

**Sarmad Akram**

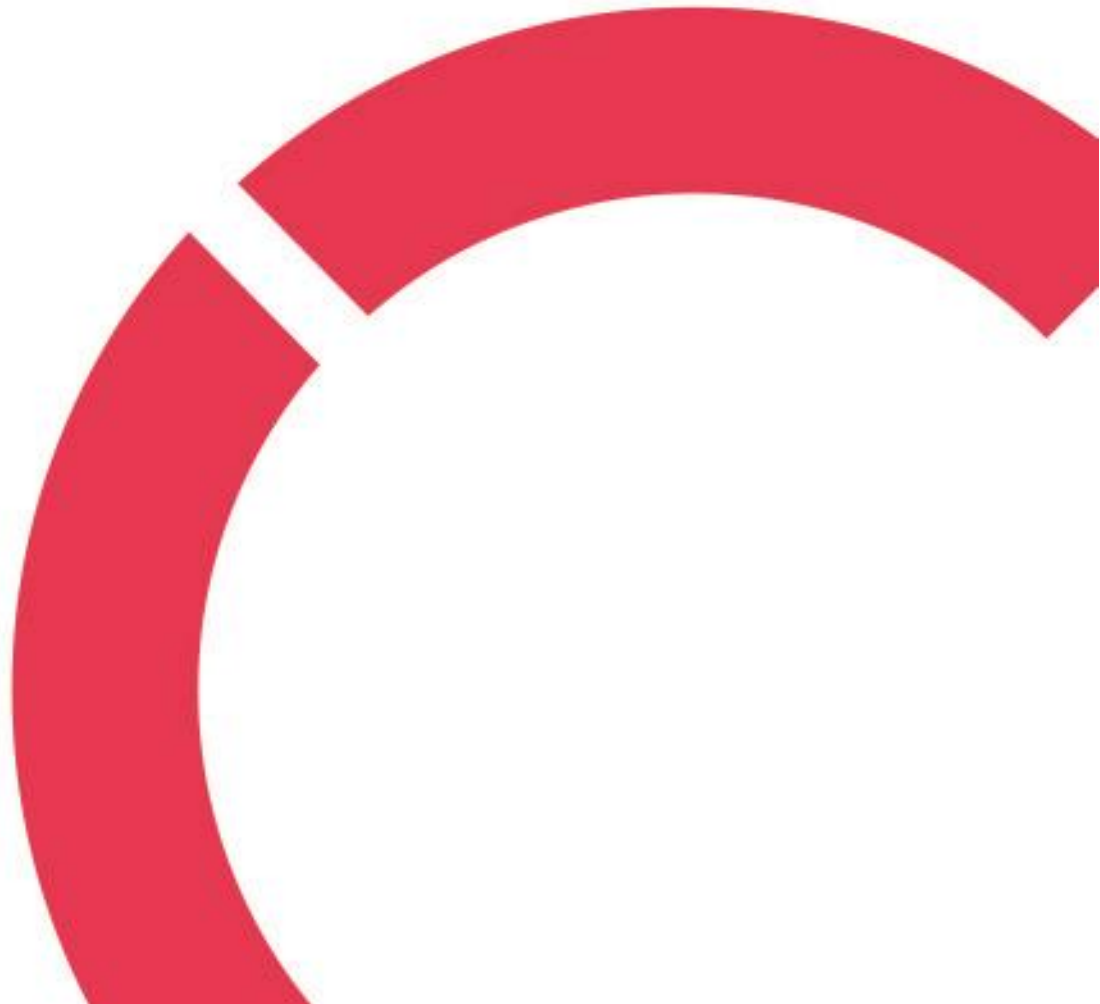
**COSMETIC CONSUMPTION AND CONSUMER SATISFACTION IN  
FINLAND**

**Thesis**

**CENTRIA UNIVERSITY OF APPLIED SCIENCES**

**Bachelor of Business Administration, Business Management ERP/SAP**

**December 2024**



**ABSTRACT**

<b>Centria University of Applied Sciences</b>	<b>Date</b> December 2024	<b>Author</b> Sarmad Akram
<b>Degree programme</b> Bachelor of Business Administration, Business Management		
<b>Name of thesis</b> COSMETIC CONSUMPTION AND CONSUMER SATISFACTION IN FINLAND		
<b>Centria supervisor</b> Janne Peltoniemi	<b>Pages</b> 22+8	
<p>This thesis examines the trends in cosmetic consumption and customer satisfaction in Finland in order to recognize the primary elements determine the decisions of Finnish clients to acquire cosmetics. This study's objectives are to examine the primary determinants of cosmetic use, satisfaction with cosmetics, and the influence of social, cultural, and economic factors on these behaviors. The research synthesizes findings from previous studies on consumer behavior, satisfaction, and purchase trends within the Finnish cosmetic sector, with a literature review serving as the main approach for data collecting.</p> <p>The results indicate that the primary factors influencing Finnish consumers' cosmetic decisions are cost, product quality, and brand reputation. Cultural and social factors, such as the demand for sustainable products and the rise in environmental consciousness, also have an impact on customer preferences. The study also shows that, in addition to pragmatic aspects like product performance and packaging, satisfaction levels are influenced by societal norms, ethical considerations, and emotional connections to businesses. This study advances our knowledge of Finnish consumer behavior in the cosmetics sector and provides guidance to businesses aiming to match their goods with regional tastes and factors that influence customer satisfaction.</p>		
<b>Key words</b> Consumer behaviour, cosmetics, customer satisfaction, Finland, sustainability		

**ABSTRACT**  
**CONTENTS**

<b>1 INTRODUCTION.....</b>	<b>1</b>
<b>2 LITERATURE REVIEW.....</b>	<b>3</b>
<b>2.1 Global Trends in Customer Behaviour and the Cosmetics Industry .....</b>	<b>4</b>
<b>2.2 Consumer Expectations and Satisfaction.....</b>	<b>5</b>
<b>2.3 Cultural and Social Influences .....</b>	<b>7</b>
<b>2.4 Consumer Behaviour in Finland .....</b>	<b>8</b>
<b>2.5 Gaps in Existing Literature .....</b>	<b>8</b>
<b>3 METHODOLOGY IN A LITERATURE REVIEW BASED APPROACH .....</b>	<b>9</b>
<b>3.1 Research Design and Rationale.....</b>	<b>9</b>
<b>3.2 Data Collection and Selection Criteria.....</b>	<b>10</b>
<b>3.3 Data Analysis .....</b>	<b>10</b>
<b>3.4 Ethical Consideration, Validation and Reliability of Findings .....</b>	<b>11</b>
<b>4 RESULTS .....</b>	<b>12</b>
<b>4.1 The Influence of Sustainability on Consumer Behaviour .....</b>	<b>12</b>
<b>4.2 Social and Cultural Influences on Consumer Preferences .....</b>	<b>12</b>
<b>4.3 Consumer Satisfaction and Brand Loyalty.....</b>	<b>13</b>
<b>4.4 The Role of Consumer Values in Purchase Decisions.....</b>	<b>13</b>
<b>4.5 Discrepancies in the Literature.....</b>	<b>13</b>
<b>REFERENCES.....</b>	<b>22</b>
<b>APPENDICES</b>	

## 1 INTRODUCTION

Finland is known for its high standard of life and emphasis on wellbeing, and it has a growing cosmetics industry. The beauty and personal care industry will face issues such as price hikes, high inflation, and supply chain disruptions in 2023 even as consumer confidence and digital engagement grow. Euromonitor International identifies five trends shaping the industry, emphasizing value addition and changing beauty consumption patterns. These include innovations in sustainability, personalization, and hybrid product solutions that reflect evolving consumer needs post-pandemic (Villena & Hu 2023.) As consumers in Finland place a higher priority on selfcare and beauty routines, there is a growing need for high quality cosmetic products. But as standards of beauty shift and expectations rise, customer satisfaction plays a bigger role in determining brand loyalty and business success (Keller 2013.) By examining the key factors influencing Finnish customers' satisfaction levels and buying decisions, this study aims to analyse the dynamics of cosmetic. It is critical to comprehend the fundamental elements influencing consumer behaviour and pleasure as the Finnish cosmetics business develops further.

Cultural values have an important effect on shopping preferences, such as an appreciation for products made locally and natural goods (NielsenIQ 2022.) Also, because sustainability and ethical business practices are becoming more and more important, consumers are searching for businesses that connect with their values and personal perspectives. In spite of growing customer interest in personal health and beauty goods, this market continues to expand globally (Solomon 2019.) The cosmetics business is a vital component of the worldwide beauty market and has a substantial economic impact on consumer behaviour and economic trends on different countries around the world. Consuming cosmetics reflects larger social and environmental ideals in addition to being an issue of personal hygiene and beauty. Consumers' purchasing decisions are becoming more and more influenced by ethical and sustainable factors setting them apart from customers in other markets (Villena & Hu 2023.)

This change necessitates a greater comprehension of the factors influencing these purchasing patterns as well as the metrics by which Finnish consumers' pleasure measure. The market for cosmetics in Finland is notable for its strong demand for natural and organic goods. The Finnish cosmetics market offers a distinctive framework for researching customer satisfaction and behaviour because of its strong demand for pure and organic products. Understanding these regional trends will help local and multinational brands operating in this market gain important insights as the global cosmetics sector develops (Jindal 2022.)

In view of the cosmetic sector's global popularity research on how customers behave in culturally different regions like Finland is notably lacking. Most of the material currently in the publication has focused on larger markets in North America and Europe frequently ignoring the subtle differences in behaviour found in smaller or less typical markets (Dash, Kiefer, & Paul 2020.)

The Finnish cosmetics industry has grown significantly in recent years, yet there is a notable lack of detailed insights into consumer satisfaction and purchasing behaviours. This knowledge gap complicates efforts by companies to align their products and marketing strategies with consumer expectations, particularly in areas such as sustainability and ethical production. This study aims to close this gap by analyzing Finland's cosmetic consumption trends and evaluating the factors influencing customer satisfaction, providing useful data to both academic researchers and industry experts.

The study's objectives are to identify the main factors influencing Finnish consumers' cosmetic preferences, look into the factors that affect their degree of satisfaction, and assess how social, cultural, and economic factors affect their choices. To achieve these goals, the research is guided by two central questions: What factors influence Finnish consumers' use of cosmetics? besides, how do consumers evaluate and understand their degree of satisfaction with these products? The investigation of the complex dynamics of the Finnish cosmetics business begins with these questions.

The study synthesizes prior research using a narrative literature review methodology to examine trends, preferences, and behaviors in the Finnish cosmetics industry. By integrating information from journals, publications, industry reports, and market assessments, this approach provides a comprehensive understanding of consumer behaviour while highlighting cultural, economic, and sustainability factors.

While it does not involve primary data collection, the literature review method enables a thorough examination of secondary data sources to uncover the key drivers of cosmetic use and satisfaction. This study contributes practical recommendations for aligning business strategies with consumer expectations and offers a Finnish perspective to the broader academic discourse on consumer behaviour in specialised markets.

## 2 LITERATURE REVIEW

Research already conducted in the field of cosmetics shows how important elements like product quality, brand reputation, and packaging are in determining customer happiness. Additionally, research has highlighted the significance of consumer values and beliefs, especially in relation to the growing popularity of natural and organic cosmetics in Finland. This study also looked into how consumers' values and beliefs affect their propensity for natural and organic products.

It was shown that Finnish consumers prioritise environmental, safety, and health considerations while selecting cosmetics. The research highlights how deeply cultural and ethical values influence buying behaviour, particularly the preference for eco friendly and cruelty free cosmetics. This analysis helps us understand the health and moral factors that underlie the popularity of natural cosmetics in Finland. It supports the idea that ensuring customer satisfaction requires aligning product offers with these values (Hofmeister-Tóth & Eibel-Spányi.)

Although, studies have indicated that Finnish consumers give a high priority to sustainability, safety, and product efficacy. They are also becoming increasingly interested in products that are environmentally friendly and cruelty free. This industry study provided insight into Finland's evolving customer preferences, particularly the rising demand for sustainable, safe, and environmentally friendly goods. Finnish consumers are increasingly drawn to cruelty free cosmetics, sustainable ingredients, and environmentally friendly production practices. This reflects broader worldwide trends while also illuminating Finland's distinct consumer orientation.

Based on the literature review, this data offers a macrolevel view of consumer satisfaction in Finland by demonstrating the interactions between local consumer values and global environmental changes. By examining the intricate connections between these elements and customer happiness in the Finnish cosmetics market, this study seeks to close the gap in the literature (Villena & Hu, 2023.) Customer satisfaction is the extent to which a product or service meets or surpasses a customer's expectations. It is an important marketing concept since it directly affects word of mouth recommendations, client loyalty, and repeat business.

Consumer satisfaction is commonly defined by researchers as an assessment of the overall experience or an emotional reaction to a particular contact. Both cognitive assessments and efficient responses to goods or services are included in this concept. It is acknowledged that customer pleasure is a complex

idea that frequently elicits both emotional and cognitive reactions. Consumer satisfaction has always been viewed mostly as an assessment a mental comparison of performance against expectations.

More contemporary methods, on the other hand, place more emphasis on the emotional aspect, considering the emotions and moods that go along with customer interactions. The emotional foundation of satisfaction is supported by empirical data. According to studies, consumers frequently use emotive adjectives like pleasantly surprised, thrilled, or relieved to describe their level of happiness, while they use terms like frustrated or cheated to describe their bad experiences. These emotive descriptions show that satisfaction is an emotional response to a good, service, or event as well as a logical assessment. In a qualitative study that included both in-person and group interviews, for instance, 77.3% of participants specifically utilized (Giese & Cote 2000.)

How well a product or service fulfills client requirements is tracked by customer satisfaction. the expectations of the customer. It is essential for fostering loyalty, enhancing brand equity, and driving profitability. One widely accepted framework is the expectation disconfirmation model, which compares pre purchase expectations with actual experiences. One is satisfied when performance meets or beyond expectations one is not satisfied when expectations are not met.

Research also highlights the availability theory, which suggests that attributes easier to assess have a greater impact on satisfaction. Negative discrepancies between expectations and reality (negative disconfirmation) typically weigh more heavily than positive ones, aligning with the concept of loss aversion. Businesses prioritise satisfaction due to its critical role in promoting loyalty and word-of-mouth recommendations. Achieving high satisfaction levels not only reduces customer acquisition costs but also leads to higher retention rates and profitability, making it a cornerstone of competitive differentiation in today's dynamic markets (Parker & Mathews 2001.)

Consumer satisfaction in the Finnish cosmetics market is influenced by multiple factors, including a preference for sustainability, natural ingredients, and effective eco labelling. Finnish consumers, particularly younger generations like Generation Z, demonstrate a strong inclination toward green cosmetic products, valuing their environmental benefits and alignment with sustainable lifestyles. Key factors such as perceived consumer effectiveness, eco-labels, and social norms play significant roles in shaping purchasing decisions. However, perceived behavioural control appears less impactful in driving these choices (Nguyen 2021.)

## **2.1 Global Trends in Customer Behaviour and the Cosmetics Industry**

Studies illustrates how development and international marketing alter customer choices beyond national borders. nevertheless the outcomes of global trends may differ substantially between nations due to cultural differences in beauty standards and purchasing habits. Asian consumers, for instance, can place a higher value on skincare routines that promote moisture and long term skin health, On the other hand, buyers in Western markets might appreciate efficient items and tangible results more. Because businesses have to adapt their messaging and supplies to appeal to local customs and beliefs, this difference illustrates how essential localisation is to marketing strategies. Nonetheless, social media and influencer culture have sped up the globalization of beauty trends, encouraging the exchange of ideas while also giving rise to distinctive regional interpretations. Businesses must continue to be responsive and flexible in this ever changing business climate if they want to successfully customize their goods and services using consumer data. In the end, being aware of these subtleties enables companies to successfully negotiate the complexity of multiple markets and match offers with regional tastes and expectations, increasing consumer happiness (Akdoğan 2021.)

Consumer behavior has changed significantly in the Finnish cosmetics business, based on recent studies, especially in the areas of sustainability, product quality, and the growing demand for environmentally friendly products. In Finland, consumers are growing more conscious of the environmental impact of their purchases. Finnish consumers are showing a strong preference for cruelty free and eco-friendly products, which is consistent with a larger global trend towards green and natural cosmetics (Nguyen 2021.)

The rise of social media and influencer culture have also significantly changed how consumers make purchases. Finnish customers, particularly the younger generations, are greatly influenced by social media platforms, where skincare routines and beauty trends are frequently discussed and promoted. This is in line with the global trend toward skincare products rather than traditional cosmetics, since younger people are more concerned with health and skincare knowledge.

Besides, more and more Finnish customers are searching for cosmetics that may be tailored to their specific skin or hair requirements. This trend is thought to be a logical progression of the larger skin-tellectual movement, in which customers want honest, thoroughly studied companies and are more knowledgeable about ingredients. These changes in consumer choices show that brands must be flexible, creative, and sensitive to local cultural values as well as global trends. (Nguyen, 2021.)

## **2.2 Consumer Expectations and Satisfaction**

Consumer happiness in the cosmetics business is greatly influenced by a number of factors, including perceived value, brand reputation, and product quality. This research by Lone and Bhat (2023) focuses on the significance of product quality, perceived value, and brand reputation in affecting consumer satisfaction in the cosmetics industry. The quality of the product is considered to be the most significant factor impacting consumer satisfaction across a variety of marketplaces, according to the study.

Customers demand items that offer more than just cosmetic advantages, and they look for measurable outcomes that demonstrate value for their money. When a brand's products meet or beyond these expectations, customers are more likely to trust and be satisfied with it, which can lead to long lasting loyalty. The authors also emphasize that perceived value the consumer's overall assessment of what they receive in relation to what they pay is a crucial component in maintaining customer satisfaction. A brand's favorable reputation can be further strengthened by a product that is thought to provide outstanding value for the money (Lone & Bhat, 2023.)

Consumer loyalty is significantly influenced by brand reputation, particularly in the cosmetics sector, according to Kim and Peterson's (2017) research. Their research indicates that a strong brand reputation increases consumer trust, which significantly influences purchasing decisions. When consumers perceive a brand to be trustworthy and reputable, they are more inclined to remain loyal to it. The authors emphasize that a brand's reputation is shaped by a variety of elements, including marketing initiatives, corporate social responsibility, and consumer views of ethical practices, in addition to the quality of its products. Customers feel more at ease with their purchasing selections when a company has a good reputation since it reduces their perceived risks.

Eventually, devoted customers become brand ambassadors, which aids the company in continuing to succeed in the industry. Research indicates that across a variety of marketplaces, product quality is consistently seen as the most important element determining consumer happiness. In order to justify their brand investment, consumers anticipate items that not only satisfy their aesthetic criteria but also produce measurable outcomes. Additionally, brand reputation increases consumer trust and loyalty, which has a big impact on purchasing decisions (Kim & Peterson 2017.)

Reputation is a vital asset for businesses since consumers are more likely to investigate brands and read reviews before making a purchase in an increasingly connected marketplace. It also highlights how ethical and sustainable production methods are increasingly having a significant impact on customer satisfaction, especially in environmentally conscious economies like Finland.

This change is indicative of a larger social trend in which buyers are thinking about the ethical ramifications of their purchases in addition to the efficacy of items. Therefore, companies that put an emphasis on social responsibility, openness, and sustainable sourcing can increase consumer happiness and foster enduring loyalty. Understanding these evolving expectations allows companies to align their strategies with consumer values, ultimately driving both satisfaction and brand success (NielsenIQ 2022.)

The notion that brand trust and loyalty are key to customer enjoyment is backed by Keller & Swaminathan's (2018) brand equity study on brand identity, especially in areas like cosmetics where the emotional tie between customers and products is crucial. According to this study, brand trust encourages repeat brand engagement by fostering stronger emotional bonds with consumers. This article highlights the importance of brand identity by stating that consumers form emotional relationships with brands that reflect their own values and lifestyles. This could imply that companies in the cosmetics sector who uphold principles like sustainability, cruelty free operations, or the use of natural products have a higher chance of building closer relationships with their clientele.

### **2.3 Cultural and Social Influences**

The interplay between personal beliefs and social influences highlights how complex consumer behavior is in Finland, where decisions are usually influenced by both individual opinions and the social dynamics at work. Brands can improve brand loyalty and satisfaction by customising their marketing strategies to better connect with Finnish consumers by taking into account certain cultural and societal factors. Besides, because cross cultural interactions have an impact on consumer behaviour, globalization has also resulted in the blending of cultural influences. Numerous research on global cosmetic consumption patterns have found that younger consumers, especially teens, frequently mimic trends from other nations, notably from Western markets (Oberoi & Oberoi 2018.)

In order to better satisfy consumer expectations and increase customer happiness and loyalty, the survey also found that some international firms concentrate on localising their products, according to the cultural quirks of certain countries. Consumption of cosmetics is also greatly influenced by social factors, including peer pressure and the media. The emergence of social media and influencer culture has significantly sped up the international dissemination of beauty trends, with social networks facilitating

the development of both local and global beauty standards. For instance, skincare practices that prioritise long term skin health are highly valued in Asia, whereas Western markets may place more focus on high performance beauty goods. (Akdoğan, 2021.)

## **2.4 Consumer Behaviour in Finland**

Studies have been conducted on Finnish markets and have found unique buying patterns. Finnish consumers choose simple, practical products, which is consistent with larger trends in Finnish design and culture, claim Koskinen and Laakso (2018). Consumers typically choose cosmetics that are useful without being overly ornate, which shows their appreciation for functionality and simplicity. Their passion for products that uphold honesty and purity is a result of their love of the minimalist aesthetic. Although, these disclosures, little is known about the specific impact these preferences have on consumer satisfaction in the cosmetics industry. Understanding the nuances of happiness which extend beyond the function of a product to include aspects like user experience, packaging design, and brand ethics becomes crucial. More inquiry is required to discover how these practical and aesthetic preferences connect to customer satisfaction and expectations as the Finnish cosmetics market develops. By bridging this gap, businesses can better align their goods with Finnish consumers' demands, strengthening relationships and increasing overall happiness in a competitive market. ket.

## **2.5 Gaps in Existing Literature**

Although there are extensive studies of worldwide consumer behavior and trends in the cosmetics industry in the corpus of extant literature, even while the body of existing literature provides in depth studies of global consumer behavior and trends in the cosmetics sector, there is a conspicuous lack of focused research on the Finnish cosmetic market. The majority of previous research typically ignores the distinctive features of smaller, regional markets like Finland in favor of concentrating on more general market dynamics. Because of this, there is a knowledge gap about the psychology of the local client because not much research has been done on how to interpret and implement global trends in the Finnish environment.

### **3 METHODOLOGY IN A LITERATURE REVIEW BASED APPROACH**

The methodology for this thesis focuses on a narrative literature review to analyse the cosmetic consumption trends and consumer satisfaction levels in Finland. This approach seeks to provide a thorough understanding of the elements influencing Finnish customer behaviour in the cosmetics business by combining previous studies. Finding the main drivers of cosmetic usage and satisfaction requires integrating insights from prior research on consumer satisfaction, cultural influences, and economic variables, which is made possible by the literature review technique. In order to provide a comprehensive analysis of trends, preferences, and behaviours as documented in academic publications, industry reports, and market assessments, this study builds upon secondary data sources rather than using primary data collection methods like surveys or interviews. The choice to focus on a literature study was motivated by the availability of comprehensive and reliable data from past studies, which provided adequate understanding into Finnish consumer attitudes and preferences within the cosmetics business.

The method seeks to ensure the precision and thoroughness of the findings by carefully examining and comparing studies, leading to a deeper understanding of Finnish cosmetic use. Using a technique based on a literature review, this thesis methodically examines and condenses the body of research on customer satisfaction and behaviour in the Finnish cosmetics business. This method works well for detecting important components, trends, and gaps in the literature, putting our findings within the framework of previous studies and offering a different perspective into a growing sector with unique (Westphaln, Regoeczi, Masotya, Vazquez-Westphaln, Lounsbury, McDavid, Lee, Johnson, & Ronis 2021.)

#### **3.1 Research Design and Rationale**

The study design follows a systematic literature review structure since it facilitates a comprehensive and well organised evaluation of academic work. Given the intricate dynamics of consumer behaviour, happiness, and the effect of sociocultural factors in Finland, a literature based approach enables us to map current findings and concepts while uncovering areas that have received less scholarly attention. By defining factors like product quality, price sensitivity, brand reputation, and the increasing focus on sustainability and ethical production, this strategy seeks to develop a conceptual framework that facilitates additional primary research (Lone & Bhat, 2023.)

The research design's commitment to the systematic literature review (SLR) paradigm enables a comprehensive, independent, and methodical evaluation of the body of current scholarly literature. A literature based approach, in particular, allows the mapping of current insights, theories, and important ideas while also highlighting areas that have received less attention when it comes to Finnish consumer behavior in the context of the cosmetics market. This approach is especially relevant in Finland because of the complex and ever changing nature of consumer behavior, satisfaction, and the influence of sociocultural factors including sustainability, ethical production, and brand reputation. The objective is to assess and categorize basic factors such as product quality, price sensitivity, and environmental concern. The findings will be used to develop a conceptual framework that will guide more primary research. This study evaluates literature from a range of academic and industrial sources to look at both local and worldwide trends in the Finnish cosmetics sector. This provides a comprehensive understanding of the factors influencing consumer satisfaction in this specific context.

### **3.2 Data Collection and Selection Criteria**

Numerous evidence based sources were consulted for the literature review, including government and academic publications about consumer rights, market regulations, and economic factors influencing the Finnish cosmetics industry, as well as reviewed journal publications from sources like Taylor & Francis, ScienceDirect, and JSTOR. To ensure the thoroughness and relevance of the literature review, this study used peer reviewed journal articles from reputable academic databases that offer insights into current market dynamics, product preferences, and shifting consumer attitudes toward cosmetics in Finland.

Articles from governmental and academic groups that address consumer rights, market regulations, and economic factors affecting the Finnish cosmetics business were also included since they offer a legal and regulatory framework for interpreting the market environment. Strict inclusion criteria were used to choose these materials, giving priority to those that are current, peer reviewed, and especially pertinent to the subjects of the study and the Finnish setting.

### **3.3 Data Analysis**

The collected information was evaluated using a thematic or conceptual synthesis approach, which helped to discover and categorize significant themes and patterns in the findings. This involves the

identification and classification of recurring themes and patterns across the various studies, which was then categorised based on relevance to the research questions. Key areas focused included, consumer satisfaction about what factors influence consumer satisfaction in the Finnish cosmetics market, and how do these differ from global trend. Also, consumer behaviour about how Finnish consumers interact with cosmetics brands, and what are the sociocultural influences on their purchasing decisions.

Additionally, sustainability and ethics on how significant sustainability and ethical considerations are in the purchase decisions of Finnish cosmetics consumers. Brand reputation and trust on how Finnish consumers perceive brands, and how this affects their loyalty and satisfaction. The categorisation process is shown in appendix 2. These areas align with the thesis's primary goals and will allow the synthesis of key findings that will inform future primary research.

### **3.4 Ethical Consideration, Validation and Reliability of Findings**

For each topic area, a few sources will be examined to guarantee dependability, with a focus on papers that have undergone thorough peer review and cross referencing to support assertions. To identify discrepancies or gaps in the literature and serve as a foundation for additional research, conflicting results from earlier studies will also be reported and examined (Westphaln et al 2021.)

This research minimises ethical hazards by relying on previously published literature as a secondary data-based study. The original research context and conclusions of each source will be respected, though, as all data will be thoroughly examined to prevent misunderstandings or over gone data based study. All data will be carefully analysed to avoid misunderstandings or overgeneralisation, but the original study context and findings of each source will be preserved. In along with offering an extensive examination of Finnish consumer behavior, this literature review based methodology gives researchers and cosmetic companies give information to better connect with the values and goals of the Finnish market. By integrating the corpus of current literature, this strategy aims to enhance understanding of the needs of Finnish consumers, guiding both theoretical research and practical application in the cosmetics industry (Booth, Sutton, & Papaioannou 2012.)

## **4 RESULTS**

This section summarizes the key findings from the literature review and theoretical framework, taking consumer behavior and sustainability in the Finnish cosmetics industry into account. The results provide a better understanding of the complex factors impacting consumer decisions, particularly those related to sustainability, and are based on the integration of multiple studies and significant theoretical models. The literature review indicates that a range of interrelated factors, such as sustainability, cultural values, brand reputation, and product quality, influence customer satisfaction in the Finnish cosmetics industry. Finnish consumers exhibit a strong preference for cosmetics with natural ingredients, eco-friendly packaging, and cruelty free manufacturing, which is consistent with their ethical and environmental views (NielsenIQ 2022.) This tendency is in line with the global trend of green cosmetics, but it is particularly prominent in Finland because of the nation's sustainable and minimalistic culture (Nguyen 2021.)

### **4.1 The Influence of Sustainability on Consumer Behaviour**

There is a noticeable trend in the Finnish consumer market toward more environmentally friendly purchases, especially in the cosmetics industry. This trend is consistent with global movements that highlight sustainable consumption trends. Because of things like eco labeling, organic ingredients, and sustainable packaging, consumers are paying more attention to environmental considerations when making cosmetic purchases. According to studies by NielsonIQ (2022) and Euromonitor (2023), Finnish consumers are very sensitive to sustainability and frequently choose environmentally friendly items over traditional ones. However, consumer decision making is not solely based on sustainability, price sensitivity plays a significant role, and Finnish consumers are often reluctant to pay a premium for sustainable products unless the perceived benefits justify the higher cost (Järvinen, 2019; Giese & Cote, 2000.) In this regard, there appears to be a balancing act where the level of sustainability needs to align with consumer expectations of product quality and price.

### **4.2 Social and Cultural Influences on Consumer Preferences**

Social norms and cultural influences are important determinants of consumer behaviour in Finland, especially regarding sustainable cosmetics. As noted by Westphaln (2021) social influence, including the role of peers, influencers, and media, significantly shapes Finnish consumer choices. Social media sites have become effective instruments for influencing how customers feel about eco-friendly companies. Celebrities and influencers who support environmentally friendly products have the power to influence buying decisions, particularly among younger consumers (Parker & Mathews 2001) demonstrating the critical role that social norms and cultural values have in determining the preferences and behaviours of consumers.

### **4.3 Consumer Satisfaction and Brand Loyalty**

The connection between brand loyalty and customer satisfaction is another important element affecting consumer behavior in the Finnish cosmetics sector. Finnish customers are more likely to show a strong sense of loyalty to companies that show a commitment to sustainability, claim Hansen & Jensen (2019.) Product efficacy is not the only factor that affects customer satisfaction; brand values and consumer ethics must coincide. Long term customer loyalty can be increased by upholding a positive company image through regular sustainability initiatives. On the other hand, customer satisfaction declines and may have a detrimental effect on customer retention when a brand does not live up to its claims on sustainability or product performance.

### **4.4 The Role of Consumer Values in Purchase Decisions**

The decision making process in the Finnish cosmetics sector is strongly influenced by consumer values, particularly ethical and environmental beliefs, there is a growing importance of ethical consumerism, whereby Finnish customers give preference to companies who share their values, such as fair trade, cruelty free business practices, and environmental sustainability. This is particularly evident in the growing demand for organic and natural cosmetics in Finland in recent years. (Jindal 2022.) besides, studies by Järvinen (2019) and Nguyen (2021) indicate that Generation Z, in particular, places high value on these ethical factors, making them a key demographic for sustainable brands.

### **4.5 Discrepancies in the Literature**

While the literature highlights clear trends in consumer behaviour towards sustainability, several gaps remain. For example, studies on Finnish consumers' attitudes towards sustainable cosmetics are still

relatively limited, and there is a lack of longitudinal research that tracks changes in attitudes over time. Further, even though sustainability is becoming a bigger priority, environmental values frequently lose ground to product performance and convenience when it comes to influencing consumer choices (Bryman 2016.) Although, while a lot of research has examined the market for natural and organic products, not much has looked at how the larger beauty sector is responding to consumer preferences. Research on the marketing tactics used by companies to reach the sustainability conscious market while retaining profitability is now possible (Kotler et al. 2009.)

## 5 CONCLUSIONS

The study emphasises how localised consumer preferences and global trends interact dynamically in the Finnish cosmetics market. Finnish customers stand out for prioritizing eco friendly, cruelty free, and health conscious cosmetics because of their strong affinity with sustainability, ethical values, and product transparency. This conduct is indicative of Finland's larger social commitment to social justice, minimalism, and environmental care (Nguyen, 2021.) Consumer purchase decisions are heavily influenced by these cultural factors, which highlights how crucial it is for companies to include these ideas into their operations and communication plans in order to succeed over the long run.

The findings also show how social media and digital platforms are becoming more and more influential, especially with younger populations like Generation Z. In addition to being brand aware, these customers want their beauty regimens to be genuine and customised. They look for companies who share their ethical principles, supply goods with scientific backing, and offer specialised solutions catered to their particular requirements. This expanding skintellectual trend emphasises how important informed consumers are becoming, and companies who don't show creativity and transparency run the danger of losing market share. (Nguyen, 2020.)

The cognitive and emotional components of customer satisfaction stand out as crucial elements in fostering loyalty and trust. Although a product's practical quality is still a major factor in customer happiness, ethical behaviour, sustainability, and cultural fit also have a big emotional impact. Maintaining a strong and open brand identity is crucial because Finnish consumers, in particular, value honesty, consistency, and dependability in brand communication (Giese & Cote, 2000; Lone & Bhat, 2023.)

However, the findings underscore the necessity for brands to adapt global strategies to meet regional expectations. While global beauty ideals influence the Finnish market, localised adaptations, such as minimalistic packaging, sustainable sourcing, and eco certifications, are pivotal to resonating with Finnish cultural values. Successful brands in this market must strike a balance between leveraging global branding and addressing specific local preferences. This approach will not only enhance customer satisfaction but also create opportunities for fostering brand loyalty and advocacy (Peterson & Kim, 2017.)

As a limitation to this thesis work the generalisability of the findings is influenced by variations in consumer behaviour across age groups, income levels, and geographic regions in Finland. A small

sample size may reduce statistical power, introducing potential biases. Finnish consumers' attitudes toward sustainability in cosmetics may differ from other Scandinavian or European markets due to cultural factors like national identity and environmental attitudes (Järvinen, 2019.)

The report also highlights how important it is to keep researching how Finnish consumers' expectations are evolving. Brands need to be quick to adapt as social attitudes continue to change, especially as people become more aware of ethical and environmental challenges. Integrating operations and products with Finland's unique cultural and environmental values can help businesses stand out in a crowded market and ensure continued consumer involvement. This localized understanding of consumer behavior provides a helpful foundation for businesses looking to succeed in the Finnish cosmetics market. It emphasizes the importance of consumer focused, ethical, and sustainable tactics in achieving long-term success and market relevance. The study is cross sectional, it provides a moment in time of current consumer behaviour without taking time variations into consideration. As environmental concerns and education increase, preferences for sustainable cosmetics are expected to change. These processes might be better captured by longitudinal research (Keller & Swaminathan 2018); Giese & Cote 2000.)

Self reported data may be influenced by biases, such as social desirability, where respondents overstate their sustainability commitment due to societal pressures (Braun & Clarke, 2006.) Despite efforts to reduce bias, this remains a limitation. The focus on cosmetics and beauty products limits the applicability of findings to other sectors, like food or fashion, where sustainable behaviour may differ (NielsonIQ 2022; Jindal 2022.)

The results may not be as applicable to other cultural contexts with distinct values, customs, and expectations around cosmetics due to the study's exclusive focus on Finnish consumers. Additionally, the availability and diversity of previous research on Finnish consumer behaviour in the cosmetics industry limit the research's scope and may limit the range of insights obtained from secondary sources. By increasing the sample size and using longitudinal data to better capture changing trends and preferences, future research could overcome these limitations. Although this thesis offers insightful information about sustainability and consumer behavior in the Finnish cosmetics market, it must be noted that it has a number of limitations.

Variations in consumer behaviour across different age groups, income levels, or geographic regions within Finland could influence the generalisability of the findings. The small sample size may also

limit the statistical power of certain analyses, leading to possible biases or oversights. Cultural and regional variability, Finnish consumers' attitudes toward sustainability in cosmetics may differ significantly from those in other Scandinavian or European markets (Järvinen 2019.)

Finally, the study does not deeply examine brand strategies. Marketing elements like packaging, certifications, and advertising can significantly shape consumer perceptions and behaviours (Kotler et al. 2009.) Future research could investigate how brands use sustainability to drive loyalty and engagement.

## **REFERENCES**

- Akdoğan, C. 2021. A study on the effect of price on consumer purchase decision-making. Available at: [https://www.researchgate.net/publication/356635290\\_A\\_Study\\_on\\_The\\_Effect\\_of\\_Price\\_On\\_Consumer\\_Purchase\\_Decision-Making](https://www.researchgate.net/publication/356635290_A_Study_on_The_Effect_of_Price_On_Consumer_Purchase_Decision-Making) Accessed 5th of December 2024
- Barletta, M. 2003. Marketing to women: How to understand, reach, and increase your share of the world's largest market segment. Kaplan Publishing. Available at: [Marketing to women : how to understand, reach, and increase your share of the world's largest market segment : Barletta, Marti : Free Download, Borrow, and Streaming : Internet Archive](#) Accessed 10<sup>h</sup> of October 2024
- Booth, A. Sutton, A. & Papaioannou, D. 2012. Systematic approaches to a successful literature review (2nd ed.). Sage Publications. Available at: <https://www.scribd.com/document/601209096/Boothetal-2ndedproofsLimitedDistribution1>. Accessed 10<sup>th</sup> of November 2024
- Braun, V. & Clarke, V. 2006. Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77-101. Available at: [file:///C:/Users/nepc/Documents/essay%20writing/Using\\_thematic\\_analysis\\_in\\_psychology.pdf](file:///C:/Users/nepc/Documents/essay%20writing/Using_thematic_analysis_in_psychology.pdf) Accessed 11 of November 2024
- Bryman, A. 2016. Social research methods. 5th edition. Oxford University Press. Available at: <https://ktpu.kpi.ua/wp-content/uploads/2014/02/social-research-methods-alan-bryman.pdf> Accessed 8<sup>th</sup> of November 2024
- Creswell, J. W. 2013. Research design: Qualitative, quantitative, and mixed methods approach. Available at: <https://people.wou.edu/~mcgladm/Quantitative%20Methods/optional%20stuff/mixed%20methods.pdf> Accessed 20<sup>th</sup> of October 2024
- Dash, G., Kiefer, K., & Paul, J. 2020. Marketing-to-Millennials: Marketing 4.0, customer satisfaction and purchase intention. *Journal of Business Research*, 118, 506-518. Available at: [Marketing-to-Millennials: Marketing 4.0, customer satisfaction and purchase intention - ScienceDirect](#) Accessed 3<sup>rd</sup> of December 2024
- Eibel-Spányi, Katalin, and Ágnes Hofmeister-Tóth. The Impact of Values on Consumer Behaviour. *International Journal of Economics and Business Research* 7, no. 1 2013: 56-68. Available at: [https://www.researchgate.net/publication/264812989\\_The\\_impact\\_of\\_values\\_on\\_consumer\\_behaviour](https://www.researchgate.net/publication/264812989_The_impact_of_values_on_consumer_behaviour) Accessed 11<sup>th</sup> of December 2024
- Giese, J. L. & Cote, J. A. 2000. Defining consumer satisfaction. *Academy of Marketing Science Review*. Available at: [\(PDF\) Defining Consumer Satisfaction](#) Accessed 12<sup>th</sup> of December 2024
- Jindal, S., 2022. The future of beauty & personal care 2022. Mintel Group Ltd. Available at: <https://clients.mintel.com/download/brochure/the-future-of-beauty-personal-care-2022> Accessed 17<sup>th</sup> of December 2024
- Keller, K. L., & Swaminathan, V. (2018). Strategic brand management: Building, measuring, and managing brand equity. Pearson Education. Available at: [0134892496.pdf](#) Accessed 6<sup>th</sup> of November 2024
- Kim, Yeolib, and Robert A. Peterson. 2017. 'A Meta-Analysis of Online Trust Relationships in E-Commerce'. *Journal of Interactive Marketing* 38: 44–54. doi:10.1016/j.intmar.2017.01.001. Accessed 17th of December 2024

- Kotler, P. Keller, K. L. Brady, M. T., Goodman, M. & Hansen, T. 2009. Marketing management. Pearson Prentice Hall. Available at: <https://www.scirp.org/reference/referencespapers?referenceid=2188644> Accessed 13<sup>th</sup> of December 2024
- Lehikoinen, E. & Salonen, A. (2019). Food Preferences in Finland: Sustainable Diets and their Differences between Groups. Sustainability. 11. 10.3390/su11051259. Available at: [\(PDF\) Food Preferences in Finland: Sustainable Diets and their Differences between Groups](#) Accessed 17<sup>th</sup> December 2024
- Lone, R. Ahmad & Bhat, Mushtaq Ahmad. 2023. Impact of Product Quality on Customer Satisfaction: Evidence from Selected Consumer Durables. *Marketing Journal*, 48(3), 143-159 Available at :[\(PDF\) Impact of Product Quality on Customer Satisfaction: Evidence from Selected Consumer Durables](#) Accessed 17<sup>th</sup> of December 2024
- National Board of Consumer Research. 2024. Consumer trends in Finland. Available at: <https://stat.fi/en/publication/cllxkapg9457g0avxuot3jtjw> Accessed 19<sup>th</sup> of December 2024
- NielsenIQ. 2022. The changing climate of sustainability has reached a critical moment. NielsenIQ. Available at: <https://nielseniq.com/global/en/insights/analysis/2022/the-changing-climate-of-sustainability-has-reached-a-critical-moment/>. Accessed 18<sup>th</sup> of December 2024
- Nguyen, N. M. D. 2021. Factors influencing Finnish Generation Z consumer behaviors towards green purchase of cosmetics. Vaasan Ammattikorkeakoulu University of Applied Sciences : Business Economics. Available at: [Factors influencing Finnish Generation Z consumer behaviors towards green purchase of cosmetics - Theseus](#) <https://urn.fi/URN:NBN:fi:amk-202103223672> Accessed 15<sup>th</sup> of November 2024
- Parker, C. & Mathews, B. P. 2001. *Customer satisfaction: Contrasting academic and consumers' interpretations*. Marketing Intelligence & Planning, 19(1), 38-44. Available at: [Customer satisfaction: contrasting academic and consumers' interpretations | Emerald Insight](#) Accessed 18<sup>th</sup> of December 2024
- Parul, O. & Prerna, O. 2018. Consumer behaviour towards cosmetic products: A case of Delhi NCR. *Journal of Emerging Technologies and Innovative Research (JETIR)*, 5(11). Available at: <https://www.jetir.org/papers/JETIR1811A02.pdf> Accessed 16<sup>th</sup> of December 2024
- Solomon, M. R. 2019. Consumer behavior: Buying, having, and being. 13th edition. Available at: <https://www.pearsonhighered.com/assets/preface/0/1/3/5/0135225698.pdf> Accessed 17<sup>th</sup> of December 2024
- Villena, K. & Hu, Y. 2023, May 26. Top five trends for beauty and personal care in 2023. *Euromonitor International*. Available at: <https://www.euromonitor.com/article/top-five-trends-for-beauty-and-personal-care-in-2023> Accessed 14<sup>th</sup> of October 2024
- Westphaln, K., Regoeczi, W., Masotya, M., Vazquez-Westphaln, B., Lounsbury, K., McDavid, L., Lee, H., Johnson, J., & Ronis, S. (2021). From Arksey and O'Malley and Beyond: Customizations to enhance a team-based, mixed approach to scoping review methodology. *MethodsX*, 8, 101375. Available at: [From Arksey and O'Malley and Beyond: Customizations to enhance a team-based, mixed approach to scoping review methodology - PMC](#) Accessed 19<sup>th</sup> of November 2024

Step	Action/Activity	Sources and Justification	Expected Outcome
<b>1. Define Research Questions</b>	Formulate specific research questions that focus on consumer satisfaction, behavior, and trends in the Finnish cosmetics sector.	Existing studies and theories on customer satisfaction and behavior in cosmetics (Lone & Bhat, 2023; Westphaln, 2021).	Clear research questions to guide the literature review.
<b>2. Literature Search</b>	Identify and collect relevant secondary sources from academic journals, industry reports, and government publications.	Databases: Taylor & Francis, ScienceDirect, JSTOR. Industry reports: Nielsen, Euromonitor, Mintel. (Nielsen, 2022; Mintel, 2022).	Comprehensive collection of diverse sources covering Finnish market trends and global perspectives.
<b>3. Set Inclusion/Exclusion Criteria</b>	Define criteria to filter relevant articles, ensuring alignment with the Finnish cosmetics market and consumer behavior.	Criteria based on relevance, publication year (preferably within 5 years), and peer-review status (Booth et al., 2016).	Well-defined dataset that excludes irrelevant or outdated sources.
<b>4. Data Extraction</b>	Extract key information related to product quality, price sensitivity, sustainability, and brand reputation.	Studies focusing on Finnish consumer preferences, sustainability (Lone & Bhat, 2023), and brand loyalty (Nielsen, 2022).	Extraction of key themes such as consumer expectations and satisfaction drivers.
<b>5. Data Synthesis</b>	Perform a thematic synthesis by categorizing extracted data into key themes (e.g., quality, price, sustainability).	Methodology: Thematic synthesis (Braun & Clarke, 2006). Synthesis based on recurring patterns and emerging themes from the data.	Identification of recurring themes and gaps in current literature on Finnish consumer behaviour.
<b>6. Critical Analysis</b>	Analyze the findings critically to identify trends, inconsistencies, and gaps in the literature.	Comparative analysis of Finnish consumer studies vs. global studies (Westphaln, 2021).	A clear understanding of the current state of knowledge, highlighting areas for future research.

<b>7. Conceptual Framework Development</b>	Develop a conceptual framework based on literature to guide primary research in the Finnish cosmetics market.	Insights from literature on key factors affecting customer satisfaction (Lone & Bhat, 2023; Mintel, 2022).	A well-structured conceptual model to inform further empirical research.
--	---	--	--

Appendix 1/2

<b>Main Category</b>	<b>Subcategory</b>	<b>Short Description</b>	<b>Detailed Description</b>
<b>1. Consumer Satisfaction</b>	<b>Definition and Importance</b>	Consumer satisfaction and its emotional and cognitive dimensions.	Consumer satisfaction is a key marketing concept, shaped by both emotional responses and cognitive evaluations. Giese & Cote (2000) emphasized that it includes both rational assessments and emotional reactions, influencing loyalty and brand advocacy.
	<b>Cognitive vs. Emotional</b>	Distinguishing cognitive assessments from emotional responses.	Satisfaction is a complex construct that blends cognitive evaluations (i.e., performance vs. expectations) with affective responses (emotions like joy or frustration). Giese & Cote (2000) highlight that satisfaction often involves both feelings and logical evaluations.
	<b>Factors Influencing Satisfaction</b>	Factors such as service quality, product performance, and perceived value.	Factors like product quality, service excellence, and perceived value are critical to satisfaction. Studies show that customers are satisfied when products meet or exceed their expectations in these areas (SpringerPlus, 2015; Cathy & Brain, 2001).
<b>2. Global Trends in Cosmetics</b>	<b>Branding and Innovation</b>	The influence of global trends in cosmetics.	Research shows that global branding and innovation are crucial in shaping consumer behavior, but localization is key due to cultural differences in beauty standards (Łoboda & Curie, 2013). Social media and influencer

			culture also play major roles in spreading global beauty trends (Akdoğan et al., 2021).
	<b>Cosmetics Industry Trends</b>	Growth in demand for eco-friendly and natural products.	There is an increasing demand for natural, sustainable, and cruelty-free cosmetics, particularly in markets like Finland. Global environmental trends such as sustainability and eco-labeling have influenced local consumer preferences (Nguyen, 2021; Nielsen, 2022).
<b>3. Cultural and Social Influences</b>	<b>Social Influence on Behavior</b>	The role of social media and peer recommendations in shaping purchasing decisions.	Social media platforms have revolutionized the cosmetics sector, especially for younger generations in Finland. Peer opinions and influencer recommendations heavily impact consumer choices, emphasizing the need for brands to engage with digital communities (Virtanen, 2021).
	<b>Cultural Values</b>	How Finnish values like sustainability influence consumer behavior.	Finnish consumers value products that align with their ethical and cultural values, particularly sustainability, local production, and minimalism. Brands that reflect these values are more likely to form strong consumer connections (Järvinen, 2019; Virtanen, 2021).
<b>4. Consumer Expectations</b>	<b>Quality and Value</b>	The importance of product quality, brand reputation, and perceived value.	High-quality products that meet consumer expectations for performance and safety are central to satisfaction. Additionally, brand reputation and perceived value (i.e., product benefits relative to cost) play a significant role in shaping satisfaction (Lone & Bhat, 2023; Peterson & Kim, 2017).
	<b>Sustainability</b>	The role of sustainability in consumer satisfaction, especially in the Finnish context.	Finnish consumers prioritize sustainability and eco-friendly practices when choosing cosmetics. Brands that emphasize these qualities, such as cruelty-free and natural ingredients, build trust and loyalty (Nguyen, 2021).

<b>5. Consumer Behavior in Finland</b>	<b>Trends in Finnish Cosmetics</b>	Preferences for natural, eco-friendly, and functional products in Finland.	Finnish consumers are drawn to minimalistic, functional products that align with their cultural values. Studies show that Finnish preferences for authenticity, simplicity, and environmental consciousness shape their purchasing decisions in the cosmetics sector (Koskinen & Laakso, 2018).
	<b>Generation Z Preferences</b>	The growing importance of Gen Z's preferences for eco-friendly, natural cosmetics.	Generation Z in Finland is increasingly focused on green products, valuing sustainability, transparency, and ethical practices. This shift is a key driver in the demand for natural, cruelty-free products in the Finnish cosmetics market (Nguyen, 2021).
<b>6. Gaps in Existing Literature</b>	<b>Lack of Focus on Finnish Market</b>	Insufficient research on the Finnish cosmetics sector, especially in relation to global trends.	Despite extensive global research on consumer behavior, there is limited focus on the specific dynamics of the Finnish cosmetics market. More research is needed to understand how local cultural factors like minimalism and environmental consciousness affect consumer satisfaction (Lindström & Sjöberg, 2022).
	<b>Need for Deeper Cultural Insights</b>	Need for deeper insights into how cultural, social, and economic factors affect Finnish consumer satisfaction.	The current literature lacks comprehensive research into how Finland's cultural and social values impact satisfaction with cosmetics products. Addressing these gaps can provide insights for brands to better cater to the unique needs of Finnish consumers (Lindström & Sjöberg, 2022).