commitment that customers demonstrate towards the company.

There are six successive stages of customer loyalty in an organisation (Romdonny & Rosmadi, 2019). Each of the six stages demonstrates how much a customer is loyal to a company. For instance, a returning customer is more loyal as compared to a first-time customer. Similarly, a customer who refers a friend to a company is also considered a loyal customer as compared to the one who simply buys the product once and uses it. The primary stage of customer loyalty, as depicted by the research report, is the awareness stage. In this stage, the customer becomes aware of the existence of the brand in the market. The second stage of customer loyalty is the research stage. In this stage, the customer is more interested in downloading resources

from the website and is considering purchasing from the organisation. The third step is the naking stage, where the customer foregoes buying from the already preferred company. After buying, the customer then uses the product, which is in the fourth stage. Repeat is the fifth stage, where the customers return to purchase from the same brand. Lastly is the referral stage, where the customers refer other friends or family members to purchase a similar product from the same brand. However, the last stage depends on the customer's ultimate perception after using the product. Technically, if the customer gets satisfied with the product, then they are more likely to refer other customers. If they are not, they are definitely going to switch to a different brand.

3.4.8 CUSTOMER LOYALTY PROGRAMME

To optimise customer satisfaction, companies use different approaches to sell ideas and methods after the completion of the relevant documents. For example, if a customer buys a car and finds out the descriptive features on the advert do not match what the already bought car has, then a high chance is that the customer may not be satisfied. In essence, customer satisfaction determines future trends and behaviours with the brand. For instance, if a customer does not find the expected features in the already bought item, they are less likely to stick to the same brand or purchase from the same brand in the future. Similarly, if a customer finds what they expect in a product or a service, they're more likely to choose the same brand in the future and even stick to a particular brand in their next purchases.

Brands strive to win customer loyalty because of the prominence of repeat purchases to corporations' accomplishment and profitability. Due to the fierce business environment, organisations increasingly depend on loyalty programs to impact customers' repeat purchase behaviour (Zhu, et al., 2024). Customer loyalty is considered a dominant topic in marketing, and it has been discussed and explored extensively for years since it refers to repurchasing behaviour for products/ services. E-loyalty in online shopping is named by Reichheld & Scheffer to depict the new form of customer loyalty in e-commerce (Zhu, et al., 2024). Moreover, companies in the US were reported to spend nearly 58 billion US dollars annually on loyalty programmes (Statista Inc, 2022). This signifies companies attempting to engage their consumers in long-term relationships with customer loyalty, which is one of their chief business targets.

A loyalty programme includes the integrated process of marketing actions and communications. Based on the work by Meyer-Waarden, et al. (2023), "it offers tangible utilitarian, financial (e.g., discounts, reward cards, gifts, vouchers) and informational or intangible symbolic hedonic (e.g., subjective feelings of pleasure or hedonic enjoyment, novelty). It also offers sociological-relational (e.g., personalized service, support, relationships, status, self-esteem) rewards in relation to the perceived costs of receiving them (e.g., joining expenses, switching costs)". When customers are engaged with a loyalty programme, brand customer

engagement goes up, which results in stronger customer emotional identification and brand loyalty, as stated by Kumar et al. (2019). It also involves in customer decision-making and shopping motivation to increase brand engagement. Therefore, the value perception of loyalty programmes is undeniable that it will induce customer loyalty to significant extent.

Arguably, product features such as reliability, functionality, and customer support are significant topics of discussion when assessing customer satisfaction. There is much more value in retaining a customer than in acquiring a new customer. As the author mentions, the value of winning a new customer is one-tenth of the value of retaining an already existing customer. Therefore, it is advisable for organisations to strive to retain customers while winning new ones (Oto et al., 2020). However, it should be noted that providing quality goods and services is not the only way to retain a customer in an organisation. Instead, an organisation can choose to provide other additional services to the customers. In most cases, customers would want to see value for their money whenever they're purchasing items from an organisation. As a result, companies should consider having collaborations among departments to ensure optimum customer satisfaction. From a profitability and productivity perspective, it is essential for a company to practice profitable activities. While customer satisfaction approaches are diverse, it should be noted that customer satisfaction is possible only and only if the company understands the needs and behaviours of its customers. Companies ought to understand the needs of the customers for them to incorporate these needs and preferences into their strategies (Nobar & Rostamzadeh, 2018). Besides, a company should always remain updated to understand the trends in customer needs to avoid producing products and services that do not match the needs of the customer in a particular period.

Another significant influence on customer satisfaction is appreciation. Essentially, customers often want to be appreciated for doing business with a specific brand. Customers often feel valued whenever they are appreciated after buying from a specific brand (Budur & Poturak, 2021). In another study, it was found that customers tend to prefer purchasing items from brands that have an appreciation and after-sale service (Ali et al., 2021). The study was conducted among a random population of consumers to see how much they value appreciation. Although it is not possible to estimate the exact value that the customers perceive from appreciation, it is possible to understand the ultimate impact of appreciation among the customers. In the study, it was found that brands which attach appreciation notes and quotes on their receipts are more likely to retain their customers as compared to brands that do not have appreciation notes. While customers may use other aspects, such as pricing, when choosing a brand from which they can buy items from, it is clear that appreciation has an impact on customers' purchase decisions when all the factors such as price are held constant. That taro, therefore, notes that appreciation is crucial to customer loyalty and customer

retention.

While appreciation may range from one brand to another, it is agreed that appreciation can, on a large scale, influence the purchase decision of the customers. A practical example of appreciation is a quick email of thank you to a customer or even a message, especially if they do cashless transactions. Either way, the customer will know that they are important to the company and will always come back for the same product or service. Appreciating customers makes them individually valued (Wikhamn, 2019). Therefore, the business should consider leveraging this consumer psychology by expressing gratitude to the customers for their feedback and support on a frequent basis.

In the modern-day business environment, the customer tends to gravitate towards businesses that value their contribution. Customers in today's business environment have a wide range of competitive options to choose from when deciding how to spend their money and time. It's crucial to demonstrate that you recognise the value of your consumers to you. Although there are numerous factors that go into measuring a company's revenues, customer happiness plays an equally significant role in determining how successful a business is. The success of a business depends on how effectively its clients are handled. Businesses ought to understand what it entails to appreciate a customer. Customer appreciation refers to a term used to measure the company's effort to provide good products and services to the customers in the market (Ilyas et al., 2020). As he notes, a proactive approach to customer appreciation is more likely to make a huge difference in an organisation. Essentially, customer appreciation improves customer satisfaction as well as customer loyalty. While traditional sales and marketing emphasise attracting new customers, companies ought to find a way to retain existing customers. The author also notes that it is essential to retain the existing customers on a large scale and win new customers on a smaller scale rather than having them vice versa. Expressing gratitude is one of the foundations that a business can lay to build a customer appreciation strategy.

Customer satisfaction is diverse and is more dynamic than it may be perceived. Essentially, customer-centric ideas in an organisation are more likely to improve customer satisfaction on a larger scale. Besides, customer-centric approaches help organisations perform in specific markets. In essence, an organisation may lose to its competitors if the surrounding competitors improve their customer satisfaction approaches. "Customer expectations must be taken into account as we work to increase customer happiness. Customer happiness is directly impacted favourably by the calibre of the product, the value for the money, and the service" (Alhammadi & Alshurideh, 2023). Prior to obtaining consumer happiness, achieving employee satisfaction is equally crucial. Employees can significantly boost customer satisfaction levels if they have a favourable impact. The search for satisfaction is a dynamic, ever-evolving goal that can change over time depending on several variables. Following Alhammadi & Alshurideh (2023), in the service sector, there are several

elements, such as quality of goods/ services and professionalism, could have an impact on customer happiness since the chief aim of organisations is not only to fulfil consumer preferences and tastes but also to obtain customer loyalty, trust and satisfaction. Depending on which level of the implementation or experience cycle one focuses on, satisfaction can vary greatly, especially when using a product or receiving a service over time.

3.5 Summary and Conclusion

Based on different reviews of literature from former research, various aspects of customer satisfaction and customer loyalty have been studied in order to support the research and design a conceptual framework, which will be explained in the next chapter. This chapter has supported the research to understand more about the two variables of subscription boxes in general, depending on their features and effects on the firm's outcomes and performances. Many determinants believed to have an impact on customer satisfaction and customer loyalty in the beauty box in the UK have been investigated, which can be the groundwork for the next chapter.

CHAPTER 4: THEORETICAL FRAMEWORK

4.1 Introduction

In order to build our knowledge about correlations among variables in a concept, framework models and theories play fundamental roles in forming comprehension. According to Bryman & Bell (2015), the theory is scrutinised to determine knowledge of the relevant constructs. Velde (2004) emphasised that before building up or using the most suitable model for research, it is necessary to consider specific theories/ models to support the framework. The framework is designed based on supporting theories with the target of testing theories and hypotheses and giving detailed explanations for research questions. Moreover, based on the work of Velde (2004), supporting theories are often adapted to create research questionnaires for quantitative research, such as this research project. The figure below illustrates the eight main variables believed to affect customer satisfaction and customer loyalty, which have been applied empirically to analyse their effects in beauty subscription boxes in the UK, namely Customer Value, Customer Experience, Marketing, Company Ability, Goodwill belief, Good Purchase Stimulation, Customer Acquisition, Customer Loyalty Programme. The theories underpinning this framework will be presented in this chapter.

4.2 ACSF and ECSF

Previous studies have presented many models of customer satisfaction and customer loyalty. The research project analysed by (Nguyen, 2020) has proposed two grounded customer satisfaction frameworks in order to generate and validate a five-construct model in the unique context of Beauty and Cosmetic Online shopping: American Customer Satisfaction Framework (ACSF) by Bryant (1995), which is currently known as American Customer Satisfaction Index (ACSI) (Xie, et al., 2022) and the European Customer Satisfaction Framework Model(ECSF) by Anderson & Fornell (2000).

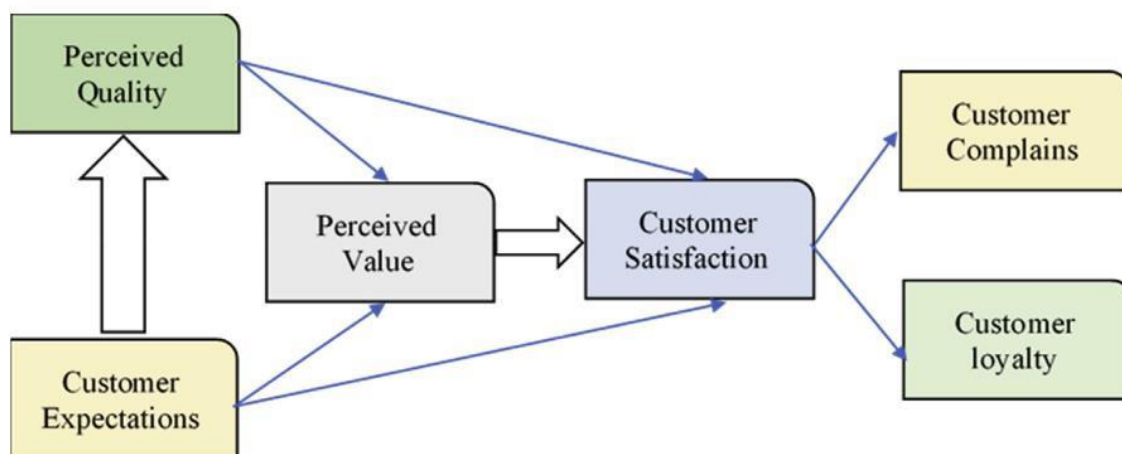


Figure 15: American Customer Satisfaction Framework (ACSF) Source: Bryant (1995 cited by Nguyen, 2020, p.4)

According to Yazdanpanah, et al. (2013), customer satisfaction is justified as the core principle of customer-orientation philosophy and continuous growth of modern corporations. Therefore, it should be categorised into measurable parameters presented in Figure 15. American Customer Satisfaction Framework portrayed three main determinants of customer satisfaction: perceived quality, customer expectations and perceived value, which results in either customer complaint or customer loyalty (Bryant, 1995, cited by Nguyen, 2020, p.4). Based on the report by Morgeson et al. (2023), customer expectations refer to a quantity of the customer's anticipation of the quality of an organisation's products/ services. The expectations from purchasers comprise not only the prior shopping experience, such as referral, social media or word-of-mouth, but also the business's capability to provide the expected quality in the future. Perceived quality – the second factor of this model is used to appraise customers' measurements based on their recent goods/ service purchase and their shopping experience in terms of the quality and value that the company brings to them via products/ services. Also, the quality that is mentioned in this model reflects the level at which a product or service provided by the company could meet the shopper's needs and reliability (Morgeson, et al., 2023). Perceived value, on the other hand, is the measurement of the quality relative to the price the customer has paid for products/ services. Based on the study by Morgeson et al. (2023), it considerably influences customer satisfaction for repeat purchases in the future.

However, it was studied mainly regarding purchasers' experience in stores. On the other hand, ECSF focuses further on five re-purchase elements affecting customer satisfaction and customer loyalty, encompassing image, customer expectation, perceived quality of product, perceived quality of services and perceived value price. Although much academic research has been examined based on these two grounded theories, it is reckoned that these aspects are too vague to be entirely used in such a unique industry as beauty box retailers in the UK.

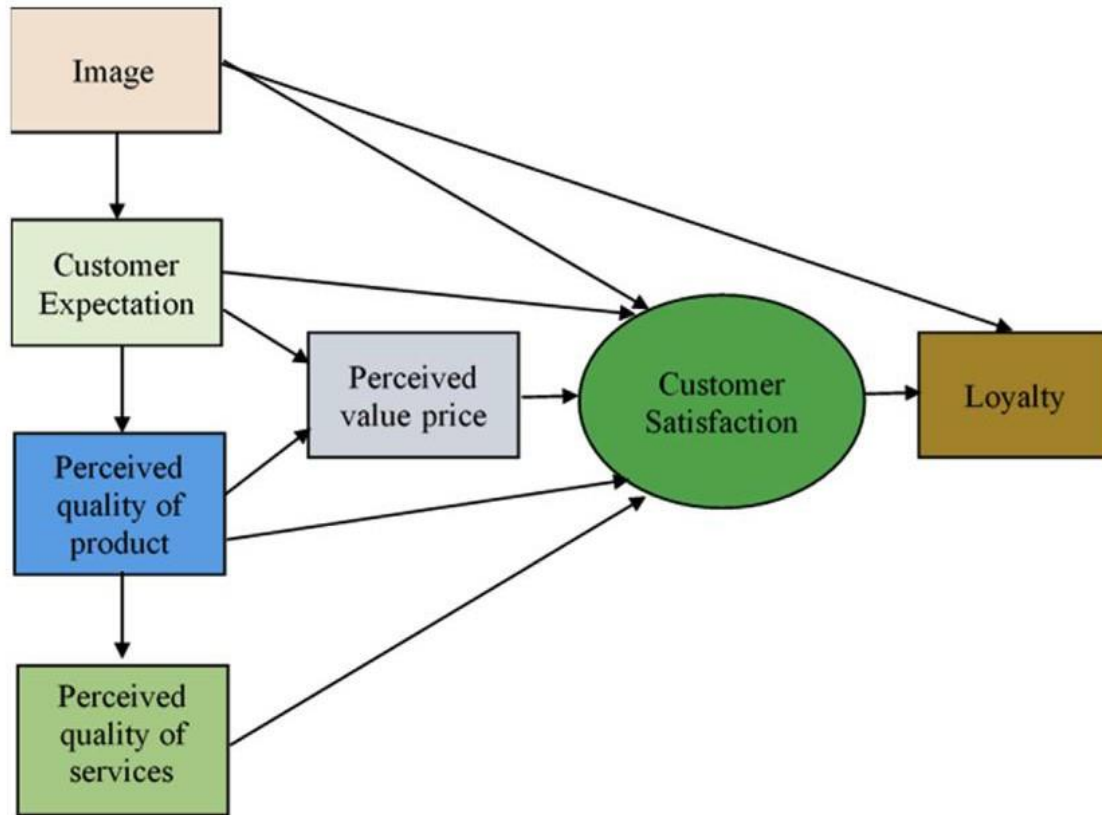


Figure 16: European customer satisfaction framework model (ECSF) Source: Anderson and Fornell (2000, cited by Nguyen, 2020, p.4)

4.3 Customer Loyalty Theoretical Model

However, with the enhancement of the Internet and the implementation of e-commerce, there has been a shift in the theory of customer loyalty pointed out in the conceptual framework proposed by Sun, et al. (2010) in the context of B2C e-commerce (Chatterjee, et al., 2022). Based on the customer loyalty theoretical model by Sun et al. (2010), there are three main determinants directly affecting customer trust and customer satisfaction: service quality, customer value and product quality. Customer value depicts within the application of particular situations of consumers the preferences and assessments which have the possibility to support attaining customer's goals by the product attributes and the influences of these attributes. Simply put, customer-perceived value reflects the customer's perception of products/ services. Moreover, in the e-commerce sector, brand trust is one of the key factors since as buyers build connected trust with businesses via products/ services, committed customers will come into being. It has also been demonstrated that there are significant correlations among elements in the e-commerce sector.

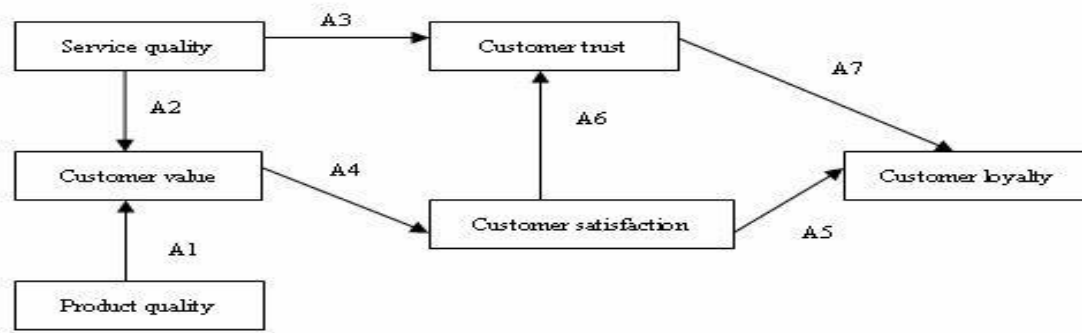


Figure 17: Customer loyalty theoretical model Source: Sun, et al. (2010)

4.4 Customer loyalty management tools in digital business transformation

Moreover, prioritising the trust features in the online business environment, Soldatova, et al. (2021) carried out research to examine the multi-dimensional trust presentation to gain customer satisfaction and customer loyalty. The factors included in these customer loyalty management tools in digital business are honesty, the company's ability to solve a problem, goodwill, belief, and predictability. Based on Soldatova et al. (2021) research, there has a wide range of sophisticated techniques of information exchange applied, which leads to demands for higher company transparency levels. Enterprises such as subscription boxes rely entirely on online shopping and are required to trust expression to customers to prevent any misrepresentation. Several studies have highlighted that approximately 90 per cent of consumers considered the feedback of ordinary people compared to the experts, while 24 per cent of customers purchase based on bloggers via their advertisements with the brands, and only 14 per cent of customers have trust in commercials (Soldatova et al., 2021). Therefore, companies need to pay more attention to their trust expression level through transparency level, such as goodwill belief – referring to clear information about the internal corporation environment and its visibility to the media.

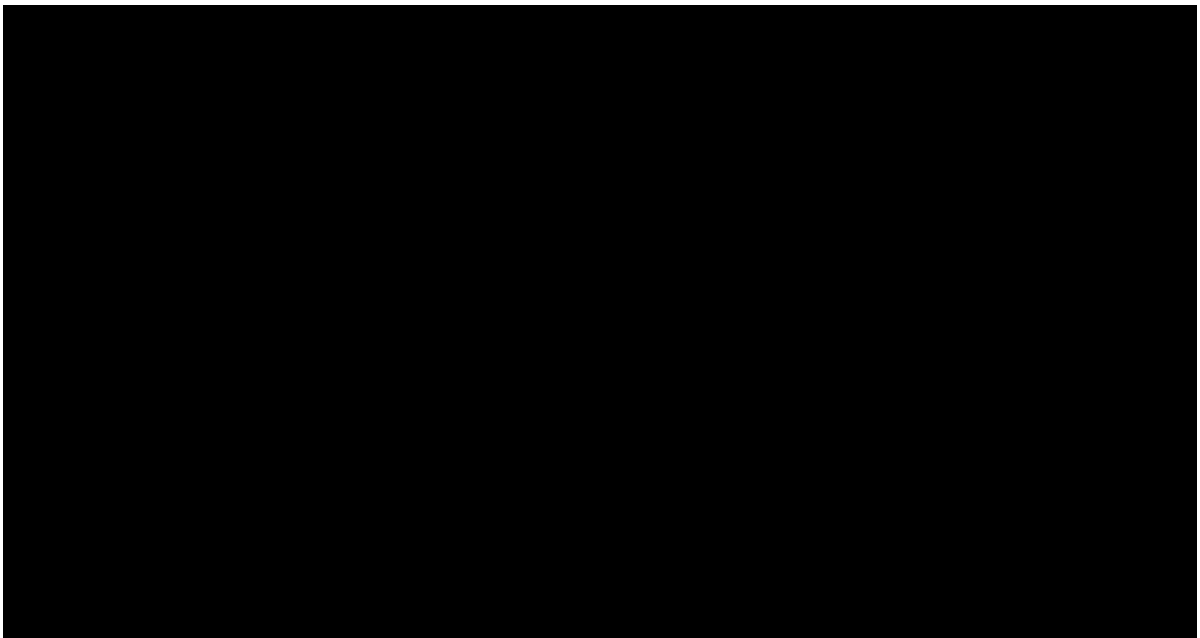


Figure 18: Customer loyalty management tools in digital business transformation Source: Soldatova, et al. (2021, p. 908)

Furthermore, due to the improvement in marketing on digital platforms, it is crucial to make it convenient and easy for customers to compare and purchase online (Bala & Verma, 2018). Accordingly, social media platforms such as Instagram, Tiktok and Snapchat have assisted marketers in offering items/ services depending on the tastes and preferences of customers to strengthen customer satisfaction, which is associated with sustaining customer loyalty for the long term (Sriram, et al., 2022). The examination by Sriram et al. (2022) was conducted to gain knowledge about factors that influence the customer buying decision process to develop customer loyalty for brands, particularly with machine learning assistance. It is recognised as easy to obtain and increases customer loyalty as long as retailers deliver products/ services in the most convenient and quick way. This has demonstrated that companies have proposed and applied a wide range of techniques, business strategies, and marketing technology, aiming to maintain customer loyalty. In the context of the study by Sriram et al. (2022), machine learning was explored as one of the most productive tools that corporations adopt. This has been used mainly in good purchase stimulation as it supports the company in suggesting products/ services to customers using a more imaginative method. Many organisations have used this tool as a suggested tool to upgrade their marketing system in order to expose customers to more relevant products/ services and increase purchases from consumers, including expanding audience segmentation and influencing customer behaviour.

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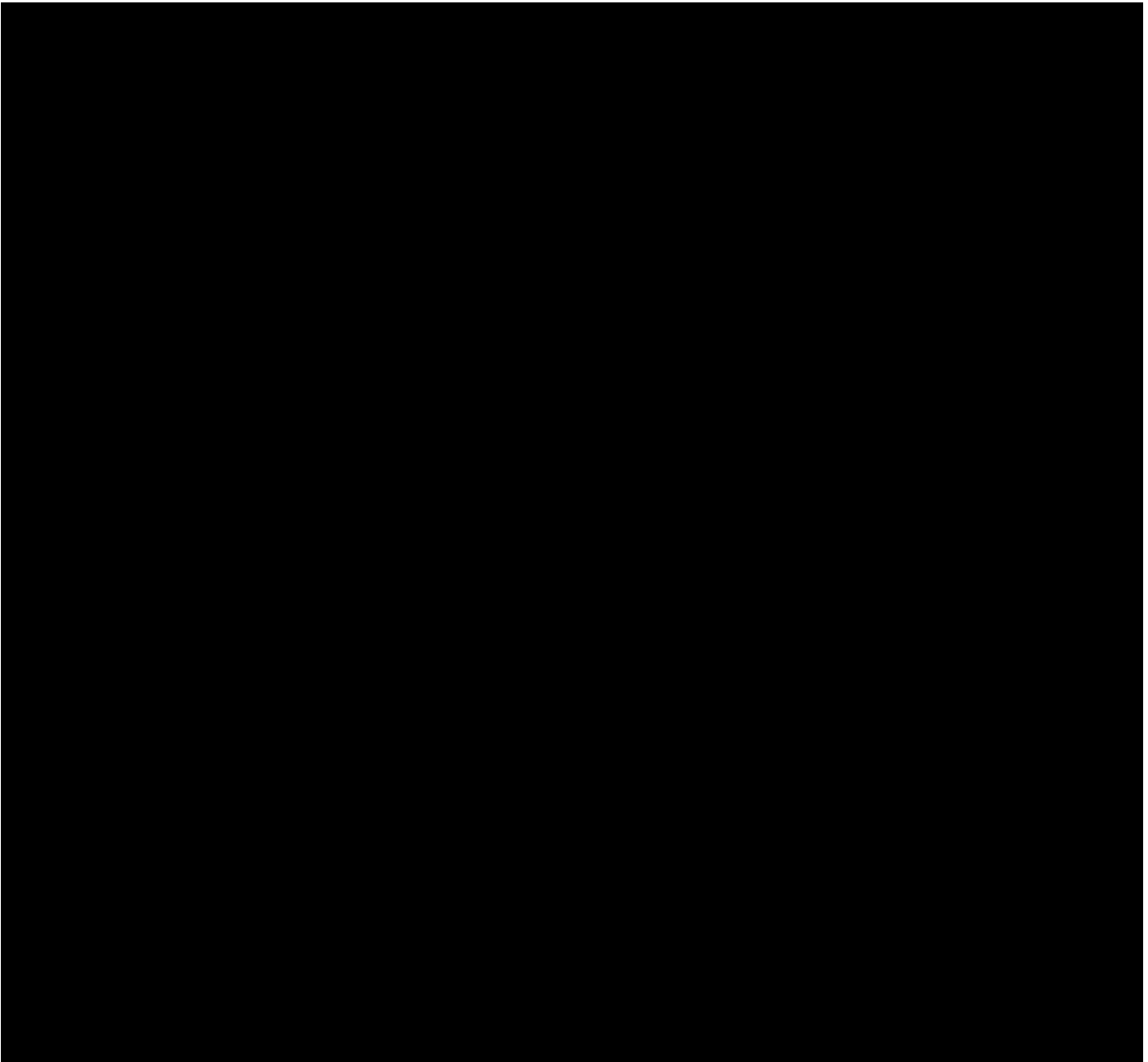


Figure 19: Machine learning journey Source: Sriram et al. (2022, p. 379)

4.5 SERVQUAL Theory

The SERVQUAL model appraises the gap between customer expectations for service quality and their perception of the service received. It is commonly implemented to assess service quality and customer satisfaction in diverse sectors. It was established by Parasuraman, Zeithaml, and Berry (1985), which measures five core aspects: tangibility, reliability, responsiveness, assurance, and empathy (Wider, et al., 2024). According to Wider et al. (2024), despite this relatively old framework, its importance in practice for new environments, scenarios and services as benchmarking for the valuation of customer satisfaction and service quality is undeniable.

A contextualised approach is applied in order to reflect the distinctive features of subscription-based services when applying the SERVQUAL model to the examination of service quality in UK beauty subscription boxes. With a particular emphasis on the beauty sector, each SERVQUAL model dimension is specifically designed to address key features relevant to the subscription box market.

The physical components of the subscription service are referred to as tangibles. This covers not just the product presentation and packaging but also the design and usability of digital interfaces like mobile apps and websites. (Nguyen, et al., 2022) It is essential for beauty subscription boxes that the packaging be both valuable and eco-friendly in addition to being aesthetically pleasing and representing the business. Both the product's quality and attractive presentation play a significant role in the customer's pleasure both from the outset and throughout. This dimension evaluates whether these material components live up to the high expectations that subscribers have set for them.

The ability of a service to consistently and accurately deliver on its promises is measured by its reliability. When it comes to subscription boxes, dependability may be assessed by the regularity with which boxes are delivered on schedule and in acceptable condition, the precision with which products are chosen in accordance with client preferences, and the constancy in the quality of the products (Rivero, et al., 2023). This aspect is crucial since it has a direct bearing on the confidence and trust that users have in the subscription service.

The term "responsiveness" describes how quickly and efficiently a business responds to questions from clients and fixes problems. Reactivity in the context of beauty subscription boxes would be defined as the speed at which the service responds to customer comments, handles product or delivery problems, and notifies clients of critical information (Sumi & Kabir, 2021). Sustaining customer satisfaction and cultivating a positive, long-term relationship with subscribers depend heavily on this dimension.

Assurance encompasses staff members' expertise, politeness, and capacity to foster confidence and trust. In the market for beauty subscription boxes, assurance is proven by the company's honest, transparent communication, safe payment methods, and competent customer support. This feature makes sure that customers are comforted about the security of their personal information and the authenticity of the products they are being offered, as well as confident in their interactions with the provider. (Sumi & Kabir, 2021)

Empathy expresses the degree of concern and individualised attention that the business offers (Rivero, et al., 2023). When it comes to subscription services, this involves the extent to which the service is customised to meet the demands of each individual customer, such as providing products that meet preferences or requirements for beauty, as well as the general effort taken to comprehend and meet consumer expectations. In this case, empathy matters because a subscription box's main selling point is frequently customised

experiences.

4.6 RESEARCH MODEL JUSTIFICATION

The provided conceptual model demonstrates the elements influencing customer satisfaction and the subsequent influence on customer loyalty within the concept of subscription-based services in the UK beauty field. A theoretical framework is an integral segment of research work; it plays a vital function in creating or setting a suitable assessment of existing relationships between ideas, comprising notions in practice, and explaining the rationale for their existence. Moreover, a theory delivers transparency and knowledge of the roots of why an event occurs (Ibrahim, 2014). Following Hair et al. (2003), theories offer principal input in research procedures. As a result, the goal of founding a theoretical model and basic research philosophy is to assist in a better understanding of the main targets and goals of the study.

The framework incorporates various factors from service quality and customer satisfaction paradigms to deliver a comprehensive framework. Each component is crucial in understanding how customer satisfaction can be improved and how it translates into customer loyalty. The model posits that customer value, customer experience, marketing, company ability, goodwill belief, good purchase simulation, customer acquisition and customer loyalty programmes are depicted as direct antecedents of customer satisfaction, which can improve the connection between customer satisfaction and loyalty. These components can amplify the positive influence of satisfaction by reinforcing customer trust and engagement.

The conceptual model specifies a comprehensive framework for understanding the drivers of customer satisfaction and loyalty in the UK subscription-based beauty sector. By examining the interplay among eight critical variables related to customer satisfaction and loyalty, the model offers valuable insights for academic research and practical application in strengthening customer satisfaction and fostering loyalty in subscription-based services. In the context of the dissertation, the focus is specifically on examining how eight distinct variables that influence customer satisfaction and loyalty might affect these variables. This distinction is important for setting boundaries for the work and ensuring a precise and targeted research approach.

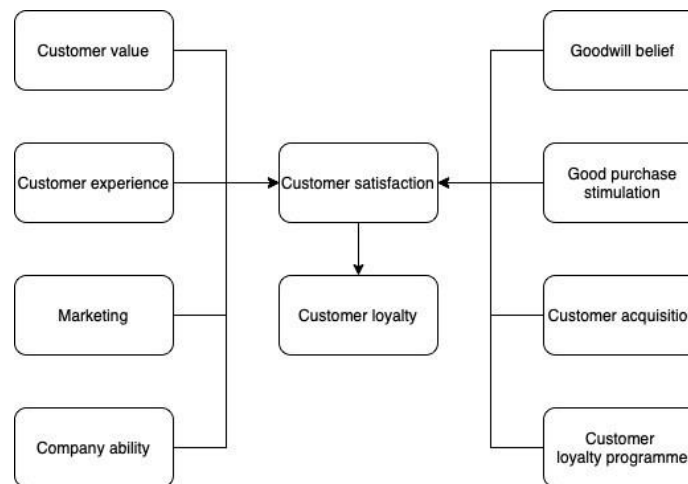
When discussing scope limitations, it's important to note that this research does not aim to investigate reverse relationships (Hair, et al., 2007), such as how customer satisfaction and loyalty might affect the eight variables. It's essential to clarify that the main goal of this research is to study the impact of eight specific variables on customer satisfaction and loyalty using deliberate and methodical methods. The theoretical frameworks guiding this study, such as the SERVQUAL model and the American Customer Satisfaction Index, initially consider customer satisfaction and loyalty as dependent variables. Additionally, existing literature predominantly views customer satisfaction and loyalty as outcomes of service quality, perceived value, and other related factors (Nguyen, et al., 2022).

Focusing on a one-way relationship makes the investigation more manageable and precise. Considering reverse causality would broaden the scope too much and complicate the research design, potentially making the study's findings less clear and focused (Reed, et al., 2021). The methodological approach used, including the design of survey

instruments and the analytical techniques, is specifically customised to evaluate the impact of the eight variables on customer satisfaction and loyalty. Exploring reverse relationships would necessitate a different set of methodological tools and theoretical frameworks, which is beyond the intended scope of this study.

By explicitly stating the exclusion of reverse relationships from this study, it emphasises a clear and focused research approach. The study remains focused on identifying and understanding the main drivers of customer satisfaction and loyalty in subscription-based beauty services. This focused approach ensures that the study effectively contributes to the existing body of knowledge, offering practical insights that are both relevant and theoretically grounded.

Figure 20: Conception framework for customer satisfaction and loyalty in beauty subscription-based services



Source: Author's own diagram

4.7 Summary and Conclusion

The four underlying theories that were adapted to shape the conceptual and theoretical framework for this research project are examined in this chapter. The significance of the conceptual framework has been discussed in the introduction, while four models were analysed in the digital context to which beauty subscription retailing belongs. All four models are built to improve customer satisfaction and customer loyalty, aiming to enhance the firm's performance in terms of customer retention and customer repurchase for long-term purposes. The author has chosen eight key elements from these theories, which are Customer Value (customer expectations, product and service quality), Customer Experience (shopping experience), Marketing, Company Ability (company's solution), Goodwill belief (honesty and company ethics), Good Purchase Stimulation, Customer Acquisition (customer engagement), Customer Loyalty Programme. It was founded to establish the quantitative research in this project as it supports the design of the questionnaire, hypothesis, and data collection and analysis in the following two chapters.

CHAPTER 5: RESEARCH METHODOLOGY

5.1 Introduction

Research is the "systematic investigation into and study of materials and sources to establish facts and reach new conclusions" (Stevenson, 2010). Research methodology is the guiding philosophy of all social science research (including psychology, education, business, sociology, etc.) (Dawson, 2002). It demonstrates how a social science study should be conducted, beginning with selecting appropriate techniques and concluding with discussing the result collection processes (Cho, 2022).

All types of research predominately depend on underlying beliefs about what constitutes genuine study; therefore, adopting an appropriate methodology to attain research objectives is essential to ensure the credibility of the findings (Myers & Avison, 2002). There is no universal research methodology; instead, the methodology must be adopted based on the nature and breadth of the research issue and the sort of data available (Bell & Waters, 2014). Before participating in data collection and analysis, rigorously conducted research must establish its methodological choices and underlying philosophical assumptions (Brown & Sice, 2005).

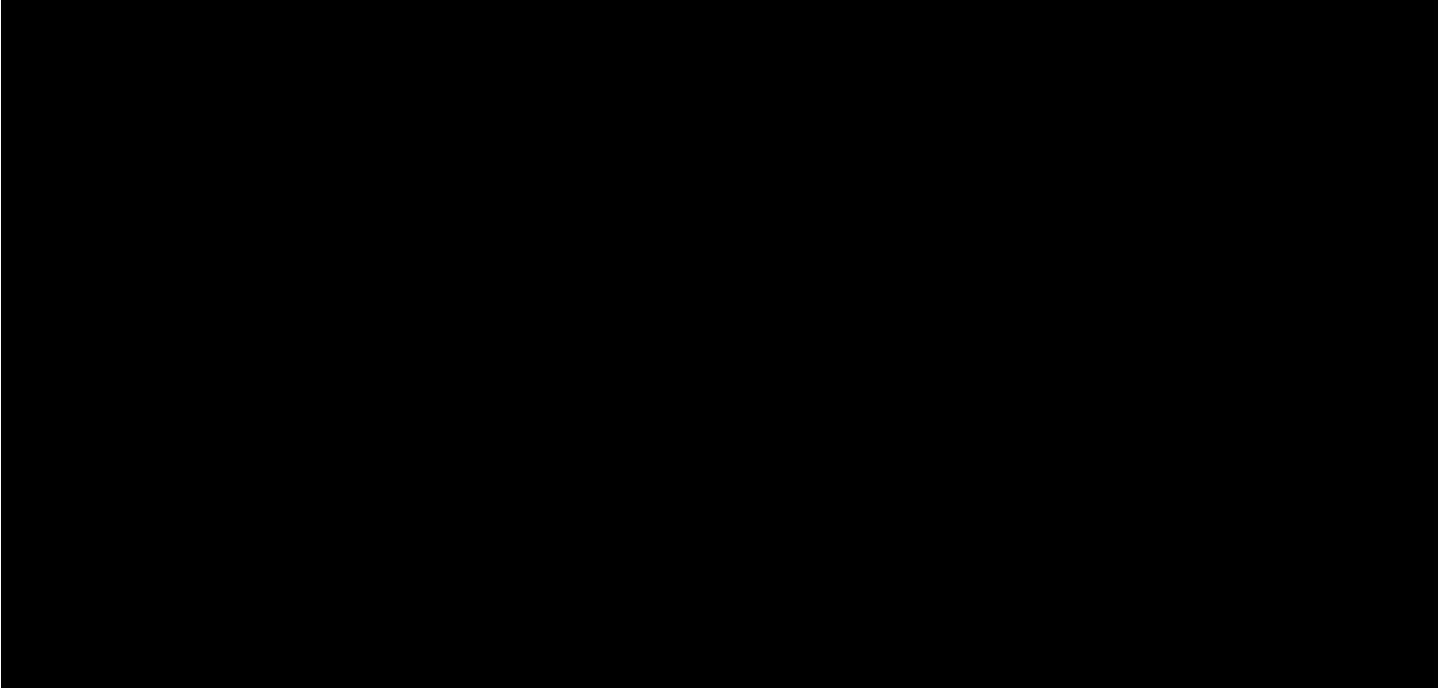
A sound research methodology adds legitimacy to the research and produces scientifically sound results; concurrently, it should justify the design choices by demonstrating that the chosen methods and techniques best fit the research's aims and objectives and will produce valid and reliable results (Rawal et al., 2019). In addition, a researcher's methodology enables the reader to comprehend the strategy and procedures utilised to obtain findings (Keightley, 2016).

The following advantages accrue to the researcher when a solid research methodology is in place: (1) Researchers might point to their methodology and clarify their approach when receiving criticism. (2) It can aid in providing researchers with a detailed strategy to adhere to during their investigation. (3) The methodology design procedure assists researchers in choosing the most appropriate approaches for their aims. (4) It enables researchers to document their intended study outcomes.

There are several structures of research methodology for business research, such as the form of a linear figure, a series of layers or the most famous one, the onion layers (Rautio, 2022). However, these approaches do have numerous different flaws, including needing to be more logical and missing one/many key research method element(s) (Bryman, 2015).

The honeycomb diagram (or mesh) designed by Wilson (2014) solved all those problems, mentioned every main issue and gave a logical research direction. These fundamental elements in the honeycomb are

research philosophy (1), research approach (2), research strategy (3), research design (4), data collection (5), and data analysis and interpretation techniques (6) (Vial, 2015).



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Figure 21: Honeycomb diagram (Wilson, 2014)

Wilson (2014) separated research philosophy, design, and strategy into three steps, which were normally put together. This action made explaining each step in the research process clearer. Moreover, with the honeycomb diagram, each element does not need to be in the linear process but still shows a connection with the others, and all of them combine to make up the centre segment (Li et al., 2016). Therefore, this study chooses the Wilson honeycomb research methodology as the guideline in this chapter (Wilson, 2016).

5.2 Research Philosophy

Certain assumptions about the researcher's worldview form the basis of the core research philosophy used in the study's process (Iribadjakov, 2013). These influence the researcher's methods for doing research in order to generate a quality piece of study (Studer, 2014). The value of having a defined research philosophy cannot be overstated; among other reasons, it helps define the study design, the kinds of data required (secondary/primary), and the collecting approach and interpretation/analysis techniques (Lowry, 2015). Secondly, a solid philosophical framework enables the researcher to comprehend which research designs are most effective and which are ineffective, which implies that the underlying assumptions dictate the study

strategy and methodology (Hindriks, 2005). In addition, the research philosophy's ability to identify and change the study design, taking into account the various knowledge structures and any restricting variables, is an invaluable asset (Konar & Swain, 2017). Thus, it may assist a researcher's innate expertise in creating a design outside of the researcher's own experience, helping to define the study's boundaries (Blume et al., 1980).

To understand the research assumptions, the following questions were asked to relate this work to Figure 21 and justify the chosen paradigm:

- (1) What are the philosophical research assumptions that form the basis of the understanding of reality when analysing the impact of eight variables on customer satisfaction and loyalty in the UK beauty sector's subscription-based services?
- (2) What is the nature of valid knowledge required when examining the empirical relationship between eight variables and customer satisfaction and loyalty in the UK beauty sector's subscription-based services?
- (3) What are the particular approaches, means or methods needed to empirically derive knowledge about customer satisfaction and loyalty in the UK beauty sector's subscription-based services?

In addition to other parts of the research technique (or paradigms), the selected research philosophy will be utilised to genuinely locate the relevant contributions of this study within the area of business and social science (Richter, 2016). In structuring the philosophical assumptions in research, it has been proven that researchers confront the difficulty of linking ideas, their social experience, and the current social reality in a given study (Yu & Cheng, 2017). If these difficulties are not adequately considered or handled, they will impact the outcome and quality of the research (Lanares, 2010). This chapter will study many theories that answer the questions above and demonstrate that this research is part of social science.

5.3 Epistemology

Epistemology studies the nature of knowledge or how we conceptualise our environment (Blaikie, 2000). The fundamental issue of epistemology is: "What constitutes acceptable knowledge?" (Bryman & Bell, 2007, page number). Three critical epistemological opinions are listed below to help you study each concept deeply and find the most suitable one for this research (Grasswick & Webb, 2002).

Due to Epistemology's extensive involvement with costs and benefits, knowledge possesses a considerable economic component. Only from an economic perspective can many elements of how we

acquire, maintain, and apply our knowledge in this study be adequately understood and explained. Furthermore, attention to economic factors about the costs and rewards of collecting and administering information in this study helps us account for how individuals behave in cognitive affairs and gives normative guidelines for better fulfilling the enterprise's goals. Any theory of knowledge that disregards this economic factor risks being inadequate.

Our sceptical challenge to the idea of empirical inquiry based on cognitive rationality principles appears relatively credible in this study. Unquestionably, our methods for acquiring factual information are faulty. So, for instance, are the "scientific truths" of the past, such as the earth-shaking synthesis of Aristotle and Ptolemy, Newton, and Maxwell. Virtually no portion of them has survived intact. However, in this study, the information regarding findings contributing to the research questions was set appropriately to ameliorate these problems. So how can we reasonably justify our current acceptance of factual assertions in light of this pattern of terrible previous experiences if we had not considered all these? This alone demonstrates the necessity to accept radical scepticism, which holds that rational cognition is impossible and that the search for knowledge is futile and meaningless.

A **positivist** approach means that the researcher is independent of his/her research, and it can be objectively conducted (Kammerhofer & d'Aspremont, 2010). The researcher is required to have minimum contact with the research subjects; in other words, their own prejudices have no role in the study process (Lichtblau, 2015). Positivists think that research must be conducted in a scientific manner as there are specific sets of rules for conducting this type of study (Kurbanova, 2020). This study is often conducted using a deductive method, progressing from theory to observation. In general, positivists want their conclusions to apply to an entire community. The analysis of observations is more likely to be quantitative than qualitative. Moreover, positivist research is expected to be reliable due to its highly regimented methodology (Ortiz, 2007).

Researchers critical of the positivist approach are likely to argue that interesting insights are liable to be lost if one adopts positivism (Guba, 1990). For example, postpositivists argue that reality can never be fully apprehended, only approximated. Postpositivism relies on multiple methods to capture as much of reality as possible (Bustamante, 2010).

Interpretivism contends that, unlike natural phenomena, social phenomena are singular as they are formed by individuals in particular settings and are too complicated to be reduced to universal principles and formulas (Crotty, 1998). Interpretivism generally perceives the world as complex and intelligible (Andriychuk, 2009). Interpreting results may contribute to reliability problems. Despite this, the purpose is

generally not to generalise but rather to provide compelling insights into a particular setting.

Contrary to positivism, the phenomenological paradigm examines social phenomena within their context and emphasises an interactive connection between the researcher and research participants (Perry, 2009). Interpretive research focuses on the role of humans as social actors, in which a researcher gains knowledge by entering the social environment of research participants to understand occurrences from their subjective and empathic perspectives (Holden & Lynch, 2004).

Interpretivist researchers must comprehend the social surroundings of the study participants (Alborough & Hansen, 2022). As a result, interpretivists rely heavily on their subjective research. Interdependent refers to the probability of contact between the researcher and study participants. Occasionally, researchers may observe study participants while working beside them (participant observation). This indicates the collaborative and interactive nature of interpretivism research. Interpretive research applies an inductive methodology, proceeding from observation to the hypothesis, and its results provide an understanding of the social phenomenon under scrutiny rather than the ultimate truth (Ardito & Dangelico, 2018).

Pragmatism is a research ideology that prioritises practical outcomes and opposes "forced selection" among research paradigms (Tashakkori et al., 1998). The pragmatic paradigm does not adhere to any one philosophical position and acknowledges the significance of both the physical and social worlds (Hopkins, 2016). This paradigm focuses on "what works" and asserts that it is possible to adopt many philosophies within a single research project to accomplish research objectives. It encourages researchers to adopt any philosophical or methodological approach they deem appropriate if it effectively clarifies their research question (Sauders, et al., 2012).

Pragmatist researchers are concerned with the "what" and "how" of a study problem (Creswell, 2017). Mixed methods may be employed with any paradigm (Hensher & Greene, 2003). However, pragmatism is typically regarded as the most prevalent paradigm for mixed-methods social research (Schoonenboom, 2017). Pragmatists place the research topic and research questions at the centre of their research and apply the techniques they deem most suitable for gaining the most meaningful insights from their research. The emphasis is clearly on the research problem, while the most appropriate procedures for resolving the research question are employed (Ricci & Calabrese, 2022).

In this study, **positivism** is an appropriate epistemological stance because it emphasises the use of scientific methods to collect empirical data, test hypotheses, and produce objective, measurable, and generalised findings (Bryman, 2015). The research is grounded in the belief that reality is objective and can

be externally observed and described. Its primary objective is to empirically assess the influence of eight variables on customer satisfaction and loyalty. The utilisation of established theoretical models like SERVQUAL substantiates the suitability of a positivist approach. Therefore, this objective is consistent with the positivist approach, which relies on quantifiable data and statistical analysis to test hypotheses. The emphasis on testing specific hypotheses regarding the impact of variables on customer satisfaction and loyalty aligns well with the positivist paradigm, which aims to substantiate theoretical propositions through empirical evidence. Additionally, positivism is well-suited for research aimed at identifying causal relationships between variables, as is the objective of this study.

5.4 Ontology

Ontology is a branch of philosophy that studies being, reality, and the essence of existence (Burrell & Morgan, 1979). Ontology, in simple terms, is the study of what makes something what it is. Objectivism and subjectivism are the two fundamental components of the ontological idea (Park, 2022).

Objectivism is an ontological stance that considers reality as a "concrete structure" exterior to the human world and holds that social processes are beyond the researcher's ability to influence or control (Van der Velde, Jansen and Anderson, 2004). Regardless of the acts of individuals, reality will persist as a tangible entity (Holden & Lynch, 2004).

On the other hand, **subjectivism**, which is comparable to interpretivism, is a doctrine that argues that researchers and respondents are interdependent (Matutina, 2010). Individuals "make" reality, and the world is merely "a projection of the human mind" (Morgan & Smircich, 1980). In the subjectivist perspective, it is believed that multiple realities could coexist according to different worldviews, and social phenomena are viewed as the contextual result of the actions and perceptions of social actors, which are in a continual process of revision through their social interaction (Jelinek et al., 1983).

Considering the nature of the dissertation, which involves assessing the impact of various factors on customer satisfaction and loyalty, an objectivist ontology is likely more suitable. The framework suggests a need to quantitatively measure the relationship between variables such as customer value, marketing, and customer loyalty. Objectivism aligns well with the positivist approach, allowing the author to formulate and test hypotheses about the causal effects of different factors on customer loyalty. By using an objectivist ontology, the research can gather data that can be generalised across the population of the UK beauty sector's subscription-based services. This ensures reliable and valid measurement of constructs, providing robust insights into customer satisfaction and loyalty within the UK beauty sector's subscription-based services.

5.5 Research Values (Axiology)

Axiology is a discipline of philosophy concerned with the nature of the research's values and the researcher's perceptions of the research being undertaken (Wilson, 2014). Consequently, axiology is also known as the "Theory of Value" since it is concerned with evaluating the function of the researcher's value at all phases of the research process (Fillmore, 2000). Axiology, in simple terms, focuses on a variety of methods for determining the extent to which humans should value things, how values are experienced, the types of values, and the standards of values; it also encompasses numerous other questions and problems regarding the nature of value and its relationship to other moral categories (Iannone, 2013).

Positivists believe the research process is value-free since they are independent of their study and data while keeping an objective viewpoint (Pino, 2020). In contrast, interpretivism is value-bound, as the researcher is a part of what is being examined and cannot be detached from it; therefore, interpretivism is subjective (Lees et al., 2017). Meanwhile, pragmatists, as values, play a significant role in understanding results, adopting objective and subjective points of view, and avoiding extreme positions (Yamauchi, 2008).

The research will use an objectivist ontology to quantify the relationships between variables such as customer value, marketing, and customer loyalty. This aligns with a positivist approach, allowing the formulation and testing of hypotheses about the causal effects of various factors on customer loyalty. Structured, quantitative methods for data collection and rigorous statistical analysis will be employed to produce objective, generalisable findings. This will ensure reliable and valid measurement of constructs, providing robust insights into customer satisfaction and loyalty within the UK beauty sector's subscription-based services.

Adhering to the principles of value neutrality and objectivity is essential from an axiological perspective. Value neutrality means conducting the research design, data collection, and analysis without personal or subjective bias, focusing only on empirical evidence (Sauders, et al., 2012). This dedication to impartiality is crucial for upholding the integrity of the research process and outcomes. Furthermore, the research will aim for objectivity by maintaining a detached and impartial standpoint throughout the study. This approach ensures that the findings are solely based on observed data and rigorous analysis, thereby improving the credibility and validity of the research outcomes. By upholding these research values, the study aims to contribute objectively to the understanding of customer satisfaction and loyalty in the UK beauty sector's subscription-based services.

5.6 Research approach

The research approach is best understood as a general plan and procedure for conducting the research, which derives from the research philosophy (Nespolo, 2016). Accordingly, when conducting research, the methods used are determined in accordance with two main approaches: deductive and inductive (González-Romá & Hernández, 2022).

The deductive approach begins by selecting a known or current general theory pertinent to the investigation; subsequently, the researcher constructs a research procedure and develops and applies a testable hypothesis (Saunders, et al., 2012); hence, this approach is also known as the "top-down approach" (Trochim & Donnelly, 2001). Deduction adheres to a highly organised process and frequently analyses simple correlations between variables to explain a specific phenomenon and generalize findings (Roberto et al., 2017).

An inductive approach is a theory-building method that utilizes detailed data to identify patterns and links to generalize the researched phenomena (Wilson, 2014). Developing a theory entails using results collected through observation of the study being undertaken, following the data-gathering procedure, and developing a theory from data analysis and interpretation (Oliva, 2013). Induction is less concerned with generalization but rather with acquiring a detailed grasp of the study phenomena within its context; hence, it employs a more flexible investigational framework (Easterby-Smith, Thorpe and Jackson, 2012).

Table A summarizes the significant differences between deductive and inductive research methods and shows how theory fits into each approach. Theory can be applied from the outset (deductive) or be developed as a result (inductive).

Research approach	Deduction	Induction
Approach to investigation	Highly structured	Flexible
Paradigm	Positivist	Interpretivist

Sequence of investigation	Theory Hypothesis Observation Confirmation	Observation Patterns Hypothesis Theory
Purpose	Explanatory; explanation of casual relationships between variables	Exploratory; developing a comprehension of the phenomena
Data collected	Quantitative	Qualitative

Table 2: Research approaches

When conducting research on customer satisfaction and loyalty in the UK beauty sector's subscription-based services, opting for a **deductive approach** offers several academic advantages. This method leverages established theories, such as the SERVQUAL model, to test specific hypotheses. It follows a structured methodology encompassing the definition of variables, the development of measurement instruments, and the application of statistical methods for data analysis, ensuring both consistency and scientific rigor. By focusing on empirical evidence to confirm or refute hypotheses, the deductive approach facilitates objective analysis and produces reliable and unbiased results. Furthermore, it supports the generalizability of findings, as conclusions drawn from a representative sample can be applied to the broader population, enhancing the external validity of the study.

5.7 Research strategy

A research strategy is a methodical research plan to answer a subject under consideration and achieve the research purpose and its ancillary goals (Sergeeva, 2018). The primary research methodologies are, in general, qualitative, and quantitative research procedures (Mangrum, 2016). In addition, methodologies include research methods which may refer to particular procedural techniques used to carry out studies; these techniques tend to be quantitative, qualitative, or a combination of both (mixed approach) (Coviello, 2005).

In this study, the mixed method (both quantitative and qualitative) is used. Since qualitative and quantitative research give essential components of the knowledge we want (the Why and the What), combining them yields substantial benefits, allowing us to compare and contrast data and acquire far more

profound insights.

However, this has yet to be possible in the past due to industry beliefs about the distinct aims of each approach. First, qualitative and quantitative techniques are frequently viewed as presenting conflicting perspectives, with the former being more open and reliant on human contact and the latter being more closed and metrics-driven. As a result, they were perceived as needing separate skill sets and satisfying different requirements, which led to a focus on one or the other. Consequently, attaining a unified and global perspective proved difficult and expensive. However, recent technological advancements in research have made it possible to circumvent these obstacles. Therefore, the explanation for each of the methods and combinations of the two as applied in this study is given below.

5.7.1 Qualitative Method

The term “qualitative” emphasises the attributes of entities and meanings that are not experimentally studied or measured in terms of amount, intensity, or frequency (if assessed at all) (Prencipe et al., 2012). Qualitative research relies on words rather than numbers and can be broadly defined as research in which quantitative methods do not generate the findings (Corbin and Strauss, 2014). It employs a holistic perspective that strives to discover by actively engaging in actual events and aspires to provide an in-depth understanding of social phenomena through the exploration and interpretation of acquired data (Williams et al., 2011). In other words, a qualitative approach is a compilation of (sequential) interpretative procedures designed to describe, decode, translate, and establish a consistent meaning and in-depth knowledge (rather than frequency) of naturally occurring phenomena within the society (Easterby-Smith, Thorpe and Jackson, 2012).

Qualitative data consists primarily of textual narratives or descriptions. Using techniques such as thematic analysis and content analysis, patterns and recurring themes within the data are uncovered (Renner and Taylor-Powell, 2003). Utilizing qualitative approaches, researchers emphasize the socially constructed aspect of reality, the intimate interaction between research and the subject of study, and the situational restrictions that influence inquiry (Shcherbakova, 2020). These researchers highlight the value-laden character of research. This method is frequently used in interpretive and inductive research since it is less regimented and concentrates on generating theoretical frameworks through the provision of insights (Guest et al., 2017).

Qualitative research methods comprise case studies, content analysis, ethnography, grounded theory, and phenomenological research (Plöger and Barakos, 2021). Although generalizations are not targeted in this

type of research, the inability to generalize qualitative research findings is regarded as a hindrance because the findings would only be accessible to a relatively small population that shares the study's setting (Amaratunga et al., 2002).

5.7.2 *Quantitative Method*

Quantitative studies prioritize measuring and analysing causal relations between variables rather than processes (Lin, Fan and Rhee, 2019). This involves collecting quantifiable data in numerical form, analysing applied mathematical models and statistical approaches (Creswell, 2017), and measuring behaviours using the entire population (if small) or selecting samples from the entire population (Langford, the selected samples, with the sole intent of deriving generalizations from the samples to represent the entire population (Wood, 2011).

The quantitative approach originates from the philosophical school of rationalism, which has particular qualities that are unphysiological components (Amaratunga et al., 2002). Nevertheless, experiments, surveys, systematic observations, and structured interviews are all forms of quantitative research techniques utilised to comprehend aspects of social phenomena through viewpoints and experiences and whose techniques place a strong focus on numbers, such as the frequency of occurrences (Jankowicz, 2005). In contrast to qualitative research, quantitative research is frequently associated with a deductive process. In other words, the theory is applied from the early stage.

Following the application of a theoretical framework, data analysis and interpretation are commonly statistical. Instead of developing a conceptual perspective as a potential consequence, researchers would utilize an existing theory to understand their data. The objective nature of the subject will yield numerical or quantitative data.

5.7.3 *Mixed and Multiple Methods*

The following table summarises the primary advantages and disadvantages of qualitative and quantitative techniques.

	Qualitative	Quantitative
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Advantages	<p>The data is based on the meaning classifications of the participants.</p> <p>Useful for examining a small number of cases in detail and articulating complex phenomena.</p> <p>Understanding and description of people's personal experiences with a phenomenon (i.e., an insider's perspective).</p> <p>Can describe phenomena as they are placed and embedded in local contexts in great detail.</p> <p>Identify idiographic causality (i.e. causes of events).</p>	<p>Examining and validating previously developed hypotheses regarding how phenomena occur.</p> <p>Reduce the confounding effects of multiple factors, supporting the evaluation of cause-and-effect correlations.</p> <p>Data gathering and analysis require less time and yield exact numerical data.</p> <p>The outcomes of the research are largely independent of the researcher.</p>
Disadvantages	<p>The findings may not be generalizable to other contexts.</p> <p>It is more challenging to test hypotheses and theories.</p>	<p>The hypotheses established by the researcher based on the facts may not correspond with the perceptions of the local constituency.</p>

	<p>Often, data collection and analysis are time-consuming processes.</p> <p>Results are influenced by the biases and prejudices of the researcher.</p>	<p>Due to the emphasis on theory testing rather than theory generation, it is feasible to miss out on phenomena.</p> <p>It is possible that the knowledge produced is too abstract and universal for direct application to particular settings.</p>
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Table 3: The advantages and disadvantages of qualitative and quantitative methods (Johnson and

Onwuegbuzie, 2004)

Acknowledging the drawbacks of above methods, researchers are using mixed methods that offer the advantage of overcoming single-method studies (Smith, Cano and Browne, 2019). Mixed methods can be viewed as a pragmatic approach because the study does not seek to "fit" into a single paradigm, and quantitative and qualitative methods should not be used exclusively or viewed as opposites but as complementary (MB, 2020). For instance, qualitative data can augment quantitative studies with deeper meaning and insights, whereas quantitative approaches can assist qualitative research in creating statistically presentable results (Ho, et al., 2021).

Creswell (2017) provides a comprehensive explanation of how qualitative and quantitative approaches can be used in a study design to achieve research objectives through the application of mixed methods. Alternative designs differ in the order of qualitative and quantitative phases as well as the data sources for each phase (Avery, Anderson and Henderson, 2019). Explanatory sequential mixed methods pursue a deeper understanding of results; quantitative data is collected and analysed in the first phase, followed by qualitative data collection in the second phase to assist in explaining and interpreting findings from the first phase (Manja et al., 2018).

The dissertation aims to accurately quantify the interrelationships between key factors such as customer value, marketing efforts, and customer loyalty within the UK beauty sector's subscription-based services. For this purpose, using **quantitative methods** is considered appropriate as they enable precise measurement and statistical analysis, leading to clear, objective, and measurable outcomes. The dissertation employs statistical methods, including regression analysis, structural equation modelling, and ANOVA, to thoroughly examine the relationships between variables. These techniques facilitate the identification of significant patterns, testing the strength of associations, and drawing confident inferences. One of the notable advantages of quantitative research is its ability to generalize findings from the sample to the broader population. Through the use of representative sampling techniques, the dissertation seeks to ensure that the results can be extrapolated to the broader population of the UK beauty sector's subscription-based services, thereby enhancing the external validity of the study and ensuring the broad applicability of its conclusions. Furthermore, the structured and systematic nature of quantitative research enhances the study's replicability, allowing other researchers to validate the findings and contribute to the existing body of knowledge by replicating the study using the same methods and instruments.

5.8 Research design

Research design serves as the framework of research methodologies and procedures that a researcher selects to address a research topic using empirical data. A well-structured research design ensures that the procedures align with the study objectives, enables researchers to select the appropriate research methods, and establishes the foundation for successful studies. Multiple study design options are available for both qualitative and quantitative methodologies, each offering guidelines for the primary form of the research.

After considering the three options, the next step involves the crucial research design, which encompasses a detailed framework or a flowchart that outlines the structure of the study. An effective research design lays out the plans required to effectively address the research questions or achieve research objectives in a manner that leads to valid conclusions and strong inferences from the final research output, allowing for generalisation (Saunders, 2009; Wilson, 2014). This is accomplished by systematically specifying the study details, including the study design, proposed logical and logistical arrangements required for the research, as well as the measurement procedures, sampling strategy, data collection and analysis framework, and the timeframe for completion (Bryman & Bell, 2007)

The research design consists of the strategies employed by the researcher throughout the study. It includes a proposed study plan, study design, and data collection procedures (interviews, observations, and other secondary sources). According to Wilson (2014), the research design serves two primary purposes: first, it involves identifying and developing logistical (including logical) arrangements that are adequate for conducting the research, and second, it emphasises the importance of prioritising quality when conducting the research. This is achieved through processes and procedures that are valid, reliable, objective, and accurate. The research design encompasses the methodological paradigm, research method, data collection methods, and analysis (Fisher, 2004).

5.9 Data Collection

Data collection is obtaining information from all relevant sources (observations or measurements) to answer the research question, test the hypothesis (if employing a deductive methodology), and assess the results (Jarovsky, 2022). Before collecting data, a researcher must consider the following issues: (i) the objective of the study, (ii) the type of information needed, and (iii) the procedures and methods he or she will employ to collect, store, and analyse the data. There are two types of data collecting methods: primary data collection methods and secondary data collection methods.

5.9.1 Primary Data

Primary data refers to the first-hand information collected by the researcher himself/herself, which contributes to the research's unique conclusions (Mander, 2015). Therefore, collecting and analysing primary data often requires more time and effort than secondary data research (Tian et al., 2012). Mathematical calculations in various formats constitute the foundation of quantitative data collection techniques (Aßfalg, 2018). Quantitative data collecting and analysis techniques include questionnaires with closed-ended questions, correlation and regression approaches, and mean, mode, and median, among others (Dorneles & Mathias, 2022). As a result, they are less expensive to implement and can be executed in less time than qualitative methods.

In contrast, qualitative research approaches do not include numbers or mathematical computations (Saha, 2022). Instead, qualitative research relates to non-quantifiable factors such as words, sounds, feelings, thoughts, and visuals. Qualitative data-gathering methods include personal narratives or memoirs, observation, interviews, questionnaires with open-ended questions, focus groups, surveys, case studies, etc (Harris, 2002).

5.9.2 Secondary Data

Secondary data implies second-hand information that has already been acquired for a different purpose but is still relevant to your research (Harris, 2002). This content is frequently published in books, newspapers, dissertations, journals, and websites (Hangartner, 2014). These sources provide a significant amount of data on business studies research areas, regardless of the nature of the research area (Boritz & No, 2019). In order to increase the levels of research validity and reliability, an acceptable set of criteria for selecting secondary data to be used in the study is crucial. The considerations encompass a range of factors, including but not limited to the publication date, author credentials, source credibility, quality of discussions, depth of analyses, and the extent to which the book contributes to the advancement of the study field (Novikov & Novikov, 2013).

Based on primary components, secondary data sources provide valuable insights and analyses (Alsayed et al., 2016). They may elaborate on original materials and frequently use them to promote a thesis or a perspective (Zhang et al., 2010). Furthermore, these solutions offer numerous benefits, including time, effort, and cost savings. However, they have a significant disadvantage. In particular, secondary research does not contribute to expanding the knowledge base by generating new data (Tantau et al., 2020).

When questionnaires are used as the data collection method, this study is classified as **quantitative research**. This is because the data collected through questionnaires primarily consists of numerical values, which are then utilised to measure and analyse relationships between different variables. Collecting primary data through questionnaires provides the researcher with a unique opportunity to gather highly specific information about subscription-based services in the UK beauty sector. By directly engaging with customers of these services, the collected data accurately represents their individual experiences, preferences, and satisfaction levels, which secondary data sources may not fully capture. Using questionnaires for primary data collection gives the researcher complete control over the quality and dependability of the data. This involves formulating clear, impartial questions, testing the questionnaire to refine the questions, and ensuring that the respondents comprehend each question accurately (Zhang et al., 2010). The questionnaires are carefully structured to gather information on the main variables outlined in the research framework, such as customer value, marketing efforts, customer experience, and loyalty. For example, questions can be tailored to evaluate how marketing initiatives impact customer perceptions of value and their subsequent loyalty to the subscription service. This personalised approach guarantees that all relevant aspects of customer satisfaction and loyalty are comprehensively addressed. This level of control helps minimise errors and biases, resulting in more precise and dependable data (Sauders, et al., 2012).

It is widely acknowledged that questionnaires are essential for selecting a representative sample of the customer population. Using stratified random sampling techniques, researchers can effectively ensure that various demographic segments (e.g., age, gender, income levels) of the customer base are proportionately represented. The collection of primary data provides real-time insights into customer satisfaction and loyalty. Given the dynamic nature of consumer preferences and market conditions in the beauty sector, the collection of current data is essential to ensure that the findings are pertinent and reflective of the present environment (Zikmund, et al., 2012). This is particularly significant for subscription-based services, where customer engagement and satisfaction can fluctuate over short periods of time. Consequently, this approach enhances the generalizability of the research findings to the broader population of subscription-based services within the UK beauty sector.

5.10 Data Analysis Techniques

Data analysis is a procedure that typically entails multiple tasks, including data collection, cleaning, organisation, modelling, and interpretation (Busse, 2010). These processes, which usually involve data analysis tools, are required to prepare the data for extracting insights that support business decision-making. Data analysis and the reporting of its conclusions are critical parts of conducting research (Koo, 2016).

Therefore, all research reports must include an accurate, impartial, comprehensive, and insightful assessment of the analytic treatment of data (whether quantitative or qualitative). Depending on the industry and purpose of the research, various methodologies and procedures exist for performing analysis. Quantitative and qualitative research forms the basis for most of these diverse methodologies (Wilson, 2014).

Qualitative Data Analysis: The qualitative data analysis approach, which does not employ statistics, extracts information from words, symbols, images, and observations. Among the most prevalent qualitative methods are: (1) Content Analysis to assess verbal and behavioural data. (2) Narrative Analysis: to analyse extracted interview, diary, and survey data. (3) Grounded Theory: constructing causal explanations for a specific event by examining and extrapolating from previous cases.

Quantitative Data Analysis: Statistical data analysis methods collect unprocessed data and transform it into numerical data. This analysis is divided into two subsets: (1) Descriptive Analysis: Descriptive analysis can be performed on whole or selected summaries of numerical data. The process entails systematically presenting statistical features or characteristics of the data utilised in a study. This includes describing features such as the mean, median, mode, minimum, maximum, kurtosis, skewness, etc., intending to provide additional insights into a specific set of data. This information can be valuable in enhancing our understanding of a particular phenomenon (Hair et al., 2007; Kumar, 2014). (2) Inferential Analysis: Inferential analysis employs samples drawn from comprehensive data. An analyst can generate distinct conclusions by selecting alternative samples from the same extensive data set.

As a result of the selected research methodology discussed above, **quantitative data** were collected, analysed and interpreted with regression analysis, which will be shown in the appendix. The results obtained from these analyses supported achieving the research aim and answering the research questions.

5.11 Ethical Considerations

Ethical considerations are a set of norms and standards that should be followed when conducting human affairs (Hammer, 2017). Ethical concerns ensure that no one acts in a manner that is detrimental to society or an individual (Ethical concerns in research, 2012). Furthermore, it prevents individuals and organisations from engaging in vicious behaviour. Various stages of business research involve ethical considerations (Ethical Considerations of Japanese Business Culture, 2019). They cannot be overlooked, given that they are directly related to the integrity of the research and the disciplines involved. In business research, ethical principles focus on a handful of recurring concerns (Markesova et al., 2011).

According to Diener and Crandall (1978), they have been separated into four basic categories: whether

participants are harmed, whether there is a lack of informed permission, whether there is an invasion of privacy, and whether there is deception. These ethical principles emphasise, at their essence, the obligation to (a) do good (beneficence) and (b) cause no harm (non-maleficence). In practice, these ethical standards demand that the researcher acquire informed consent from potential study participants to reduce the risk of damage to participants, respect their anonymity and confidentiality, avoid employing deceptive tactics, and offer participants the right to withdraw from research (Bertone, 2013).

The research has consistently addressed ethical considerations. It adheres to the ethical guidelines outlined by UWS (2009), stressing the importance of ethically assessing any research involving human participants and being guided by the four ethical principles: non-maleficence (not harm), beneficence (do good), autonomy (respect for self-determination rights), and justice (fair treatment). Prior to distributing questionnaires to the research participants, their written and verbal consent, including that of their company or organisation, if necessary, was obtained. For a comprehensive review process at the University of the West of Scotland, please refer to the Ethics Committee Guidelines for Ethical Practice in Research and Scholarship.

5.12 Research questionnaire data collection (primary data)

This section provides information regarding the data-collecting process by questionnaire method (F. et al., 2022).

5.12.1 Justification for the Use of Questionnaire

A questionnaire is a frequent method of data collecting as it provides the systematic, written collection of information from the respondent (Polit & Beck, 2004). A questionnaire may be valuable for research, but only if it has been well planned since obtaining appropriate replies and valuable data from them is more challenging than it may seem (Petra et al., 2004). This requires careful design and planning, as well as an effective distribution system. It helps the researcher collect the very first information from respondents who truly take part in the research areas (Brikci & Green, 2007).

With appropriate organisation, surveys may provide high-quality, useable data, achieve high response rates, and enable anonymity. This encourages more candid responses than, say, interviews, which may assist in reducing prejudice.

When the following requirements are satisfied, a questionnaire is a valuable instrument for data collection (Hassine & Amyot, 2015): even if geographically dispersed, the target audience may be precisely defined and recognised; the majority of responders understand the question; the emphasis of the analysis is on

numbers, i.e., the questionnaire produces quantitative data (Jack & Clarke, 1998). The questionnaire used in this research aimed to critically evaluate the effects of customer satisfaction and customer loyalty on the business growth of SBS beauty business in the UK and critically assess the key features and understand the roots that impact customer satisfaction and customer loyalty in the subscription-based services in the UK (beauty sector).

The decision to utilise questionnaires for primary data collection in this research is thoughtfully justified by their alignment with the conceptual framework, which elucidates the complex relationships between customer value, customer experience, marketing efforts, company ability, goodwill belief, good purchase stimulation, customer acquisition, and customer loyalty programs, all impacting customer satisfaction and loyalty within the UK beauty sector's subscription-based services. The use of questionnaires allows for precise and targeted measurement of these variables, tailored to capture specific data pertinent to the research objectives and hypotheses.

Questionnaires facilitate detailed data collection on customer perceptions and experiences, such as perceived value for money, satisfaction with service interactions, and the impact of marketing efforts. This level of customisation ensures that the data is directly relevant and specific to the constructs defined in the framework, providing robust empirical evidence necessary for hypothesis testing. Additionally, the control over data quality and consistency inherent in the questionnaire design process, through careful crafting and pilot testing of questions, ensures the reliability and validity of the data collected, thereby maintaining the integrity of the research (Kolthari, 2004).

Furthermore, the dynamic nature of the beauty sector necessitates the collection of real-time data to capture current consumer behaviors and preferences accurately. Questionnaires enable this by allowing the researcher to gather up-to-date information, ensuring that the findings are reflective of contemporary market conditions. This is crucial for the relevance and applicability of the research outcomes.

Moreover, questionnaires support comprehensive data collection by incorporating quantitative and qualitative elements. Structured questions, such as Likert scales, provide quantifiable data for statistical analysis, while open-ended questions offer deeper insights into customer experiences, facilitating a holistic understanding of satisfaction and loyalty determinants. The empirical testing of hypotheses, such as the positive impact of customer value on satisfaction, is thus grounded in robust, context-specific data, analysed using rigorous statistical techniques like regression analysis and structural equation modelling.

Strategic sampling methods, such as stratified random sampling, ensure the representativeness of the

sample and enhance the generalizability of the findings to the broader population of the UK beauty sector's subscription-based services. High response rates, achievable through well-designed and accessible questionnaires, further ensure the adequacy of the sample size, thus bolstering the reliability and robustness of the statistical analyses conducted (Novikov & Novikov, 2013).

In summary, questionnaires in this research are thoughtfully justified by their ability to provide precise, relevant, and real-time data tailored to the specific variables outlined in the conceptual framework. The questionnaire suitable for this type of research is structured (closed) questions covering subscribers from beauty subscription boxes in the UK. Therefore, the responses from applicants are coded using numbers 1-5, resulting in the data analysis collected and used being statistical, making the research quantitative. This methodological choice ensures high data quality, supports comprehensive and empirical hypothesis testing, and facilitates rigorous statistical analysis, thereby yielding robust, reliable, and generalisable insights into the factors influencing customer satisfaction and loyalty in the UK beauty sector's subscription-based services.

5.12.2 Questionnaire design

The questionnaire design must be exact, logical, and consistent with the purpose and goals of the study and the research questions. There are five steps to creating a reasonable questionnaire for different conditions (Oppenheim, 1992).

- (1) Data collection techniques can be chosen (such as a portal or online questionnaire).
- (2) Ways to contact and communicate with responders. This phase also includes mailing informed consent forms and receiving participants' stated willingness after notifying them of their rights, confidentiality, anonymity, and estimated completion time for the questionnaire.
- (3) Logical design and layout of questionnaire questions or modules (including subsections).
- (4) Question order, specifically inside modules (including subsections). The most effective method for resolving these issues is to use funnel tactics to whittle down the list from broad to specific (addressing a single problem) and, last, to the most specific elements.
- (5) Determination of question strategies, including closed questions with predetermined replies and open questions (respondents' choice).

The selection of this research is contingent upon its appropriateness in fulfilling the research objectives and the available resources encompassing time, finances, and geographical constraints. Employing an online

questionnaire entails distinct advantages and limitations.

5.12.3 Design and Contents of this Study's Questionnaire

The design and contents of the questionnaire are crucial since they will facilitate the asking of pertinent questions (Taherdoost, 2022). For a researcher to receive excellent replies from participants, the questionnaires' delivery, design, and language must be carefully considered (Awodele, 2012). Bryman and Bell (2007) concur and add that the researcher must also consider the respondents' time, their understanding of the issue, the anticipated value of the survey to the respondents, and the presentation of the questionnaires (concise and precise). These factors are required so as not to discourage respondents from replying or finishing questions. In this research, there are two types of questionnaires which were used to help answer the research questions.

The first one is screening questions, often known as screeners, which are used to identify whether respondents are eligible to continue (Allsop, 2014). Screening questions are inserted at the beginning of surveys and, depending on the responses, qualify or exclude respondents for participation (Blaikie, 2000). They aid researchers in identifying their target audience within the response pool (Allsop, 2014). These questions help the researcher to classify types of subscribers, including whether they have ever purchased a subscription box, the number of brands they subscribed to, and the amount of time they have subscribed.

The second type of questionnaire is a ranking/scale questionnaire, a common sort of closed-ended inquiry in which various weights may be assigned to each response choice (Drobysheva & Sadov, 2021). Rating scales enable researcher to quantify abstract notions and give a rating to each answer choice, such as trying to determine the level of consumer satisfaction with goods or services (Keisuke Kubota, 2018). Each answer choice (Extremely pleased, dissatisfied, etc.) is assigned a value in this instance. Unlike other question types, rating scales may help the researcher assess the level of satisfaction, agreement, frequency, significance, etc., of the target survey population. Moreover, it makes the study more intuitive, versatile, and interactive (Keisuke Kubota, 2018).

To be more specific, this research uses the Likert scale of 5 to be the rating scale. It gives five alternative responses to a statement or question, allowing respondents to express the degree to which they agree or feel strongly about the statement or subject, namely Strongly Disagree, Disagree, Neutral, Agree, Strongly Agree.

5.12.4 Development of Questionnaire Guide

A procedure for questionnaires that specifies the primary topics and questions to be answered by respondents was set up (Psych et al., 2019). This protocol takes the form of a guide for the questions to be

posed to subscription-based online service companies. The guide was based on the concerns found throughout the narrative and systematic literature studies and the study goals. This study's driving idea was adaptability. Thus, the questionnaire guide offers a framework that is adaptable in nature in order to capture the respondents' viewpoints and understandings of subjects that were not originally considered but might be beneficial to the research (James et al., 2017). This organised guidance was used to concentrate the study in order to answer the research question and accomplish the research goals. With the use of a questionnaire, this study's acceptance, validity, reliability, and integrity were improved (Bell & Waters, 2014).

5.12.5 Reliability and Validity of Questionnaire

A questionnaire's reliability and validity are strongly maintained as two of the most important parts of the questionnaire method in conducting research (Ekinici, 2015). Reliability refers to the consistent or dependable level with which an instrument evaluates the trait it is intended to test, such that discrepancies in findings stem from differences in respondents rather than changes in how the questionnaire was interpreted (Petra M Boynton and Greenhalgh, 2004). If there are two different questions with the same meaning in one questionnaire, and the responses are not the same, the reliability of that questionnaire will be clearly doubted. Validity is the extent to which a scale-response question measure is meant to measure (Giuffre, 1995). The validity of the questionnaire is confirmed through concurrent validity, predictive validity, construct validity and convergent validity (Tuluca, 2017).

5.12.6 Sampling Techniques

Sampling Techniques should be undertaken on individuals who are neither sample study subjects nor attendees. Sampling is the study of a limited number of "cases" that are representative of the whole population (Henry, 2022). Because of resource limits, it is generally impractical for researchers to gather data from the whole population, i.e., to perform a census (Saunders et al., 2012). Sampling is a practical and efficient solution that enables the realisation of research initiatives within budgetary and schedule constraints. The restricted number of cases within the sample allows more time to be devoted to activities such as the design and testing of the data-collecting instrument, the gathering of rich data, and the in-depth analysis of the gathered data (Henry, 2022).

Typically, the sample design process consists of the five processes listed below. (1) Define the population, (2) Determine the sampling frame, (3) Choose the sampling method, (4) Determine the sample size, and (5) Carry out the sampling procedure (Malhotra et al., 2004). A population is the universe of units with similar characteristics from which a sample is drawn (Bryman & Bell, 2007). In the context of data collecting, the population consists of people who possess the information the researcher needs to answer the study question.

A sampling frame is a list of all persons within the population from whom the sample might be drawn (Greener, 2008).

There are two primary kinds of sampling techniques: probability sampling and nonprobability sampling. Each person in the population has an equal chance (or probability) of being randomly picked to form a sample that is statistically representative of the whole population. In contrast, in non-probability sampling procedures, the selection of population members is not random and is instead decided by the researcher (Greener, 2008). While probability sampling is often used in quantitative research, qualitative studies typically employ non-probability sampling approaches (Anderson, 2004). After determining the limits of the sample, a data-gathering device is used inside the sampling frame. **Non-probability sampling was applied in this dissertation.** The author made use of the purposive/ judgement sampling tools.

5.12.7 Questionnaire Pilot Study

The piloting phase is vital for determining the questionnaire's reliability and validity, removing any defects, such as confusing phrasing or instructions, ensuring that the data can be utilised for analysis and allowing to rewrite the questionnaire (Kumar, 2014). Model tests of the questionnaire should be undertaken on individuals who are neither sample study subjects nor attendees in the research project (Saunders et al., 2012). Before the final version of the questionnaire was created, the researcher and his/her supervisor engaged in several iterative processes, including developing the questionnaire from the literature, which means all survey questions were supported by the relevant body of research to justify their inclusion. For this reason, this questionnaire took more than four months (April to August 2022) to be designed and exported as the final copy to send to the respondents.

5.13 Data Analysis and Interpretation (Primary Data)

5.13.1 Validity and Reliability Tests

Validity: An essential component of a research project since it is not only used to validate the suitability or effectiveness of the research processes' different components, but it also works with the testing of the research instruments, such that validity is used to ensure that the instrument accurately measures what it was designed to measure in a research study (Hair et al., 2007).

Reliability: The primary goal of doing reliability tests is to ensure that the data-collecting portion of a study can be duplicated and provide the same results; thus, piloting a questionnaire is one of the essential techniques to assess the dependability of a research instrument (Awodele, 2012). It is believed that if everything is equal, an anonymous person will get the exact score every time he/she answers the

questionnaire. In addition, according to Awodele (Awodele, 2012), one of the best reliability coefficients is Cronbach's Alpha (α), which was named after Cronbach, who devised a measure in 1951 that is roughly equivalent to splitting data in half in every possible way and calculating the correlation coefficient for each split. Cronbach's (α) was determined using SPSS to determine the questionnaire's reliability. In addition, it is stated that dependability reflects the precision, stability, and predictability of a research instrument: the more reliability, the greater the precision. Using the Alpha-Cronbach test to evaluate the reliability of the five-point Likert scale questionnaire was validated in this study (Kennedy, 2022). The established norm for dependability is more than .70. However, in this investigation, the Alpha-Cronbach test yielded a much higher value of .89. Therefore, it can be concluded unequivocally that the instrument used in the research is very dependable.

Kumar (Kumar, 2014) also identified key factors that influence the reliability of research instruments, such as poor question wording, the well-being of participants, the physical environment, instrument types, whether the questionnaire has closed or open questions, and the data collection platform (telephone or Internet)

Kumar (2014) argues that to conduct proper quantitative analysis (questionnaire) research, it is necessary to have a solid framework that outlines the research instrument (Kumar, 2014). This is because the research outcomes will be based on the collected and interpreted data derived from the questions asked of the participants. There are four actions that must be taken while preparing a research instrument. These four stages were followed during the study.

Step 1: The research questions were clearly articulated, along with the study purpose, objectives, and the nine hypotheses to be investigated (1 hypothesis based on secondary data and eight hypotheses based on primary data), which were all obtained from the literature (see Chapter 2).

Step 2: The research issue was categorised into eight themes, with eight hypotheses (hypotheses 2– 9) corresponding to each theme. The questions that this study intends to address about each theme were expressed.

Step 3: The questions under each theme were structured to elicit the necessary information to provide answers that could aid in financing decision-making.

Step 4: The questions under each theme were derived from the literature and formulated clearly and concisely to facilitate respondents' responses.

5.13.2 Limitation of Using Questionnaires (Likert scale) to Collect Primary Data

Issues of privacy/confidentiality, the safety of acquired data (hacking and data corruption) (Benfield & Szlemko, 2006), the mode of data collection (in this instance, electronic), and the lack of a guarantee of a response from respondents are limited when collecting primary data (Liaw, 2002).

In addition, the respondents' use of electronic data-collecting methods is limited by what Liaw (2002) refers to as computer fear or unfamiliarity with computers. This computer fear significantly impacts the completion and response rate of respondents since respondents with little computer knowledge and use already face a barrier that prevents them from completing the survey and providing impartial comments. The literacy levels of respondents may also have an influence (Benfield & Szlemko, 2006). The non-representativeness of samples from electronic sources is a significant problem (Luo, 2009), as is the theft of critical data (Methmali, 2016).

To ensure that these constraints do not significantly impact this research, they were taken into account while designing the Likert scale questionnaire (Xiao et al., 2017). The questionnaire was designed to protect the respondent (Muhardis et al., 2019). Therefore, this study adhered to security breach prevention guidelines, as advocated by Liaw (2002), concerning respondents' anonymity and privacy/confidentiality through the use of an access key created in the software used; letters of introduction/consent were sent to the respondents, and an informal approach was also used by contacting them personally and by telephone to discuss the survey with them (although not all the respondents could be contacted through these media)(Muhardis et al., 2019).

5.13.3 Sampling Technique used in this Study

Purposive sampling, also known as personal sampling, is used in this study, along with voluntary sampling. Purposive sampling is a non-probability sampling technique in which the researcher uses their judgment to select people for the sample population (Naseri & Rahmiati, 2022). Here, the researcher's judgment and understanding of the context determine every step of the sampling procedure. Purposive sampling, when used properly, aids the researcher in removing replies that are not pertinent to the study's objectives (Sibona et al., 2020). After defining the requirements for systematic research based on clear goals and objectives, we then select units or variables that can yield insightful results (Olsson et al., 2022).

According to definitions, a sample with self-selected individuals includes voluntary responses. These individuals voluntarily agree to participate in various research projects to express their views on subjects they are interested in. People who participate in research surveys make up a sample of voluntary responses

(Tiit, 2021). These people decide to participate in surveys for various reasons, including convenience in participating in the research study, strong opinions about the subject, and moral considerations. Individuals choose to assemble a voluntary response sample.

As members are self-selected, voluntary sampling produces a response bias strikingly contrasting to a random sample (Tiit, 2021). This kind of sampling frequently yields skewed replies in favour of a specific subject. This sort of sampling is not based on probability.

5.13.4 Data Collection

The researcher adopted a non-probability sampling technique in this section due to the nature of the scope of this study. Even though this sampling technique is prone to sampling bias, a professional input was employed by inviting an expert (Dr Achilleas Boukis) to reduce the error in sampling to the bare minimum. The process of sampling starts by identifying various customers in the subscription-based beauty product service provider in the United Kingdom (Dam et al., 2016). After the identification, the questionnaire was designed to have three major sections. The first section is a consent letter introducing the researchers and the purpose of the research for the respondent. The second section is the direct questions that test the study's hypothesis, while the last section is the demographic variable assessment.

The screening process involves evaluating pieces gathered from a sampling frame to see if they qualify for a survey. Every person in the sample frame would be qualified in an ideal world. However, eligibility details are frequently unavailable before the frame is built. This means that the sampling frame must be subdivided, compared to an external administrative data source, or directly solicited from a sampled respondent or a representative of that respondent to obtain eligibility information. The screening techniques used in this study are passive screening methods, and the criteria for selection are customers of subscription-based beauty businesses in the UK (Abbas, 2019).

The questions were organised so the respondent did not get bored, but they flowed with the rhythm, which we will test the hypothesis. The first three questions are items that tend to ask about the subscription purchase box. The following construct is the perceived value of the customers. The perceived value of the customer's construct was measured using five questions. The other construct is customer experience (measured using five questions), Company marketing (measured using nine questions), Company ability (measured using seven questions), Goodwill belief (measured using seven questions), Good purchase simulation (measured using six questions), Customer engagement (measured using five questions), and lastly Customer satisfaction and loyalty (measured using ten questions. 5 of the questions is for customer satisfaction while the last five

questions are measured customer loyalty). We examined three sociodemographic variables: age, gender, and occupation. The list of variables and the definition of the variables are presented below.

Table 5: Description of Variables Used in the Analysis

Variable	Definition
Age	Age of customers of the subscription-based beauty business in the UK
Sex	Sex of customers of the subscription-based beauty business in the UK
Occupation	Occupation of customers of the subscription-based beauty business in the UK
CP	Customer Purchase Score
PV	Perceived Value score
CEX	Customers Experience score
CA	Company's Ability score
GWB	Goodwill belief score
GPS	Good purchase score
CE	Customer Engagement Score
CSL	Customer satisfaction and Loyalty score.

5.13.5 Data Description

After identifying the group of respondents that is applicable to this study, the research instrument was distributed among the subscription-based beauty service provider customers (Characteristic Analysis of Data Description in Highly Cited Research Data, 2022). A total of 202 observations were gathered throughout the

survey. There are nine constructs in the research instrument with demographic variables (Imelwaty, 2014). The demographic variables used are age, gender and occupation, while the constructs measured are customer purchase, perceived value, company's marketing, company's ability, goodwill belief, good purchase simulations, customer engagement, customer satisfaction and loyalty (h, 2012).

A 5-point Likert scale was applied in this research for the questionnaire in order to examine the relationships between eight variables and customer satisfaction and loyalty in UK beauty subscription-based service. The use of a 5-point Likert scale was introduced to measure all the constructs (Sang et al., 2016). Typically, a Likert scale provides five possible responses to a statement or question, allowing respondents to indicate the degree to which they agree or feel strongly about the information or question (Sang et al., 2016). Not until the 1930s did researchers begin employing surveys that were based on Likert's summated scale. Participants in the survey were provided with a series of statements about the topic and asked to indicate the extent to which they agreed or disagreed with each statement (Vaske et al., 2017).

5.13.6 Sample Size

Statistical sample size calculation primarily aids in determining how much sample/data is required to make an accurate research choice (Muralidharan, 2014). Calculating sample size can help you understand how large a sample must be to obtain relevant statistical results (Adhikari, 2021). The purpose of power analysis and sample size calculation is to determine whether sufficient power will be available and to determine the appropriate sample size, thereby preventing the use of samples that are too large (which may waste money, resources, and time) or too small (which may produce inaccurate results) (Kilic, 2012). Without sample calculations, it is impossible to determine if the planned sample size is too large or too small (Gupta et al., 2014).

For instance, the T-test is utilised when comparing two target populations with a sample size of fewer than 30 (Salari & Seadatee Shamir, 2021). Similarly, if the sample size is more than 30, the z-test is utilised (Muralidharan, 2014). We generally utilise a larger sample size when the desired population size is less and a smaller sample size when the targeted population size is more significant (Arnab, 2001). In addition, the sample size computation would vary based on the error margins (Ye et al., 2015).

The sample size for this study is calculated using the formula below:

Sample size =

$$\frac{Z^2 \times p(1-p)}{e^2} \qquad \frac{1 + \frac{Z^2 \times p(1-p)}{e^2 N}}{e^2 N}$$

Where N = population size • e = Margin of error (percentage in decimal form) • z = z-score.

Since the exact number of people that patronise beauty stores in the UK is not known exactly, we use the subjective method to choose the people in the sampling frame to be 10,000 and the marginal error to be plus or minus 5 (± 5) (Ye et al., 2015). Slotting the values in the equation, we will get an approximate value of about 250. A total of 350 people were sent for respondents to fill out, while about 200 plus were able to complete the survey. Therefore, a total of 200 responses were used in the data analysis section (Estimation of Population Size Using Sample Maximum, 2016).

5.13.7 Missing Values

The missing values in this study are categorised into two categories: nonresponse and refusal. Nonresponse refers to individuals or households sampled but for whom no data are collected, as well as other components that are sampled but for which no data are collected (Gupta et al., 2014). Individual nonrespondents to a survey contribute to the nonresponse rate, which is the ratio of those who did not submit data to those who "should have." Of course, the overall response rate is one minus the nonresponse rate (Arcagök & Aricigil Çılan, 2021). The refusal is due to respondents refusing to participate in the study (Cordeiro, 2007). The refusal rate in the study is less than 30%, which is okay for quantitative research (Kaiser, 2014).

5.13.8 Preliminary Data Analysis

This section summarises the results of the statistical method before the main analysis chapter. The section comprises six subsections, including this introduction, and continues (Lee & Ahn, 2018). The results of the pilot study are presented first. Then, the subsequent stages of data analysis are depicted graphically (He and Zhou, 2020). Following is a discussion of the pre-analysis results, which include data screening and cleaning, normality testing, and reliability analysis (Sun et al., 2013). We also evaluate the fundamental company data of the sampled firms, which are presented and described to provide context for the subsequent analysis chapters. This chapter's conclusion is shown in the final section.

5.13.9 Pilot study

The survey measurement was pilot-tested on a single beauty industry participant as the primary study's respondents to ensure the clarity of instructions, questions, and scale items (Al Shakarchi, 2022). Although

we adopted the measurement instrument from Terziovski and Samson's 2007 study, it was necessary to ensure that respondents could understand the questionnaire items and respond appropriately (Feng et al., 2007). Therefore, we did a pilot test to identify questions or items that might offend potential respondents and anything that might go wrong during data collection (Graves & Mahboub, 2006). Thus, 20 respondents (with time intervals) were given the questionnaire to ensure their opinion about the complete research instrument (Huijg et al., 2014). We uncovered the following results through a pilot study: There were no clarification requests from respondents. Therefore, the writer determined that the respondents comprehended each question on the questionnaire. 20 to 30 minutes was the average time it took each respondent to complete the questionnaire. However, the respondents complained about the instrument's length and stated, "Customers do not have thirty minutes to devote to this matter!" Therefore, we had to reduce the respondent's demographic information (Odenchantz et al., 2008).

Statistical testing was conducted to ensure the instrument's validity (Huei et al., 2019). The reliability analysis discovered acceptable Cronbach's alpha coefficients of 0.70 or higher for all measured items (Construct Validity Screening Biometrics. Construct validity of the BARABAZ-scan to screen biometrics in employees, 2018).

5.13.10 Stages of Data Analysis

The stages and steps in the pre-analysis and main analysis are described in the figure below.

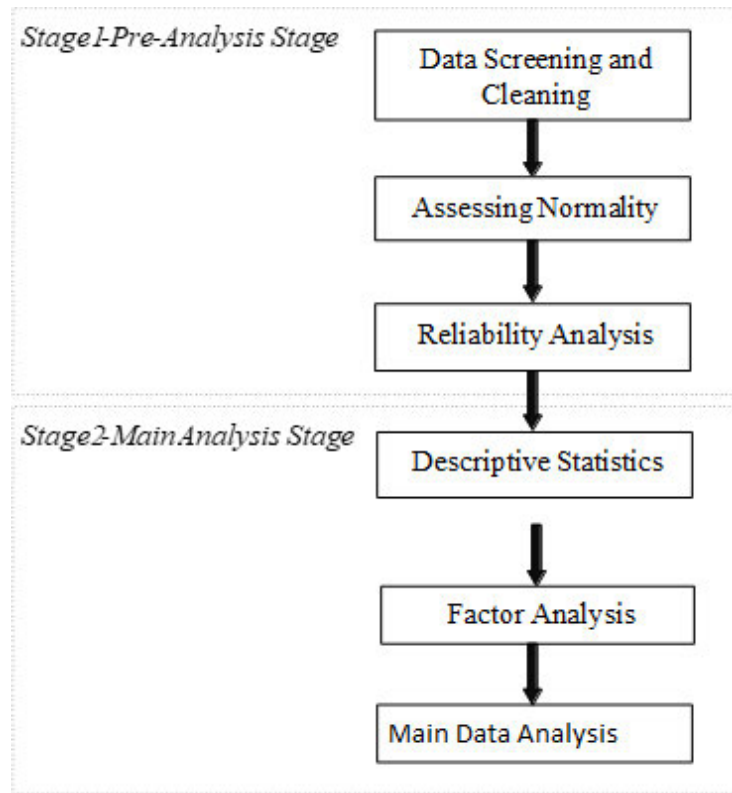


Figure 22: Data analysis stages

The data screening was done to ensure no error was made due to mission, imputation, or any other human error while collating the data. Next, the data was assessed by checking the normality, skewness and kurtosis. The reliability of the general survey was done, and a Cronbach-alpha of over 0.7 was achieved. Also, the Cronbach-Alpha of each of the constructs is done. Then, the descriptive statistics of all the constructs and the demographic variable help to overview how respondents answered all the items in the survey before grouping the items for each construct (Ghadai et al., 2019). Along with the preliminary analysis section, factor analysis helps add the correct variable for each construct. The last stage is the data analysis of the primary data (Dellnitz, 2022).

5.13.11 Statistical Method

In this work, multiple regression analysis is one type of statistical analysis used as part of the research technique. Multiple variables can be modelled and analysed using this method. In order to describe the connection between a dependent variable and numerous independent variables, multiple regression analysis builds on the work of Titan et al. 2006, and Constantin. It investigates how multiple independent variables might affect the same dependent variable simultaneously (Lefter, 2004); it can be utilised for forecasting and predicting. Goschin and Vatui (2002) argue that the multiple regression model is often more realistic than the uni-factorial regression model. Our research shows that factors such as self-financing ability, return on

equity, degree of technical endowment, personnel cost per employee, and investment per person employed significantly affect profit size. The ten-year study followed each of these factors closely. We presented all the data in the analysis and then got the regression equation. First, we calculated the coefficient of determination R^2 to show what fraction of the overall variance can be attributed to each independent variable. Then, we looked at the F and student-t tests, both having $n-(k+1)$ degrees of freedom, to determine which of the two hypotheses may be accepted.

5.13.12 Multiple Regression Analysis

We use multiple regression analysis when we have two or more independent variables (X) necessary for a prediction. To allow several dependent variables, the simple linear regression equation can be modified as follows.

$$Y = \beta_0 + \beta_1 X_1 + \cdots + \beta_n X_n$$

Multiple regression is a technique used in statistical analysis to represent the relationship between multiple predictor variables and a single response or criterion variable. This type of study is known as "multiple correlations." In order to model the dependent variable, the coefficients of the independent variables, as well as the constant term, are utilised. The method is known as "multiple regression" because it requires a set of predictors that contains two or more variables. This is the root of the word "multiple," which refers to more than one.

This expression depicts the relationship between the dependent variable (DV) and the independent variables (IVs) in the form of a weighted average, with the regression coefficients (beta) serving as the weights. The DV is the dependent variable, while the IVs are the independent variables. It is not uncommon for the weights in a weighted average to be positive; however, the regression coefficients have the potential to be negative.

The idea that the effects of each IV are added together is one of the most critical presumptions behind this approach. At this point, nobody genuinely believes that the genuine relationship is additive. They feel, instead, that this model is an acceptable initial approximation to the actual model that should be used. Could you regard this additive model as a Taylor-series expansion of the accurate model to provide this approximation with more credibility? Nevertheless, this argument needs to consider the 'local neighbourhood assumption when appealing to the Taylor series expansion.

Methods that enable regression models to approximate curvilinear relationships, as well as non-additivity, have been created so that approximations can be improved upon and, therefore, lead to better results. Even though nonlinear regression models can be utilised in these circumstances, the modelling procedure becomes significantly more complicated due to their inclusion. However, someone who has used multiple regression

before and is familiar with it knows how to incorporate curvilinear components into a regression model when required.

The incorporation of categorical variables into the model presents another challenge. Unlike conventional numeric variables, category variables may be alphabetic. The categories of gender, producer, and location are all examples of categorical variables. Therefore, you need to be familiar with incorporating categorical IVs into your regression model to use multiple regression efficiently.

CHAPTER 6: PRIMARY DATA ANALYSIS AND INTERPRETATION

6.1 Introduction

This section of the dissertation will focus on the primary data analysis using inferential and descriptive statistics methodology. The descriptive statistics will demonstrate how the sample selected responded to each survey item in the questionnaire provided. Subsequently, inferential statistics is used to test the hypothesis critically. Descriptive statistics are a set of concise descriptive coefficients that summarise a given data set, which can be the entire population or a subset of the people. Descriptive statistics employ central tendency and variability (spread) measures. The mean, median, and mode all represent measures of central tendency, whereas the standard deviation, variance, minimum and maximum variables, kurtosis, and skewness all represent measures of variability. On the other hand, inferential statistics involves a series of statistical methodologies to test the hypothesis. The Sampling frame of the study is customers in the beauty sector in the United Kingdom, specifically, customers that are subscribers of subscription-based services, i.e. 'beauty box'. Therefore, the items in the research instrument were made to be concise and directed to achieve this study's research objectives, which took each respondent approximately 20-30 minutes to complete. The questions were itemized to test the eight hypotheses that was developed from the primary dataset (hypothesis 1-hypothesis 8). Since the questions were directed to the respondents to test this hypothesis, the purposive and voluntary response sampling was done due to the limited number of subscription beauty service providers globally. There are 337 beauty product subscription companies in the world, however very few are in the United Kingdom. Hence, there is a need to target specific respondents for this research while making them respond voluntarily.

6.2 Description and Result of Preliminary Analysis

In this preliminary data analysis stage, evaluating for errors in the data and settings is essential. Error assessment is the first phase, referred to as the pre-analysis phase. It entails screening and cleaning the data on three fundamental levels: 1) Error detection, 2) Error localization within the data file, and 3) Error correction.

The Frequencies procedure has completed all three steps for categorical and continuous variables. For instance, the maximum value from the Descriptive Statistics table generated by SPSS 21 for the Market and Customer Orientation Variable item "Good purchase and simulation" was 43, which was significantly higher than the maximum value (5) specified in the codebook. Therefore, the case (case number 17) was identified

using the Edit function and the correct value (3) was entered. In addition, because missing observations can be problematic, some missing values have been replaced with estimates computed using the "mean distribution method", as recommended by Coakes and Steed (2007, p.44), thereby producing a clean, error-free data set. Other missing values that were deliberately left out by the respondents were left missing and complete case analysis was done on such observations.

6.2.1 Ameliorating Influence of Outliers

At this point, the outliers for each item and each construct as the sum of its items were identified. Statisticians recommend several strategies for minimizing the impact of outliers. However, before employing these methods, it is strongly advised to confirm that the case's data were entered accurately into the data file (SPSS 21). To reduce the impact of univariate outliers, we could modify the score(s) on the variable(s) for the outlying cases so that they remained deviant but not as much as they were. For example, we gave the outlier a raw score on the offending variable, one unit greater or smaller than the next most extreme score in the distribution (Tabachnick & Fidell, 2007). For continuous variables, the group to which the outlier belongs was assigned its mean or average. This allowed almost Ten (10) cases to remain in the sample without jeopardising the accuracy and dependability of SPSS statistical procedures.

6.2.2 Normality Check

Many inferential statistical methods necessitate the data being normally distributed or fitting a normal bell curve. The term "normal" refers to a bell-shaped distribution in which most of the scores fall in the middle and fewer in the extremes (see Gravetter & Wallnau, 2000, p.52) (see Gravetter & Wallnau 2000, p.52). According to Coakes and Steed (2007, p. \s31), there are several ways to explore this assumption graphically. Some examples are histograms, stem-and-leaf plots, boxplots, normal probability plots, and detrended normal plots. In addition, a variety of statistics are available for testing normality. Most of these are Kolmogorov-Smirnov statistics, with Lilliefors significance level and Shapiro-Wilk statistics, Skewness, and Kurtosis.

Many statisticians (see Hair et al., 1998; Coakes & Steed, 2007; Tabachnick & Fidell, 2007) note that obtaining skewness and kurtosis values can provide some insight into whether or not a distribution is normal. Therefore, Histograms, Boxplots, and Skewness and Kurtosis statistics were used extensively in this study to establish if the data followed a normal distribution. As a result, we ran the normality test on each survey item separately and then did so again for each study construct. Skewness and Kurtosis values have been used as a proxy for the normal distribution. The skewness value reveals something about the distribution's symmetry, while the Kurtosis reveals its peakiness.

According to Hair et al. (1998), a perfectly normal distribution has both skewness and Kurtosis of zero, which is relatively rare in the social sciences (see (Hair et al., 1998; Tabachnick & Fidell, 2007, p. 79). As a result, a skewness of +1 is typically interpreted as indicating a highly non-normal distribution. The result shows that almost all study variables are skewed, meaning that no perfect distribution was observed. These variables represent the study's total constructs (formed by adding up items that operationalise them). Since the majority of skewness and kurtosis values in this study are very close to zero, we can assume that the data have a normal distribution and conduct parametric tests for our analysis.

Additionally, Pallant (2005, p. 58) backs up this idea by saying, "Numerous social science scales and measures have scores that are positively or negatively skewed." This may or may not indicate a problem with the scale; instead, it reflects the innovation capability construct itself. In contrast to popular belief, most people are generally content with their lives and the opportunities presented to them.

In addition, the Normal Q-Q Plot of each variable reveals that the cases fall roughly along a straight line. This is consistent with Coakes and Steed's (2007) assertion that "in a normal probability plot, each observed value is paired with its expected value from the normal distribution; [therefore] if the sample is from a normal distribution, the cases fall roughly in a straight line". The SPSS results can be found in Appendix 1.

6.3 Descriptive Statistics

Descriptive statistics are a set of concise descriptive coefficients that summarise a given data set, which can be the entire population or a subset of the population. Descriptive statistics employ central tendency and variability measures (spread). The mean, median, and mode are all measures of central tendency, whereas the standard deviation, variance, minimum and maximum variables, kurtosis, and skewness are all measures of variability. Descriptive statistics are applied to categorical variables through frequency distribution and continuous variables through measures of central tendency such as mean, standard deviation, range, maximum, and minimum. Furthermore, as a descriptive statistic, this study will employ exploratory data analysis (Visualization/graphical representation of data). UK beauty box subscribers' responses represent the level of agreement or disagreement responses from the respondents. Codes depict what each of the applicant's responses stands for, such that one stands for strongly agree to 5 disagree.

Gender

The frequency distribution for gender is given in Table 6 below. Since the gender variable is categorical, the frequency, percentage and cumulative percentage were used to show the descriptive statistics.

Table 6: Frequency Distribution of Gender

Gender	Code	Frequencies	Percentage	Cum. Percent
Male	1	112	56	56
Female	2	88	44.	100

The descriptive statistics show that among the sample surveyed, male customers are 112 (56%) while female customers are 88 (44%). Two of the respondents do not have gender identity in the survey. However, they were able to answer other items in the survey. Hence, estimating the gender of this respondent is not applicable. Thus, where gender is relevant in the analysis, a complete case analysis of obliterating their responses will be done. The descriptive statistics result also shows a unique outcome because it is generally believed that females patronise beauty more than their male counterparts. This study's high number of males might be due to the selected sampling frame or random variation. The discussion section will dwell more on these findings. The bar chart showing the frequency distribution of age is given below.

The gender distribution in this study is unexpected, as it challenges the common belief that women are more likely to use beauty products and services than men. The higher proportion of male participants in this study may be due to various factors, such as the specific characteristics of the sampling frame used or random variation. The sampling frame might have included contexts or channels where male customers are more active or visible, leading to their overrepresentation in the sample. Alternatively, this could be a result of random variation, where the sample happened to include more males by chance.

Additionally, the report features a bar chart that illustrates the respondents' age distribution. This visual representation offers insights into the sample's age demographics, providing a more comprehensive understanding of the customer base.

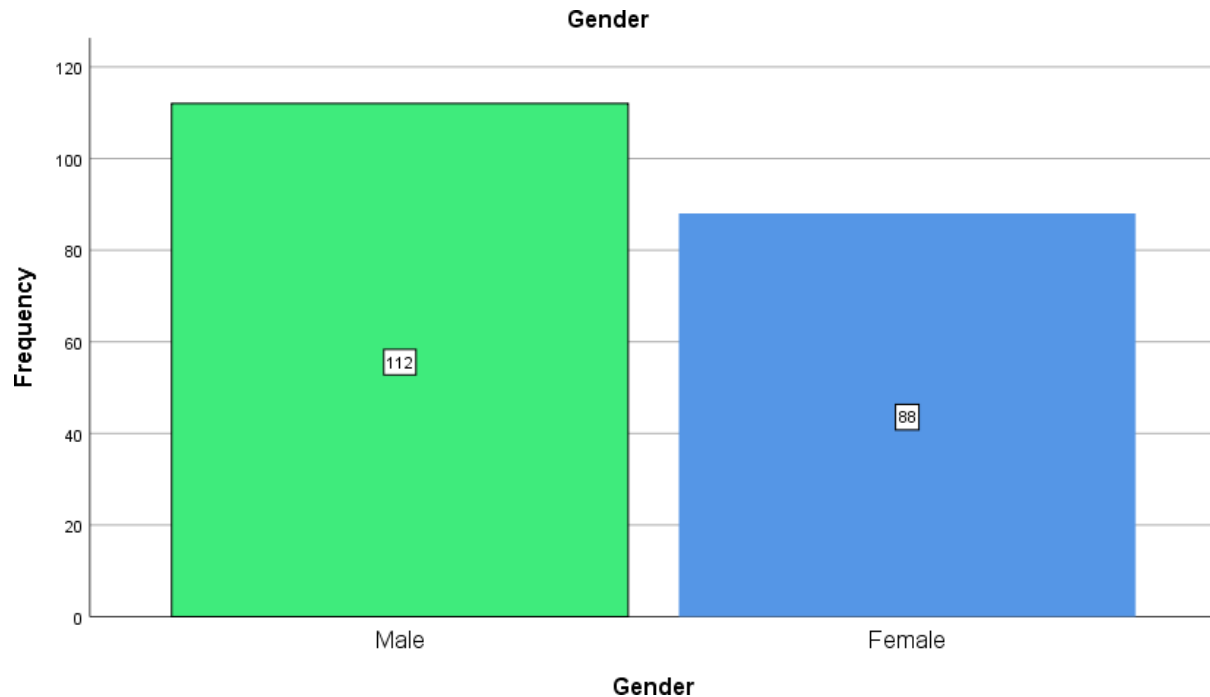


Figure 23: Showing the frequency distribution of Gender of respondents

Age

The frequency distribution for age is given in Table 7 below. Since the age variable is categorical, the frequency, percentage and cumulative percentage were used to show the descriptive statistics.

Table 7

Age Group	Code	Frequencies	Percentage	Cum. Percent
16-20	1	13	6.4	6.4
21-30	2	126	62.4	68.8
31-40	3	56	27.7	96.5
40+	4	7	3.5	100
Total		202	100	

The age distribution of the respondents is presented in table 6.2. From the summary statistics of the frequency distribution, we can see that the age group that patronizes subscription-based services in the beauty industry the most is ages between 21-30, with a total of 126 (62.4%) respondents, followed by ages 31-40 with a total of 56 (27.7%) respondents. The least is 40 years and above with only 7 (3.5%) respondents; lastly, ages 16-20 are 13 (6.4%) respondents. There are no missing observations in this case, as all 202

respondents answered this particular item in the research instrument. The provided graphical representation displays the distribution of respondents across different age categories along with their respective frequencies. Recognising and comprehending this demographic imbalance can play a crucial role in the development of age-specific marketing strategies, product offerings, and engagement activities aimed at effectively leveraging the preferences of this significant consumer segment. Further insights and interpretations regarding the reasons behind this observed trend will be thoroughly examined and elaborated upon in the subsequent sections.

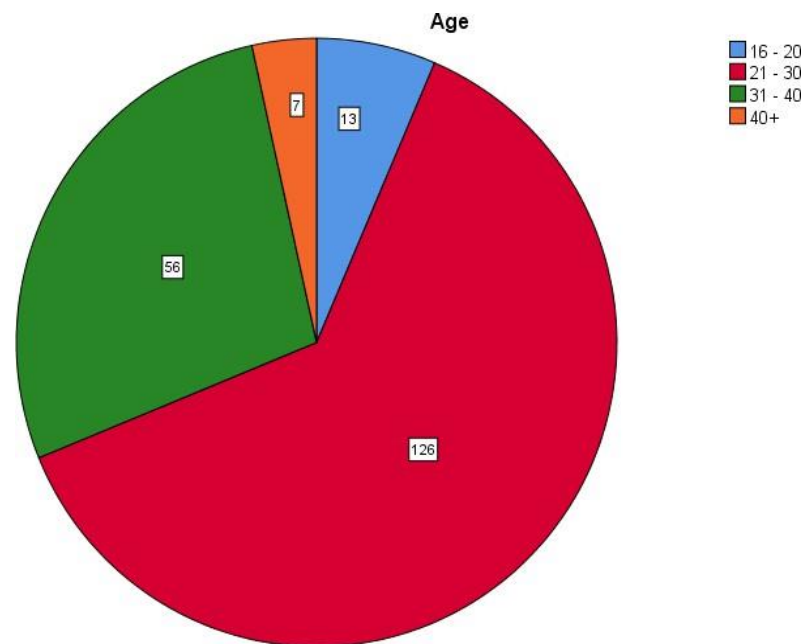


Figure 24: Showing the Pie Chart of the Ages of Respondents

Occupation

The frequency distribution for occupation is given in Table 8 below. Since the occupation variable is categorical, the frequency, percentage and cumulative percentage were used to show the descriptive statistics.

Table 8: Frequency Distribution of Occupation

Occupation	Code	Frequencies	Percentage	Cum. Percent
Unemployed	1	24	12.0	12.0

Retired	2	1	0.5	12.5
High School Student	3	14	7.0	19.5
University Student	4	15	7.5	27.0
Employed	5	146	73.0	100
Total		200	100	

The distribution of the occupation of the respondents that patronise the subscription-based beauty industry shows that 73% of the respondents are employed, representing a significant percentage of the sample size. On the other hand, the unemployed category that patronises subscription-based beauty products is 24 (12%), while high school students and university students are 14 (7%) and 15 (7.5%), respectively. The graphical illustration of the occupation of respondents is given below. This above examination of UK beauty box subscribers reveals a significant presence of employed individuals within this demographic. This finding suggests that employed individuals possess the financial means to afford daily beauty products and services, indicating a strong demand for a consistent supply of such items. Additionally, the busy lifestyles of these employed individuals imply limited time for personal selection and purchase of beauty products. Consequently, subscribing to a beauty box service emerges as an appealing solution, offering both convenience and cost-effectiveness in saving time and money while ensuring continuous availability of desired beauty products.

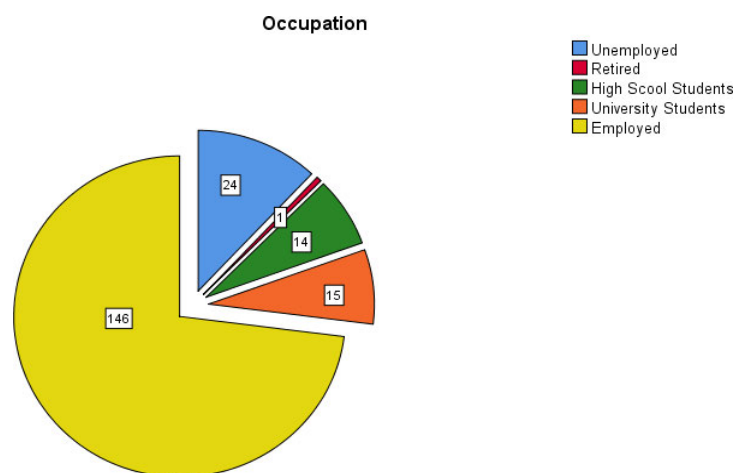


Figure 25: Showing the Pie Chart of the Occupation of Respondents

The analysis was thus conducted as a linear combination of each construct using a summation of all the

items measuring the construct. The whole construct is reliable and valid as the reliability test shows a Cronbach Alpha of 0.77. The alpha level is high and above the threshold for a good decision for a good construct. This will be tested one after the other starting from hypothesis 2 to the hypothesis 9 of this study.

6.4 Hypothesis testing

Hypothesis testing is an inferential statistic that allows us to conclude an entire population based on a representative sample. Working with a sample has numerous advantages. In most cases, observing the entire population and understanding its properties is impossible. The only other option is to collect a random sample and then use statistics to analyze it. While working with samples is significantly more convenient and cost-effective, some drawbacks exist. When estimating the properties of a population using a sample, the sample statistics are unlikely to match the actual population value. For example, it is implausible that the sample mean equals the population mean. The sampling error is the difference between the sample statistic and the population value. The differences in samples could be due to sampling error rather than an actual effect at the population level. If the observed difference is explained by sample error, the results may differ the next time the experiment is performed. In this study, the hypothesis will be tested using regression analysis with a deep assumption check for each of the test.

Hypothesis 1

The first hypothesis will be tested using multiple linear regression with one dependent variable and two independent variables. The dependent variable is the customer satisfaction and customer loyalty while the independent variable customer perceived value.

The linear combination of all the constructs were done as a sum total of the construct. The model diagnostics was done using a series of tests. The Multicollinearity was tested using Variance Inflation Factor (VIF), the autocorrelation is tested using the Durbin-Watson test, the heteroscedasticity was done by assessing the residual statistics with the predicted value. The goodness of fit of the model were assessed using the Coefficient of Determination (R-square). The ANOVA table helps us in checking the numerical variation information about how best the model explains the variation in the dataset or observations. The coefficient table is a test that shows if the regression parameter is statistically different from zero or not.

Statement of Hypothesis Hypothesis 1a

H1: In subscription-based beauty business in the UK, perceived value statistically has significant impact on customer purchase and customer satisfaction.

The hypothesis 1 has one independent variable. The individual t-test for the regression estimates helps us

to test the independently the independent variable.

Test Statistics (Regression Analysis)

The first hypothesis is tested using regression analysis. The dependent variable of the test is customer satisfaction and loyalty, while the independent variable is perceived value. The level of significance $\alpha = 0.05$ i.e., we chose 95% confidence level for this study.

Table 9: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.864 ^a	.746	.722	1.57841	1.845

a. Predictors: (Constant), Perceived Value

b. Dependent Variable: Customer Satisfaction, Customer Loyalty

The analysis of the model presents significant implications for marketing strategies. With an R-square value of 0.746, it is evident that a substantial 74.6% of the variation in perceived value is influenced by customer purchase, satisfaction, and loyalty. This highlights the pivotal role of these factors in shaping customers' perceptions of the value offered by a product or service. The strong correlation coefficient of 0.864 further underscores the direct and positive relationship between customer purchase, satisfaction, and loyalty and the perceived value.

This suggests that as customer satisfaction and loyalty increase, so does the perceived value, emphasizing the critical impact of these variables on customer perceptions. Additionally, the presence of positive serial correlation, as indicated by the Durbin-Watson test value of 1.845, reinforces the need for businesses to prioritize and continually improve customer satisfaction and loyalty to positively influence perceived value. By focusing on enhancing these aspects, companies can effectively shape customer perceptions, leading to improved purchase behavior and sustained loyalty.

Table 10: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	53.209	2	26.604	10.679	.000 ^b
	Residual	348.791	140	2.491		
	Total	402.000	142			

a. Dependent Variable: Perceived Value

b. Predictors: (Constant), Goodwill Purchase Stimulation, CSL

The ANOVA table above shows the robustness of the model; the f-statistics indicate that at least one of the independent variables is statistically significant. That is, one of the independent variables' coefficients differ from zero. Analysis of Variance is a framework that shows how much variation there is in a regression model and is used as the basis for significance tests. The sum of square for the regression is 53.209, this shows that the sum of differences between the predicted value and the mean of the dependent variable is 348.791. However, the differences between the observed value and the predicted values are estimated as the sum of square for residual. The summation of the two estimates is 402.0, which represents the sum of the square total. The null hypothesis of the F-test is that at least one of the independent in the coefficient table is zero, while the alternate hypothesis state otherwise. The estimates shows that $F(2,140)=10.679$, $p<0.001$. Therefore, we conclude that at least one of the independent variables is statically different from zero. To know which of the independent variable is not statistically significant, we make use of the independent t-test in the coefficient table.

Table 11: Coefficients^a

Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics			
Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	9.288	2.101		4.421	.000	
	Perceived value	.807	.052	.012	.931	.049	.807
	Customer loyalty	.338	.083	.359	4.091	.000	.807

The coefficient table above shows the regression equation and the level of statistically significant coefficient of the independent variables. The Beta value (also known as the coefficient) of the good purchase is 0.338, while that of the Customer satisfaction is 0.807. The coefficient for perceived value is a robust 0.807, signifying a compelling positive correlation between perceived value and customer purchase behavior and satisfaction. This indicates that for every incremental increase in perceived value, customer purchase behavior and satisfaction also experience a significant 0.807 unit rise, while all other factors remain constant.

^a. Dependent Variable: Customer satisfaction
This noteworthy coefficient emphasizes the pivotal role of perceived value in shaping customer decisions and overall satisfaction within the subscription-based beauty sector. Conversely, the coefficient for customer loyalty stands at 0.338, suggesting a positive albeit relatively modest impact compared to perceived value. With each unit increase in customer loyalty, purchase behavior and satisfaction witness a 0.338 unit lift,

holding other factors steady. This underscores that while customer loyalty does positively impact purchase behavior and satisfaction, its effect is overshadowed by the influence of perceived value.

The findings offer actionable insights for marketing strategies in the subscription-based beauty sector. It is recommended that companies prioritize enhancing the perceived value of their offerings, as this has the most significant impact on customer satisfaction and purchase decisions. Strategies such as curating high-quality products, offering exclusive deals, and ensuring transparent and competitive pricing can help achieve this.

Furthermore, while customer loyalty also plays a role, its relatively smaller coefficient suggests that efforts to boost loyalty should complement, rather than overshadow, initiatives aimed at increasing perceived value. Loyalty programs, personalized customer interactions, and consistent service quality can enhance loyalty, but these should be integrated into a broader strategy that emphasizes perceived value.

Table 12: Residuals Statistics^a

Minimum		Maximum	Mean	Std. Deviation	N
Predicted Value	16.5555	19.3643	18.0000	.61213	143
Residual	-4.65843	4.67099	.00000	1.56725	143
Std. Predicted Value	-2.360	2.229	.000	1.000	143
Std. Residual	-2.951	2.959	.000	.993	143

The residual statistics shows the descriptive statistics for the predicted value, Residual, standardize predicted value and the standardized residual. The observation considered for this model is 143. The standard deviation for all the estimates is low (less than 3). After we have fitted the model, the residuals of the regression should follow a normal distribution to draw valid conclusions from our regression. Only then can you draw valid conclusions. This is because the residuals are synonymous with the error terms, which can be understood as the disparities between the actual value of the dependent variable and the value that was predicted. If we investigate a normal Predicted Probability (P-P) plot, we will be able to ascertain whether or not the residuals follow a normal distribution. If this is the case, then they will fall in line with the diagonal normality line that is depicted in the plot. This is thus done by plotting the histogram of the residual with normal distribution curve imposed on it.

a. Dependent Variable: Customer satisfaction and loyalty

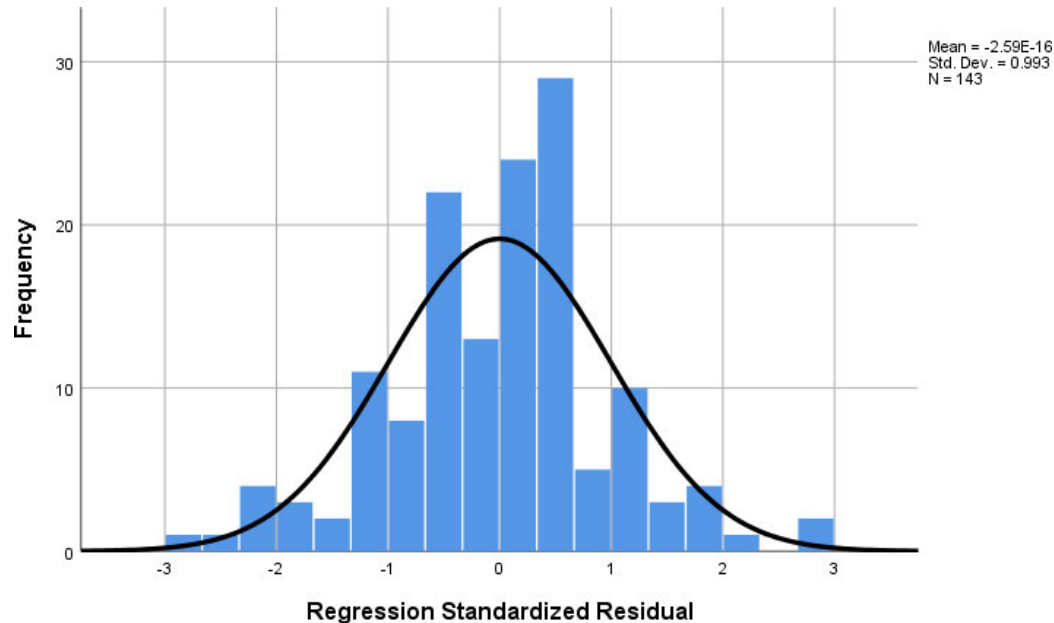


Figure 26: Showing the Distribution of the Residual for Hypothesis 2

The residual of the error term is plotted on the histogram. The distribution depicted shows a slightly skewed distribution. The skewness is not directly evident, but the shape is approximately bell shape. Hence, we can say that the residual is approximately normally distributed.

Summary of Hypothesis 1

In conclusion, customer loyalty, while influential, is indicated by a relatively smaller coefficient, suggesting that efforts to enhance loyalty should be supplementary to, rather than dominant over, initiatives focused on increasing perceived value. Loyalty programs, personalized customer interactions, and consistent service quality can bolster loyalty, but these should be integrated into a comprehensive strategy that prioritizes perceived value. The regression analysis, underpinned by the coefficients and ANOVA results, robustly illustrates that perceived value and customer loyalty significantly forecast customer purchase behavior and satisfaction in the UK subscription-based beauty industry. These insights are pivotal for devising targeted marketing strategies that elevate perceived value and cultivate customer loyalty, ultimately steering business success.

Hypothesis 2

To test the second hypothesis, multiple linear regression with dependent and independent variables will be used. Customer experience is the independent variable, and customer satisfaction and loyalty are the two dependent variables. The linear combination of all of the constructs was completed as a total of the constructs. A series of tests were used to diagnose the model. The Variance Inflation Factor (VIF) was used to test multicollinearity, the Durbin-Watson test was used to test autocorrelation, and the heteroscedasticity was determined by comparing the residual statistics to the predicted value. The model's goodness of fit was evaluated using the Coefficient of Determination (R-square). The ANOVA table aids us in determining how well the model explains variation in the dataset or observations. The coefficient table indicates whether or not the regression parameter is statistically different from zero.

Statement of Hypothesis

H1: In subscription-based beauty businesses in the UK, customer experience statistically has a significant impact on customer satisfaction and customer loyalty.

Test Statistics (Regression Analysis)

The third hypothesis is tested using regression analysis. The dependent variable of the test is customer experience, while the two independent variables are customer purchase and customer satisfaction. The level of significance, i.e., we chose a 95% confidence level for this study. The summary of the test statistics and model diagnostics is presented below.

Table 13: Model Summary^b

Model	R	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.794 ^a	.631	2.30700	2.223

c. Predictors: (Constant), Customer Experience

d. Dependent Variable: Customer Satisfaction; Customer Loyalty

The analysis aimed to examine whether "customer experience affects customer satisfaction and loyalty in subscription-based beauty services in the UK." The results strongly support this idea. The summary of the model shows an R-square value of 0.631, indicating that 63.1% of the variability in customer experience can be explained by changes in customer satisfaction and loyalty. This high R-square value emphasizes the important role of these factors in shaping customer experience. The adjusted R-square, while slightly lower, accounts for the number of predictors in the model, ensuring that the measure of explanatory power is

accurate. This adjustment provides a more realistic assessment of how well customer satisfaction and loyalty predict customer experience.

Furthermore, the multiple correlation coefficient of 0.794 indicates a very strong positive linear relationship between customer experience and the combined effects of customer satisfaction and loyalty. This suggests that as customer satisfaction and loyalty increase, customer experience also significantly improves. The statistical significance of these findings confirms that these relationships are not likely to have occurred by chance.

The findings have significant implications for marketing. They confirm the idea that boosting customer satisfaction and loyalty will have a positive effect on the overall customer experience. Therefore, UK businesses in the beauty subscription sector should focus on strategies that enhance satisfaction and loyalty to improve the customer experience. Enhancing customer satisfaction could mean ensuring top-notch product quality, providing good value for money, and delivering exceptional customer service. Fostering customer loyalty might involve introducing successful loyalty programs, providing personalized experiences, and maintaining regular interaction with customers.

Table 14: ANOVA ^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	66.018	2	33.009	6.202	.003 ^b
	Residual	697.213	131	5.322		
	Total	763.231	133			

a. Predictors: (Constant), Customer Experience

b. Dependent Variable: Customer Satisfaction; Customer Loyalty

The ANOVA table above shows the robustness of the model, the f-statistics indicates that the independent variable is statistically significant. That is, the coefficient of one of the independent variables is different from zero. Analysis of Variance is a framework that shows how much variation there is in a regression model and is used as the basis for significance tests. The sum of square for the regression is 66.018, this shows that the sum of differences between the predicted value and the mean of the dependent variable is 697.213. However, the differences between the observed value and the predicted values are estimated as the sum of square for residual. The summation of the two estimates is 763.231, which represent the sum of square total. The null hypothesis of the F-test is the independent in the coefficient table is zero, while the alternate hypothesis state otherwise. The estimates shows that $F(2,131)=6.202$, $p=0.003$. Therefore, we conclude that the independent variable is statically different from zero. To know which of the independent variable is not statistically significant, we make use of the independent t-test in the coefficient table.

Table 15: Coefficients ^a

Unstandardized Coefficients				Standardiz ed Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Tolera nce	VIF
1	(Constant)	22.344	2.895		7.719	.000		
	Customer Experience	.244	.072	.284	3.391	.001	.992	1.008
	Customer Loyalty	.229	.184	.104	2.244	.022	.992	1.008

a. Dependent Variable: Customer Satisfaction

The coefficient table above shows the regression equation and the level of statistically significant coefficient of the independent variable. The Beta value (also known as the coefficient) of the good purchase is 0.229, while that of the Customer satisfaction is 0.244. In this section, two major hypotheses will be tested separately, i.e., does customer experience impact customer satisfaction and loyalty and does customer experience impact good purchases? For the first sub-hypothesis $t(140)=3.391$, $p=0.049$. In the same way, the second sub-hypothesis $t(140)=2.244$, $p=0.022$. The standard error of the estimates for the slope and the intercept is small, which shows that the model has a lower error in terms of predictive power. The Variance Inflation Factor (VIF) has a value of less than 10 for the independent variable. Hence, we can say there is no multicollinearity problem with the independent variable. The equation of the final model is thus given below.

$$\text{Customer Satisfaction} = 22.344 + 0.244 * \text{CSL} + 0.229 * \text{GP}$$

Where CSL and GP represent customer experience and customer loyalty.

The study provides concrete evidence supporting the idea that customer experience and loyalty are crucial factors in driving satisfaction within the subscription-based beauty industry. The positive coefficients for both variables underscore their significant roles, aligning with existing literature on customer relationship management and consumer behavior. The regression analysis, conducted to test the hypothesis that customer experience influences customer satisfaction in the UK's subscription-based beauty services, yielded compelling results. The findings indicate that customer experience has a substantial positive impact on customer satisfaction.

Specifically, the analysis reveals that improvements in personalisation, web experience, and service touchpoints and convenience directly lead to increased levels of customer satisfaction. This strong positive

correlation emphasizes the critical role of a positive customer experience in ensuring customer contentment. For businesses in the subscription-based beauty sector, this discovery highlights the importance of optimizing every aspect of the customer experience to enhance overall satisfaction and foster customer loyalty.

Table 16: Residuals Statistics^a

Minimum		Maximum		Std.	
m		m	Mean	Deviation	N
Predicted Value	29.7991	34.4448	32.4552	.70454	134
Residual	-7.73856	4.54461	.00000	2.28959	134
Std. Predicted Value	-3.770	2.824	.000	1.000	134
Std. Residual	-3.354	1.970	.000	.992	134

a. Dependent Variable: Customer Experience

The residual statistics shows the descriptive statistics for the predicted value, Residual, standardize predicted value and the standardized residual. The observation considered for this model is 134. The standard deviation for all the estimates is low (less than 3). After we have fitted the model, the residuals of the regression should follow a normal distribution to draw valid conclusions from our regression. Only then can you draw valid conclusions. This is because the residuals are synonymous with the error terms, which can be understood as the disparities between the actual value of the dependent variable and the value that was predicted.

The analysis was conducted to assess the hypothesis that customer experience influences customer satisfaction within the UK subscription-based beauty services sector, yielding noteworthy findings. The outcomes reveal that diverse facets of customer experience, encompassing personalization, web interface, and the accessibility of online payment methods, exert a substantial and favourable impact on customer satisfaction. The analysis demonstrates that personalization, defined as the customization of products, recommendations, and services to align with individual customer preferences, significantly amplifies customer satisfaction. Tailored experiences engender a sense of value and comprehension among customers, thereby elevating satisfaction levels.

The calibre of the web interface also plays a pivotal role. A user-friendly, responsive, and visually appealing website substantially contributes to customer satisfaction. Intuitive navigation, comprehensive product information, and a seamless browsing experience ensure rapid and effortless access to desired content, consequently heightening overall satisfaction. Furthermore, the accessibility of online payment methods markedly influences customer satisfaction. Secure, streamlined, and diversified payment options simplify the purchasing process for customers, alleviating potential stress. When customers encounter

minimal obstacles when completing transactions online, their satisfaction with the overall service markedly improves.

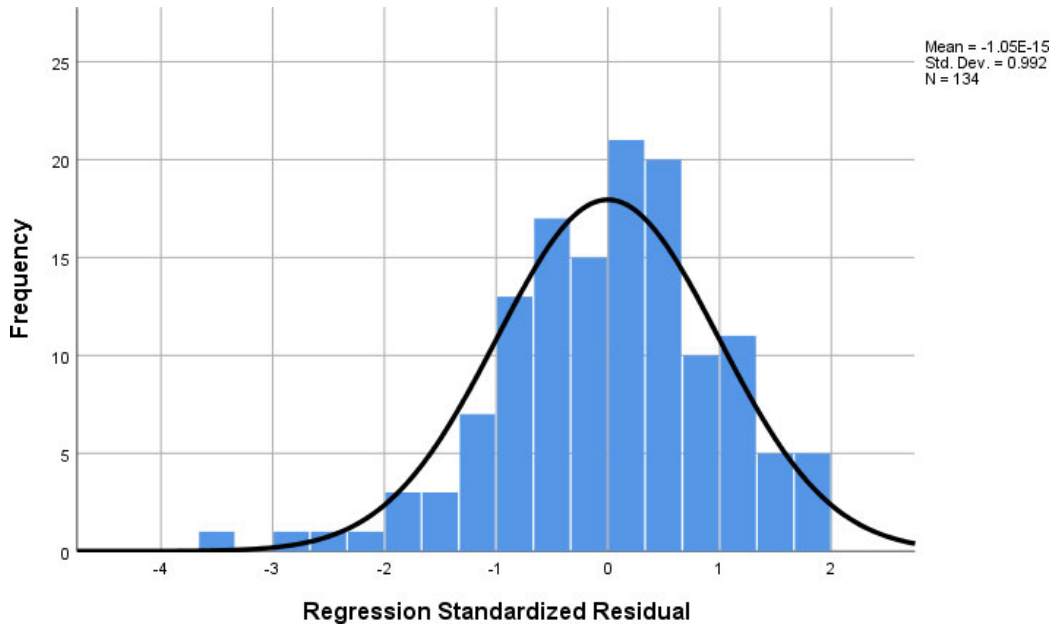


Figure 27: Showing the Distribution of the Residual for Hypothesis 3

Summary of Hypothesis 2

Focusing on various aspects of the customer experience is crucial for enhancing satisfaction in subscription-based beauty services. Critical strategies for businesses looking to improve customer satisfaction include improving personalization, refining web experiences, and providing convenient online payment options. By giving priority to these areas, companies can cultivate a more gratifying customer journey, resulting in increased retention rates and customer loyalty.

Hypothesis 3

The third hypothesis will be tested using multiple linear regression with dependent and independent variable. Marketing is the independent variable, while customer purchase and satisfaction are the dependent variables.

As a sum, the linear combination of each construct was completed. The model was diagnosed through a battery of tests. Multicollinearity was tested using the Variance Inflation Factor (VIF), autocorrelation was tested using the Durbin-Watson test, and heteroscedasticity was determined by comparing the residual statistics to the predicted value. The model's goodness of fit was evaluated using the Coefficient of Determination (R-square). The ANOVA table helps us determine how well the model explains the variance in the dataset or observations. The coefficient table indicates whether the regression parameter differs

significantly from zero.

Statement of Hypothesis Hypothesis 3a

Ho: In subscription-based beauty business in the UK, company's marketing statistically has significant impact on customer satisfaction and customer loyalty

Test Statistics

The regression analysis is the statistical methodology adopted for this hypothesis. The impact of the dependent variable in this hypothesis is tested using the coefficient of the beta of the independent variable using the individual t-test for each of the independent variable.

Table 17: Model Summary^b

Model	R	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.657 ^a	.432	2.07240	2.099

e. Predictors: (Constant), Company's Marketing

f. Dependent Variable: Customer Purchase, Customer Satisfaction and Loyalty

The model summary shows that the estimate of the R-square is 0.432. The estimate can be interpreted as; 43.2% of the total variation in the company's marketing can explain about the customer purchase and customer satisfaction and loyalty. The R-square estimate increases as independent variable increases. Hence the adjusted R-square adjust for the increase in the independent variables. The multiple correlation coefficient is 0.657, which shows a high positive linear relationship between the dependent and the independent variables. The standard error is low (2.02). This percentage suggests that nearly half of the changes in customer satisfaction are accounted for by these two factors, underscoring their significant impact.

Table 18: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	44.059	2	22.029	5.129	.007 ^b
	Residual	622.752	145	4.295		
	Total	666.811	147			

a. Dependent Variable: Customer Satisfaction, Customer Loyalty

b. Predictors: (Constant), Company's Marketing

The ANOVA table above shows the robustness of the model, the f-statistics indicates that at least one of the independent variables is statistically significant. That is, the coefficient of one of the independent

variables is different from zero. Analysis of Variance is a framework that shows how much variation there is in a regression model and is used as the basis for significance tests. The sum of square for the regression is 44.059, this shows that the sum of differences between the predicted value and the mean of the dependent variable is 622.752. However, the differences between the observed value and the predicted values are estimated as the sum of square for residual. The summation of the two estimates is 666.811, which represent the sum of square total.

Table 19: Coefficients^a

Unstandardized Coefficients				Standardized Coefficients			Collinearity Statistics	
Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF	
1	(Constant)	20.951	2.458	8.525	.000			
	Company's Marketing	.195	.062	.255	3.163	.002	.993	1.007
	Customer Loyalty	.917	.153	.602	2.766	.044	.993	1.007

a. Dependent Variable: Customer satisfaction

The coefficient table above shows the regression equation and the level of statistically significant coefficient of the independent variables. The Beta value (also known as the coefficient) of the good purchase is 0.917, while that of company's marketing is 0.195. In this section, two major hypotheses will be tested separately, i.e., does company's marketing impact customer satisfaction and does company's marketing impact customer loyalty? The company's marketing coefficient is 0.195, showing a direct correlation between marketing activities and customer satisfaction. This means that for every increase in the effectiveness of the company's marketing, customer satisfaction also increases by 0.195 units, while keeping other variables constant. This positive coefficient emphasizes the significant impact of marketing strategies on improving customer satisfaction.

The standard error of the estimates for the slope and the intercept is small, which shows that the model has a lower error in terms of predictive power. The Variance Inflation Factor (VIF) has a value of less than 10 for the two independent variables. Hence, we can say there is no multicollinearity problem between the two independent variables. The equation of the final model is thus given below.

$$\text{Customer satisfaction} = 22.344 + 0.244 * \text{CSL} + 0.229 * \text{GP}$$

Where CSL and GP represent company's marketing and customer loyalty respectively.

Table 20: Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	26.4443	30.2231	28.6216	.54747	148
Residual	-8.96353	5.55607	.00000	2.05825	148
Std. Predicted Value	-3.977	2.925	.000	1.000	148
Std. Residual	-4.325	2.681	.000	.993	148

a. Dependent Variable: Company's Marketing

The residual statistics shows the descriptive statistics for the predicted value, Residual, standardize predicted value and the standardized residual. The observation considered for this model is 148. The standard deviation for all the estimates is low (less than 3). Customer loyalty is considerably strong at 0.917, indicating a robust positive correlation between customer loyalty and satisfaction. This substantial coefficient suggests that customer loyalty plays a crucial role in satisfaction, surpassing the influence of marketing efforts alone.

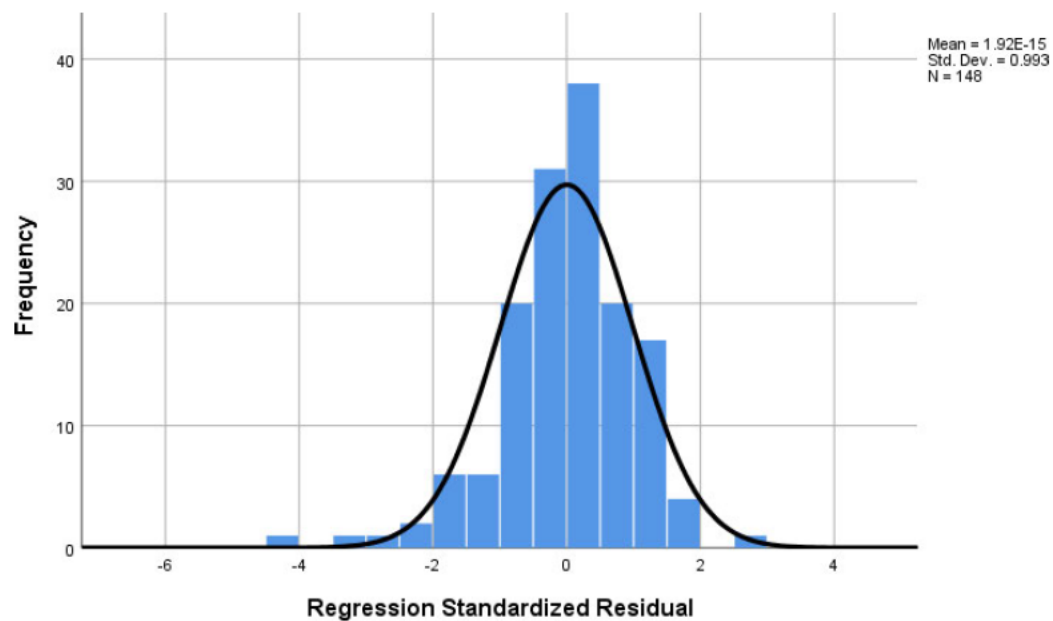


Figure 28: Showing the Distribution of the Residual for Hypothesis 4

The residual of the error term is plotted on the histogram. The distribution depicted shows a slightly skewed distribution. The skewness is not directly evident, but the shape is approximately bell shape. Hence, we can say that the residual is approximately normally distributed.

Research on the impact of marketing (0.195) suggests that marketing plays a significant role in improving customer satisfaction. Successful marketing tactics, such as targeted advertising, active social media campaigns, and appealing promotions, help establish a positive brand image and convey value to customers, thereby boosting their satisfaction. Word of mouth continues to be a potent tool for marketing. Satisfied customers are more likely to share their positive experiences with friends and family, leading to increased customer acquisition and loyalty. Companies should prioritize creating exceptional customer experiences that promote natural word-of-mouth endorsement. Positive online reviews can significantly increase customer trust and satisfaction. Prospective customers often depend on reviews to assess the quality and dependability of beauty subscription services. Encouraging content customers to leave positive reviews can, therefore, enhance overall customer satisfaction. The significantly higher coefficient for customer loyalty (0.917) emphasizes its predominant role in influencing customer satisfaction. Loyal customers, who maintain a positive ongoing relationship with the brand, are much more likely to be satisfied. This could be attributed to repeated positive interactions, personalized services, and perceived value from loyalty programs.

Summary of Hypothesis 3

The comprehensive data analysis robustly supports the hypothesis that the customer satisfaction levels in the UK subscription-based beauty business are significantly influenced by both the effectiveness of the company's marketing strategies and the strength of customer loyalty. The model's R-square value of 0.432 indicates that it explains a substantial portion of the variability in customer satisfaction, underscoring the crucial nature of these factors. While effective marketing efforts do have a positive impact, the significantly stronger influence of customer loyalty highlights the critical need for businesses to prioritize initiatives that focus on fostering and maintaining customer loyalty. Furthermore, the findings suggest that leveraging online reviews, amplifying word-of-mouth marketing, and implementing referral rewards programs can further enhance customer satisfaction and loyalty, thereby playing a pivotal role in driving business success.

Hypothesis 4

The fourth hypothesis will be tested using simple linear regression with one dependent and one independent variable. Company ability is the independent variable, while customer purchase and satisfaction are the dependent variables.

As a sum, the linear combination of each construct was completed. The model was diagnosed through a series of tests. Multicollinearity is not needed since there is only one independent variable, autocorrelation was tested using the Durbin-Watson test, and heteroscedasticity was determined by comparing the residual statistics to the predicted value. The model's goodness of fit was evaluated using the Coefficient of Determination (R-square). The ANOVA table helps us determine how well the model explains the variance

in the dataset or observations. The coefficient table indicates whether the regression parameter differs significantly from zero.

Statement of Hypothesis Hypothesis 4

H1: In subscription-based beauty business in the UK, company's ability statistically has significant impact on customer satisfaction and customer loyalty

Test Statistics

The regression analysis is the statistical methodology adopted for this hypothesis. The impact of the dependent variable in this hypothesis is tested using the coefficient of the beta of the independent variable using the individual t-test for the independent variable.

Table 21: Model Summary^b

Model	R	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.340 ^a	.116	1.92539	1.954

g. Predictors: (Constant), Company's Ability

h. Dependent Variable: Customer Satisfaction and Loyalty

The model summary shows that the estimate of the R-square is 0.116. The estimate can be interpreted as; 11.6% of the total variation in the company's ability can be explained by the customer satisfaction and loyalty. The R-square estimate increases as the number of independent variables increases. Hence the adjusted R-square adjust for the increase in the number of independent variables. Although this percentage may appear small, it is statistically significant and underscores the influence of the company's operational capabilities on customer satisfaction. The multiple correlation coefficient is 0.657, which shows a high positive linear relationship between the dependent and the independent variables. The standard error is low (1.925). The Durbin-Watson tests the autocorrelation, the estimate of Durbin-Watson always ranges between 0-4, if the estimate is equal to 2, it shows no autocorrelation, if the value is less than 2, i.e., $d < 2$, it means positive serial correlation, if the values are greater than 2, i.e., $d > 2$, it indicates negative serial correlation. From the table, $d = 1.954$, we thus conclude that the model approximately has no autocorrelation.

Table 22: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	70.262	1	70.262	18.953	.000 ^b
	Residual	537.534	145	3.707		
	Total	607.796	146			

- a. Dependent Variable: Customer Satisfaction and Loyalty
- b. Predictors: (Constant), Company's Ability

The ANOVA table above shows the robustness of the model, the f-statistics indicates that at least one of the independent variables is statistically significant. Since the model in this hypothesis is a simple linear regression with one independent variable and one dependent variable, the F-statistics only shows a robustness test. That is, the model has a goodness of fit. The sum of squares for the regression is 70.262, showing the portion of the customer satisfaction variance that the regression model can account for. When compared to the total sum of squares, this value indicates the proportion of customer satisfaction variability that the company's capability can explain.

Analysis of Variance is a framework that shows how much variation there is in a regression model and is used as the basis for significance tests. The sum of square for the regression is 70.262, this shows that the sum of differences between the predicted value and the mean of the dependent variable is 537.534. However, the differences between the observed value and the predicted values are estimated as the sum of square for residual. The summation of the two estimates is 607, which represent the sum of square total. The estimates shows that $F(2,131) = 5.129$, $p = 0.007$. Therefore, we conclude that the model is well fitted and robust. To know if the independent variable is not statistically significant, we make use of the independent t-test in the coefficient table.

Table 22: Coefficient

Model		Unstandardized Coefficients	Std. Error	Standardized Coefficients	t	Sig.
B				Beta		
1	(Constant)	15.999	2.045		7.822	.000
	Company's Ability	.247	.057	.340	4.354	.000

The coefficient table above shows the regression equation and the level of statistically significant coefficient of the independent variables. The Beta value (also known as the coefficient) of the Customer satisfaction is 0.247. In this section, the hypotheses 3 will be tested, i.e., does company's ability impact customer satisfaction and loyalty. For the hypothesis $t(147) = 7.822$, $p < 0.001$. The test's null hypothesis is that the coefficient of customer satisfaction and loyalty is zero, while the alternate hypothesis is that the

coefficient of customer satisfaction and loyalty is different from zero. Since the p-value is less than 0.05, we reject the null hypothesis. The standard error of the estimates for the slope and the intercept is small, which shows that the model has a lower error in terms of predictive power. The equation of the final model for this hypothesis is thus given below.

$$\text{Customer satisfaction} = 15.999 + 0.247 * \text{CSL}$$

Where CSL represent company's ability.

Table 23: Residuals Statistics^a

Minimum		Maximum		Std.	
m		m	Mean	Deviation	N
Predicted Value	21.9361	26.8834	24.8776	.69372	147
Residual	-7.91501	5.61133	.00000	1.91879	147
Std. Predicted Value	-4.240	2.891	.000	1.000	147
Std. Residual	-4.111	2.914	.000	.997	147

a. Dependent Variable: Customer satisfaction and Loyalty

The residual statistics shows the descriptive statistics for the predicted value, Residual, standardize predicted value and the standardized residual. The observation considered for this model is 147. The standard deviation for all the estimates is low (less than 3). The standardized coefficient, which is a statistical measure reflecting the relationship between the company's ability and customer satisfaction, is calculated to be 0.340. This coefficient provides a standardized assessment of the strength and direction of the correlation, indicating a positive and moderately strong relationship. Specifically, a beta value of 0.340 suggests that improvements in the company's ability are associated with significant increases in customer satisfaction. This means that enhancing the company's ability can lead to noteworthy improvements in customer satisfaction levels.

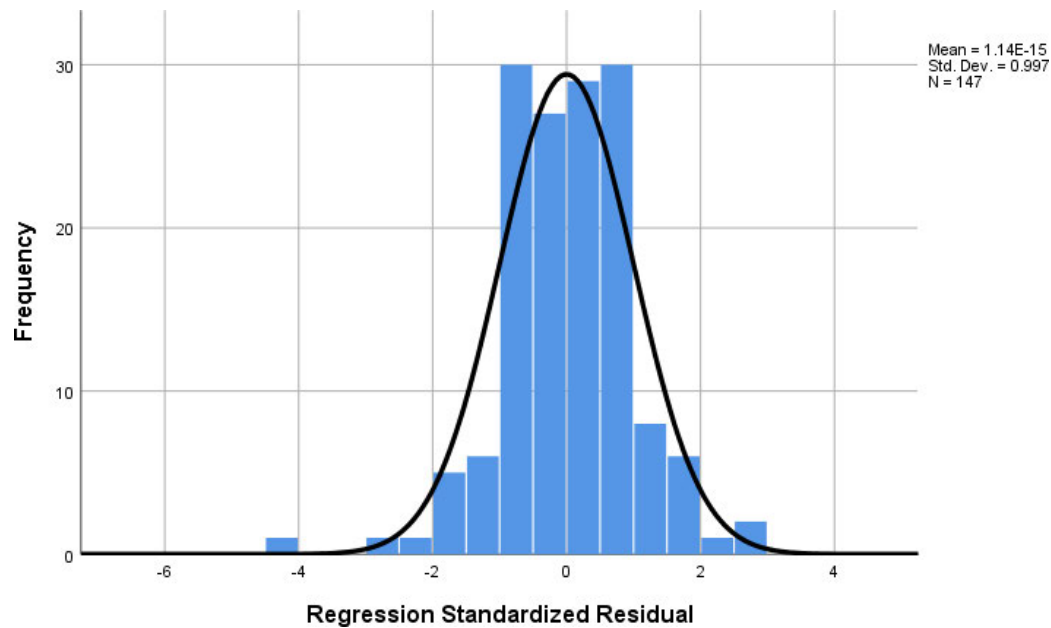


Figure 29: Showing the Distribution of the Residual for Hypothesis 5

The residual of the error term is plotted on the histogram. The distribution depicted shows a slightly skewed distribution. The skewness is not directly evident, but the shape is approximately bell shape. Hence, we can say that the residual is approximately normally distributed. There is substantial empirical evidence backing the theory that the operational capabilities of a company, which encompass aspects such as personalization, delivery efficiency, responsiveness, and product quality, play a significant role in influencing customer satisfaction. The R-square value, while not exceptionally high, reinforces the crucial importance of these operational factors in models of customer satisfaction. Delivery of products is crucial for customer satisfaction. For example, customers in the subscription-based beauty industry expect their products to arrive on time and as scheduled.

Summary of Hypothesis 4

The analysis provides evidence to support the hypothesis that the company's operational capabilities, including its ability to offer personalized products, ensure swift delivery, exhibit responsiveness, and maintain high product quality, have a substantial impact on customer satisfaction in the UK subscription-based beauty industry. The statistical measures, such as an R-squared value of 0.116 and a beta coefficient of 0.340, suggest that while there are additional factors influencing customer satisfaction, the company's operational capabilities are of paramount importance. By concentrating on improving these specific areas, businesses can effectively elevate customer satisfaction levels, ultimately leading to heightened customer

loyalty and overall business success.

Hypothesis 5

A simple linear regression with one dependent and one independent variable will be utilized to examine the fifth hypothesis. The level of customer's satisfaction is the dependent variable, while the level of one's belief in goodwill is the independent variable. Each construct's linear combination was finished by computing the sum of all of the items contained within the construct. A battery of examinations helped to arrive at a diagnosis for the model. Since there is only one independent variable, testing for autocorrelation was done with the Durbin-Watson test. Testing for heteroscedasticity was done by comparing the residual statistics to the predicted value. Multicollinearity is not required because there is only one independent variable. The coefficient of determination was used in the analysis to determine how well the model fit the data (R-square). We can determine how well the model explains the variance in the dataset or the observations with the assistance of the ANOVA table. If the regression parameter is significantly different from zero, this will be indicated by the table of coefficients.

Statement of Hypothesis

Ho: In subscription-based beauty business in the UK, goodwill beliefs statistically has significant impact on customer satisfaction and customer loyalty

Test Statistics

The regression analysis is the statistical methodology adopted for this hypothesis. The impact of the dependent variable in this hypothesis is tested using the coefficient of the beta of the independent variable using the individual t-test for the independent variable.

Table 24: Model Summary^b

Model	R	Adjusted R	Std. Error of	Durbin-
1	R Square	Square	the Estimate	Watson
1	.445 ^a	.198	1.62697	2.081

i. Predictors: (Constant), Goodwill Belief

j. Dependent Variable: Customer Satisfaction

The model summary shows that the estimate of the R-square is 0.198. The estimate can be interpreted as; 19.8% of the total variation in the goodwill belief can be explained by the customer satisfaction and loyalty. The R-square estimate increases as the number of independent variables increases. Hence the adjusted R-square adjust for the increase in the number of independent variables. The multiple correlation coefficient is 0.445, which shows a moderate positive linear relationship between the dependent and the independent

variables. The standard error is low (1.623). The Durbin- Watson tests the autocorrelation, the estimate of Durbin-Watson always ranges between 0-4, if the estimate is equal to 2, it shows no autocorrelation, if the value is less than 2, i.e., $d < 2$, it means positive serial correlation, if the values are greater than 2, i.e., $d > 2$, it indicates negative serial correlation. From the table, $d = 2.081$, we thus conclude that the model approximately has no autocorrelation.

Table 25: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	93.445	1	93.445	35.302	.000 ^b
	Residual	378.527	143	2.647		
	Total	471.972	144			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Goodwill Belief

The robustness of the model is displayed in the ANOVA table that can be found above; the f- statistics show that at least one of the independent variables possesses statistical significance. The F- statistics only show a robustness test because the model being tested in this hypothesis is a simple linear regression with just one independent variable and one dependent variable. To put it another way, the model has a high degree of goodness of fit. The Analysis of Variance (ANOVA) is a set of guidelines that are used as the foundation for various significance tests. It demonstrates how much variation there is in a regression model. It can be seen from the fact that the sum of squares for the regression is 93.445, that the sum of differences between the predicted value and the mean of the dependent variable is 378.527, and that the sum of squares for the regression is 537.534.

On the other hand, the sum of squares for residual is used to estimate the disparities that exist between the values that were observed and those that were predicted. The sum of squares can be represented by the number 471.972, which is the product of the two estimates added together. According to the estimates, the value of $F(2,144) = 35.302$, and the value of $p < 0.001$. As a result, we have concluded that the model is accurate and reliable. Next, we will use the independent t-test that is located in the coefficient table in order to determine whether or not the independent variable is statistically significant.

Table 26: Coefficient

Unstandardized Coefficients

Standardize
d Coefficients

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Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	14.681	1.740		8.439	.000
	Goodwill belief	.287	.048	.445	5.942	.000

The coefficient table above shows the regression equation and the level of statistically significant coefficient of the independent variables. The Beta value (also known as the coefficient) of the Customer satisfaction is 0.287. In this section, the hypotheses 5 will be tested, i.e., does customer satisfaction impact goodwill belief. For the hypothesis $t(143)=8.439$, $p<0.001$. The standard error of the estimates for the slope and the intercept is small, which shows that the model has a lower error in terms of predictive power. The equation of the final model for this hypothesis is thus given below.

$$\text{Customer satisfaction} = 14.681 + 0.287 * \text{CSL}$$

Where CSL represent goodwill belief.

Table 27: Residuals Statistics^a

Minimum		Maximum		Std.	
m		m	Mean	Deviation	N
Predicted Value	21.5630	27.2980	24.9862	.80556	145
Residual	-4.86426	4.15026	.00000	1.62131	145
Std. Predicted Value	-4.249	2.870	.000	1.000	145
Std. Residual	-2.990	2.551	.000	.997	145

a. Dependent Variable: Customer satisfaction

The residual statistics shows the descriptive statistics for the predicted value, Residual, standardize predicted value and the standardized residual. The observation considered for this model is 145. The standard deviation for all the estimates is low (less than 3). After we have fitted the model, the residuals of the regression should follow a normal distribution to draw valid conclusions from our regression. Only then can you draw valid conclusions. This is because the residuals are synonymous with the error terms, which can be understood as the disparities between the actual value of the dependent variable and the value that was predicted. If we investigate a normal Predicted Probability (P-P) plot, we will be able to ascertain whether or not the residuals follow a normal distribution. If this is the case, then they will fall in line with the diagonal normality line that is depicted in the plot. This is thus done by plotting the histogram of the residual with normal distribution curve impose on it.

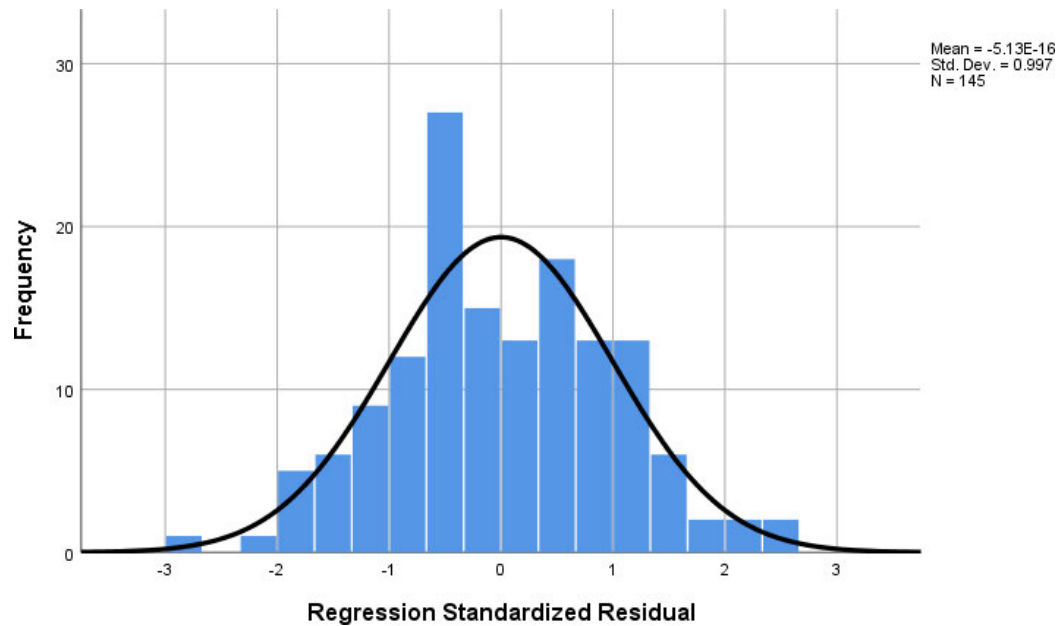


Figure 30: Showing the Distribution of the Residual for Hypothesis 6

The residual of the error term is plotted on the histogram. The distribution depicted shows a slightly skewed distribution. The skewness is not directly evident, but the shape is approximately bell shape. Hence, we can say that the residual is approximately normally distributed.

From an academic perspective, these findings support established theories in marketing and consumer behavior that emphasize the significance of corporate social responsibility (CSR) and ethical practices in cultivating customer relationships. The substantial impact of goodwill beliefs on satisfaction and loyalty is consistent with the expanding body of literature that underscores the role of ethical perceptions in consumer decision-making processes. Marketing efforts should emphasize the company's dedication to ethical conduct and social responsibility. Narratives that highlight the company's values, ethical sourcing, and positive community impact can deeply resonate with customers, enhancing their satisfaction and loyalty.

Summary of Hypothesis 5

The regression analysis strongly validates the hypothesis that goodwill beliefs significantly influence customer satisfaction and loyalty in the UK's subscription-based beauty industry. The significant relationship indicates that customers who perceive the company as ethical and socially responsible are more satisfied and loyal. These findings underscore the importance of integrating CSR and ethical practices into the fundamental business strategy. By doing so, companies can improve customer satisfaction and loyalty, leading to sustained business success and a positive brand reputation.

Hypothesis 6

The sixth hypothesis will be tested using simple linear regression with one dependent and one independent

variable. Good purchase simulation is the dependent variable, while customer satisfaction is the independent variables. As a sum, the linear combination of each construct was completed. The model was diagnosed through a series of tests. Multicollinearity is not needed since there is only one independent variable, autocorrelation was tested using the Durbin-Watson test, and heteroscedasticity was determined by comparing the residual statistics to the predicted value. The model's goodness of fit was evaluated using the Coefficient of Determination (R-square). The ANOVA table helps us determine how well the model explains the variance in the dataset or observations. The coefficient table indicates whether the regression parameter differs significantly from zero.

Statement of Hypothesis

H1: In subscription-based beauty business in the UK, good purchase stimulation statistically has significant impact on customer satisfaction and customer loyalty

Test Statistics

The regression analysis is the statistical methodology adopted for this hypothesis. The impact of the dependent variable in this hypothesis is tested using the coefficient of the beta of the independent variable using the individual t-test for the independent variable.

Table 28: Model Summary^b

Model	R	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.193 ^a	.037	1.94905	1.507

k. Predictors: (Constant), Good Purchase Stimulation

l. Dependent Variable: Customer Satisfaction and Loyalty

The model summary shows that the estimate of the R-square is 0.037. The estimate can be interpreted as; 3.7% of the total variation in the good purchase simulation can be explained by the customer satisfaction and loyalty. The R-square estimate increases as the number of independent variables increases. Hence the adjusted R-square adjust for the increase in the number of independent variables. The multiple correlation coefficient is 0.193, which shows a low positive linear relationship between the dependent and the independent variables. The weak positive correlation ($R = 0.193$) and low R-square value (0.037) indicate that although good purchase stimulation affects customer satisfaction, the impact is relatively small. This suggests that while promotions, discounts, and special offers can improve satisfaction, they are not the primary drivers. Other factors likely play a more significant role in determining customer satisfaction. The effect on customer loyalty is limited.

Table 29: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.433	1	22.433	5.905	.016 ^b
	Residual	577.417	152	3.799		
	Total	599.851	153			

a. Dependent Variable: Customer Satisfaction and Loyalty

b. Predictors: (Constant), Good Purchase Stimulation

The robustness of the model is displayed in the ANOVA table that can be found above; the f- statistics show that at least one of the independent variables possesses statistical significance. The F- statistics only show a robustness test because the model being tested in this hypothesis is a simple linear regression with just one independent variable and one dependent variable. To put it another way, the model has a high degree of goodness of fit. The Analysis of Variance (ANOVA) is a set of guidelines that are used as the foundation for various significance tests. It demonstrates how much variation there is in a regression model. It can be seen from the fact that the sum of squares for the regression is 22.433, that the sum of differences between the predicted value and the mean of the dependent variable, and that the sum of squares for the residual is 577.417.

On the other hand, the sum of squares for residual is used to estimate the disparities that exist between the values that were observed and those that were predicted. The addition of sum of squares for residual and the sum of square for regression gives the total sum of square and it is estimated as 471.972. According to the estimates, the value of $F(2,144) = 5.905$, and the value of $p = 0.016$. As a result, we have concluded that the model is accurate and reliable. Next, we will use the independent t-test that is located in the coefficient table in order to determine whether or not the independent variable is statistically significant.

Table 30: Coefficients^a

Model		Unstandardized Coefficients	Std. Error	Standardized Coefficients	t	Sig.
1	(Constant)	16.488	2.095		7.869	.000
	Good purchase stimulation	.142	.058	.193	2.430	.016

a. Dependent Variable: Customer satisfaction and loyalty

The coefficient table above shows the regression equation and the level of statistically significant coefficient of the independent variables. The Beta value (also known as the coefficient) of the Customer satisfaction is 0.142. In this section, the hypotheses 6 will be tested, i.e., does good purchase simulation impact

customer satisfaction and loyalty. For the hypothesis $t(147)=7.869, p<0.001$.

The standard error of the estimates for the slope and the intercept is small, which shows that the model has a lower error in terms of predictive power. The equation of the final model for this hypothesis is thus given below.

$$\text{Customer satisfaction} = 14.681 + 0.287 * \text{CSL}$$

Where CSL represent good purchase stimulation.

In conclusion for the coefficient of hypothesis 6, we reject the null hypothesis and say that there is no sufficient evidence to say that good purchase simulation does not impact customer satisfaction and loyalty.

Table 31: Residuals Statistics^a

Minimum		Maximum		Std.	
m		m	Mean	Deviation	N
Predicted Value	19.8860	22.7180	21.5649	.38291	154
Residual	-4.58516	7.69803	.00000	1.94267	154
Std. Predicted Value	-4.385	3.011	.000	1.000	154
Std. Residual	-2.353	3.950	.000	.997	154

a. Dependent Variable: Good Purchase Simulation

The residual statistics shows the descriptive statistics for the predicted value, Residual, standardize predicted value and the standardized residual. The observation considered for this model is 154. The standard deviation for all the estimates is low (less than 3). After we have fitted the model, the residuals of the regression should follow a normal distribution to draw valid conclusions from our regression. Only then can you draw valid conclusions. This is because the residuals are synonymous with the error terms, which can be understood as the disparities between the actual value of the dependent variable and the value that was predicted. If we investigate a normal Predicted Probability (P-P) plot, we will be able to ascertain whether or not the residuals follow a normal distribution. If this is the case, then they will fall in line with the diagonal normality line that is depicted in the plot. This is thus done by plotting the histogram of the residual with normal distribution curve impose on it.

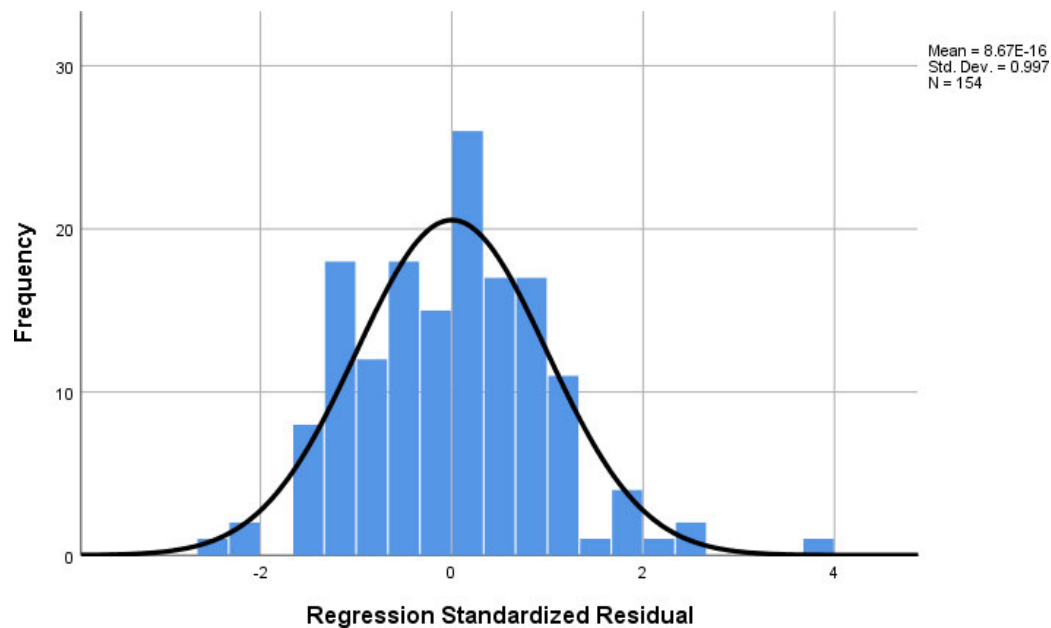


Figure 31: Showing the Distribution of the Residual for Hypothesis 7

The residual of the error term is plotted on the histogram. The distribution depicted shows a slightly skewed distribution. The skewness is not directly evident, but the shape is approximately bell shape. Hence, we can say that the residual is approximately normally distributed.

Moving on to the residual statistics in Table 31, we observe descriptive statistics for the predicted value, residual, standardized predicted value, and standardized residual. With 154 observations considered for this model, it is noteworthy that the standard deviation for all the estimates is low (less than 3). After fitting the model, it is crucial for the residuals of the regression to follow a normal distribution to draw valid conclusions. This is because the residuals represent the disparities between the actual value of the dependent variable and the predicted value. The distribution of the residuals for hypothesis 7 is shown in Figure 31. The residual error term is plotted on the histogram, revealing a slightly skewed distribution with an approximate bell shape.

Consequently, we can infer that the residual is approximately normally distributed. Furthermore, it is evident that good purchase stimulation can promote repeat purchases and short-term loyalty through attractive offers and incentives. However, establishing long-term loyalty likely requires a combination of factors, including service quality, product quality, and overall customer experience. Marketers should continue to employ purchase stimulation techniques such as discounts, promotions, and special offers, but should not rely solely on them. These techniques should be combined with efforts to enhance product quality, improve customer service, and personalize customer interactions. An in-depth analysis of the impact of purchase stimulation strategies on customer behavior suggests that while these strategies are beneficial, their

role is supplementary rather than central. Companies must focus on improving the overall customer experience, which encompasses timely deliveries, high-quality products, responsive customer service, and personalised marketing efforts. These efforts contribute significantly to satisfaction and loyalty, ultimately leading to sustained business success.

Summary of Hypothesis 6

The regression analysis demonstrates that good purchase stimulation has a statistically significant but relatively modest influence on customer satisfaction and loyalty in the UK subscription-based beauty sector. With an R-square value of 0.037, the model explains only a tiny portion of the variability in these outcomes. This indicates that while purchase stimulation is effective, it should be part of a broader strategy that enhances the overall customer experience and fosters long-term loyalty. By doing so, companies can achieve higher customer satisfaction and loyalty levels, leading to sustained business success.

6.4.2.*Hypothesis 7*

The seventh hypothesis will be tested using simple linear regression with one dependent and one independent variable. Customer Engagement is the independent variable, while customer satisfaction and loyalty are the dependent variables. As a sum, the linear combination of each construct was completed. The model was diagnosed through a series of tests. Multicollinearity is not needed since there is only one independent variable, autocorrelation was tested using the Durbin-Watson test, and heteroscedasticity was determined by comparing the residual statistics to the predicted value. The model's goodness of fit was evaluated using the Coefficient of Determination (R-square). The ANOVA table helps us determine how well the model explains the variance in the dataset or observations. The coefficient table indicates whether the regression parameter differs significantly from zero.

Statement of Hypothesis

Ho: In subscription-based beauty business in the UK, customer acquisition statistically has a significant impact on customer satisfaction and customer loyalty.

Test Statistics

The regression analysis is the statistical methodology adopted for this hypothesis. The impact of the dependent variable in this hypothesis is tested using the coefficient of the beta of the independent variable and the individual t-test for the independent variable.

Table 32: Model Summary^b

Model	R	Adjusted R	Std. Error of	Durbin-
el	R	Square	the Estimate	Watson

1	.316 ^a	.100	.094	1.77571	1.712
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a. Predictors: (Constant), Customer Engagement

b. Dependent Variable: Customer Satisfaction

The model summary shows that the estimate of the R-square is 0.1. The estimate can be interpreted as customer satisfaction and loyalty, which can explain 10% of the total variation in customer engagement. The R-square estimate increases as the number of independent variables increases. Hence, the adjusted R-square adjusts for the increase in the number of independent variables. Although this percentage is relatively low, it still signifies a statistically significant impact. The adjusted R-square value of 0.094 accounts for the number of predictors in the model, providing a more accurate reflection of the model's explanatory power.

Table 33: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	52.936	1	52.936	16.789	.000 ^b
	Residual	476.122	151	3.153		
	Total	529.059	152			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Customer Engagement

The ANOVA table above shows the robustness of the model; the f-statistics indicate that at least one of the independent variables is statistically significant. That is, one of the independent variables' coefficients differs from zero. Analysis of Variance is a framework that shows the variation in a regression model and is used as the basis for significance tests. The sum of squares for the regression is 52.936; this indicates that the sum of differences between the predicted value and the mean of the dependent variable is 52.936. The differences between the observed and predicted values are estimated as the sum of squares for residual. The total of these estimates is 529.059, representing the total sum of squares. The regression sum of squares (52.936) represents the variation in customer satisfaction and loyalty that can be attributed to customer acquisition efforts. The residual sum of squares (476.122) describes the variation not explained by the model, including other factors affecting customer satisfaction and loyalty. The total sum of squares (529.059) represents the overall variation in the dependent variables.

Table 34: Coefficients^a

Unstandardized Coefficients			Standardized Coefficients	
Model	B	Std. Error	Beta	

					t	Sig.
1	(Constant)	10.030	1.888		5.311	.000
	Customer Engagement	.215	.052	.316	4.097	.000

a. Dependent Variable: Customer Satisfaction

The coefficient table above shows the regression equation and the level of statistically significant coefficient of the independent variables. The Beta value (also known as the coefficient) of Customer satisfaction is 0.215. In this section, hypothesis 7 will be tested, i.e., does customer engagement impact customer satisfaction and loyalty? For the hypothesis $t(147)=4.097, p<0.001$.

$$\text{Customer Satisfaction} = 10.03 + 0.215 * \text{CSL}$$

Where CSL represent customer engagement.

In conclusion, for the coefficient of hypothesis 7, we reject the null hypothesis and say that there is no sufficient evidence to say that customer engagement does not impact customer satisfaction and loyalty.

Table 35: Residual Statistics

Minimum		Maximum		Std.	
m		m	Mean	Deviation	N
Predicted Value	15.1912	19.4922	17.7451	.59014	153
Residual	-5.77180	4.72283	.00000	1.76985	153
Std. Predicted Value	-4.328	2.961	.000	1.000	153
Std. Residual	-3.250	2.660	.000	.997	153

a. Dependent Variable: Customer Engagement

The residual statistics show the descriptive statistics for the predicted value, Residual, standardised predicted value and standardised residual. The observation considered for this model is 153. The standard deviation for all the estimates is low (less than 3). After we have fitted the model, the regression residuals should follow a normal distribution to draw valid conclusions from our regression. Only then can you draw valid conclusions. This is because the residuals are synonymous with the error terms, which can be understood as the disparities between the actual value of the dependent variable and the predicted value.

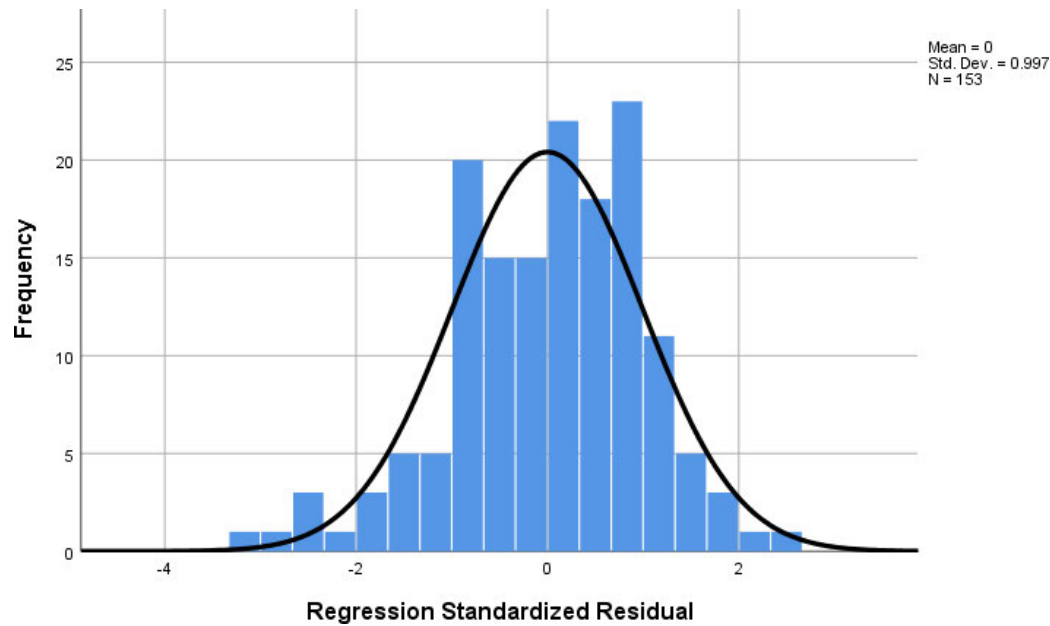


Figure 32: Showing the Distribution of the Residual for Hypothesis 8

The residual of the error term is plotted on the histogram. The distribution depicted shows a slightly skewed distribution. The skewness is not directly evident, but the shape is approximately bell-shaped. Hence, we can say that the residual is approximately normally distributed.

At this juncture, the results provide evidence that customer acquisition strategies statistically influence customer satisfaction and loyalty within the subscription-based beauty industry. While the R-square value of 0.100 suggests that other factors also have considerable roles, it affirms the importance of customer acquisition as a predictor of satisfaction and loyalty. The moderate correlation ($R = 0.316$) indicates that acquisition efforts contribute positively to these outcomes.

In the subscription-based beauty sector, the research findings offer valuable strategic insights. It is recommended to invest in targeted marketing campaigns that are specifically tailored to the preferences and characteristics of the desired customer demographic. These campaigns have the potential to enhance customer acquisition rates significantly. Personalised advertising and promotional offers can also play a pivotal role in attracting new subscribers, thereby contributing to heightened satisfaction and loyalty. Moreover, a highly effective acquisition strategy can be implementing referral programs that incentivise existing customers to refer new subscribers. This approach leverages the trust and satisfaction of current customers to attract new ones. Furthermore, it is crucial to consistently engage with new customers through personalised communication, regular updates, and exclusive offers to sustain their interest and satisfaction. This sustained engagement ultimately aids in the conversion of new customers into loyal subscribers.

Summary of Hypothesis 7

The data strongly indicates that acquiring new customers significantly impacts customer happiness and commitment within the British subscription-based beauty industry. With an R-square value of 0.100, the model explains 10% of the variation in these results, demonstrating customer acquisition's significance despite other factors' influence. The modest correlation and significant ANOVA findings underscore the importance of effective acquisition strategies that enhance customer satisfaction and loyalty. By focusing on targeted marketing, seamless onboarding, and continuous engagement, companies can improve their customer acquisition efforts. Companies can strengthen their customer acquisition efforts by focusing on targeted marketing, seamless onboarding, and constant engagement, resulting in heightened satisfaction and enduring loyalty.

Hypothesis 8

The eighth hypothesis will be tested using simple linear regression with one dependent and one independent variable. Loyalty program is the independent variable, while customer loyalty is the dependent variable. As a sum, the linear combination of each construct was completed. The model was diagnosed through a series of tests. Multicollinearity is unnecessary since there is only one independent variable, autocorrelation was tested using the Durbin-Watson test, and heteroscedasticity was determined by comparing the residual statistics to the predicted value. The model's goodness of fit was evaluated using the Coefficient of Determination (R-square). The ANOVA table helps us determine how well the model explains the variance in the dataset or observations. The coefficient table indicates whether the regression parameter differs significantly from zero.

Statement of Hypothesis 8

H1: In subscription-based beauty businesses in the UK, customer satisfaction and loyalty programmes statistically have a significant impact on customer loyalty

Test Statistics

The regression analysis is the statistical methodology adopted for this hypothesis. The impact of the dependent variable in this hypothesis is tested using the coefficient of the beta of the independent variable and the individual t-test for the independent variable.

Table 36: Model Summary

Model	R	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.742 ^a	.550	1.83955	1.875

c. Predictors: (Constant), Loyalty program

d. Dependent Variable: Customer Satisfaction and Loyalty

The model summary shows that the estimate of the R-square is 0.550. The estimate can be interpreted as 55.0% of the total variation in customer satisfaction, and loyalty can be explained by the loyalty programme. The R-square estimate increases as the number of independent variables increases. Hence, the adjusted R-square adjusts for the increase in the number of independent variables. The multiple correlation coefficient is 0.742, which shows a high positive linear relationship between the dependent and the independent variables. The standard error is low (1.84).

Table 37: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	654.714	1	654.714	193.477	.000 ^b
	Residual	534.661	158	3.384		
	Total	1189.375	159			

a. Dependent Variable: Customer Satisfaction and Loyalty

b. Predictors: (Constant), Loyalty programme

The robustness of the model is displayed in the ANOVA table, which can be found above; the f- f-statistics show that at least one of the independent variables possesses statistical significance. The F- F-statistics only show a robustness test because the model being tested in this hypothesis is a simple linear regression with just one independent variable and one dependent variable. To put it another way, the model has a high degree of goodness of fit. The Analysis of Variance (ANOVA) is a set of guidelines used as the foundation for various significance tests. It demonstrates how much variation there is in a regression model. The sum of squares for the regression is 654.714, the sum of differences between the predicted value and the mean of the dependent variable, and the sum of squares for the residual is 534.661.

On the other hand, the sum of squares for residual is used to estimate the disparities that exist between the values that were observed and those that were predicted. The addition of the sum of squares for residual and the sum of squares for regression gives the total sum of squares, and it is estimated as 1189.375. According to the estimates, the value of $F(2,144) = 193.477$, $p < 0.001$. As a result, we have concluded that the model is accurate and reliable. Next, we will use the independent t-test in the coefficient table to determine whether or not the independent variable is statistically significant.

Table 38: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.

1	(Constant)	15.450	1.480		10.439	.000
	Loyalty Programme	1.133	.081	.742	13.910	.000

a. Dependent Variable: Customer Satisfaction and Loyalty

The coefficient table above shows the regression equation and the level of statistically significant coefficient of the independent variables. The Beta value (also known as the coefficient) of Customer satisfaction is 0.215. In this section, hypothesis 8 will be tested, i.e., does customer satisfaction and loyalty program impact customer loyalty? For the hypothesis $t(154)=13.91$, $p<0.001$. The test's null hypothesis is that the coefficient of customer loyalty is zero, while the alternate hypothesis is that the coefficient of customer loyalty is different from zero. Since the p-value is less than 0.05, we reject the null hypothesis.

The standard error of the estimates for the slope and the intercept is small, which shows that the model has a lower error in terms of predictive power. The equation of the final model for this hypothesis is thus given below.

$$\text{Customer satisfaction and loyalty program} = 10.03 + 0.215 * \text{CustomerLoyalty}$$

In conclusion, for the coefficient of hypothesis 7, we reject the null hypothesis and say that there is no sufficient evidence to say that customer satisfaction and loyalty programs do not impact customer loyalty.

Table 39: Residual Statistics

Minimum		Maximum		Std.	
m		m	Mean	Deviation	N
Predicted Value	26.7807	40.3778	35.9375	2.02921	160
Residual	-7.31307	4.15456	.00000	1.83375	160
Std. Predicted Value	-4.512	2.188	.000	1.000	160
Std. Residual	-3.975	2.258	.000	.997	160

a. Dependent Variable: Customer Satisfaction

The residuals, which represent the differences between the observed and predicted values of customer satisfaction, range from -7.31307 to 4.15456. The mean residual is 0.00000, implying that, on average, the model's predictions are unbiased. The standard deviation of the residuals is 1.83375, indicating the variability in prediction errors. The relatively small standard deviation suggests that the model's predictions are fairly accurate. The standardised predicted values range from -4.512 to 2.188, with a mean of 0.000 and a standard deviation of 1.000. These values indicate that the predicted values are normally distributed, as expected in a well-fitted regression model.

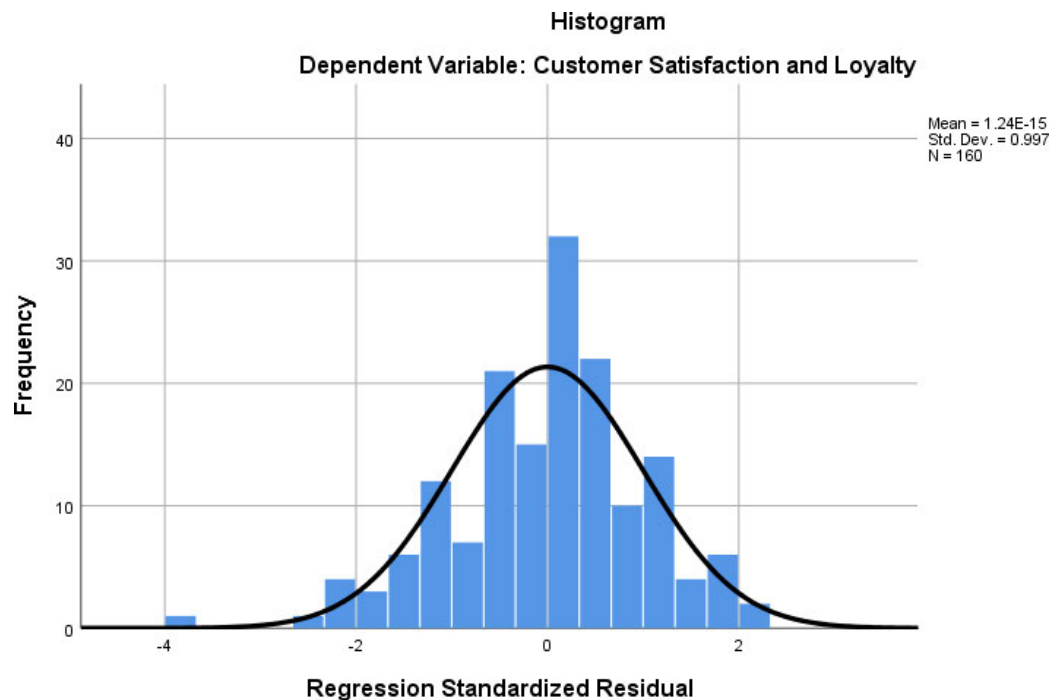


Figure 33: Showing the Distribution of the Residual for Hypothesis 9

The histogram displays a distribution that is slightly skewed, with an approximate bell shape. The model's predicted customer satisfaction values form a normal distribution, ranging from 26.7807 to 40.3778. The average predicted value is 35.9375, and the standard deviation is 2.02921. These results suggest a consistent prediction pattern across the sample, indicating that the model fits the data well. Academically, these descriptive statistics offer strong evidence supporting the hypothesis that customer satisfaction and loyalty programs significantly impact customer loyalty in the UK's subscription-based beauty industry. The narrow range and low standard deviation of the residuals further bolster the reliability and accuracy of the model's predictions. For professionals, these findings underscore the importance of prioritising customer satisfaction and loyalty programs to enhance customer loyalty. The precise predictions indicate that efforts aimed at improving customer satisfaction and implementing effective loyalty programs can result in measurable increases in customer loyalty.

Summary of Hypothesis 8

Practically, these findings emphasise the importance of prioritising customer satisfaction and effective loyalty programs to improve customer loyalty. In summary, the descriptive statistics from the regression analysis robustly support the hypothesis that customer satisfaction and loyalty programs significantly influence customer loyalty in the UK's subscription-based beauty sector. The accurate predictions and low residual variability highlight the crucial role of these factors in driving customer loyalty. Businesses can achieve higher customer retention and sustained success by improving customer satisfaction and

implementing effective loyalty programs.

6.5 Summary and Conclusion of Data Analysis

In this chapter, the qualities of the data utilised in this study were examined in depth to conduct an initial review or analysis before running the regression model. This chapter has covered all aspects of the data required before the study analysis to avoid erroneous results and to present the raw data. The descriptive properties of the data were presented, with particular emphasis on characteristics such as the measures of central tendencies (mean and median) and dispersion (standard deviation) of the data sets for continuous variables and the frequency, percentages, and cumulative percentages for categorical variables. This was required to comprehend the data distribution's nature before presenting the ordinary least square (OLS) regression estimations. These findings made it simple to compare the results and, consequently, the data, conduct additional studies, and construct model equations utilising the data.

The raw data was collected in Excel. However, the data cleaning and analysis were done using IBM SPSS version 26. The coding of items, scores, and various transformations was done using SPSS before the analysis and hypothesis tests were conducted. The study has eight hypotheses, and OLS regression was used to test the hypothesis. A statistically significant effect was the primary concern in examining factors that affect customer purchases in UK subscription beauty-based companies. The multicollinearity assumption was tested for the model with more than one independent variable. In contrast, homoscedasticity, serial correlation, residual normality and randomness of the response variables were checked critically throughout the hypothesis testing for the eight hypotheses tested in this study. The summary of the hypothesis is given below.

CHAPTER 7: SUMMARY, DISCUSSION, RECOMMENDATIONS AND CONCLUSION

7.1 Introduction

Accomplishing a sustainable level of customer satisfaction and customer loyalty in a competitive sector as the beauty industry in the UK demands devotion, and its evolution has been remarkable over the last few years. Consequently, it is fundamental for firms to understand fully due to its exceptionality in the e-commerce environment. There have been more associations and start-ups considered to enter this market, particularly in the beauty industry, as it has a variety of products from skincare and cosmetics to body care and hair care Bray et al. (2021). There are several SBRS brands operating in the UK at present, such as Birchbox, Glossybox and Liberty, which provide customers with frequent subscription box door-to-door delivery to their member's houses. Beauty SOS among consumers is undoubtedly more captivating than other product categories in the SOS industry due to its nature (Woo & Ramkumar, 2018), which has been determined in the study.

This research was carried out to figure out the factors that affect customer satisfaction and customer loyalty in subscription-based services in the UK beauty sector. 200 responses were collected in this study for data collection and analysis via a well-designed questionnaire. In order to accomplish the aim and objectives of the academic research, eight hypotheses were explored to test the significance of each variable which are applied in the conceptual framework. Setting up thorough and systematic literature reviews associated with primarily collected data via questionnaires in the UK beauty sector, this last section of the research will lay out the important viewpoints that were indicated during the course of the study.

7.2 Research summary and major findings

This study has expanded the knowledge of customer satisfaction and loyalty in subscription-based beauty services in the UK based on the conceptual framework to answer the three main research questions. Firstly, there is a growing body of evidence and reviews of literature stating that customer satisfaction and customer loyalty play essential roles in the growth of companies, including beauty brands in the UK. Customer loyalty is considered to be the long-term goal of most companies, particularly beauty subscription boxes, due to their construct. There is a high level of customer churn in this industry, as customer loyalty is a significant challenge to these UK beauty brands because of its features. Purchasers can buy any goods or services at any time of the day and anywhere with a click of a button. This is due to the contribution of information technology evolution and the upsurge of the e-commerce marketplace (Lee et al., 2019). The high churn rate is driven by several motives: inconvenience in web experience, card payment declines, failure in customer personalised experience, and the company's inability to alter the delivery time. Therefore, to achieve a firm's long-term goals, brands need deep insight into consumer behaviours, such as customer satisfaction and loyalty, to reach some solutions and understand its challenges in detail.

Based on various theories and frameworks which have been mentioned and examined in chapters 2 and 3 of this research, it appears that various elements have a significant impact on customer satisfaction and customer loyalty in general, which were also identified and studied in Chapters 4 and 6 relied on the conceptual framework. Internal elements, such as the company's ability, goodwill belief, and company ability and external elements, such as customer perceived value, were identified as key indicators of subscription-based services in this research. Primary data analysis based on SPSS data has been carried out to understand and study the hypotheses and reach a conclusion.

From the analysis in Chapter 2 regarding beauty boxes in the UK, it can be seen clearly that this market is growing drastically. However, due to several challenges derived from customer loyalty, it is fundamental for the writer to study this as it seems to be successful in general but not in particular compared to other industries. Simply put, beauty subscription boxes in the UK are not stable, and if brands do not entirely comprehend customer behaviours and their business models, it will lead to failure and a decrease in the number of members. Rosenbaum (2011) revealed that the core value of SBS is curation, in which customers receive a well-designed set of products chosen by experts based on preferences and tastes. This curation characteristic not only meets the demands and fulfils consumers' desires for personalisation but also allows customers to try and explore new products they would not have thought to purchase or try before. Via this way, SOS retailers also offer customers an occasion to experience the latest trends or new products. To retain and improve customers' perspectives, SBS organisations and the subscription economy take customer loyalty and customer satisfaction into thoughtful account with subscription programs to develop customer engagement

due to the high churn rate in this marketplace and to offer exclusive benefits for members.

The study aimed to analyse the factors influencing customer satisfaction and loyalty in subscription-based services within the UK beauty industry by examining eight different components. The analysis figured out that all eight determined factors have impacts on customer satisfaction and loyalty, which companies can apply for future marketing strategies and better understanding. In comparison, Woo and a study conducted by Kumar in 2018 focused on understanding the behaviour of American customers in the fashion and beauty subscription market. The study delved into demographic and psychological predictors such as age, gender, e-trust, and fashion consciousness. The findings from this research emphasised the significance of tailored marketing strategies and trust-building in improving customer engagement and loyalty. It advocated for a combined approach to comprehensive customer retention strategies, highlighting the need for both personalised marketing and building trust with customers.

Furthermore, the research's implications indicated that previous efforts mainly targeted strategies towards demographics with high e-trust and fashion consciousness. The research also emphasised the importance of encouraging exploratory product engagement as a way to attract more customers. This implies that businesses should focus on engaging potential customers with new and innovative products to expand their customer base.

The study by Kim and Kim (2020) examined the selection criteria for digital platform-based subscription services in South Korea. It focused on three key elements: content superiority, system quality, and service differentiation, and their impact on purchase intentions and continuous use intentions. By surveying 434 users of subscription services in South Korea, the authors investigated the relationship between the selection of attributes and perceived value, purchase intentions, and continuous use intentions.

Both studies aim to analyse the factors influencing customer behaviour in subscription services, but they differ in their geographical focus and the specific attributes examined. This dissertation provides a comprehensive framework for understanding customer satisfaction and loyalty in the UK beauty sector, encompassing a wide range of factors from marketing to ethical practices. In contrast, Kim and Kim offer a detailed analysis of digital platform attributes, focusing on content quality and service differentiation in South Korea.

Both studies emphasise the importance of value and differentiation. However, Kim and Kim's findings challenge the assumed significance of system quality, suggesting a potential difference in customer priorities between physical product-based and digital platform-based services. The author's research offers a broader perspective, while Kim and Kim's focused approach provides specific insights into digital service attributes. Combining insights from both studies can lead to a more detailed understanding of how various factors impact customer behaviour in different contexts and types of services, which can provide valuable strategies

for enhancing customer engagement and retention in a subscription-based model.

The dissertation, founded on primary data obtained from meticulously crafted questionnaires, offers a comprehensive analysis of the synergistic impact of various factors on augmenting customer satisfaction and loyalty. It underscores the intricate and interconnected nature of diverse influences on customer behaviours, emphasising the imperative nature of a well-suited marketing strategy in advancing customer retention and satisfaction. Meanwhile, the study "Thinking Inside the Box: An Empirical Exploration of Subscription Retailing" by Bray et al. (2021) directs its focus toward the burgeoning subscription retailing sector through an extensive survey of 1,356 UK consumers. It delineates consumer profiles, incentives, and impediments to subscription adoption, culminating in developing a typology of subscription categories. This research yields valuable insights into consumers' demographic and situational attributes amenable to subscription offers, furnishing practical counsel for retailers regarding the positioning and marketing of their services.

Before acquiring consumer happiness, reaching employee satisfaction is equally imperative. Employees can significantly boost customer satisfaction levels if they have a favourable impact. The search for satisfaction is a dynamic, ever-evolving aim that can alter over time depending on several variables. Depending on which phase of the usage or familiarity cycle one focuses on, satisfaction can vary greatly, especially when using a product or receiving a service over time.

The research employed a 5-point Likert scale to investigate the associations between eight variables and customer satisfaction and loyalty in the UK beauty subscription-based service (Bernerth, 2012). The Likert scale offers five response options to measure respondents' agreement or disagreement with statements (Sang et al., 2016). Sample size calculation is crucial for obtaining accurate research results and preventing the use of excessively large or small samples (Muralidharan, 2014). The T-test compares two populations with a sample size of less than 30, while the Z-test compares sample sizes exceeding 30 (Salari & Seadatee Shamir, 2021). The sample size for this study was determined using a subjective method, resulting in approximately 200 completed responses for data analysis.

The process of collecting data for this study began with creating a questionnaire. This questionnaire was developed based on thorough reviews of existing literature and grounded theories. The purpose of the questionnaire was to gather information that would contribute to developing the conceptual framework discussed in Chapter 4 of the study. The survey questions were then distributed to the Beauty Box subscription service members in the United Kingdom. A total of 200 individuals completed and submitted their responses to the survey. These responses served as the primary data set for analysis, which was conducted and presented in Chapter 6 of the study.

The findings highlighted the significance of customer behaviours, retention, and decision-making processes, indicating their pivotal roles in various variables. Companies can use these findings to identify

areas for improvement, focusing on enhancing each variable to drive future business outcomes. Notably, convenience and information transparency are crucial in the digital era, as consumers rely on comparing and accessing information before making a purchase. Additionally, the impact of social media, particularly through platforms like Instagram and Snapchat, has significantly increased due to celebrity endorsements.

The research study's results indicated that each of the variables under examination had a statistically significant influence, demonstrating a substantial and positive effect on customer satisfaction and loyalty. These encouraging findings suggest that they can significantly contribute to a company's growth and success. However, in order to achieve sustainable success in the business world, it is imperative for companies to have a comprehensive understanding of customer behaviours, their products and services, and their overall business strategies.

The findings of the study provided clear evidence rejecting the null hypotheses, indicating that all factors have a noticeable impact on customer satisfaction and loyalty in the UK beauty subscription retail market. Additionally, the research involved an in-depth analysis of internal and external elements that play a crucial role in shaping customer satisfaction and loyalty within the company's operational structure.

7.3 Recommendations and Implications

The comprehensive research project has provided compelling evidence that the increasing prevalence of beauty subscription-based services in the UK will have a significantly positive impact on customer satisfaction and loyalty within the industry. Upon careful reflection, the author has developed a fresh perspective, emphasising the importance of integrating customer loyalty and satisfaction metrics to uncover the intricate ways in which various elements influence customer behaviour and brand loyalty.

This detailed analysis of the factors influencing customer satisfaction and loyalty in the UK beauty sector offers deep insights into consumer behaviour. By delving into perceived value, customer experience, and the effectiveness of loyalty programs, the study serves as a comprehensive resource for businesses seeking to elevate their customer satisfaction and loyalty strategies. To improve customer satisfaction and loyalty, a place in a strong institution that will ease these challenges in subscription-based services in the UK beauty industry is required. At a practical level, there is proof illustrating that more demanding action is needed by beauty brands to maintain and accomplish a higher level of customer satisfaction and loyalty.

Over the past few years, subscription-based businesses have experienced rapid growth. However, there has been a lack of detailed information about the characteristics and behaviours of consumers who engage in this modern and trendy style of consumption. This information can be best understood through empirical research and analysis (Woo & Ramkumar, 2018). The new prediction framework of beauty subscription-based services that is updated through this research could be scrutinised and extended in future studies, and

empirical data from the current investigation might be helpful in leading or supporting future studies on this topic.

As a result, in addition to the above research findings and conclusions, suggestions have been made to improve customer satisfaction and loyalty in UK beauty box retailers. These suggestions are proposed as follows:

- (1) Beauty brands need to improve their range of products as they frequently provide subscription boxes to customers' houses in order to satisfy customers in terms of service quality and good quality. Subscription boxes attract customers because of their lower prices compared to normal market prices, convenience, and product ranges. For instance, shaving and haircare subscriptions provide consumers with a good range of products of good quality and fulfil their preferences; it will motivate customers to return for repurchase. Therefore, subscription boxes should collaborate and deliver a wider variety of products that suit diverse customers' personal preferences, such as hair type or skin type. For example, Glossybox offers carefully curated monthly beauty boxes with seasonal editions to ensure that subscribers receive products relevant to the time of year. This marketing strategy helps the brand maintain consumers' interest by providing timely and useful products while keeping the offers fresh and engaging (Beauty Boxes, 2024). Additionally, some brands, like The Vegan Kind Beauty Box, offer a unique range of beauty products to attract and retain consumers. The focus of this business is on vegan and cruelty-free beauty products, which aligns with the values of a growing segment of consumers who prioritise environmental and ethical considerations in their purchasing decisions.
- (2) Customer experiences relate to customer shopping experiences with service quality and good quality. In the enhanced technology era, the convenience of online shopping is one of the key elements in improving customer shopping experiences. The better and quicker ordering online, the higher the customer satisfaction. Moreover, a customer also prefers to receive their personalised products as this is one of the core features of beauty subscription boxes. Beauty brands should offer customers more customised offers and increase the item quality to suit customer preferences. Then, their shopping experience with the brand will be improved. For instance, in hair care, if a customer is able to pick their liking for the function, colour, and smell of the products, their satisfaction would increase. Also, the convenience of controlling their own subscription box should be taken into account as customers have control over their orders, which will improve their fulfilment. One of the most suitable for this marketing implication that subscription brands should follow in the future is Skin+Me. In order to improve customer experience and attain customer satisfaction, the company offers its purchasers a personalised skincare service where they will receive a range of products that suit and are tailored specifically for their skin type. Moreover, it can also be carried out online with special consultation

from dermatologists. Therefore, customers would be provided with a simple routine for their skincare habits (Cunningham, 2024).

- (3) With the assistance of social media, it has been easier for companies to promote their product. However, in the case of beauty boxes in the UK, it was found that Worth-of-Mouth is the most common advertising that companies use at present. Therefore, companies need to advertise and promote their products/ services more. For example, although Birchbox is one of the leading beauty brands for subscription boxes, besides the marketing about collaboration with other luxury beauty brands to bring more products to customers, other marketing is not approached. Consequently, it is necessary for beauty brands to pay more attention to their marketing. They can collaborate with key influencers to promote the beauty box more instead of just using word-of-mouth. Customers should be exposed to more content from the brand to draw their attention, particularly with visual content, so key influencers or celebrity endorsement should be good options. In today's digital age, the combination of social media and word-of-mouth marketing has become increasingly crucial for brands seeking to enhance their performance and engage with customers. An outstanding example of a successful marketing campaign is Glossybox, a beauty company that frequently partners with top-tier brands like Huda Beauty and BareMinerals. Additionally, Glossybox leverages celebrity endorsements and limited edition boxes to further solidify its brand presence. This approach has not gone unnoticed, as LookFantastic has also introduced special editions in collaboration with Elle Magazine, mirroring the success of Glossybox. Consequently, the fusion of brand recognition and beauty subscription boxes has gained significant traction among consumers in the UK. It's important to note that subscribers who actively participate in loyalty programs are more inclined to share their positive experiences with others. This word-of-mouth marketing can be a powerful tool for attracting new subscribers who are enticed by the benefits of the loyalty program. Furthermore, loyal customers often evolve into brand advocates, effectively promoting the subscription service within their networks. This not only enhances the brand's reputation but also expands its reach.
- (4) When it comes to beauty brands, it's crucial to establish robust customer loyalty programs to retain existing subscribers. Birchbox, for example, has enhanced its loyalty program by offering customers a free gift after a certain number of beauty box orders. However, the current model typically rewards consumers after the fifth or sixth box, which translates to around six months after their initial subscription. This may not be compelling enough for customers. Therefore, it would be beneficial for beauty brands to revamp their loyalty programs, perhaps by offering free products, services, or beauty boxes to loyal customers. They could also consider implementing more attractive pricing plans for

new subscribers. Beauty brands must also stay attuned to their competitors in order to cultivate greater customer loyalty. One common reason for low customer retention and repurchase rates in subscription box services is the availability of better alternatives. Understanding the market and competitors can significantly benefit beauty brands by helping them carve out a unique space for their products and services. Loyalty programs like Glossybox's GlossyCredits and LookFantastic's rewards system directly contribute to higher customer retention rates. These programs offer tangible benefits such as points that can be redeemed for products or discounts, thereby incentivising continued subscriptions and reducing churn rates. It's worth noting that the more engaged customers are with the loyalty program, the less likely they are to cancel their subscriptions (Beauty Boxes, 2024).

- (5) Implementing effective loyalty programs can provide a significant competitive advantage. As more beauty subscription boxes enter the market, having a robust loyalty program can differentiate a brand from its competitors. Programs like Cohorted's luxury perks and Roccabox's RoccaRewards not only retain existing customers but also attract new ones by offering unique benefits that competitors may not provide. Loyalty programs also serve as a valuable tool for collecting customer data. Information gathered from customer interactions, preferences, and behaviours can be used to refine marketing strategies, improve product offerings, and enhance the overall customer experience. This data-driven approach allows subscription services to stay ahead of trends and meet customer needs more effectively.
- (6) By incorporating ethical and sustainable methods into their business practices, UK beauty subscription boxes can increase their attractiveness to contemporary consumers who prioritise social responsibility and environmental sustainability. This strategy not only aids in cultivating a devoted customer following but also plays a part in establishing a favourable brand reputation and enduring prosperity in the beauty sector. Ethical sourcing encompasses guaranteeing that the items featured in beauty subscription boxes are acquired in a way that is socially and environmentally conscientious. This includes sourcing ingredients and products that are: (1) Cruelty-Free: Making sure that product development does not involve any animal testing. Brands like The Vegan Kind Beauty Box emphasise their dedication to offering cruelty-free products, which resonates with consumers who prioritise animal welfare. (2) Fair Trade: Collaborating with suppliers that adhere to fair trade practices ensures that workers involved in the production process receive fair pay and work in safe conditions. This practice promotes ethical labour standards and contributes to the well-being of communities. Sustainability in beauty subscription services involves minimising environmental impact through various approaches, including (1) Eco-Friendly Packaging: Utilizing recyclable, biodegradable, or reusable packaging materials to minimise waste. For instance, LookFantastic has

pledged to use sustainably sourced and recyclable packaging, which aids in reducing the environmental impact of their subscription boxes; (2) Reducing Carbon Footprint: Implementing measures to lessen carbon emissions linked to the production and delivery of subscription boxes. This can involve optimising shipping processes, using local suppliers to decrease transportation emissions, and supporting carbon offset projects. Birchbox and Glossybox frequently provide detailed information about the products and brands they showcase, including their dedication to ethical and sustainable practices. This transparency helps cultivate a loyal customer base that values ethical consumption [OBJ]. By integrating ethical and sustainable practices into their operations, UK beauty subscription boxes can enhance their appeal to modern consumers who value social responsibility and environmental sustainability. This approach not only aids in building a loyal customer base but also contributes to a positive brand image and long-term success in the beauty industry.

7.4 CONTRIBUTION OF THE STUDY

This study has made two main contributions to both practitioners and also in professional knowledge in reality. Firstly, based on different grounded theories and reviews of literature, the author has proposed a new conceptual framework in a new field – subscription-based services. This sector has been growing tremendously, and the success of these companies is undeniable; however, since it just entered the market in the past few years, there have not been many studies and academic journals examining its concepts and ideas, particularly in customer satisfaction and customer loyalty subject. Hence, it is crucial to thacademic and professional knowledge to understand and learn morebout this topic.

Although there has been the diversity of research about customer satisfaction and customer loyalty, there is no particular research that has actually paid attention to this two phenomenon in subscription-based services, particularly in the UK beauty sector. Therefore, the contribution of this research has gained new insight for practitioners and scholars. Moreover, major findings have been examined in this research not only to comprehend more about two customer behavioural aspects but also to give more innovative ideas and recommendations for academic knowledge. Additionally, the project also contributed to the growing body of research studying beauty boxes in the UK market – one of the most competitive business environments. This will support different perspectives for further research in the future, not only in customer satisfaction and customer loyalty fields but also in digital transformation e-commerce, subscription-based services and the UK commercial marketplace.

On the other hand, the research has proposed a new conceptual framework for customer satisfaction and customer loyalty in a more detailed and specific approach. None of the research investigating customer

satisfaction and customer loyalty was determined in the subscription box market before, which makes this research the first one to study this topic. The framework can support many study projects later on due to its results showing that there have been significant effects from different aspects of beauty brands on customer satisfaction and customer loyalty. The primary data and analysis will contribute greatly to academic research in the future and can become one of the frameworks to support scholars who wish to study this innovative business model.

7.5 LIMITATION OF THE RESEARCH

This thesis was implemented and carried out with the courage and sole goal of being one of the first empirical studies into subscription-based services in the UK beauty industry concerning customer satisfaction and customer loyalty. As a result, there will be a few limitations of this research that should be considered for further research. Firstly, in order to build up the conceptual framework for primary data and analysis, various academic research has been used to support this thesis. However, this research might cause bias during the research as customer satisfaction and customer loyalty theories and frameworks have been studied for a long time before, so many old theories have been applied in this research to accomplish the key aim. Moreover, there have not been many studies examining subscription-based services due to their new and innovative methods, so not many scholars have studied this for the last few years, and most of the journal articles are based on each other research, which might lead to the similarity and bias during the study.

The research is primarily centred on the UK beauty subscription box market. It's important to note that the findings may not be universally applicable to other regions or types of subscription services due to varying factors that influence customer satisfaction and loyalty. These factors can differ significantly based on cultural, economic, and market differences. While the findings are relevant and valuable for the UK market, they may require further validation before being directly applied to other geographical areas.

The primary data is collected only within the UK marketplace, which might not be applicable to all future reports and studies. Additionally, due to the limitations in the literature reviews and the time required to conduct the study, the result might be affected. Due to the particular feature of the research – the subscription box, the researcher can only give a survey to people who have subscribed to a beauty box before and only collect 200 applicants. Due to the size of this research, with more time in the future, further information and studies might be analysed better.

The study offers a current view of customer contentment and commitment at a particular moment. Customer inclinations and market circumstances can swiftly change, particularly in the dynamic beauty industry. Long-term studies that monitor changes over time would present a more comprehensive

understanding of how these elements develop and influence customer conduct. While quantitative data from surveys yield valuable insights, they may not fully capture the depth of customer experiences and motivations. Employing qualitative methods, such as thorough interviews or focus groups, could offer a more detailed, nuanced understanding of the aspects propelling customer contentment and commitment.

The study might not consider external factors such as economic conditions, market trends, or competitive actions that can significantly impact customer satisfaction and loyalty. Subsequent studies could incorporate these variables to present a more comprehensive perspective of the influences on customer behaviour. Swift technological progressions and shifts in market trends could rapidly make the findings outdated. Subscription services, notably in the beauty sector, are consistently evolving with new technologies and consumer preferences. Ongoing research is necessary to keep pace with these changes and ensure the relevance of the findings. The study emphasises the significance of ethical and sustainable practices but may not thoroughly explore specific practices and their direct impacts on customer satisfaction and loyalty. A more thorough analysis of various sustainable and ethical initiatives and their effectiveness could offer more actionable insights for businesses.

7.6 CONCLUSION

In conclusion, the study indicates different determinants affecting customer satisfaction and customer loyalty in subscription-based services (UK beauty sector) after taking into consideration various academic research and analyses based on primary data. There have been significant influences from the determined factors on the two phenomena of the study, which have been examined thoroughly via different chapters in this research. It has answered all the main research questions and objectives, which is the success of this research. The research findings have demonstrated clearly that with proper learning about customer satisfaction and customer loyalty by improving each company's internal and external factors, beauty brands for subscription boxes in the UK will improve their firm's performance. Transformative mixed methods attempt to analyse marginalised groups and employ convergent, explanatory sequential, or exploratory sequential designs within a social justice framework (Camacho, 2019). While the research offers valuable insights into the factors influencing customer satisfaction and loyalty in the UK beauty subscription box market, it is important to acknowledge these limitations. Addressing these issues in future research can help provide more comprehensive and applicable findings, ultimately benefiting both academia and industry stakeholders.

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APPENDICIES

APPENDIX 1

LETTER OF CONSENT

A. PARTICIPANT CONSENT FORM

Name of the participant:

Title of the research project: CUSTOMER SATISFACTION AND CUSTOMER LOYALTY IN
SUBSCRIPTION-BASED SERVICES (BEAUTY SECTOR)

Main investigator and contact detail: NGOC PHUONG THAO NGUYEN of University of the West
of Scotland, [REDACTED]

Member of the research team: Dr. Achilleas Boukis

I understand that I have been invited to participate in the research project in which the research will explain about answer questionnaire to analyse the customer satisfaction and customer loyalty in the subscription box retail. I am aware that the questionnaire will take approximately 20 minutes. I understand that the questionnaire is to be conducted in a place and at a time that is convenient for me. I confirm that I agree to participate in the above study. I have read the participant information sheet which is attached to this consent form. I understand what my role will be in this research work, and all my questions/ clarifications have been answered to my satisfaction.

I understand that I am free to withdrawn from participating in this research at any time I want, for any reason and without prejudice.

I have been adequately informed that the confidentiality of the information I provide will be safeguarded.

I am free to ask my question at any time before and during the research.

I have been provided with a copy of this form and the participant information sheet.

Date protection, I agree to University of the West of Scotland processing personal data which I have provided. I agree to the processing of such data for any purposes connected with the Research project as outline to me.

Name of participant: Signature:

Date:

YOU WILL BE GIVEN A COPY OF THIS FORM TO KEEP

If you would like to withdraw from the research, please complete the form below and return to the main investigator named above.

I WISH TO WITHDRAW FROM THE STUDY

Signed:

Date:

B. INFORMATION SHEET

Thank you for your time and for agreeing to take part in this research project. This information sheet will explain what the research is about and how we would like you to participate in it.

The main purpose of the investigation is to critically analyse the customer satisfaction and customer loyalty in the subscription-based services in the beauty sector in the UK in order to support subscription business to improve their performances in customer relationship, marketing and products for enhanced corporate growth.

In order to elicit your opinions, we would like you to complete a set of questionnaire online. If you agree to complete the questionnaire, it will take between 20 – 30 minutes.

The information provided by you in the questionnaire will be used for the research purposes. It will not be used in a manner that would allow identification of your individual responses.

At the end of the study, anonymised research data will be archived at the UK Data Archive in order to make available to other investigators in line with current data-sharing practices.

The work has been considered by the University Ethics Committee at the University of the West of Scotland and has been given a favourable review.

Once again, we would like to appreciate you for your time and your agreement to participate in this research project. If you have any further questions regarding to the questionnaire and this research project, please do not hesitate to contact me: Ngoc Phuong Thao Nguyen (University of the West of Scotland, [REDACTED])

QUESTIONNAIRE

Dear Participant,

The following questions are parts of the research project survey for DBA Research of University of the West of Scotland. The purpose of this research is to collect primary information related to the customer satisfaction and customer loyalty of subscription-based services in beauty sector in the UK. The subscription-based services in beauty sector which is also known as beauty box or subscription box is an innovative business model that brands will deliver a subscription box to customer with frequency, for instance weekly/monthly.

Your participation is voluntary, however, answering all the questions below will take part in the success of the completed survey. If you would prefer not to participate in the research, then I thank you for your time and you do not need to complete the questionnaire. If you are happy to take part in this project, please complete the letter of consent (including information sheet) and the questionnaire below. Your given information and identity will be treated confidentially.

There are total of 63 questions which takes you around 20 – 30 minutes. The questionnaire includes 8 sections regarding to different aspects of customer satisfaction and customer loyalty in subscription-based services in beauty sector in the UK, which will be explained beforehand. There are also demographic questions at the end asking about your background (*your given information and identity will be treated confidentially*).

I am really appreciating for your participation.

SUBSCRIPTION BOX PURCHASE

1. Have you ever purchased a subscription box before?

- ☐ Once
- ☐ More than once
- ☐ Never

2. How many beauty brands have you subscribed?

- ☐ 1 subscription
- ☐ 2 subscriptions
- ☐ More than 3 subscriptions

3. How long have you been subscribed these beauty brands?

- ☐ 1 month
- ☐ 2 – 6 months
- ☐ 6 months – 1 year
- ☐ More than 1 year

Please answer the following questions based on your experiences with the subscription box in beauty sector in the UK.

		Strongly Disagree	Agree	Neutral	Disagree	Strongly Agree
	In term of the value you receives in your subscription, to what extend do you agree or disagree					
1	The brand provides a wide range of products on their websites and for subscription	1	2	3	4	5
2	The quality of products from t brand subscription is important to me he 's	1	2	3	4	5
3	The value for money I get from the brand's subscription is important for me	1	2	3	4	5
4	The reliability of products of t brand subscription is important to me he 's	1	2	3	4	5
5	Subscribing saves me money compared to buying products individually	1	2	3	4	5
	In regarding to your experience while purchasing subscription box, to what extend do you agree or disagree					
6	I feel what I will receive is personalised to me	1	2	3	4	5
7	The subscription service's website makes the	1	2	3	4	5

	experience better					
8	It is easy to make payment and subscribe	1	2	3	4	5
9	It is safe to make payment and subscribe	1	2	3	4	5
10	I can change/ cancel my subscription any time	1	2	3	4	5

11	I can choose the frequency of my subscription	1	2	3	4	5
12	The brand personalises the products based on my preferences such as size, gender or needs via algorithm or online quiz	1	2	3	4	5
13	The brand's website enables me to get on to it quickly	1	2	3	4	5
14	The brand's website is simple to use	1	2	3	4	5

	In regarding to the brand's information and marketing, to what extend do you agree or disagree with the following statements					
15	I compare product prices in subscription boxes to the retail before purchasing	1	2	3	4	5
16	I look at online reviews before signing up for	1	2	3	4	5

	new subscriptions					
1 7	The brand I choose for subscription has good reviews online	1	2	3	4	5
1 8	I look at reviews from video content and visual content for more information about brand's products in subscription	1	2	3	4	5
1 9	The brand I choose for subscription has good reputation online such as Youtuber and other Key Influencers	1	2	3	4	5
2 0	I was recommended this subscription by my relatives/ friends	1	2	3	4	5
2 1	I will receive rewards if I am referred the brand by my relatives/ friends	1	2	3	4	5

2 2	I will receive rewards if I refer the brand to my relatives/ friends	1	2	3	4	5
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	In regarding to the ability of the brand, to what extend do you agree or disagree with the following statements					
2 3	I can personalise products based on my preferences	1	2	3	4	5

2 4	The brand gives me the accurate time of delivery and expiring of the products	1	2	3	4	5
2 5	My subscription box is delivered on time	1	2	3	4	5
2 6	The brand's staff is responsive and helpful to solve my issues regarding to products and services	1	2	3	4	5
2 7	The brand's understanding of me and my needs is important to me	1	2	3	4	5
2 8	The products I received have good quality and met my preferences	1	2	3	4	5
2 9	The expertise of the brand's staff is high	1	2	3	4	5
	GOODWILL BELIEF					
3 0	Information at the brand's site is accurate	1	2	3	4	5
3 1	Information at the brand's site well organised	1	2	3	4	5
3 2	It is truthful about its products, offering and services	1	2	3	4	5

3 3	It does not share my personal information with other sites	1	2	3	4	5
3 4	The brand's site protects information about my credit card	1	2	3	4	5
3 5	The brand makes accurate promises about delivery of products	1	2	3	4	5
3 6	I feel the brand shares the goals of its customers	1	2	3	4	5
	GOOD PURCHASE STIMULATION					
3 7	The suggested product from the brandy is suitable for me to purchase	1	2	3	4	5
3 8	I subscribe the brand's newsletter and email for more information, products and other events	1	2	3	4	5
3 9	The brand suggested me to purchase full size items, that I received in the subscription box, on brand's site	1	2	3	4	5
4 0	I returned to the brand to purchase the products, which I received in subscription box, in full size	1	2	3	4	5
4 1	The brand suggested me to its forum and other methods to share about my experience	1	2	3	4	5

	with products					
4 2 ^{or}	The brand suggested me similar products products that can go well with products I already received before	1	2	3	4	5
	CUSTOMER ENGAGEMENT					

4 3	There is likelihood of me continuing to choose/ repurchase	1	2	3	4	5
4 4	I find myself shopping/ browsing at the brand's site whenever I can	1	2	3	4	5
4 5	I keep up with anything related to shopping at the brand	1	2	3	4	5
4 6	I am motivated to respond to communication from the brand	1	2	3	4	5
4 7	If an issue arises, I can always count on the brand to reach a fair and satisfactory resolution	1	2	3	4	5
	CUSTOMER AND SATISFACTION LOYALTY					

	PROGRAMME					
48	I am satisfied with the quality of products from the brand	1	2	3	4	5
49	I am satisfied with the value for money I get from the brand	1	2	3	4	5
50	I am satisfied with the sale services	1	2	3	4	5
51	I am satisfied with the customer experiences	1	2	3	4	5
52	I am satisfied with the fast response of the brand's service staff	1	2	3	4	5
53	I will return to the brand to purchase more products	1	2	3	4	5
54	I will keep my subscription for longer period of time	1	2	3	4	5
55	I consider myself loyal to the brand and subscription	1	2	3	4	5
56	The brand gives me rewards/ discount/ complimentary/ benefits after a given period of time subscribing	1	2	3	4	5

5	I will stay subscribed to the brand	1	2	3	4	5
7						

DEMOGRAPHIC QUESTIONS

1. Gender:

- ☐ Male
- ☐ Female
- ☐ Other

2. Age:

- ☐ 16 – 20
- ☐ 21 – 30
- ☐ 31 – 40
- ☐ 40+

3. Occupation:

- ☐ Employed
- ☐ Unemployed
- ☐ High school Students
- ☐ University Students
- ☐ Other

APPENDIX 2

GET

FILE='C:\Users\Owner\Downloads\ReaserchDataSPSS.sav'.

DATASET NAME DataSet1 WINDOW=FRONT.

FREQUENCIES VARIABLES=Gender Age Occupation

/ORDER=ANALYSIS.

Frequencies

Input

Data

Notes

Output Created Comments

Active Dataset

Filter Weight Split File

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Definition of Missing

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Processor Time Elapsed

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Time

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202

User-defined missing values are treated as missing.

Statistics are based on all cases with valid data.

FREQUENCIES

VARIABLES=Gender Age

Occupation

/ORDER=ANALYSIS.

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[DataSet1] C:\Users\Owner\Downloads\ResearchDataSPSS.sav

Statistics

		Gender	Age	Occupation
N	Valid	200	202	200
	Missing	2	0	2
g				

Frequency Table

Gender

Frequency			Per cent	Valid Percent	Cumulative Percent
Valid	Male		55.4	56.0	56.0
	Female		43.6	44.0	100.0
	Total		99.0	100.0	
Missing System			1.0		
Total			100.0		

Age

Frequency			Percent	Valid Percent	Cumulative Percent
Valid	16 - 20	13	6.4	6.4	6.4
	21 - 30	126	62.4	62.4	68.8
	31 - 40	56	27.7	27.7	96.5
	40+	7	3.5	3.5	100.0
	Total	202	100.0	100.0	

Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unemployed	24	11.9	12.0	12.0
	Retired	1	.5	.5	12.5

	High School Students	14	6.9	7.0	19.5
	University Students	15	7.4	7.5	27.0
	Employed	146	72.3	73.0	100.0
	Total	200	99.0	100.0	
Missing	System	2	1.0		
Total		202	100.0		

```

COMPUTE      perceived_value=Intermofthevalueyoureceivesinyoursubscriptiontowhatext
enddo you4o +

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```

Intermofthevalueyoureceivesinyoursubscriptiontowhatextenddo you_A      +
Intermofthevalueyoureceivesinyoursubscriptiontowhatextenddo you_B      +
Intermofthevalueyoureceivesinyoursubscriptiontowhatextenddo you_C      +
Intermofthevalueyoureceivesinyoursubscriptiontowhatextenddo you_D.

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EXECUTE.
```

```

COMPUTE      customer_purchase=Inregardingtoyourexperiencewhilepurchasingsubscripti
onboxtowha_A +

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Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha_B      +
Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha_C      +
Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha_D      +
Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha_E      +
Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha_F      +
Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha_G      +
Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha_H .

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EXECUTE.
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COMPUTE customer_satisfaction=CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIamsatisf
iedwiththequalit +

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CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIamsatisfiedwiththevaluef      +
CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIamsatisfiedwiththesalese      +
CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIamsatisfiedwiththecustom      +
CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIamsatisfiedwiththefastre      +
CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIwillreturntothebrandtopu      +
CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIwillkeepmysubscriptionfo      +
CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIconsidermyselfloyaltothe      +

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CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEThebrandgivesmerewardsdis +
CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIwillstaysubscribedtotheb .
EXECUTE.

COMPUTE      customer_experience=Inregardingtoyourexperiencewhilepurchasingsubscrip
tionboxtowha_A +
    Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha_B +
Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha_C +
Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha_D +
Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha_E +
Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha_F +
Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha_G +
Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha_H .
EXECUTE.

COMPUTE customer_purchase=GOODPURCHASESTIMULATIONThe suggested product from the bra
ndyissuitabl +
    GOODPURCHASESTIMULATIONIsubscribethebrand'snewsletterandemailf+
GOODPURCHASESTIMULATIONThebrandsuggestedmetopurchasefullsizeitem +
GOODPURCHASESTIMULATIONIreturnedtothebrandtopurchasetheproductsw +
GOODPURCHASESTIMULATIONThebrandsuggestedmetoitsforumandothermeth +
GOODPURCHASESTIMULATIONThebrandsuggestedmesimilarproductsorprodu.
EXECUTE.

COMPUTE company_marketing=Inregardingtothebrandsinformationandmarketingtowhate
xtenddo you_A + Inregardingtothebrandsinformationandmarketingtowhatextenddo you_B +
Inregardingtothebrandsinformationandmarketingtowhatextenddo you_C +
Inregardingtothebrandsinformationandmarketingtowhatextenddo you_D +
Inregardingtothebrandsinformationandmarketingtowhatextenddo you_E +
Inregardingtothebrandsinformationandmarketingtowhatextenddo you_F +
Inregardingtothebrandsinformationandmarketingtowhatextenddo you_G.
EXECUTE.

COMPUTE      company_ability=Inregardingtotheabilityofthebrandtowhatextenddo you4or2
withthefol +
    Inregardingtotheabilityofthebrandtowhatextenddo you4or2withthef_A +
Inregardingtotheabilityofthebrandtowhatextenddo you4or2withthef_B +
Inregardingtotheabilityofthebrandtowhatextenddo you4or2withthef_C +
Inregardingtotheabilityofthebrandtowhatextenddo you4or2withthef_D +
Inregardingtotheabilityofthebrandtowhatextenddo you4or2withthef_E +
Inregardingtotheabilityofthebrandtowhatextenddo you4or2withthef_F.

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EXECUTE.

COMPUTE goodwill=GOODWILLBELIEFInformationatthebrandssiteisaccurate+
 GOODWILLBELIEFInformationatthebrand'ssitewellorganised+
 GOODWILLBELIEFItistruthfulaboutitsproductsofferingandservices +
 GOODWILLBELIEFItdoesnotsharemypersonalinformationwithothersites +
 GOODWILLBELIEFThebrand'ssiteprotectsinformationaboutmycreditcard +
 GOODWILLBELIEFThebrandmakesaccuratepromisesaboutdeliveryofproducts +
 GOODWILLBELIEFIfeelthebrandsharesthegoalsofitscustomers.

EXECUTE.

COMPUTE customer_engagement=CUSTOMERENGAGEMENTThereislikelihoodofmecontinuingto
 choose repurchase +

CUSTOMERENGAGEMENTIfindmyselfshoppingbrowsingatthebrand'ssite +
 CUSTOMERENGAGEMENTIkeepupwithanythingrelatedtoshoppingatthebrand +
 CUSTOMERENGAGEMENTIammotivatedtorespondto communicationfromthebrand +
 CUSTOMERENGAGEMENTIfanissuearisesIcanalwayscountonthebrandtoreact.

EXECUTE. RELIABILITY

/VARIABLES=HaveyoueverpurchasedasubscriptionboxbeforeHowmanybeautybrandshave
 yousubscribed

Howlonghaveyoubeensubscribedthesebeautybrands
 Interms of the value you receive in your subscription to what extent do you 40
 Interms of the value you receive in your subscription to what extent do you_A
 Interms of the value you receive in your subscription to what extent do you_B
 Interms of the value you receive in your subscription to what extent do you_C
 Interms of the value you receive in your subscription to what extent do you_D

Inregard to your experience while purchasing subscription box to what extent

Inregard to your experience while purchasing subscription box to what extent_A
 Inregard to your experience while purchasing subscription box to what extent_B
 Inregard to your experience while purchasing subscription box to what extent_C
 Inregard to your experience while purchasing subscription box to what extent_D
 Inregard to your experience while purchasing subscription box to what extent_E
 Inregard to your experience while purchasing subscription box to what extent_F
 Inregard to your experience while purchasing subscription box to what extent_G
 Inregard to your experience while purchasing subscription box to what extent_H
 Inregard to the brand's information and marketing to what extent do you 40
 Inregard to the brand's information and marketing to what extent do you_A
 Inregard to the brand's information and marketing to what extent do you_B
 Inregard to the brand's information and marketing to what extent do you_C

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Inregardingtotheabilityofthebrandtowhattextenddo you 4or2withthef _E

Inregardingtotheabilityofthebrandtowhattextenddo you 4or2withthef _F

GOODWILLBELIEFInformationatthebrandssiteisaccurate

GOODWILLBELIEFInformationatthebran' dssitewellorganised

GOODWILLBELIEFItistruthfulaboutitsproductsofferingandservices

GOODWILLBELIEFItdoesnotsharemypersonalinformationwithothersites

GOODWILLBELIEFThebrand'ssiteprotectsinformationaboutmycreditca

GOODWILLBELIEFThebrandmakesaccuratepromisesaboutdeliveryofproduc

GOODWILLBELIEFIfeelthebrandsharesthegoalsofitscustomers

GOODPURCHASESTIMULATIONThe suggestedproductfromthe brandyissuitabl

GOODPURCHASESTIMULATIONIsubscribethebrand'snewsletterandemailf

GOODPURCHASESTIMULATIONThebrandsuggestedmetopurchasefullsizeitem

GOODPURCHASESTIMULATIONIreturnedtothebrandtopurchasetheproductsw

GOODPURCHASESTIMULATIONThebrandsuggestedmetoitsforumandothermeth

GOODPURCHASESTIMULATIONThebrandsuggestedmesimilarproductsorprodu

CUSTOMERENGAGEMENTThereislikelihoodofmecontinuingtochooserepurch

CUSTOMERENGAGEMENTI findmyselfshoppingbrowsingatthebrand' ssitew

CUSTOMERENGAGEMENTIkeepupwithanythingrelatedtoshoppingatthebrand

CUSTOMERENGAGEMENT46Iam motivatedtorespondto communicationfromtheb

CUSTOMERENGAGEMENTIfanissuearisesIcanalwayscountonthebrandtoreac

CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIamsatisfiedwiththequalit

CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIamsatisfiedwiththevaluef

CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIamsatisfiedwiththesalese

CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIamsatisfiedwiththecustom

CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIamsatisfiedwiththefastre

CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIwillreturntothebrandtopu

CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIwillkeepmysubscriptionfo

CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIconsidermyselfloyaltothe

CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEThebrandgivesmerewardsdis

CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIwillstaysubscribedtotheb

/SCALE ('ALL VARIABLES') ALL

/MODEL=ALPHA

/STATISTICS=DESCRIPTIVE SCALE HOTELLING CORR ANOVA

/SUMMARY=VARIANCE COV.

Reliability

Notes

Output Created		01-SEP-2022 16:06:28
Comments		
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	N of Rows in Working Data File	202
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Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics are based on all cases with valid data for all variables in the procedure.

Notes

Syntax

RELIABILITY

/VARIABLES=Haveyouever purchasedasubscription

boxbefore

Howmanybeautybrandshaveyou subscribed

Howlonghaveyoubeen subscribedthesebeautybrands

Intermoft	_D	n cewhilepurchasingsubscri
hevalueyoure		ptionboxtowha_E
ceiv	Inregardin	
esinyoursubs	gtoyourexperie	Inregardingtoyourexperien
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a	cewhilepurcha	ptionboxtowha_F
textenddoyou	singsubscri	
4o	ptionboxtowha	Inregardingtoyourexperien
	te	cewhilepurchasingsubscri

Intermoft	Inregardin
hevalueyoure	gtoyourexperie
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textenddoyou	

Notes

Resources	Processor Time	00:00:00.14
	Elapsed Time	00:00:00.17

Scale: ALL VARIABLES*Case Processing Summary*

		N	%
s	Case Valid	101	50.0
	Excluded	101	50.0
	a Total	202	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.280	.292	60

Item Statistics

Mean	Std. Deviation	N

Have you ever purchased a subscription box before?	1.92	.271	101
How many beauty brands have you subscribed?	1.80	.530	101
How long have you been subscribed these beauty brands?	2.14	.735	101
In term of the value you receives in your subscription, to what extend do you 4 or 2 [The brand provides a wide range of products on their websites and for subscription]"	2.68	.692	101
In term of the value you receives in your subscription, to what extend do you 4 or 2 [The quality of products from the brand's subscription is important to me]"	4.26	.879	101
In term of the value you receives in your subscription, to what extend do you 4 or 2 [The value for money I get from the brand' s subscription is important for me]"	3.66	1.134	101
In term of the value you receives in your subscription, to what extend do you 4 or 2 [The reliability of products of the brand's subscription is important to me]"	3.87	1.146	101

Item Statistics

	Mean	Std. Deviation	N

In term of the value you receives in your subscription, to what extend do you 4 or 2 [Subscribing saves me money compared to buying products individually]"	3.65	1.144	101
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [I feel what I will receive is personalised to me]"	3.48	1.137	101
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [The subscription service's website makes the experience better]"	3.58	1.275	101
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [It is easy to make payment and subscribe]"	3.69	1.198	101
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [It is safe to make payment and subscribe]"	3.54	1.285	101

Item Statistics

	Mean	Std. Deviation	N
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [I can change/ cancel my	3.58	1.185	101

subscription any time]"			
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [I can choose the frequency of my subscription]"	3.56	1.195	101
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [The brand personalises the products based on my preferences such as size, gender or needs via algorithm or online quiz]"	3.77	1.165	101
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [The brand's website enables me to get on to it quickly]"	3.48	1.221	101
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [The brand's website is simple to use]"	3.73	1.122	101

Item Statistics

Mean	Std. Deviation	N
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In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [I compare product prices in subscription boxes to the retail before purchasing]"	3.16	1.056	101
In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [I look at online reviews before signing up for new subscriptions]"	3.79	1.252	101
In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [The brand I choose for subscription has good reviews online]"	3.48	1.197	101
In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [I look at reviews from video content and visual content for more information about brand's products in subscription]"	3.72	1.201	101

Item Statistics

	Mean	Std. Deviation	N
--	------	-------------------	---

In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [The brand I choose for subscription has good reputation online such as Youtuber and other Key Influencers]"	3.56	1.212	101
In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [I was recommended this subscription by my relatives/ friends]"	3.61	1.273	101
In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [I will receive rewards if I am referred the brand by my relatives/ friends]"	3.80	1.149	101
In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [I will receive rewards if I refer the brand to my relatives/ friends]"	3.63	1.155	101
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [I can personalise products based on my preferences]"	3.20	1.166	101

Item Statistics

Page 13

Mean	Std.	N
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		Deviation	
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [The brand gives me the accurate time of delivery and expiring of the products]"	3.50	1.293	101
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [My subscription box is delivered on time]"	3.70	1.188	101
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [The brand's staff is responsive and helpful to solve my issues regarding to products and services]"	3.73	1.157	101
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [The brand's understanding of me and my needs is important to me]"	3.56	1.228	101
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [The products I received have good quality and met my preferences]"	3.57	1.161	101
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [The expertise of the brand's staff	3.67	1.069	101

is high]"			
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Item Statistics

	Mean	Std. Deviation	N
GOODWILL BELIEF [Information at the brand's site is accurate]"	3.09	1.011	101
GOODWILL BELIEF [Information at the brand's site well organised]"	3.83	1.258	101
GOODWILL BELIEF [It is truthful about its products, offering and services]"	3.39	1.183	101
GOODWILL BELIEF [It does not share my personal information with other sites]"	3.68	1.199	101
GOODWILL BELIEF [The brand's site protects information about my credit card]"	3.70	1.221	101
GOODWILL BELIEF [The brand makes accurate promises about delivery of products]"	3.50	1.154	101
GOODWILL BELIEF [I feel the brand shares the goals of its customers]"	3.83	1.105	101
GOOD PURCHASE STIMULATION [The suggested product from the brandy is suitable for me	3.18	1.108	101

to purchase]			
GOOD PURCHASE STIMULATION [I subscribe the brand's newsletter and email for more information, products and other events]	3.81	1.172	101

Item Statistics

	Mean	Std. Deviation	N
GOOD PURCHASE STIMULATION [The brand suggested me to purchase full size items, that I received in the subscription box, on brand's site]	3.54	1.221	101
GOOD PURCHASE STIMULATION [I returned to the brand to purchase the products, which I received in subscription box, in full size]	3.73	1.207	101
GOOD PURCHASE STIMULATION [The brand suggested me to its forum and other methods to share about my experience with products]	3.50	1.188	101
GOOD PURCHASE STIMULATION [The brand suggested me similar products or products that can go well with products I already received before]	3.72	1.234	101

CUSTOMER ENGAGEMENT [There is likelihood of me continuing to choose/ repurchase]	3.30	1.188	101
CUSTOMER ENGAGEMENT [I find myself shopping/ browsing at the brand's site whenever I can]	3.59	1.290	101
CUSTOMER ENGAGEMENT [I keep up with anything related to shopping at the brand]	3.53	1.277	101

Item Statistics

	Mean	Std. Deviation	N
CUSTOMER ENGAGEMENT [46 I am motivated to respond to communication from the brand]	3.72	1.141	101
CUSTOMER ENGAGEMENT [If an issue arises, I can always count on the brand to reach a fair and satisfactory resolution]	3.65	1.187	101
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I am satisfied with the quality of products from the brand]	3.47	1.110	101
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I am satisfied with the value for money I get from the brand]	3.54	1.204	101

CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I am satisfied with the sale services]	3.73	1.216	101
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I am satisfied with the customer experiences]	3.36	1.254	101
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I am satisfied with the fast response of the brand's service staff]	3.79	1.211	101

Item Statistics

	Mean	Std. Deviation	N
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I will return to the brand to purchase more products]	3.39	1.149	101
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I will keep my subscription for longer period of time]	3.75	1.322	101
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I consider myself loyal to the brand and subscription]	3.43	1.134	101

CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [The brand gives me rewards/ discount/ complimentary/ benefits after a given period of time subscribing]	3.81	1.120	101
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I will stay subscribed to the brand]	3.50	.976	101

Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance
Item Variances	1.320	.074	1.748	1.674	23.731	.101
Inter-Item Covariances	.008	-1.015	.784	1.799	-.772	.043

Summary Item Statistics

	N of Items
Item Variances	60
Inter-Item Covariances	60

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
210.200	109.260	10.453	60

ANOVA

Sum of Squares				
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		df	Mean Square	F	Sig
Between People		182.101	100	1.821	
Within People	Between Items	1080.795	59	18.319	13.964
	Residual	7740.038	5900	1.312	
	Total	8820.833	5959	1.480	
Total		9002.934	6059	1.486	

Grand Mean = 3.50

Hotelling's T-Squared Test

Hotelling's T-Squared	F	df1	df2	Sig
6881.260	48.985	59	42	.000

FACTOR

/VARIABLES HaveyoueverpurchasedasubscriptionboxbeforeHowmanybeautybrandshaveyou subscribed

Howlonghaveyoubeensubscribedthesebeautybrands

Intermofthevalueyoureceivesinyoursubscriptiontowhatextenddoyou4o

Intermofthevalueyoureceivesinyoursubscriptiontowhatextenddoyou_A

Intermofthevalueyoureceivesinyoursubscriptiontowhatextenddoyou_B

Intermofthevalueyoureceivesinyoursubscriptiontowhatextenddoyou_C

Intermofthevalueyoureceivesinyoursubscriptiontowhatextenddoyou_D

Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha

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Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha_B

Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha_C

Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha_D

Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha_E

Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha_F

Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha_G

Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha_H

Inregardingtobrandsinformationandmarketingtowhatextenddoyou4o

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Inregardingtobrandsinformationandmarketingtowhatextenddoyou_C

Inregardingtobrandsinformationandmarketingtowhatextenddoyou_D

Inregardingtobrandsinformationandmarketingtowhatextenddoyou_E

Inregardingtobrandsinformationandmarketingtowhatextenddoyou_F

Inregardingtobrandsinformationandmarketingtowhatextenddoyou_G

Inregardingtobrandsinformationandmarketingtowhatextenddoyou_H

Inregardingtobrandsinformationandmarketingtowhatextenddoyou_I

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Inregardingtobrandsinformationandmarketingtowhatextenddoyou_K

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Inregardingtobrandsinformationandmarketingtowhatextenddoyou_Y

Inregardingtobrandsinformationandmarketingtowhatextenddoyou_Z

GOODWILLBELIEFInformationatthebrandssiteisaccurate

GOODWILLBELIEFInformationatthebrand'ssitewellorganised

GOODWILLBELIEFItistruthfulaboutitsproductsofferingandservices

GOODWILLBELIEFItdoesnotsharemypersonalinformationwithothersites

GOODWILLBELIEFThebrandssiteprotectsinformationaboutmycreditca

GOODWILLBELIEFThebrandmakesaccuratepromisesaboutdeliveryofproduc

GOODWILLBELIEFIfeelthebrandsharesthegoalsofitscustomers

GOODPURCHASESTIMULATIONThe suggested product from the brandy is suitable

GOODPURCHASESTIMULATIONI subscribed to the brand's newsletter and email f

GOODPURCHASESTIMULATIONThe brand suggested me to purchase full size item

GOODPURCHASESTIMULATIONI returned to the brand to purchase the products w

GOODPURCHASESTIMULATIONThe brand suggested me to its forum and other meth

GOODPURCHASESTIMULATIONThe brand suggested me similar products or produ

CUSTOMERENGAGEMENTThere is likelihood of me continuing to choose repurch

CUSTOMERENGAGEMENTI find myself shopping/browsing at the brand's site w

CUSTOMERENGAGEMENTI keep up with anything related to shopping at the brand

CUSTOMERENGAGEMENT46 I am motivated to respond to communication from the b

CUSTOMERENGAGEMENTIf an issue arises I can always count on the brand to reac

CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEI am satisfied with the qualiti

CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEI am satisfied with the value of

CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEI am satisfied with the sales e

CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEI am satisfied with the custom

CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEI am satisfied with the fast re

CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIwillreturntothebrandtopu
 CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIwillkeepmysubscriptionfo
 CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIconsidermyselfloyaltothe
 CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEThebrandgivesmerewardsdis

CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIwillstaysubscribedtotheb

/MISSING LISTWISE

/ANALYSIS HaveyoueverpurchasedasubscriptionboxbeforeHowmanybeautybrandshave
 yousubscribed

Howlonghaveyoubeensubscribedthesebeautybrands

Intermofthevalueyoureceivesinyoursubscriptiontowhattextenddo you4o
 Intermofthevalueyoureceivesinyoursubscriptiontowhattextenddo you_A
 Intermofthevalueyoureceivesinyoursubscriptiontowhattextenddo you_B
 Intermofthevalueyoureceivesinyoursubscriptiontowhattextenddo you_C
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 Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha_E
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 Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha_G
 Inregardingtoyourexperiencewhilepurchasingsubscriptionboxtowha_H
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 Inregardingtothebrandsinformationandmarketingtowhattextenddo you_A
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 Inregardingtotheabilityofthebrandtowhattextenddo you4or2withthef_F

GOODWILLBELIEFInformationatthebrandssiteisaccurate
 GOODWILLBELIEFInformationatthebran'dssitewellorganised
 GOODWILLBELIEFItistruthfulaboutitsproductsofferingandservices
 GOODWILLBELIEFItdoesnotsharemypersonalinformationwithothersites
 GOODWILLBELIEFThebrand'ssiteprotectsinformationaboutmycreditca
 GOODWILLBELIEFThebrandmakesaccuratepromisesaboutdeliveryofproduc
 GOODWILLBELIEFIfeelthebrandsharesthegoalsofitscustomers
 GOODPURCHASESTIMULATIONThesuggestedproductfromthebrandyissuitabl
 GOODPURCHASESTIMULATIONIsubscribethebrand'snewsletterandemailf
 GOODPURCHASESTIMULATIONThebrandsuggestedmetopurchasefullsizeitem
 GOODPURCHASESTIMULATIONIreturnedtothebrandtopurchasetheproductsw
 GOODPURCHASESTIMULATIONThebrandsuggestedmetoitsforumandothermeth
 GOODPURCHASESTIMULATIONThebrandsuggestedmesimilarproductsorprodu
 CUSTOMERENGAGEMENTThereislikelihoodofmecontinuingtochooserepurch
 CUSTOMERENGAGEMENTIfindmyselfshoppingbrowsingatthebrand'ssitew
 CUSTOMERENGAGEMENTIkeepupwithanythingrelatedtoshoppingatthebrand
 CUSTOMERENGAGEMENT46Iammotivatedtorespondtocommunicationfromtheb
 CUSTOMERENGAGEMENTIfanissuearisesIcanalwayscountonthebrandtoreac
 CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIamsatisfiedwiththequalit
 CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIamsatisfiedwiththevaluef
 CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIamsatisfiedwiththesalese
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 CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEThebrandgivesmerewardsdis
 CUSTOMERSATISFACTIONANDLOYALTYPROGRAMMEIwillstaysubscribedtotheb
 /PRINT INITIAL KMO REPR EXTRACTION ROTATION
 /PLOT EIGEN ROTATION
 /CRITERIA FACTORS(3) ITERATE(25)
 /EXTRACTION PC
 /CRITERIA ITERATE(25)
 /ROTATION VARIMAX
 /METHOD=CORRELATION.

S

Factor Analysis

		Notes
Output Created		01-SEP-2022 16:09:56
Comments		
Input	Data	C: \\Users\\Owner\\Downloads\\ ReaserchDataSPSS.sav
	Active Dataset	DataSet1
	Filter	<none>
	Weight	<none>
	Split File	<none>
	N of Rows in Working Data File	202
Missing Value Handling	Definition of Missing	MISSING=EXCLUDE: User-defined missing values are treated as missing.
	Cases Used	LISTWISE: Statistics are based on cases with no missing values for any variable used.

Syntax

Notes

FACTOR
 /VARIABLES
 Haveyoueverpurchasedas
 ubscriptionboxbefore
 Howmanybeautybrandsha
 veyousubscribed

 Howlonghaveyoubeensub
 scribedthesebeautybrands

 Intermofthevalueyoureceiv
 esinyoursubscriptiontowha
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Page 24

Intermofthevalueyourec

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Inregardi
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erien
cewhilepurch
asingsubscri
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Inregardi
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erien
cewhilepurch
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ha_A

Inregardi
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ha_B

Inregardi
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ptionboxtowha
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Notes

Resources	Processor Time	00:00:03.75
	Elapsed Time	00:00:02.33
	Maximum Memory Required	405088 (395.594K) bytes

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.418
Bartlett's Test of Sphericity	Approx. Chi-Square	3450.41
		0
	df	1770
	Sig.	.000

Communalities

	Initial	Extraction
		n
Have you ever purchased a subscription box before?	1.000	.099
How many beauty brands have you subscribed?	1.000	.099
How long have you been subscribed these beauty brands?	1.000	.023
In term of the value you receives in your subscription, to what extend do you 4 or 2 [The brand provides a wide range of products on their websites and for subscription]"	1.000	.129
In term of the value you receives in your subscription, to what extend do you 4 or 2 [The quality of products from the brand's subscription is	1.000	.324

important to me]"		
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Notes

In term of the value you receives in your subscription, to what extend do you 4 or 2 [The value for money I get from the brand' s subscription is important for me]"	1.000	.520
In term of the value you receives in your subscription, to what extend do you 4 or 2 [The reliability of products of the brand's subscription is important to me]"	1.000	.596
In term of the value you receives in your subscription, to what extend do you 4 or 2 [Subscribing saves me money compared to buying products individually]"	1.000	.486
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [I feel what I will receive is personalised to me]"	1.000	.468
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [The subscription service's website makes the experience better]"	1.000	.423

Notes

In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [It is easy to make payment and subscribe]"	1.000	.306
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [It is safe to make payment and subscribe]"	1.000	.338
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [I can change/ cancel my subscription any time]"	1.000	.407
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [I can choose the frequency of my subscription]"	1.000	.279
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [The brand personalises the products based on my preferences such as size, gender or needs via algorithm or online quiz]"	1.000	.303

Notes

In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [The brand's website enables me to get on to it quickly]"	1.000	.457
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [The brand's website is simple to use]"	1.000	.415
In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [I compare product prices in subscription boxes to the retail before purchasing]"	1.000	.412
In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [I look at online reviews before signing up for new subscriptions]"	1.000	.245
In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [The brand I choose for subscription has good reviews online]"	1.000	.271

Notes

In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [I look at reviews from video content and visual content for more information about brand's products in subscription]"	1.000	.257
In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [The brand I choose for subscription has good reputation online such as Youtuber and other Key Influencers]"	1.000	.298
In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [I was recommended this subscription by my relatives/ friends]"	1.000	.338
In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [I will receive rewards if I am referred the brand by my relatives/ friends]"	1.000	.371

Notes

In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [I will receive rewards if I refer the brand to my relatives/ friends]"	1.000	.228
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [I can personalise products based on my preferences]"	1.000	.169
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [The brand gives me the accurate time of delivery and expiring of the products]"	1.000	.075
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [My subscription box is delivered on time]"	1.000	.058
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [The brand's staff is responsive and helpful to solve my issues regarding to products and services]"	1.000	.106

Notes

In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [The brand's understanding of me and my needs is important to me]"	1.000	.143
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [The products I received have good quality and met my preferences]"	1.000	.131
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [The expertise of the brand's staff is high]"	1.000	.198
GOODWILL BELIEF [Information at the brand's site is accurate]"	1.000	.217
GOODWILL BELIEF [Information at the brand's site well organised]"	1.000	.242
GOODWILL BELIEF [It is truthful about its products, offering and services]"	1.000	.358
GOODWILL BELIEF [It does not share my personal information with other sites]"	1.000	.273
GOODWILL BELIEF [The brand's site protects information about my credit card]"	1.000	.266
GOODWILL BELIEF [The brand makes accurate	1.000	.286

promises about delivery of products]"		
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Notes

GOODWILL BELIEF [I feel the brand shares the goals of its customers]"	1.000	.281
GOOD PURCHASE STIMULATION [The suggested product from the brandy is suitable for me to purchase]	1.000	.239
GOOD PURCHASE STIMULATION [I subscribe the brand's newsletter and email for more information, products and other events]	1.000	.202
GOOD PURCHASE STIMULATION [The brand suggested me to purchase full size items, that I received in the subscription box, on brand's site]	1.000	.085
GOOD PURCHASE STIMULATION [I returned to the brand to purchase the products, which I received in subscription box, in full size]	1.000	.089
GOOD PURCHASE STIMULATION [The brand suggested me to its forum and other methods to share about my experience with products]	1.000	.013

GOOD PURCHASE STIMULATION [The brand suggested me similar products or products that can go well with products I already received before]	1.000	.086
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Notes

CUSTOMER ENGAGEMENT [There is likelihood of me continuing to choose/ repurchase]	1.000	.029
CUSTOMER ENGAGEMENT [I find myself shopping/ browsing at the brand's site whenever I can]	1.000	.108
CUSTOMER ENGAGEMENT [I keep up with anything related to shopping at the brand]	1.000	.126
CUSTOMER ENGAGEMENT [46 I am motivated to respond to communication from the brand]	1.000	.141
CUSTOMER ENGAGEMENT [If an issue arises, I can always count on the brand to reach a fair and satisfactory resolution]	1.000	.174
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I am satisfied with the quality of products from the brand]	1.000	.121

CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I am satisfied with the value for money I get from the brand]	1.000	.304
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I am satisfied with the sale services]	1.000	.081

Notes

CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I am satisfied with the customer experiences]	1.000	.036
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I am satisfied with the fast response of the brand's service staff]	1.000	.072
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I will return to the brand to purchase more products]	1.000	.201
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I will keep my subscription for longer period of time]	1.000	.131
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I consider myself loyal to	1.000	.042

the brand and subscription]		
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [The brand gives me rewards/ discount/ complimentary/ benefits after a given period of time subscribing]	1.000	.056
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I will stay subscribed to the brand]	1.000	.103

Extraction Method: Principal Component Analysis.

Notes

		Initial Eigenvalues		Extraction Sums of Squared Loadings Total		
Component	1	2				% of Variance
1	17	31	Total 5.448	1.332	.508	
2	18	32	4.207	1.236	.452	9.081
3	19	33	3.682	1.078	.439	7.012
4	20		3.452	1.055	.407	6.136
5	21		3.261	.997		5.753
6	22		2.851	.946		5.436
7	23		2.553	.916		4.752
8	24		2.367	.895		4.255
9	25		2.218	.822		3.944
10	26		2.173	.734		3.697
11	27		1.882	.682		3.622
12	28		1.837	.677		3.137
13	29		1.776	.634		3.062
14	30		1.633	.576		2.959
15			1.425			
16						

2.722	Cumulat	91.240		% of	Cumulative %
2.375	ive % 9.081	91.919		Variance	9.081
	16.092		5.448	9.081	16.092
2.219	22.228		4.207	7.012	22.228
2.061	27.982		3.682	6.136	
1.797	33.417				
1.759	38.169				
1.661	42.424				
1.576	46.368				
1.526	50.066				
1.491	53.687				
1.370	56.824				
1.224	59.886				
1.136	62.846				
1.129	65.568				
1.056	67.943				
.961	70.162				
.846	72.223				
.754	74.020				
.731	75.779				
.679	77.440				
	79.016				
	80.542				
	82.034				
	83.403				
	84.627				
	85.764				
	86.893				
	87.949				
	88.909				
	89.756				
	90.509				

Notes

Component	Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %
1	5.054	8.423	8.423
2	4.389	7.314	15.737
3	3.895	6.491	22.228
4			
5			
6			
7			
8			
9			
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33			

Notes

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
34	.398	.663	92.582			
35	.371	.618	93.200			
36	.352	.586	93.787			
37	.331	.552	94.338			
38	.316	.527	94.865			
39	.302	.503	95.368			
40	.271	.452	95.820			
41	.236	.394	96.214			
42	.222	.370	96.584			
43	.201	.335	96.919			
44	.190	.316	97.236			
45	.177	.295	97.531			
46	.171	.286	97.817			
47	.165	.275	98.091			
48	.155	.258	98.349			
49	.138	.230	98.579			
50	.129	.216	98.794			
51	.121	.201	98.996			
52	.100	.167	99.163			
53	.099	.165	99.328			
54	.096	.160	99.488			
55	.083	.138	99.626			
56	.061	.102	99.728			
57	.052	.086	99.814			
58	.049	.081	99.895			
59	.037	.061	99.957			
60	.026	.043	100.000			

Notes

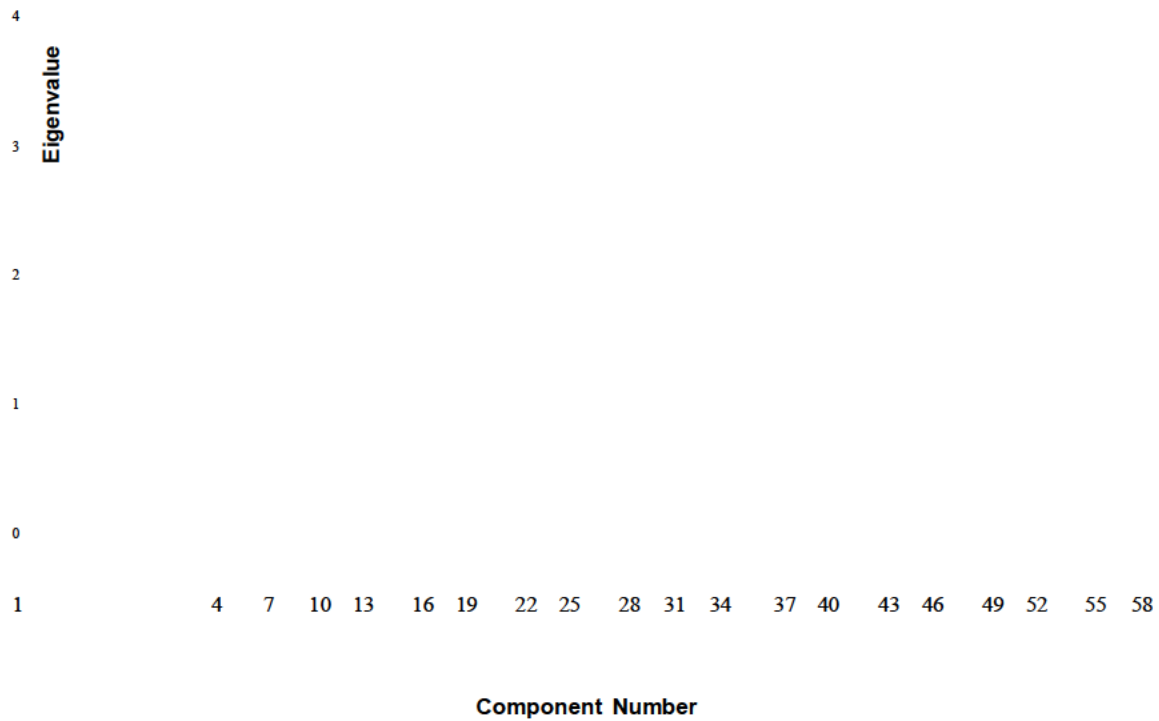
Component	Rotation Sums of Squared Loadings		
	Total	% of	Cumulative %

t		Variance	
34			
35			
36			
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40			
41			
42			
43			
44			
45			
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47			
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Extraction Method: Principal Component Analysis.

Scree Plot





Component Matrix^a

	Component		
	1	2	3
Have you ever purchased a subscription box before?	-.215	-.030	.228
How many beauty brands have you subscribed?	-.076	-.210	.223
How long have you been subscribed these beauty brands?	-.108	-.057	.091
In term of the value you receives in your subscription, to what extend do you 4 or 2 [The brand provides a wide range of products on their websites and for subscription]"	.304	-.192	.005

	1	2	3
In term of the value you receives in your subscription, to what extend do you 4 or 2 [The quality of products from the brand's subscription is important to me]"	-.399	.376	.153
In term of the value you receives in your subscription, to what extend do you 4 or 2 [The value for money I get from the brand' s subscription is important for me]"	.563	-.387	-.232
In term of the value you receives in your subscription, to what extend do you 4 or 2 [The reliability of products of the brand's subscription is important to me]"	-.536	.474	.289
In term of the value you receives in your subscription, to what extend do you 4 or 2 [Subscribing saves me money compared to buying products individually]"	.540	-.316	-.308
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [I feel what I will receive is personalised to me]"	-.573	.300	.222

1	2	3
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In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [The subscription service's website makes the experience better]"	.627	-.168	-.033
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [It is easy to make payment and subscribe]"	-.524	.167	.053
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [It is safe to make payment and subscribe]"	.538	-.192	-.107
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [I can change/ cancel my subscription any time]"	-.621	.145	.023
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [I can choose the frequency of my subscription]"	.458	-.036	.261

1	2	3
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In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [The brand personalises the products based on my preferences such as size, gender or needs via algorithm or online quiz]"	-.357	-.121	-.401
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [The brand's website enables me to get on to it quickly]"	.591	.108	.311
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [The brand's website is simple to use]"	-.603	-.162	-.161
In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [I compare product prices in subscription boxes to the retail before purchasing]"	.602	.172	.141
In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [I look at online reviews before signing up for new subscriptions]"	-.460	-.153	-.101

In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [The brand I choose for subscription has good reviews online]"	.448	.259	.062
In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [I look at reviews from video content and visual content for more information about brand's products in subscription]"	-.299	-.409	-.007
In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [The brand I choose for subscription has good reputation online such as Youtuber and other Key Influencers]"	.321	.389	.209
In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [I was recommended this subscription by my relatives/ friends]"	-.098	-.481	-.311

In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [I will receive rewards if I am referred the brand by my relatives/ friends]"	.123	.488	.343
In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [I will receive rewards if I refer the brand to my relatives/ friends]"	-.208	-.332	-.274
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [I can personalise products based on my preferences]"	.185	.265	.253
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [The brand gives me the accurate time of delivery and expiring of the products]"	-.165	-.094	-.197
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [My subscription box is delivered on time]"	.206	.123	.018

In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [The brand's staff is responsive and helpful to solve my issues regarding to products and services]"	-.154	-.281	.062
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [The brand's understanding of me and my needs is important to me]"	.279	.238	.089
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [The products I received have good quality and met my preferences]"	-.235	-.190	-.200
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [The expertise of the brand's staff is high]"	-.101	.100	.422
GOODWILL BELIEF [Information at the brand's site is accurate]"	-.020	.056	-.462
GOODWILL BELIEF [Information at the brand's site well organised]"	.003	-.217	.441
GOODWILL BELIEF [It is truthful about its products, offering and services]"	.042	.388	-.454

GOODWILL BELIEF [It does not share my personal information with other sites]"	.136	-.284	.418
GOODWILL BELIEF [The brand's site protects information about my credit card]"	-.024	.241	-.456
GOODWILL BELIEF [The brand makes accurate promises about delivery of products]"	-.036	-.110	.522
GOODWILL BELIEF [I feel the brand shares the goals of its customers]"	.079	.215	-.478
GOOD PURCHASE STIMULATION [The suggested product from the brand is suitable for me to purchase]	-.016	-.437	.218
GOOD PURCHASE STIMULATION [I subscribe the brand's newsletter and email for more information, products and other events]	.124	.432	.003
GOOD PURCHASE STIMULATION [The brand suggested me to purchase full size items, that I received in the subscription box, on brand's site]	.043	-.284	-.051
GOOD PURCHASE STIMULATION [I returned to the brand to purchase the products, which I received in subscription box, in full size]	.045	.294	-.010

	1	2	3
GOOD PURCHASE STIMULATION [The brand suggested me to its forum and other methods to share about my experience with products]	-.018	.052	.102
GOOD PURCHASE STIMULATION [The brand suggested me similar products or products that can go well with products I already received before]	-.060	-.113	-.264
CUSTOMER ENGAGEMENT [There is likelihood of me continuing to choose/ repurchase]	.018	.124	.117
CUSTOMER ENGAGEMENT [I find myself shopping/ browsing at the brand's site whenever I can]	-.062	-.321	-.034
CUSTOMER ENGAGEMENT [I keep up with anything related to shopping at the brand]	.073	.263	-.226
CUSTOMER ENGAGEMENT [46 I am motivated to respond to communication from the brand]	.025	-.247	.283
CUSTOMER ENGAGEMENT [If an issue arises, I can always count on the brand to reach a fair and satisfactory resolution]	.163	.273	-.270

	1	2	3
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I am satisfied with the quality of products from the brand]	-.041	-.161	.305
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I am satisfied with the value for money I get from the brand]	.117	.427	-.328
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I am satisfied with the sale services]	-.059	-.235	.150
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I am satisfied with the customer experiences]	.127	.140	.023
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I am satisfied with the fast response of the brand's service staff]	-.227	.004	.143
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I will return to the brand to purchase more products]	.131	.380	-.200
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I will keep my subscription for longer period of time]	-.017	-.323	.162

	1	2	3
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I consider myself loyal to the brand and subscription]	-.097	.176	-.043
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [The brand gives me rewards/ discount/ complimentary/ benefits after a given period of time subscribing]	.079	-.090	-.203
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I will stay subscribed to the brand]	-.038	.319	.012

Extraction Method: Principal Component Analysis.

a. 3 components extracted.

	1	2	3
Have you ever purchased a subscription box before?	.230	-.006	-.215
How many beauty brands have you subscribed?	.028	-.049	-.310
How long have you been subscribed these beauty brands?	.089	-.043	-.115
In term of the value you receives in your subscription, to what extend do you 4 or 2 [The brand provides a wide range of products on their websites and for subscription]"	-.344	.041	-.096

In term of the value you receives in your subscription, to what extend do you 4 or 2 [The quality of products from the brand's subscription is important to me]"	.552	.115	.078
In term of the value you receives in your subscription, to what extend do you 4 or 2 [The value for money I get from the brand' s subscription is important for me]"	-.717	-.079	-.009
In term of the value you receives in your subscription, to what extend do you 4 or 2 [The reliability of products of the brand's subscription is important to me]"	.750	.181	.020

	1	2	3
In term of the value you receives in your subscription, to what extend do you 4 or 2 [Subscribing saves me money compared to buying products individually]"	-.686	-.089	.092
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [I feel what I will receive is personalised to me]"	.683	.013	-.038
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [The subscription service's website makes the	-.616	.206	-.024

experience better]"			
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [It is easy to make payment and subscribe]"	.534	-.141	.017
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [It is safe to make payment and subscribe]"	-.572	.102	.011

	1	2	3
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [I can change/ cancel my subscription any time]"	.598	-.222	.019
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [I can choose the frequency of my subscription]"	-.333	.366	-.187
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [The brand personalises the products based on my preferences such as size, gender or needs via	.137	-.491	.208

algorithm or online quiz]"			
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [The brand's website enables me to get on to it quickly]"	-.364	.555	-.126
In regarding to your experience while purchasing subscription box, to what extend do you 4 or 2 [The brand's website is simple to use]"	.390	-.512	-.026

	1	2	3
In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [I compare product prices in subscription boxes to the retail before purchasing]"	-.391	.507	.047
In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [I look at online reviews before signing up for new subscriptions]"	.290	-.397	-.055

In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [The brand I choose for subscription has good reviews online]"	-.242	.437	.150
In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [I look at reviews from video content and visual content for more information about brand's products in subscription]"	.062	-.423	-.273

	1	2	3
In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [The brand I choose for subscription has good reputation online such as Youtuber and other Key Influencers]"	-.035	.535	.104
In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [I was recommended this subscription by my relatives/ friends]"	-.224	-.533	-.062

In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [I will receive rewards if I am referred the brand by my relatives/ friends]"	.215	.568	.044
In regarding to the brand's information and marketing, to what extend do you 4 or 2 with the following statements [I will receive rewards if I refer the brand to my relatives/ friends]"	-.052	-.475	-.008

	1	2	3
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [I can personalise products based on my preferences]"	.035	.409	-.019
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [The brand gives me the accurate time of delivery and expiring of the products]"	.043	-.258	.082
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [My subscription box is delivered on time]"	-.112	.198	.080

In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [The brand's staff is responsive and helpful to solve my issues regarding to products and services]"	.017	-.226	-.235
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [The brand's understanding of me and my needs is important to me]"	-.102	.349	.101

	1	2	3
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [The products I received have good quality and met my preferences]"	.057	-.358	.019
In regarding to the ability of the brand, to what extend do you 4 or 2 with the following statements [The expertise of the brand's staff is high]"	.246	.246	-.277
GOODWILL BELIEF [Information at the brand's site is accurate]"	-.082	-.234	.395
GOODWILL BELIEF [Information at the brand's site well organised]"	.018	.111	-.479
GOODWILL BELIEF [It is truthful about its products, offering and services]"	.020	.015	.598

GOODWILL BELIEF [It does not share my personal information with other sites]"	-.132	.125	-.490
GOODWILL BELIEF [The brand's site protects information about my credit card]"	.007	-.115	.503
GOODWILL BELIEF [The brand makes accurate promises about delivery of products]"	.122	.203	-.480
GOODWILL BELIEF [I feel the brand shares the goals of its customers]"	-.098	-.089	.514

	1	2	3
GOOD PURCHASE STIMULATION [The suggested product from the brandy is suitable for me to purchase]	-.128	-.164	-.442
GOOD PURCHASE STIMULATION [I subscribe the brand's newsletter and email for more information, products and other events]	.095	.342	.275
GOOD PURCHASE STIMULATION [The brand suggested me to purchase full size items, that I received in the subscription box, on brand's site]	-.181	-.187	-.132

GOOD PURCHASE STIMULATION [I returned to the brand to purchase the products, which I received in subscription box, in full size]	.095	.206	.193
GOOD PURCHASE STIMULATION [The brand suggested me to its forum and other methods to share about my experience with products]	.067	.080	-.049
GOOD PURCHASE STIMULATION [The brand suggested me similar products or products that can go well with products I already received before]	-.073	-.252	.131
CUSTOMER ENGAGEMENT [There is likelihood of me continuing to choose/ repurchase]	.074	.154	-.014

	1	2	3
CUSTOMER ENGAGEMENT [I find myself shopping/ browsing at the brand's site whenever I can]	-.105	-.257	-.177
CUSTOMER ENGAGEMENT [I keep up with anything related to shopping at the brand]	-.002	.080	.346
CUSTOMER ENGAGEMENT [46 I am motivated to respond to communication from the brand]	-.058	.014	-.371

CUSTOMER ENGAGEMENT [If an issue arises, I can always count on the brand to reach a fair and satisfactory resolution]	-.085	.109	.393
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I am satisfied with the quality of products from the brand]	.043	.047	-.341
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I am satisfied with the value for money I get from the brand]	.010	.150	.530
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I am satisfied with the sale services]	-.018	-.097	-.267

	1	2	3
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I am satisfied with the customer experiences]	-.037	.169	.079
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I am satisfied with the fast response of the brand's service staff]	.232	-.037	-.129

CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I will return to the brand to purchase more products]	.011	.199	.402
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I will keep my subscription for longer period of time]	-.091	-.124	-.328
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I consider myself loyal to the brand and subscription]	.152	.037	.134
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [The brand gives me rewards/ discount/ complimentary/ benefits after a given period of time subscribing]	-.164	-.129	.110
CUSTOMER SATISFACTION AND LOYALTY PROGRAMME [I will stay subscribed to the brand]	.182	.190	.184

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

Component	1	2	3
1	-.845	.529	.086
2	.461	.637	.617
3	.272	.561	-.782

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

CORRELATIONS

/VARIABLES=perceived_value customer_purchase customer_satisfaction customer_experience

```

company_marketingcompany_abilitygoodwill customer_engagement
/PRINT=TWOTAIL NOSIG
/STATISTICS DESCRIPTIVES
/MISSING=PAIRWISE.

```

Correlations

Output Created		01-SEP-2022 16:11:29
Comments		
Input	Data	C: \\Users\Owner\Downloads\ ReaserchDataSPSS.sav
	Active Dataset	DataSet1
	Filter	<none>
	Weight	<none>
	Split File	<none>
	N of Rows in Working Data File	202
Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics for each pair of variables are based on all the cases with valid data for that pair.
Syntax		CORRELATIONS /VARIABLES=perceived_ v alue customer_purchase customer_satisfaction customer_experience company_marketing company_ability goodwill customer_engagement /PRINT=TWOTAIL NOSIG /STATISTICS DESCRIPTIVES /MISSING=PAIRWISE.

Resources	Processor Time	00:00:00.05
	Elapsed Time	00:00:00.05

	Mean	Std. Deviation	N
perceived_value	18.0459	1.77531	196
customer_purchase	21.5692	1.98683	195
customer_satisfaction	35.9375	2.73502	160
customer_experience	28.9663	2.15737	178
company_marketing	25.4868	2.07469	189
company_ability	24.9144	2.08506	187
goodwill	24.9227	1.94210	181
customer_engagement	17.8021	1.81641	187

Correlations

		perceived_value	customer_purchase	customer_satisfaction
perceived_value	Pearson Correlation	1	.264**	.163*
	Sig. (2-tailed)		.000	.043
customer_purchase	N	196	190	155
	Pearson Correlation	.264**	1	.193*
	Sig. (2-tailed)	.000		.016
customer_satisfaction	N	190	195	154
	Pearson Correlation	.163*	.193*	1
	Sig. (2-tailed)	.043	.016	
customer_experience	N	155	154	160
	Pearson Correlation	.472**	.206**	.254**
	Sig. (2-tailed)	.000	.007	.003
company_marketing	N	174	171	138
	Pearson Correlation	.357**	.260**	.249**
	Sig. (2-tailed)	.000	.000	.002
company_ability	N	183	182	151
	Pearson Correlation	.259**	.213**	.340**
	Sig. (2-tailed)	.000	.004	.000
goodwill	N	182	181	147
	Pearson Correlation	.403**	.284**	.445**
	Sig. (2-tailed)	.000	.000	.000
N		178	177	145

		customer_experience	company_marketing	company_ability
				.259**
perceived_value	Pearson Correlation	.472**	.357**	.000
	Sig. (2-tailed)	.000	.000	.182
	N	174	183	.213**
customer_purchase	Pearson Correlation	.206**	.260**	.004
	Sig. (2-tailed)	.007	.000	.181
	N	171	182	.340**
customer_satisfaction	Pearson Correlation	.254**	.249**	.000
	Sig. (2-tailed)	.003	.002	.147
	N	138	151	.362**
customer_experience	Pearson Correlation	1	.466**	.000
	Sig. (2-tailed)		.000	.166
	N	178	168	.308**
company_marketing	Pearson Correlation	.466**	1	.000
	Sig. (2-tailed)	.000		.176
	N	168	189	.1
company_ability	Pearson Correlation	.362**	.308**	
	Sig. (2-tailed)	.000	.000	.187
	N	166	176	.267**
goodwill	Pearson Correlation	.321**	.376**	.000
	Sig. (2-tailed)	.000	.000	.168
	N	161	171	

		goodwill	customer_engagement
perceived_value	Pearson Correlation	.403**	.332**
	Sig. (2-tailed)	.000	.000
	N	178	181
customer_purchase	Pearson Correlation	.284**	.267**
	Sig. (2-tailed)	.000	.000
	N	177	180
customer_satisfaction	Pearson Correlation	.445**	.316**
	Sig. (2-tailed)	.000	.000
	N	145	153
customer_experience	Pearson Correlation	.321**	.289**
	Sig. (2-tailed)	.000	.000

	N	161	164
company_marketing	Pearson Correlation	.376**	.163*
	Sig. (2-tailed)	.000	.031
	N	171	175
company_ability	Pearson Correlation	.267**	.286**
	Sig. (2-tailed)	.000	.000
	N	168	175
goodwill	Pearson Correlation	1	.350**
	Sig. (2-tailed)		.000
	N	181	167

Correlations

perceived_value		customer_purchase		customer_satisfaction
customer_engagement	Pearson Correlation	.332**	.267**	.316**
	Sig. (2-tailed)	.000	.000	.000
	N	181	180	153

Correlations

		customer_experience	company_marketing	company_ability
customer_engagement	Pearson Correlation	.289**	.163*	.286**
	Sig. (2-tailed)	.000	.031	.000
	N	164	175	175

		goodwill	customer_engagement
customer_engagement	Pearson Correlation	.350**	1
	Sig. (2-tailed)	.000	
	N	167	187

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

*, Correlation is significant at the 0.05 level (2-tailed).

