Purchase Behavior of Generation Z for New-Brand Beauty Products: Exploring the Role of Blockchain

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ABSTRACT

Consumers get innumerable product options, making it crucial to study their selection among brands vs. new brands. The study explores how in a post-COVID world, the online purchase behavior of Generation Z female consumers is impacted for new-brand beauty products. Using qualitative methods, the authors explored the online purchase behavior of Generation Z females for the purchase of beauty products in emerging economies and how blockchain technology (BCT) can play a crucial role in influencing consumer decision-making. Five focus group discussions were conducted. The study’s findings reveal four key themes—“It’s too hard to be an innovator,” “Online stigma,” “New brand reservations,” and “BCT and new brands purchase decisions.” The authors portray that Generation Z consumers don’t feel competent enough to buy new brands online without extrinsic motivation. They do not entirely trust the information marketers provide them in the current form. They are expected to buy new brands online if the authenticity of the complete product details can be verified using blockchain mechanisms.

KEYWORDS

Beauty Products, Blockchain, Branded Products, E-Commerce, New Brands, Self-Determination Theory, Trust-Based Marketing Theory

INTRODUCTION

The pandemic brought ample opportunities for E-commerce companies to accelerate their growth. Post-pandemic, the share of the Indian online retail market has grown up to 7% of the total retail in 2021, with total revenue of 55.1 billion dollars (IBEF, 2021). The number of annual online shoppers in India rose to 190 million in 2021 from 135 million in 2019, which is a drastic growth of close to
40% seen post the outbreak (Redseer, 2021; Statista, 2021). This figure is further expected to increase to 300 million online users in the next five years (IBEF, 2021). Further, the share of new sellers on Amazon Marketplace alone in 2020 was 13.8% globally, while it was 12% in India, being the second-highest on the Amazon website (Marketplacepulse, 2020; Statista, 2021). Sectors such as beauty, health, pharma, fashion, FMCG, and electronics have experienced generous growth during 2019-21, with an average increase in sales of 133% (Statista, 2021). During and post-pandemic, thousands of new startups and MSMEs (Medium, Small, and Micro Enterprises) began listing their new products on leading e-commerce sites to reach a wider audience. To penetrate the highly competitive market, MSMEs followed a penetration pricing strategy, and hence such products offer a lower price compared to the similar products of established brands. The price differentiation may convince some consumers to try a new-brand product but at the same time raise concerns about the quality of the product (Razak et al., 2016; Sije et al., 2013).

For the purpose of this study, the authors classify the products being sold on leading e-commerce portals into two types on the basis of their branding, a) A branded product b) A new-brand product. A branded product is an offering from a well-known brand, produced by large companies, and has been on the market for many years. New-brand products are new and up-and-coming products, and the buyers are unfamiliar with their brand names (Aaker, 2009; Atulkar, 2020).

Trust is identified as a vital factor in e-commerce (Hillman & Neustaedter, 2017; Mohammed & AlShahri, 2021). It is defined as “the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other party will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party” (David Schoorman et al., 2016, p. 79). Consumers’ purchase intention for a product is influenced by the trust in the online vendor (Rehman et al., 2019; Zhu et al., 2011). There are certain antecedents to building trust in online purchase, like, reviews and ratings, recommendations and referrals, and forums and committees (McCloskey, 2021; Shekhar & Jaidev, 2020). Branded products have a significantly higher presence of trust antecedents in e-commerce compared to new-brand products (Atulkar, 2020; Rehman et al., 2019; Shekhar & Jaidev, 2020).

Generation Z is described as individuals who are born after the mid-1990s through the late 2010s (Turner, 2015). Generation Z is also known as digital natives as they were born in the era of the internet. They are accustomed to communicating using technology (internet, smartphones, cameras, e-commerce, and social media, etc.) a lot more, unlike the previous generations (Dimock, 2019; Turner, 2015). In India, Generation Z accounts for more than 32% of the population globally and 250 million individuals (Hameed, 2020). They actively engage in online shopping for most of their needs, making them a perfect fit for this study. Generation Z consumers are more innovators and open to trying new products (Priporas, 2017; Tunsakul, 2020). Generation Z’s enthusiasm for beauty products is driving the post-pandemic retail trends. The age of social media and selfies has made Generation Z females more conscious of their online identity. They are the most pivotal age group for the beauty industry and the biggest spenders on beauty products. On average, every Generation Z female spends more than $360 annually on beauty globally (Saunter & Shin, 2017). They are the most self-educated, with much information available at their hand, which empowers them to demand transparency and evidence before they can trust products available online (Mckinsey, 2020b; Saunter & Shin, 2017).

Blockchain is a shared, immutable and decentralized ledger system that records information to make it difficult to change or hack the system. Anything that holds value can be recorded tracked, or traded on the blockchain network, ensuring the safety of the information (Swan, 2015; Yaga et al., 2019). Through blockchain, one can access a source that provides true and authentic details about the product: e.g., its manufacturing details, including location, the source and complete information about the raw materials used in the products, its supply chain details, its efficacy data, etc. Once verified and stored, this information cannot be amended by marketers or any other agent (Swan, 2015; Yaga et al., 2019).
In this study, the first aim is to study the post-pandemic consumer behavior of female Generation-Z consumers towards branded and new-brand beauty products sold online in an emerging economy. The authors also aim to find the extent to which blockchain technology (BCT) can influence the post-pandemic consumer behavior for such female Generation-Z consumers for branded and new-brand beauty products. Using Trust-Based Marketing theory (TBMT) and Self-Determination Theory (SDT) as the theoretical underpinning, the authors specifically aim to answer the following research questions:

1. What is the current consumer behavior of generation Z females from an emerging economy for branded and new-brand beauty products sold online?
2. To what extent can BCT influence the decision-making of Generation-Z females for branded and new-brand beauty products sold online in an emerging economy?

To the best of the authors' knowledge, no previous study was done to understand post-pandemic female Generation-Z online purchase behavior and the role of BCT for branded and new-brand beauty products in emerging economies.

Using an exploratory approach, a qualitative study was performed by conducting 5 Focus group discussions of female Generation Z respondents to obtain insights on their purchase behavior for beauty products. The authors present our findings under four themes – “It’s too hard to be an innovator”, “Online stigma,” “New-brand reservations,” and “BCT and new brands purchase decisions.” Overall, the findings of the study show that the detailed, authentic, and verified information is expected to improve the chances of Generation Z consumers switching to new-brand beauty products from branded ones. The information provided to consumers through blockchain may give them the autonomy to learn about the beauty product’s raw materials and manufacturing history and then make an informed decision concerning its purchase.

This research contributes to the domain of purchase behavior towards new-brand products in a post-pandemic world. It will aid startups and micro, small and medium businesses who are launching their new products on e-commerce sites to reach better sales. Post-pandemic, with e-commerce being a rapidly growing sector with enormous scope in the present and future, it becomes crucial for MSME sellers to understand the purchase behavior of individuals in online settings.

The following sections include a literature review, followed by theoretical underpinning. Further, the methodology, findings, and discussion are mentioned. The paper is concluded with implications for theory and practice, limitations, and the future scope of the study.

LITERATURE REVIEW

This section reviews the previous studies relevant to the given topic. The authors first discuss the changing shape of e-commerce post-pandemic. Then, the section introduces blockchain and discusses its fundamental trust mechanism, followed by its characteristics, benefits, risks, and applications.

Ecommerce During and Post-Pandemic

The pandemic has made the booming trend of e-commerce more essential. Due to the restrictions of shutdowns and social distancing, consumers were bound to order goods online. Gradually, they have become more comfortable is shopping online, even for daily groceries (Pantelimon et al., 2020; Bhatti et al., 2020). Small businesses that were hit hard due to the pandemic also discovered e-commerce as a new source of sales. Ecommerce firms, to remain competitive in the post-pandemic world, adopted the latest technologies, e.g., AI, VR/AR, robotics, BCT, etc. (Kumar et al., 2021).
Introduction to Blockchain

Since its inception, blockchain has been of keen interest to academicians, practitioners, and researchers worldwide. Blockchain was first used in its most popular application, i.e., bitcoin, a cryptocurrency due to which it became widely noticeable to the public. It is a set of distributed ledgers with an append-only data structure regulated by a set of nodes (Casino et al., 2019). A block is formed for every transaction that takes place and is stored in these nodes. Such transactions are recorded in the decentralized ledger, where the information is distributed among all the nodes participating in the blockchain. It is known as distributed ledger technology (Antoniadis et al., 2019).

Blockchain has the following characteristics that differentiate it from other technologies:

1. **Traceable and Irreversible:** Every piece of information, once stored, is permanently saved on blockchain and is traceable. Once executed on a blockchain network, such information or a transaction is also irreversible (Tapscott & Tapscott, 2017).

2. **Permissionless and Secure:** The Blockchain consensus mechanism and the cryptographic public key are not easy to trace, hack or break. It is a very secure system. Moreover, one does not need to seek permission from any authority to use blockchain. It is a permissionless system that can be used through suitable clients (Li et al., 2020, Wust et al., 2018).

3. **Cannot be corrupted:** Every node on the blockchain network has a copy on the digital ledger. A transaction is added to the ledger only once its validity is verified by the majority. Blockchain maintains the integrity of the information by ensuring that the information stored is prevented from unauthorized modifications (Tapscott & Tapscott, 2017; Zhang et al., 2021).

4. **Anonymity:** Anyone can verify the integrity of the data. Also, while obtaining transaction information, one cannot derive the real identity of the user. It also promotes transparency (Tapscott & Tapscott, 2017; Wust et al., 2018).

5. **Public Verifiability:** In a decentralized system of ledgers, it is publicly verifiable, which means that anyone can check all the transactions. One can find out the person linked to a particular address but cannot know each address (Li et al., 2020, Wust et al., 2018).

Due to these properties, this disruptive technology has gained potential for application in varied industries like beauty and healthcare (Agbo et al., 2019; McGhin et al., 2019), supply chain (Korpela et al., 2017), economics (Catalini & Gans, 2020), IoT (Wu et al., 2018), marketing (Rejeb et al., 2020), insurance (Gatteschi et al., 2018), etc.

Benefits and Risks of BCT

Blockchain technology is known for several benefits. The most cited benefit of BCT is that it builds trust between two entities (Fleischmann & Ivens, 2019). There is no central authority involved. It makes direct sharing of information among various parties in an ecosystem smooth. Another leading benefit of this emerging technology is its improved security and privacy. It provides end-to-end encryption and prevents fraud and unauthorized actions. Blockchain integration guarantees the integrity of the data as well as builds mutual trust between e-commerce entities. This technology can improve consumer surplus and social welfare in monopoly and duopoly markets (Li et al., 2020). This technology is not without risks. The first one is that blockchain technology has a variety of frameworks, due to which it lacks standardization. Its protocols are hard to integrate into a project since this new technology holds rapid growth across various sectors. (Heires, 2016; Lindman et al., 2017). On using a public blockchain, the data is made accessible to everyone publicly through true decentralization. This might pose a risk for the producers as their competitors might get access to the products’ complete formulations and internal details. Competitors might take undue advantage of such information, which can lead to a rise in counterfeit goods. Hence, the authors suggest that business owners use private blockchain mechanisms (Rejeb et al., 2020). The consensus methods
used in blockchain generate high energy costs in using high-performance machines for mining. It may pose a risk to the environment (Nair et al., 2020; Truby, 2018). Some legal risks are also associated with blockchain in different countries, like regulatory and data privacy risks.

Blockchain and Marketing

Blockchain is being used in the area of media and advertising, loyalty programs, e-commerce, payments, digital marketing, performance management, fraud prevention, automation, etc. (Antoniadis et al., 2019). Due to its characteristics of anonymity, immutability, and security, it is expected to develop consumer trust and improve the performance of e-commerce and online advertising. Blockchain can help better consumer targeting and improve performance management in online advertising and e-commerce (Forbes, 2018; Ghose, 2018). Companies like Deloitte India have also explored blockchain technology to build their loyalty programs (Deloitte, 2020). Many firms are looking forward to tokenization for integrating their loyalty programs (Campbell et al., 2018; Goutam et al., 2021).

Blockchain and E-Commerce

Transactions in e-commerce occur virtually, non-face-to-face, and hence are more prone to varied opportunistic behaviors (Jiang & Chen, 2021). Some previous studies have explored the role of blockchain in e-commerce (Deng et al., 2020; Guan et al., 2020; Wu et al., 2018; Zhang et al., 2021). For increasing consumer trust and privacy encryption of consumer data through private keys while making transactions, where the consumers can provide access to their personal data through a fee (Deng et al., 2020). Smart contracts can support the logistic service providers with enhanced coordination (Deng et al., 2020). Another study mentions protecting sensitive data through a blockchain searchable encryption model (Guan et al., 2020). Applications of blockchain in e-commerce are endless, like alternative payment methods (Khalil & Gervais, 2017), private transactions (Kravitz & Cooper, 2017), fast authentication (Wu et al., 2018), lightweight, secure payments (Zhang et al., 2021) among others.

Blockchain and Beauty Industry

E-commerce beauty product sales were twice as high as their pre-COVID-19 levels during COVID-19 (Mckinsey, 2020a). The beauty sector has experienced major shifts in consumer needs and buying patterns. Indian e-commerce sites like Nykaa and Purplle, majorly selling beauty and personal care products, have conquered the Indian beauty market. Other e-commerce giants like Amazon, Mynttra and Flipkart, etc., are also progressing towards extensive growth in terms of beauty products post-COVID. Also, blockchain has now found its way into the million-dollar beauty sector. The quick evolving integration of the blockchain and beauty industry provides consumers new ways to interact and engage with the brands. For example, EM Cosmetics, a beauty brand, offers cryptocurrency rewards (4.5% portion of bitcoin) to the consumers who buy their products online through a web extension. Similarly, an online beauty booking platform, JOLYY, has proposed integrating blockchain for better efficiency, faster payments, and decreasing commission costs for salons and consumers. Another brand called Look Labs, based in Berlin, has combined its perfumes with NFTs (Non-fungible Tokens) to create digital fragrances (Caldwell, 2018, Makeuseof, 2021; Parkes, 2021).

In the post-pandemic time, with new products increasingly being sold via online retail, trust and quality issues arise for the consumers, especially for products offered by new brands. As part of this study, the authors explore the role of BCT in establishing trust for Generation Z female consumers. Next, the authors discuss the key theories of trust and consumer motivation for providing theoretical support to the study.

THEORETICAL UNDERPINNING

Using the TBMT and SDT as theoretical underpinning, the authors explore the post-Covid purchase behavior of generation Z female consumers from emerging economies for branded and new-brand
beauty products in e-commerce settings. The authors also explore the possible role of BCT in influencing their purchase behavior, especially for new brand beauty products.

**Trust-Based Marketing Theory**

Trust-based marketing theory (TBMT) plays a vital role in marketing by strengthening long-term consumer-to-business relationships. In a community, trust establishes order. Without confidence, the social actors can create negative outcomes in each interaction (Ozbal et al., 2020). Perceived reputation and benevolence are the two dimensions of confidence in the context of social psychology and marketing (Doney & Cannon, 1997). Trust decreases perceived risks for the parties contributing to an increased risk-taking capability by all parties in the relationship. This is especially important in the case of businesses adopting digital means where the parties are separated (Mayer et al., 1995; Becerra & Korgaonkar, 2011).

Push marketing doesn’t work for long-term consumer engagement with the brand. In comparison, when the consumer develops trust with the brand, the association is strong, and it becomes difficult for other brands to attract the customer (Becerra & Korgaonkar, 2011; Tan & Sutherland, 2004; Urban et al., 1998, 2009; Zhang, 2006). In the context of our study, TBMT is important as e-commerce is a triangulation of three entities – manufacturer, seller, and buyer. Trust between these entities is more important in the case of products sold by new brands than do not have strong brand credentials (Bartlett & Ghoshal, 2002; Urban, 2003; Urban et al., 2009).

**Self-Determination Theory**

SDT defines an individual’s motivation and personality. It talks about three basic psychological needs: competence, autonomy, and relatedness (Behl & Pereira, 2021; Deci & Ryan, 2008; Ryan et al., 2006). It says that humans evolve continuously by personality enhancement and self-regulation of their behaviors. An individual is motivated towards any action, e.g., purchasing a product, due to some extrinsic or intrinsic factors. Extrinsic factors in the case of purchasing a product include the product prices, offers, discounts, etc., which are generally provided on initial purchases on e-commerce sites to attract new visitors (first-time discount, seasonal sale, early bird offer, flash sale, etc.). Intrinsic motivation is when the consumer feels relatedness, competence, and autonomy while making decisions. Extrinsic motivation may push the consumers to buy products initially, but intrinsic motivation influences individuals to make repeat purchases in the long run without extrinsic factors. Intrinsic factors help the buyers to sustain their choices and preferences. Authors propose that generation Z female consumers are likely to buy new-brand products when they feel they are competent enough to autonomously take purchase decisions. Decisions taken by consumers autonomously are more rewarding and lead to higher motivation (Karra et al., 2019). Based on TBMT and SDT, the authors try to answer the following research questions 1) What is the current consumer behavior of generation Z females from an emerging economy for branded and new-brand beauty products sold online? 2) To what extent BCT can influence the purchase decision-making of generation Z females for branded and new-brand beauty products in an emerging economy?

**METHODOLOGY**

This study aims to understand the generation Z females’ online purchase intentions towards beauty products, focusing majorly on branded v/s new-brand products. There was a need to understand their perceptions in detail and find the gaps. The authors follow an interpretive approach to interpret the social life-world actions of the respondents (Crotty, 2020). As the study focuses on discovering how generation Z female consumers interpret their purchase behavior (decide to buy beauty products online), a qualitative method was used for the study. The benefit of using a qualitative procedure is that the respondents can discuss their real-life lived instances (experiences of online purchases of branded and new brand beauty products) (Miles & Huberman, 1994; Schwandt, 1994).
In this qualitative research, five focus group discussions (FGDs) were conducted through online mode to collect relevant insights from the consumers. In all, 42 participants were recruited after the screening, out of which four could not make it to the FGDs. A total of 38 participants finally participated in the FGDs (see Table 1 in the Appendix). Every group had 7-8 female members between 16-24. This narrow age group was selected to focus on the views of generation Z females in detail. Similar demographics were grouped together so that the discussions were more interactive (Casey & Krueger, 1994; Stewart et al., 2007). FGDs was preferred because it helps to identify the composite motivations behind the behaviors of participants. Also, FGDs help understand the subject and generate new insights from the respondents’ point of view (Carson et al., 2001; Corbin & Strauss, 2014; Hartman, 2004). The FGDs lasted for around 1.5 hours each. Audio and videos of these were recorded. Five FGDs were considered as sufficient as after five focus group discussions, it was felt that the state of theoretical saturation had reached, and no new insights were generated from the FGDs (Corbin & Strauss, 2014; Creswell & Poth, 2016).

For recruiting the participants for the FGDs, advertisements were floated across social media platforms like Facebook and Instagram. The participants were screened based on their attitudes towards online purchases, purchase frequency of beauty products, and openness to purchasing new brands via online mode. The authors, to eliminate self-reporting bias from the FGDs, communicated that they were looking both for participants who make choices among branded products and the products from new brands while buying beauty products online (Higuchi et al., 2019; Scott & Balthrop, 2020). All the participants were made aware of the basics of blockchain technology and its applications by showing some simple youtube videos at the start of the FGD. A structured FGD guide was used to assist the moderators during the FGD process. The authors also used some projective techniques to make the discussions more informative. Some questions were asked that help respondents project their feelings through a third person, for example, ‘why do you think a consumer may not buy a genuine new-brand product?’ Such tactics help bring out the feelings that are otherwise hard to express (Ramsey et al., 2006).

In the screening process, questions were taken from established scales to understand the behaviors and attitudes of generation Z female consumers towards online shopping. Questions like, In the online context - ‘I am concerned about vendor legitimacy,’ ‘I am concerned about seller legitimacy,’ ‘I am concerned about how much I can trust the vendor’ were asked (Torkzadeh & Dhillon, 2002). Qualifying questions were also asked to the participants, ‘do you shop beauty products online?’ and ‘what is your approximate order frequency for beauty products online on a monthly basis?’ to know if they are regular online shoppers in the beauty category.

Data Analysis

Data obtained from the FGDs were analyzed using NVivo version 10.0 software for transcript analysis using a thematic analysis approach, which assisted in grouping the ideas obtained into common themes from the entire data (Braun & Clarke, 2012, 2019). A three-step approach was used for further text analysis, i.e., comprehension, synthesizing, and theorizing (Morse, 1994). The authors first made a clear understanding of the phenomenon (comprehension). Next, they read each transcript individually to identify the themes within each FGDs, followed by a comparison with other FGDs for commonalities and differences and categorized the separate themes (synthesizing). Finally, the themes were reduced to fewer themes by looking at their differences and similarities again and grouping them accordingly (theorizing).

The validity of this study was ensured using different techniques like interpretative validity, descriptive validity, and credibility. To ensure the accuracy of transcription, the recordings were compared with the transcripts. Part-to-whole and the whole-to-part process were carried out to check the accuracy of interpretations and ensure the correct meanings were interpreted. The authors ensured consistency throughout the FGDs; the same set of questions were asked to all the participants to add
more trustworthiness to the study’s findings (Maxwell, 1992; Wolcott, 1990). A systematic process of coding was used, as explained earlier.

Additionally, two coders were used to ensure the reasonability and logic in the data collected. Their independently coded data and analysis were compared, and the interpretations that both agreed on were accepted. The Cohen Kappa value for intercoder reliability was 0.63, indicating a substantial agreement between the two raters (Cohen, 1960; Rau & Shih, 2021; Stemler, 2001).

**FINDINGS AND DISCUSSION**

Encouraging consumers to purchase hedonic products online is challenging for established brands and even more challenging for new brands (Dhar & Wertenbroch, 2000; Kivetz & Zheng, 2017; Kim & Peterson, 2017; Silva et al., 2019). In the current post-pandemic world, when the current trend of shopping is shifting to e-commerce, and there is a significant increase in the number of new brands sold online, it is essential to see how the consumers purchase hedonic products sold online. Though prior studies have studied consumer preference for branded and unbranded products, no study has dealt explicitly with post-pandemic consumer behavior for new brands in the beauty segment in emerging economies. The authors’ aim via this study was to understand the post-pandemic consumer behavior of female generation Z consumers in the case of beauty products for new and established brands in emerging economies. The authors specifically aimed to understand in a post-pandemic world how females of generation Z purchase beauty products sold online, what challenges they face, and to what extent technologies like BCT can help in the purchase process.

The authors present findings from the qualitative procedures under four themes: It’s too hard to be an innovator”, “Online stigma (in general open to new brands but not online),” “New-brand reservations.” (Figure 1) and “BCT and new brands purchase decisions.” The first theme, “it’s too hard to be an innovator,” discusses why generation Z females find it difficult to be among the first person to try a new brand product that leads to inaction. The second theme, “Online stigma,” focuses on the hesitations customers have while purchasing products of new brands from online vs. offline stores. The third theme, “New-brand reservations,” is based on the inability of the consumer to differentiate between branded and new brand products and inertia with old brands. Finally, the last theme, “BCT and new brands purchase decisions,” discusses BCT’s possible role in influencing consumers towards newer brand products. Figure 1 presents the summary of findings of the study.

*Figure 1. Summary of findings of the study*
It’s Too Hard to be an Innovator

One of the strongest themes to emerge from the thematic analysis was “it’s too hard to be an innovator,” which can make the consumers resist the purchase of new brands sold online. Buying new products has an inherent element of risk because of the missing antecedents of online trust (Kim & Peterson, 2017; Silva et al., 2019; Zhu et al., 2011). This risk gets further enhanced for products sold online as the consumer is unable to evaluate the product in person before payment. According to participants, beauty products are credence products that are difficult to assess objectively, especially in the case of new brands. “I think it is difficult to purchase products that are difficult evaluate both pre and post-purchase” (FG2F3). Rogers (2010) describes five types of adopters that react differently to the new products and innovations throughout the product life cycle. An innovator is a risk-taker who is excited to try new products, ideas, and ways. Compared to purchasing new products from established brands, purchasing products of new brands without any authenticity in the claimed results makes the prospective consumer skeptical due to the high risk involved. “I think at the end the people want to avoid product failure. And if there is an added element of risk due to making an online purchase for new products from new brands, people will be more resistant to purchase” (FG3F7). Under this theme, two sub-themes emerged - ‘I’ am not ready to be an innovator for new beauty brands’ and ‘Others make it difficult for me to buy a new beauty brand.’

I’m Not Ready to be an Innovator for New Beauty Brands

The participants stated that they do not feel competent enough to make purchase decisions for new-brand beauty products. Given the lack of authentic information that can be irrefutably trusted about product ingredients, seller and manufacturer credentials, and product performance makes the consumers feel they are not in control to make a decision. “I would rather spend a larger amount on something with better-known results than risking it for something I’ve never heard of” (FG4F1). As a result, consumers lack the intrinsic motivation to confidently purchase and use new-brand beauty products (Deci & Ryan, 2008; Ryan et al., 2006). At present, the primary source of motivation, especially behind online buying of new-brand beauty products, has been extrinsic, i.e., the deals and discounts make consumers consider a purchase. “I occasionally do to try hugely discounted new brands that are promoted. But mostly, I have been disappointed with the performance of such products. In one instance, I even had to take medical help for the side effects” (FG5F5). Further, during the discussion, participants shared that there is a difference between products from new brands and new products from established brands. In line with prior studies of online trust, the consumer in such case feels some degree of confidence to try new products from established brands vs. trying new products from new brands (Cao et al., 2021; Kim & Peterson, 2017; Silva et al., 2019; Zhu et al., 2011). “I feel excited when my favorite brand comes up with some new product. The new products are promoted as a better version of some earlier product which makes me feel confident for the purchase” (FG4F8). In summary, though being risk-takers, female consumers of generation Z avoid taking excessive risk, especially for beauty products from new brands. This generation is open to being an innovator but with limitations, especially when they are unable to evaluate an offering from a new brand.

Others Make it Difficult for me to be an Innovator for New Beauty Brand

Apart from being able to take independent decisions discussed previously, the participants stated in the discussion that they feel hesitant in buying new brands because ‘others’ do not let them. Their friends, relatives, marketers, and social influencers influence the purchase behavior to try any new brand. “Whenever I pitch the idea to try a new brand product, my friends would back out or even scare me of unproven side-effects” (FG1F2). Participants shared that they are usually unable to take an autonomous decision to try a beauty product of a new brand due to the thought of ‘what others might say.’ Many participants were of the view that brands give them social approval and hence more confidence. Social acceptance post-purchase also influences purchase behavior (Ghahtaran et al.,
New-brand beauty products are not able to delight the consumers as the established brands do. “Using a brand gives us a joyous appeal, I feel more confident and satisfied with well-known brands while using a new brand might have an ordinary experience” (FG5F1).

Participants further shared the role of influencers in communicating a product and how it is vital to winning consumers’ trust. A participant shared, “Continuous presence of a product on social media subtly pushes us to trust the brand. If I come across a new-brand product for the first time on an E-commerce site, it will be difficult to try it at once” (FG3F6). Additionally, the website of a company and where the products are sold are also an indicator of the company’s products. “Websites that provide a great user experience increase trust for new products, while poor websites make me skeptical” (FG2F4). In summary, the success of new brand products is influenced by multiple entities which are directly and indirectly linked with the new brand.

Online Stigma

Participants shared their dissonance with new-brand products due to the risks involved with them while shopping, particularly in online settings. They shared that they prefer purchasing new brands offline but do not feel comfortable purchasing new brands in online retail. “Every day there is a brand that is pushed towards me online. It requires an effort to evaluate new brand products. Offline the number is far less, which allows me to explore new brands” (FG2F6). Further, whenever an individual tries a new product, there’s a chance that the product might not be able to satisfy the needs of the buyer in the way expected/promoted. The nature of beauty products is such that it is directly applied to the body, and their ingredients can have side effects. Product quality is the main concern for all the participants when it comes to beauty products, and the risk factor exists in trusting a new-brand product. The absence of touch-and-feel and smell elements also accompanies the risks of receiving wrong sizes or shades of products, damaged products, or counterfeited products. “I would avoid buying a new brand skincare product online without proper knowledge of its contents and results” (FG3F4).

Further, in an offline setup, consumers can try the samples at the display before making a purchase, which is not the case in an online setup. In an online setup, consumers need to trust whatever information is given on the source and make the purchase decision. “Since beauty products sold online are always non-returnable, there’s no option to try-and-buy. Sometimes the exact product is not delivered; at times, the size of the product differs from the images shown in advertisements on e-commerce sites. Therefore I am very skeptical while purchasing new brand beauty products online” (FG1F6).

Consumer reviews and ratings available on e-commerce sites are the first things that some participants check before considering a purchase of any beauty product (Kim & Peterson, 2017; Silva et al., 2019). Participants were of the view that the very positive reviews and ratings for new products might be forged and created through influencer programs or barter programs, making it difficult for them to trust the reviews and purchase the products from new brands (Barbado et al., 2019). “No negative or neutral comments make me sensitive to a new brand product. I find it difficult to believe a new beauty product worked perfectly for everyone” (FG2F6). Finally, the pricing for new brands’ products sold online moderates frequently due to discounts. It makes the consumers unable to find a relationship between price and quality. “One day the product is at 30% discount; the next day it will be at 50% discount. Such price variations make me unsure about what should be a correct price” (FG4F4). If a product is sold cheap, there’s a notion in consumers’ minds that the quality of this product might suffer (Voros, 2019).

In summary, prevalent challenges discussed by participants in buying beauty products online include the time-consuming information search process, credibility issues in reviews, non-returnability of goods, and unsuitability for the skin. Such issues create unfavorable and negative perceptions of consumers towards new-brand beauty products and affect their autonomy to make purchase decisions. It falls in line with the SDT’s fundamental psychological need, autonomy.
New-Brand Reservations

Another major theme generated from this study is that consumers do not perceive trying a new brand as worth the effort. Participants either do not have first-hand experience of testing new brands or don’t find any relevance in trying a new-brand product when they have a number of brands they can trust and have been using for a long time. They stated that they feel connected with the brands they’ve been using over time and can relate to those beauty brands, which is not the case with a new brand. This connection makes them more likely to choose an established beauty brand over a new brand online. This mirrors the third psychological need of SDT, i.e., relatedness. It refers to the sense of belongingness or connectivity that the consumers feel with old brands. “I don’t find a reason to switch from a branded product to a new brand when I am happy and satisfied with the results I’m getting. At least, I can trust the established brands and need not think twice before I order” (FG1F3).

Further, to avoid unfavorable self-concepts, generation Z females tend to avoid trying new brands in order to protect their identity and self-esteem. Additionally, they are conscious of the eco-friendly, organic, cruelty-free certifications and claims. “Beauty products are known to have animal-derived ingredients, which I do not like. I carefully read about the contents of beauty products to make sure no animal was harmed in its making and its natural” (FG1F8).

Some participants shared their ambivalence in making purchase decisions towards brands and new brands in beauty products online. “I can never trust the reviews blindly; there have been instances when the reviews didn’t work for me. It’s obvious! A product suitable for one might not work well for everyone” (FG5F8). Many participants said they like exploring new skincare products rather than sticking to a few brands. Generation Z consumers focus on the details provided in the product descriptions as the main source of information. They believe correct and detailed information is very crucial to making any purchase. “When I visit a site, first I glance at the product image and description. Once I’m convinced, then I check the reviews. Even if the reviews are not available, I can buy that product” (FG3F7). Generation Z consumers’ trust is expected to be influenced by seller/manufacturer transparency more than the information provided through product reviews. “I would be willing to try these new-brand products at least once. When you get to know so much about a product; you wish to try it once” (FG3F2).

BCT and New Brands Purchase Decisions

TBMT focuses on building relationships with consumers through unbiased information and trustworthy communication. This theory provides helping consumers make informed purchase decisions using exhaustive marketplace options and fair advice (Urban, 2003; Urban et al., 2003; Urban et al., 2009). Whereas, to convince consumers to purchase new brands, some companies indulge in generating fake reviews or influencer programs that are not successful in the long-term for new brands (Racherla et al., 2012). Discussion based on the BCT videos shown to the participants, the participants shared that if information about new brands can be obtained in a reliable and independent manner, their willingness to buy new brands can possibly increase. “Reviews are secondary if the complete information about a product is accessible to us” (FG3F2). It can help them in feeling competent and autonomous in making decisions. “Impartial and trustworthy information that is independent of any source, manufacturer, seller or agency, will convince me more to buy new brands” (FG4F6). “If the marketers can truly not manipulate the claims about new brand product performance and its ingredients, I feel consumers will become more open to new brands” (FG1F4).

In summary, the authors believe that, with the adoption of emerging technologies like BCT, sellers of new brands can find solutions that help consumers build trust in new-brand products by verifying and authenticating the origin and history of products.
IMPLICATIONS FOR RESEARCH

This research extends TBMT in exploring the role of trust in relationships between the buyers (generation Z females) and sellers, selling branded and new-brand beauty products in an online marketplace. Also, via the current study, the authors extend SDT in exploring the online purchase behavior of generation Z females for branded and new-brand beauty products. Extrinsic and intrinsic motivations both affect consumers’ purchase decisions for new brand beauty products (Behl & Pereira, 2021; Deci & Ryan, 2008, Ryan et al., 2006). This study shows that at present, the consumers are more convinced to buy a new brand through extrinsic factors (discounts and other promotions) than intrinsic motivations while buying a new-brand product. When individuals purchase new-brand products, there is a concern for autonomy and competence to trust these products due to the information gap between the buyers and sellers (Behl & Pereira, 2021; Deci & Ryan, 2008; Urban, 2003). Further, consumers do not prefer push marketing in the long term, when compared to trust-based marketing. Higher trust is expected to make individuals perceive higher autonomy towards new-brand products and motivate them to buy more (Deci & Ryan, 2008; Urban, 2003; Urban et al., 2009).

This study further extends the literature in associating technology with marketing in e-commerce. It explores the role of BCT in establishing a trust-based marketing strategy that can possibly shift consumers mindset from extrinsic rewards while purchasing new brand products to intrinsic factors (Cao et al., 2021; Deci & Ryan, 2008; Urban, 2003; Urban et al. 2009; Tapscott & Tapscott, 2017; Zavolokina et al., 2020). For example, consumers can be sure of the product’s raw materials sourcing, manufacturing information, and supply chain details before purchasing. This would possibly lead to higher consumer satisfaction and build trust relationships among consumers and new brands (Urban et al., 2009; Tapscott & Tapscott, 2017; Zavolokina et al., 2020).

IMPLICATIONS FOR PRACTICE

This research contributes to the domain of purchase behavior towards new-brand products in a post-pandemic world. It will aid startups and micro, small and medium businesses who are launching their new products on e-commerce sites to leverage new technologies and improve sales. Post-pandemic, with e-commerce being a rapidly growing sector with enormous scope in the present and future, it becomes crucial for MSME sellers to understand consumers’ purchase behavior in online settings.

The findings of this study provide insights to the new brand managers who try to compete with established brands and try to use the online channel as their preferred distribution channel. Since the behaviors of generation Z consumers are based on how they interpret the stimuli, it can be said that the perceptions formed by the generation Z females are influenced by the information provided by the firms. Findings from our research show that the beauty products sold online via new brands involve uncertainty, risk, and ambivalence, and most consumers do not find any benefit of trying a new-brand product over the established brands. Efforts are required to make the new brands more trustworthy and the availability of their information more transparent. This research proposes that firms with new-brand products should focus on trust-based marketing and explore BCT for building trust. Using technologies like BCT will allow the consumer to trust not only the manufacturer’s communications but also communications from other sources like sellers and current users. Through blockchain, sellers can provide access to a source that provides genuine and authentic details about the product: e.g., its true manufacturing details including location, the source and complete information about the raw materials used in the products, its supply chain details, its efficacy data, etc. on the e-commerce site itself. Marketers or other agents would not be able to amend this information once verified and stored. Such authentic details will provide an intrinsic motivation (competence and autonomy) to the Generation Z consumers to buy new-brand products.
CONCLUSION, LIMITATIONS AND FUTURE SCOPE

Consumers have innumerable product brand options, making it crucial to study their decision process among brands v/s new brands. Through this study, the authors explored the consumer behavior of Generation Z females in emerging economies for purchasing beauty products online. The authors also explored how BCT can possibly influence the purchase of new brand products by generation Z females by increasing trust in decision-making. The authors present the findings under four themes – “It’s too hard to be an innovator”, “Online stigma,” and “New-brand reservations,” and “BCT and new brands purchase decisions.” Data analysis revealed that the absence of trustworthy information sources, unverified certifications, and reviews make it challenging to generate intrinsic motivation in consumers for new-brand beauty products. That is why consumers do not feel competent enough to make purchase decisions for new-brand goods online. Further, it was observed that the consumers, when provided with complete and authentic information about the product through BCT, will have less reservation for considering new brand beauty products for their purchases. This change in decision-making portrays how transparency was and will be an essential factor in consumers’ purchase decisions in the post-pandemic world.

Limitations of this study include the study being conducted in the emerging economies context. Consumers from developed countries can behave differently towards new brand beauty products depending on their trust in new brand manufacturers and sellers. Researchers, managers, or practitioners from other countries shall check before generalizing these findings. Second, this study has been conducted in an online context; researchers are encouraged to perform similar studies in an offline context. Third, the study focuses on consumer behavior for branded and new-brand beauty products that are hedonic. Consumer behavior for a new brand utilitarian product can differ, which future researchers need to check. Fourth, future studies can be quantitatively conducted to study the effect of blockchain on purchase decisions for different product categories.

FUNDING AGENCY

Publisher has waived the Open Access publishing fee.
REFERENCES


## APPENDIX

### Table 1. Summary table of the FGD respondents

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