Will My Customers Come Back? A Study of Beauty Salons in Taiwan

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Abstract

Purpose – The beauty salon industry is a highly competitive market. Every beauty salon shop aims to keep its customers satisfied and hopes that they will revisit several times. Hence, this paper investigates the key factors affecting the repurchase intention of consumers in the beauty salon industry in Taiwan.

Research design, data, and methodology – We first use the content analysis of free-response narratives from beauticians to classify the key factors objectively and develop the questionnaire accordingly. We then distribute the questionnaire to 130 beauty salon consumers to complete the questionnaire. Next, the Grey Relation Analysis is employed to identify the key factors that affect the repurchase intention of consumers in the beauty salon industry.

Results – From the perspectives of the beauty salon customers, the factors affecting the repurchase intention of consumers are (1) obvious treatment results, (2) the treatment space considers personal privacy, (3) the offer of promotional prices for treatment/product trials, and (4) the product knowledge of the beauticians. From the perspectives of the beauticians, the factors include (1) the treatment space is well-designed and makes the customers feel relaxed, (2) enhancement of the customer relationship, (3) the treatment space considers personal privacy, and (4) the positive service attitude of the beauticians.

Conclusions – We analyze all the key factors and offer some suggestions as a conclusion.

Keywords: Beauty Salon, Grey Relation Analysis, Repurchase Intention, Consumer Behavior.

JEL classifications: C12, D12, L81, M31.

1. Introduction

Since entertainment is becoming increasingly popular, going to beauty salons is more common, and, hence, it is important to identify the factors that affect the repurchasing behavior. Accordingly, the beauty salon industry can use this study as a reference to enhance its business. We choose Taipei (Taiwan in general) because Taiwan is known for its medical industry of which beauty salons are considered to be a part. Moreover, Taiwan is located in the center of East Asia, and many tourists from Japan, South Korea, and Southeast Asia visit Taiwan regularly. Many beauticians have extensive experience of servicing foreign consumers and understand their behavior. Therefore, we are confident that the input from the beauticians is not limited to that of Taiwanese consumers alone.

In Taiwan, "salons" provide a spectrum of services – hairdressing, manicures, beauty, and slimming – to their customers. The beauty industry is classified as a tertiary sector with its labor-intensive features and technology-intensive services (Lu, 2009). The beauty salon industry in Taiwan is currently facing severe challenges. Due to the ever-rising cost of living and the production of high-quality and expensive beauty products, there is a growing situation of low purchasing power in terms of the beauty care products and high barriers to entry into the market. Besides that, the existence of famous brands and the proliferation of dominant beauty salon chains have made the operation of shops operated by private individuals more competitive. In recent years, the development of medical cosmetology in clinics and hospitals has taken a substantial share of the beauty salon market. The advancement of medical beauty

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equipment has attracted many customers away from the traditional beauty salon industry. Hence, the main concern of each beautician is how to remain competitive in the beauty industry to ensure sustainable growth and even the basic survival of their business.

This study is conducted based on Company A, a Japanese cosmetic agent that sells imported products. This company has maintained a good reputation and sales record since its establishment. Company A frequently conducts training programs to continually enhance the professional knowledge and skills of its beauticians. These programs also help customers to select for themselves their own suitable cosmetic and skincare products. However, with the growth of e-commerce and online purchases, business-to-business (B2B) marketing has gradually declined. In this research, a beauty salon is defined as "direct service operators and workers with grade B and C technical skills in beauty practices, professional ethics and knowledge of skincare and cosmetics." This type of small and medium enterprise engages in maintaining and beautifying the facial appearance, as well as the body, hands, and feet of their customers.

The past research on beauty salons can be divided into three distinctive directions: 1. business transformation in beauty salons, 2. marketing strategy in beauty salon industry, and 3. customer satisfaction in the beauty salon industry. The business performance of a firm is very dependent on customers repurchase intention. As such, this study is conducted from the perspective of the repurchase intentions of customers. We follow the general framework of Woodside et al. (1989) concerning how customer evaluations of service enactments influence the satisfaction and intention outcomes, and the configurations of the service outcomes are the principal indicators of the service intentions of customers. We employ the Grey Relation Analysis (GRA) to identify the key factors that affect the repurchase intention of consumers in the beauty salon industry.

The objectives of the study are as follows:
1. To determine the factors that affect the repurchase intentions of consumers from the perspective of beauticians and customers.
2. To understand the behavior of consumers based on their repurchase intentions.
3. To propose a potential business strategy that will enhance the industry.
4. To provide recommendations to beauticians and salon operators to achieve sustainable growth for their business.

2. Overview of the Beauty Salon Industry in Taiwan

The beauty salon industry in Taiwan has experienced considerable development and evolution in the last 30-40 years following the gradual expansion in the 1980s after the development of the hairdressing and department stores.

The initial development of the beauty related businesses mainly focused on hairdressing. Hairdressing was a small-scale business with a small number of shops. With the economic growth, all the industries started to strengthen their business and marketing strategies. The newly developed beauty salon businesses experienced very turbulent times through the most challenging periods of their existence.

The beauticians put a lot of effort into learning the skills and knowledge required for beauty treatments. Many beauticians expanded their businesses, which slowly separated the beauty salon from hairdressing and made the beauty salon an independent business unit. This was the biggest revolution in the beauty salon industry in Taiwan.

The 1980s was a major turning point in Taiwan's economy. Beauty salons as a service started to gain the attention of consumers and patrons alike. The increasing demand for beauty services and treatments provided the opportunity for the beauty assistants to start their own businesses. More and more people became interested in learning the beauty treatment skills, and the beauty treatment classes were mushrooming and replacing the traditional mentoring system. The teaching and learning contents of these classes showed a progressive improvement, and many professional and experienced trainers were hired to teach beauty lessons.

With the growth of the economy, the income of women had increased leading them to become more financially independent. Many beauty salon businesses were getting better and highly skilled. Consumers gradually accepted the identity of beauticians as professionals and skilled workers and became dependent on them.

The beauty salon industry further expanded in the 1990s. With the speedy development over the years, the industry faced both internal and external challenges. The abolishment of government tax on cosmetic products that were previously considered to be luxury goods led them to be treated as normal goods. Many vocational schools and universities offered beauty and cosmetics courses and programs which attracted many students. Due to the low barriers to entry into the beauty salon market, this market became very popular, which, in turn, led to a change in the consumption patterns of consumers. Consumers were looking at the brands and price of the products, and beauticians started to focus on packaging and marketing rather than providing professional services through the sharing of knowledge and information.

With the change in consumer perception, beauty salons expanded their business to include other areas, such as breast implants, slimming, lymphatic drainage, aromatherapy, luxury spa, and healthcare. By 2000-2001, the beauty market in Taiwan was saturated and recorded a negative growth of 7% (Yuanta Securities Research Report, 2002).

Nowadays, people are focusing much more on entertainment, and going to beauty salons is just one example. The beauty salon industry is highly competitive, and medical beauty clinics and hospitals are offering more health and cosmetic related services to increase their market share in the beauty industry. The efficient and effective use of beauty medical equipment has attracted many customers from the beauty salons. The sales volume of the beauty salon chain is also affected by businesses gradually moving to mainland China.

Therefore, it is important for beauty salons to understand how to achieve consumer satisfaction and the effect of the repurchase intentions of consumers. This research can help managers or owners of the beauty salons to evaluate whether their present operations and services are sufficient to satisfy consumers, and, if not, they can follow the findings and suggestions in the research to improve their quality.

3. Literature Review

The literature review is divided into five parts. First, we identify studies on "repurchase intention", which indicates that customer satisfaction is a key factor. Second, we try to understand whether "price" will affect customer satisfaction. Third, we try to identify the influence of service quality. Fourth, we focus on employee personality, and attempt to determine what traits should be considered in the service industry, such as beauty salons. Fifth, we try to understand whether environmentally friendly products are helpful in promoting beauty salons.

Repurchase intention is a valuable force for improving a company's profit and sustainable growth. Anderson et al. (1997) acknowledged that the good experience of customers leads to re-consumption in the future. Jeon et al. (2013) divided experiential marketing into five dimensions – sense, relation, feel, think and action – showing that experiential marketing has obvious significance for the beauty salon industry to enhance customer satisfaction and revisit intention. Voss et al. (2010) indicated that keeping costumers satisfied is a key driver of repurchase intention. However, managers should effectively allocate resources. Experimental services are believed to face more challenges in terms of marketing and management. However, the findings indicate that for experimental services, value and service quality play an important role in respect of the repurchase intention of consumers (Hume et al., 2007). According to Anderson (1997), satisfied customers reduce the cost of making future transactions. The level of customer satisfaction will eventually affect customers in making an overall assessment of the salon (Cho, 2009). Satisfied customers will have increased intention to repurchase. Bitner (1992) and Jin (2010) stated that the most important factor in terms of the revisit intention in beauty salon services is

that of customer satisfaction. Choi et al. (2011) also clarified that the many studies found a positive relationship between customer satisfaction and revisit intention. Jeon et al. (2016) found that for beauty salons, social benefits and confidence benefits are drivers of customer satisfaction, and have a positive effect on recommendation intention and a negative effect on defection intention.

The perceptions of price also affect customer satisfaction (Voss et al., 1998). Customers might not be able to give a valuation of the quality, but the perception of price will come first. The customer can also make price a factor of customer satisfaction. According to Shahbazi et al. (2013), customers show a high preference for employee competence, brand image, and price when evaluating service quality. In competitive markets, especially for service industries, the way to keep satisfied consumers is to improve service quality. However, for unsatisfied consumers, the best way to convert them into satisfied ones is to give them some price discounts (He et al., 2008). Solvang (2007) found that quality affected satisfaction, and that satisfaction affected the repurchase behavior indirectly through affective loyalty. Chen (2009) discussed the key determinants of the survival and development of the beauty industry from the perspective of both the demand and supply. On the demand side, there is increasing customer demand in the beauty industry services and products, whereas, on the supply side, there is need for an improvement in the service quality and technical skills, a more diversified chain or range of services and products, and the utilization of a horizontal integration strategy.

According to Ribeiro et al. (2013), the service quality provided by a beauty salon can influence the consumer intention to purchase or patronize in the future. Service quality has a positive effect on brand image and repurchase intention (Huang et al., 2014). Kitapci et al. (2014) identified that developing service quality can help providers to differentiate their offerings and improve customer satisfaction, which have a positive relationship with the repurchase intention. Bansal et al. (2015) tried to identify the determinants of switching intention and found that service quality and satisfaction are the main factors. Moreover, services that are customer-based will have a positive impact on customer satisfaction. Butcher et al. (2002) acknowledged that the interactions between employees and customers are crucial factors that lead to a firm's success. Cultivating relationships between the service providers and consumers can attract more consumers and keep them satisfied (Cho, 2009). In contrast, services that are product-based will have a negative impact on customer satisfaction. If the core service quality is high, the unrelated service can make consumers happy, which will enhance the repurchase intention (Wang, 2011).

The authenticity of employees' traits can mediate customer satisfaction by means of working engagement and service behavior. Showing that organizations should consider the authenticity of employees' characteristics as a significant

factor when selecting service providers (Yagil et al., 2014). In addition, there is also a positive relationship between extraversion and conscientiousness characteristics and employee engagement (Handa, 2014). According to Lange et al. (2009), the most common way to avoid employee turnover is through careful selection at the outset. However, the management often neglect the characteristics of employees. It is believed that employees in the service industries are the most important element of a firm's success (Hennig-Thurau, 2004). Johnston (1995) said that the determinants through which employees can improve service quality and enhance customer satisfaction are attentiveness, care, friendliness, and reliability. Toerien and Kitzinger (2007) emphasized that emotional labors are crucial to the successful personalizing of an encounter that is utterly routine for the therapist.

When introducing new products, cosmetic manufacturers increasingly emphasize that they produce products in a way that is not harmful to the environment while the effectiveness remains comparable to their previous versions. In some countries, changes in legislation have been introduced to keep consumers more informed and to help them distinguish between organic and non-organic cosmetics, and let people appreciate their value more (Falk & Banson, 2008). When selling products that are not harmful to the environment, there are some specific discursive strategies. First, enhancing and emphasizing how well the natural products perform. Second, using community value to express the ideas of health that enhance the perspectives of personal health (Gatersleben et al., 2002).

4. Research Methodology

Deng (1982) is the pioneer of the Grey System Theory, which is used to analyze the equilibrium relationship between the variables. The GRA is a type of Grey System Theory. We call complete data the "white system" and insufficient data the "black system". The Grey System Theory is the method to analyze data that are between the white system and the black system, which is named the "grey system". It applies a calculation method that does not require a large sample size or normality assumption. Then, it makes use of the well-known information of the white system to analyze the data of the grey system.

The objectives of the GRA are to identify theories, techniques, notions, and ideas for solving latent and intricate systems (Deng, 1989). The application of the GRA will not provide contradictory conclusions for any qualitative analysis. As such, the GRA can be used to determine the key factors that influence customers when incomplete data are collected. As for the definition of the key factors, they should number at least three and not exceed six or half of the total factors. Similarly, following the general framework of Woodside et al. (1989) concerning how customer evaluations of service

enactments influence satisfaction and intention outcomes, configurations of service outcomes are the principal indicators of the service intentions of customers.

Many scientists have successfully used the GRA to solve problems in different fields, such as analysis of the economy and judicial system. The GRA has been widely used in various industries. Zhang et al. (2011) analyzed the impact of biological farming from inorganic nitrogen on the Chengdu River based on the water quality data from 2006-2008. Pradhan (2013) utilized the GRA to predict machinery data. Abbasgholizadeh et al. (2013) applied the GRA to identify and evaluate the potential failure issues in medical services. Thirumal et al. (2014) employed the GRA to examine the best requirements for automobile air-conditioning. Wang et al. (2014) used the GRA to identify the most suitable vendor list. Liu et al. (2015) applied the GRA to find the best solutions in emergency treatment.

We apply the GRA to analyze the key factors that affect repurchase intention. The GRA is a useful method to identify the important factors of a problem and is an effective means of data analysis. Due to space limitations, we omit the steps of the analysis. However, the simplified steps of using the GRA are shown below.

ⅰ) Standardize the original data.
ⅱ) Use Formula 1 to calculate the grey relational coefficient.

$$\zeta(y(k), x_i(k)) = \frac{\min\limits_{i}\min\limits_{k} \triangle_{yi}(k) + \zeta \max\limits_{i}\max\limits_{k} \triangle_{yi}(k)}{\triangle_{yi}(k) + \zeta \max\limits_{i}\max\limits_{k} \triangle_{yi}(k)}$$

Formula 1

ⅲ) Use Formula 2 to calculate the grey relational grade.

$$r_i = \frac{1}{n}\sum_{k=1}^{n}\xi_i(k), k = 1, 2, \Lambda, n$$

Formula 2

ⅳ) Arrange the grey relational grade in order.
ⅴ) Identify the key factors (more than 3, at least 6).

The research process in this study is twofold. First, beauticians are asked to provide their opinions in open writing, and, second, an enclosed questionnaire is distributed to beauticians and consumers.

We analyze the data collected to examine the socio-demographic profile of the respondents and the impacts of six elements of the beauty salon on the repurchase intentions of customers. The six elements are the products, the treatment course, their professional knowledge, the environment, their relationships with customers, and the promotional efforts undertaken.

Using the purposive sampling method, we invited salon beauticians and customers to express their opinions in open writing. Each respondent is given 10 minutes to write his/her opinion on 'how to attract customer repurchase intention in the

beauty salon industry.' We define the respondents as follows:

ⅰ) Salon beauticians are those who work in beauty salons as beauty salon operators, managers, beauticians, aromatherapists, manicurists, image stylists, and those who perform make-up, and bridal make-up.

ⅱ) Beauty salon consumers (customers) are those who have visited a beauty salon shop to purchase products and have experienced beauty treatment services.

We analyze the content of the open written materials based on qualitative data analysis and then categorize the beauty salon according to the marketing mix and develop a closed-ended questionnaire. The questionnaire is distributed to salon beauticians and customers.

We categorize the sample into different marketing mix according to McCarthy and Kotler's 4Ps (product, price, place, and promotion) and Lauterborn's 4Cs (consumer, cost, communication, and convenience). After re-considering different elements, we classify them into six elements with the terms that are commonly used in the beauty salon industry. These elements are products, treatment course, professional knowledge, environment, relationship with customers, and promotions. Among these variables, products and relationship with customers consist of 7 items, while treatment course, professional knowledge, environment, and promotions consist of 6 items. <Table 1> shows the items for each variable.

<Table 1> The questionnaire items based on the marketing mix elements

Elements	Items
Products	1. The beautician recommends skin products that have obvious results 2. The beautician recommends products that are suitable for the customer 3. The beautician recommends a variety of products 4. The products are natural, stabilizing, and safe 5. The beautician recommends corporate brand products 6. The beauty salon provides attractively packaged products 7. The beautician always recommends new products
Treatment course	1. The beautician provides and displays professional skills 2. The beautician provides obvious treatment results 3. The beautician provides suitable skin treatment to customers 4. The beautician uses high-end and professional beauty equipment during treatment 5. The beautician always maintains a good customer service attitude regardless of whether the customer consumes the products or services 6. The beautician always provides new treatments and a wide range of treatment courses
Professional knowledge	1. The beautician has a wide knowledge and information about beauty 2. The beautician clearly explains to customers about the product features and recommend the right product to customers 3. The beautician identifies and solves the skin related problems of customers 4. The beautician provides good and complete treatment to customers 5. The beautician provides and shows the correct way of skincare to customers 6. The beauticians can clearly explain the beauty or product information in a simple way.
Environment	1. The treatment space is well-designed and makes consumers feel relaxed 2. The beauty salon is clean and tidy 3. The treatment space considers personal privacy 4. The treatment environment is always refurnished with new or festive decorations 5. The beautician displays a professional image 6. The beautician has a positive service attitude
Relationship with customers	1. The beautician cares about the customers, and their friends and family members 2. The beautician is a good listener 3. The beautician sends greeting cards during the festive seasons and for the customer's birthday 4. The beautician takes the initiative to call customers after the treatment 5. The beautician is reliable 6. Emphasizes the enhancement of the customer relationship in the service process 7. The beautician helps to release mental and emotional stress
Promotion	1. The beautician occasionally updates customers about special offers 2. The beautician directly informs customers about special offers on the spot 3. The price offered by the beautician is reasonable 4. The beautician is willing to give discounts for products and treatment courses 5. The beautician provides free samples and trial courses 6. The beautician offers promotional prices for treatment or product trials

The questionnaire is divided into two parts:

ⅰ) The socio-demographic variables

The questionnaire for beauticians and customers consists of four common variables, which are age, gender, marital status and education level. The annual revenue is added to the questionnaire for beauticians whereas the questionnaire for customers includes their occupation and average monthly income.

ⅱ) Marketing mix elements

This questionnaire applies a Likert seven-point scale where "1" represents "strongly disagree", "2" represents "disagree", "3" represents "somewhat disagree", "4" represents "neither agree or disagree", "5" represents "somewhat agree", "6" represents "agree" and "7" represents "strongly agree". The higher the marks obtained, the greater the importance of the marketing mix element.

Since the questionnaire is developed from the purposive sample responses participants, it has high content validity. The internal consistency of the questionnaire is tested based on Cronbach's α, which ranges from 0.88-0.96, thereby showing a high level of validity and reliability.

This research was carried out 15-29 May 2012 at Company A when the company launched its annual training program. We sought and obtained permission from the salon beauticians and the customers to answer the 10-minute written survey. All the written answers were collected after 10 minutes. We then analyzed the written materials and categorized the results based on the marketing mix elements. We started to design the questionnaire in September-December 2012 with reference to the written materials collected. A pilot test was conducted in January 2013. We collected 16 questionnaires from beauticians and 16 questionnaires from customers. A Reliability Test was carried out to test the internal consistency of the measurements. Lastly, we distributed the questionnaire during Company A's annual training program in March 2013 (see Ragin, 2008 for elaboration and numerical examples).

5. Empirical Results and Discussion

We distributed a total of 310 questionnaires to salon beauticians (180) and beauty salon customers (130). From the 305 returned questionnaires, 179 were from salon beauticians and 126 from beauty salon customers. A total of 242 (123 salon beauticians and 119 beauty salon customers) questionnaires remained after excluding those that were invalid. The total effective response rate was 78.1%. The response rate from salon beauticians and beauty salon customers was 68.3% and 91.5%, respectively. While women may lead the development of Asian salons, it is reported that the number of men visiting is increasing at

an annual rate of between 25% and 30% (Durocher, 2007).

The socio-demographic profile of the respondents is listed below:

There are 94.2% female respondents and 5.4% male respondents. The female respondents consist of 116 beauticians and 112 customers while the male respondents include 6 beauticians and 7 customers. Among the respondents, 66.5% are married while 29.8% are single; 89 beauticians and 72 customers are married, while 28 beauticians and 44 customers are single.

The education level of the respondents is distributed as follows: 6.6% research institute (4 beauticians and 12 customers), 26.9% university (29 beauticians and 36 customers), 25.6% specialists (28 beauticians and 34 customers), 35.1% high school (58 beauticians and 27 customers), and 2.5% secondary school (2 beauticians and 4 customers).
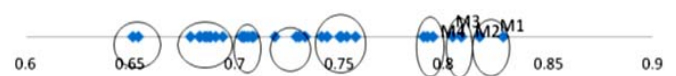
The occupation for the beauty salon customers primarily includes 32.8% in business, 18.5% freelance, 15.1% others, with a relatively small percentage of teachers (8.4%), students (5.9%), public sector (5.0%), homemakers (5.0%) and skilled workers (0.8%). Their monthly income (in NT$) is distributed as follows: 42.0% between 30,001 and 50,000, 34.5% below 30,000, 11.8% between 50,001 and 100,000, and 1.7% above 100,001.

The revenue of most salon beauticians falls between NT$ 510,000 and 1,000,000, and 310,000–500,000, with 26.0% and 25.2%, respectively. This is followed by 300,000 and below with 15.4%, 6.5% with a revenue of 1,010,000–1,500,000, and 2.4% above 210,000. The lowest level is 1,510,000–2,000,000 (0.8%).

5.1. Factors that Influence the Repurchase Intentions of Customers (Study based on Consumers' Perspective)

We analyze the factors that influence the repurchase intentions of customers based on the GRA. <Table 2> shows that the grey correlation for the 38 factors considered falls between 0.6437 and 0.8284. A higher value shows that the factor has a greater influence on customer repurchase intentions.

The grey correlation is presented in a line graph; as shown in <Figure 1>. Each point on the line represents one factor. The point at the right shows the highest value with the highest importance. The density of points groups the highly correlated factors as one.

<Figure 1> Line Graph of the Grey Correlation based on the
Perspectives of the Customers

<Table 2> The Grey Correlation based on the Perspectives of Customers

No.	Items	Grey correlation
1	The beautician provides obvious treatment results	.8284
2	The treatment space considers personal privacy	.8170
3	The beautician offers promotional prices for treatment or product trials	.8085
4	The beautician clearly explains to customers about the product features and recommend the right product to customers	.8041
5	The beautician always maintains a good customer service attitude regardless of whether the customer consumes the products or services	.7949
6	The treatment space is well-designed and makes consumers feel a high level of relaxation	.7923
7	The beautician provides free samples and trial courses	.7902
8	The beautician occasionally updates customers about special offers	.7579
9	The beautician shows a professional image	.7535
10	The beauty salon is clean and tidy	.7510
11	The beautician has a positive service attitude	.7502
12	The beautician directly informs customers about special offers on the spot	.7442
13	The beautician recommends skin products that have obvious results	.7414
14	The prices offered by the beautician are reasonable	.7337
15	The beautician recommends corporate brand products	.7308
16	The beautician provides and displays professional skills	.7295
17	The beautician is willing to give discounts for product and treatment courses	.7190
18	The beautician provides the correct way of skincare to customers	.7090
19	The beautician identifies and solves the skin related problems of customers	.7084
20	The beautician always recommends new products	.7082
21	The beautician uses high-end and professional beauty equipment during treatment	.7064
22	The treatment environment is always refurnished with new decorations	.7050
23	The product is natural, stabilizing and safe	.7042
24	The beautician sends greeting cards during festive seasons and for the customer's birthdays	.7034
25	The beautician takes the initiative to call customers after the treatment	.7033
26	The beautician provides suitable skin treatment to customers	.6941
27	The beautician cares about the customers, and their friends and family members	.6907
28	The beautician recommends products that are suitable for customers	.6884
29	The beautician recommends a variety of products	.6882
30	Emphasizes the enhancement of customer relationships in the service process	.6882
31	The beautician has a wide knowledge and information about beauty	.6866
32	The beautician is reliable	.6856
33	The beautician helps to release mental and emotional stress	.6835
34	The beauty salon provides attractively packaged products	.6828
35	The beautician always provides new treatments and a wide range of treatment courses	.6787
36	The beauticians can clearly explain the beauty or product information in a simple way.	.6538
37	The beautician provides good and complete treatments to customers	.6512
38	The beautician is a good listener	.6437

The circle shows the grouping of factors that is classified based on the importance. Each group has 3-6 influencing factors. The total items in one group should not exceed 6. The first and the second groups both have two influencing factors, which are labeled as M1, M2, M3, and M4. The third group has three influencing factors. If we include these three items, then the total items in the group are more than 6. Hence, the third group is excluded.

<Table 3> shows the key factors affecting the repurchase intentions of consumers based on the perspectives of the customers.

<Table 3> Key Factors of the Repurchase Intentions of Consumers based on the Perspectives of the Customers

Factors	Items	Grey correlation
M1	The beautician provides obvious treatment results	.8284
M2	The treatment space considers personal privacy	.8171
M3	The beautician offers promotional prices for treatments or product trials	.8085
M4	The beautician clearly explains to customers about the product features and recommend the right product to customers	.8041

The four important factors in <Table 3> are explained based on the work of Mathwick et al. (2001), which are as follows:

ⅰ) The beautician provides obvious treatment results (M1): when customers feel that the beauty treatment provided by the beautician, such as the relaxation treatment, whitening treatment, lymphatic drainage treatment, and other professional services meet their expectation, then they are willing to repurchase.

ⅱ) The treatment space considers personal privacy (M2): customers are willing to repurchase when beauty salons provide a highly private, safe and comfortable treatment space for customers.

ⅲ) The beautician offers promotional prices for treatment or product trials (M3): those who have never experienced and used beauty products and treatment services are willing to purchase when they can pay at a lower price in their first trial.

ⅳ) The beautician clearly explains to customers about the product features and recommend the right product to customers (M4): beauticians who are very familiar with the product and understand customers' needs can improve the repurchase intentions of customers.

5.2. Factors that Influence the Repurchase Intentions of Consumers (Study based on the Perspective of the Beauticians)

<Table 4> shows that the grey correlation for the 38 factors considered falls between 0.6973 and 0.8356.

<Table 4> The Grey Correlation based on the Perspective of the Beauticians
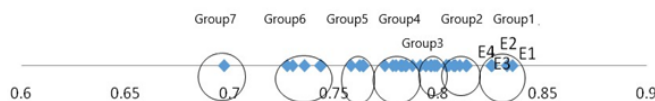
No.	Items	Grey correlation
1	The treatment space is well-designed and makes consumers feel a high level of relaxation	.8356
2	Emphasizes the enhancement of the customer relationship in the service process	.8330
3	The treatment space considers personal privacy	.8259
4	The beautician always maintains good customer service attitude regardless of whether the customer consumes the products or services	.8255
5	The beautician always provides new treatments and a wide range of treatment courses	.8138
6	The beautician helps to release mental and emotional stress	.8133
7	The beauty salon is clean and tidy	.8101
8	The beautician has a positive service attitude	.8081
9	The beauticians can clearly explain the beauty or product information in a simple way	.8081
10	The beautician identifies and solves the skin related problems of customers	.8072
11	The beautician provides the correct way of skincare to customers	.8049
12	The beautician is reliable	.8039
13	The prices offered by the beautician are reasonable	.8037
14	The beautician cares about the customers, and their friends and family members	.7992
15	The beautician provides obvious treatment results	.7981
16	The beautician provides suitable skin treatment to customers	.7968
17	The beautician has a wide knowledge and information about beauty	.7964
18	The beautician occasionally updates customers about special offers	.7940
19	The beautician clearly explains to customers about the product features and recommends the right products to customers	.7939
20	The beautician provides and displays professional skills	.7914
21	The beautician uses high-end and professional beauty equipment during treatment	.7875
22	The beautician provides free samples and trial courses	.7844
23	The beautician offers promotional prices for treatments or product trials	.7843
24	The beautician takes the initiative to call customers after the treatment	.7827
25	The beautician is a good listener	.7818
26	The beautician directly informs customers about special offers on the spot	.7797

No.	Items	Grey correlation
27	The beautician sends greeting cards during festive seasons and for the customer's birthdays	.7781
28	The beautician shows a professional image	.7742
29	The product is natural, stabilizing, and safe	.7643
30	The treatment environment is always refurnished with new decorations	.7640
31	The beautician recommends skin products that have obvious results	.7624
32	The beautician provides good and complete treatment to customers	.7580
33	The beauty salon provides attractively packaged products	.7438
34	The beautician is willing to give discounts for products and treatment courses	.7434
35	The beautician recommends corporate brand products	.7360
36	The beautician recommends products that are suitable for customers.	.7301
37	The beautician always recommends new products	.7276
38	The beautician recommends a variety of products.	.6973

<Table 5> Key factors of the Repurchase Intentions of Consumers based on the Perspectives of the Beauticians

Factors	Items	Grey correlation
E1	The treatment space is well-designed and makes customers feel a high level of relaxation	.8356
E2	Emphasizes the enhancement of the customer relationship in the service process	.8331
E3	The treatment space considers personal privacy	.8260
E4	The beautician always maintains good customer service attitude regardless of whether the customer consumes the products or services	.8255

The grey correlation is presented in a line graph, as shown in <Figure 2>. The first group consists of 4 influencing factors, which are labeled as E1, E2, E3, and E4. However, the second group has 6 factors; inclusion of the items in the second group will have more than 6 items. As such, the second group is excluded.

<Figure 2> Line Graph of the Grey Correlation based on the Perspectives of the Beauticians

<Table 5> shows the key factors of the repurchase intentions of the consumers based on the perspective of the beauticians.

The four important factors from the perspective of beauticians are explained as follows:
ⅰ) The treatment space is well-designed and makes customers feel a high level of relaxation (E1): soft light, elegant decoration, relaxing music, and aromatic environment can improve customers repurchase intentions.
ⅱ) Emphasizes the enhancement of the customer relationship in the service process (E2): beauty consultation, knowledge sharing, beauty treatment services, and after-sales services are important factors that make customers feel that they are being taken care of, and will increase their repurchase intentions.
ⅲ) The treatment space considers personal privacy (E3): separate space, high privacy, and safe and comfortable environment can improve the repurchase intentions of customers.
ⅳ) The beautician always maintains good customer service attitude regardless of whether the customer consumes the products or services (E4): even though customers do not consume their products and services, if the beauticians provide a good service and have a good attitude, such as providing drinks, professional consultation, and a happy and friendly face, it can improve the repurchase intentions of customers.

The frequency distribution of the influencing factors of the repurchase intentions is shown in <Table 6>. From the perspectives of the consumers, the treatment course and the environment appear to have an Elemental Frequency of 3; while for the other factors, promotions have a 2 and professional knowledge and products both have a Frequency Element of 1. From the perspectives of beauticians, the treatment course and professional knowledge both have a Frequency Element of 3, while the environment and relationship with customers both have a rating of 2.

<Table 6> Frequency distribution of the influencing factors of the repurchase intentions of consumers

	Influencing factors	Cumulative frequency	Elements	Frequency of element
Beauty salon consumes	The beautician provides obvious treatment results	2	Treatment course	3
	The beautician always maintains good customer service attitude regardless of whether the customer consumes the products or services	1		
	The treatment space considers personal privacy	2	Environment	3
	The treatment space is well-designed and makes consumers feel relaxed	1		
Beauty salon consumers	The beautician offers promotional prices for treatments or product trials	1	Promotion	2
	The beautician provides free samples and trial courses	1		
	The beautician clearly explains to customers about the product features and recommends the right products to customers	1	Professional knowledge	1
	The product is natural, stabilizing and safe.	1	Products	1
Beauticians	The beautician always maintains a good customer service attitude regardless of whether the customer consumes the products or services	2	Treatment course	3
	The beautician provides obvious treatment results	1		
	The beautician identifies and solves the skin related problems of customers	1	Professional knowledge	3
	The beautician clearly explains to customers about the product features and recommends the right product to customers	1		
	The beautician provides the correct way of skincare to customers	1		
	The treatment space is well-designed and makes customers feel relaxed	1	Environment	2
	The treatment space considers personal privacy	1		
	Emphasizes the enhancement of the customer relationship in the service process	2	Relationship with customer	2

We compare the results from the beauticians and the customers based on the importance. Five elements – the treatment course, professional knowledge, the environment, the relationship with customers, and the promotions – are important variables.

From the perspective of the customers, the influencing factors of the repurchase intentions are (1) the obvious treatment results, (2) the treatment space considers personal privacy, (3) the offering of promotional prices for treatments or product trials, and (4) the product knowledge of beauticians.

From the perspective of the beauticians, the influencing factors are (1) the treatment space is well-designed and makes customers feel a high level of relaxation, (2) emphasizes the enhancement of the customer relationship in the service process, (3) the treatment space considers personal privacy, and (4) the positive service attitude of the beauticians in the service process.

There are some similarities and differences between the customers and beauticians:
ⅰ) Similarity
- the personal privacy of the treatment space is an important factor.
- maintaining a good customer service attitude is important.

ⅱ) Differences
- During the treatment process, customers feel that an obvious treatment result is important whereas

beauticians feel that maintaining a good customer service attitude is important.
- For the environment, customers consider a personal private space important whereas beauticians deem a well-designed space that induces relaxation as important.
- Beauticians are more focused on building customer relationships whereas customers prefer promotional prices for treatments and/or product trials.

Although beauticians aim to provide expert skin care and slimming services to the customer, the business and revenue of beauty salons will fall if beauticians fail to consider the factors from the perspectives of the customers.

5.3. Practical Suggestions

Based on the findings of this study, to sustain the business in this highly challenging market, the following suggestions are addressed to the beauty salon stakeholders:

ⅰ) Obvious treatment results
a. Beauticians should take a picture of the customer's skin before and after treatment as well as at crucial stages of the treatment, which can then be used to compare the skin color, fine lines, acne that has significantly improved after treatment/or at each stage of the treatment process. This not only increases the confidence of the customers, but the pictures taken can also be used as a promotional tool.

ⅱ) Decorations, environment and private space
 a. Almost all customers wish to enjoy and savor a highly relaxing environment. This can be easily achieved by providing a simple and clean environment that offers non-intimidating and secure privacy in terms of the treatment space for customers. The space should make use of soft lighting and aromatic oils to improve the environment in the beauty salon, while the front of the building, i.e., the reception area, consultation offices, and public access areas, should be refurbished and decorated to present a very professional and sterile establishment.

ⅲ) Product and professional knowledge
 a. Since consumers do not have in-depth knowledge or expert knowledge in selecting the products, beauticians play an important role in providing correct product information to customers. Beauticians should guide their customers in terms of how to use the products at home.

ⅳ) Provide treatment or product trials
 a. Product trials can induce customers to use the product and lead them to repurchase. Advertising through banners and posters or online shopping websites as well as social media can be used as promotional tools. Live product demonstrations at high traffic malls and supermarkets would also be effective.

6. Conclusion

It can be concluded that the beauty salon operators would be wise to heed the findings and suggestions expressed by their customers. They should muster the willpower to implement these suggestions and invest in the desired changes as well as the upgrades from the feedback to complement their core business. These steps are urgently needed to meet their customers' expectations and exceed them if possible. In this way, they will not only survive but can expand their business in the face of the very difficult times ahead and growing competition from non-beauty salon operators.

This study may be the first to formally examine the tenets of the complexity theory in the service research context. However, additional studies (Chang et al., 2013; Woodside, 2013b; Woodside & Zhang, 2012) are available in the service research literature that examine complex antecedent conditions as indicators of positive service outcomes.

Due to the time and cost constraints, we were not able to conduct interviews or collect data on a larger scale from all the beauty salons in the country. The data were collected from six main cities – Taipei, Hsinchu, Taichung, Chiayi, Tainan, and Kaohsiung. The respondents were participants in the annual training programs who could reach the event venue within a 1-hour drive. Beauty salon businesses that are located far away and in the east might provide different results. The short time period for collecting the data might also influence the findings of this study.

Future suggestions:
 ⅰ) To expand the sample respondents to include those from other cities and places to reduce the sample bias.
 ⅱ) To enhance the questionnaire through repeat testing and modification.
 ⅲ) Conducting face-to-face interviews to complement and enhance the data gathering process and the integrity of the statistical samples.
 ⅳ) Obtain and investigate the historical investment quantum and investment mix of these salon businesses against their sales revenue through other statistical methodology as a parallel means to test the hypotheses and conclusions drawn from this study.

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