



A STUDY ON THE BUYING BEHAVIOR OF WOMEN CUSTOMERS TOWARDS COSMETIC PRODUCTS WITH SPECIAL REFERENCE TO IRINJALAKUDA TOWN.

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Abstract

Modern world considers physical appearance as one of the most important factors affecting our personality. Cosmetics provide one way to improve our physical appearance. Generally, we assume that female population is the major user of cosmetic products. So this study focuses on analyzing the attitude of women towards the purchase of cosmetic products and thereby the future prospects for cosmetic dealers in Irinjalakuda town.

Key words: Cosmetics, attitude, buying behavior.

1.1. Introduction

Aesthetic make up products is being used since olden days. We today call them as cosmetics. The word “cosmetics” is derived from the Greek word “Kosmetikos” which means “skilled at decorating”. Cosmetics colloquially known as makeup are care substances used to enhance the appearance or odor of the human body. The US; Food and Drug Administration(FDA), which regulates cosmetics, defines cosmetics as “intended to be applied to the human body for cleansing, beautifying, promoting attractiveness, or altering the appearance without affecting the body’s structure or functions”.

According to Euromonitor, the cosmetics and toiletries is divided into eleven categories which are body care, colour cosmetic, bath and shower products, deodorants, hair care, men’s grooming products, oral hygiene, fragrances, skin care, depilatories and skin care.

Since 1991, with the liberalization along with the crowning of many Indian women at international beauty pageants, the cosmetic industry has come into the limelight in a bigger way. Subsequently there has been a change in the cosmetic consumption and this trend is fueling growth in the cosmetic sector. Indian cosmetic industry had rapid growth in the last couple of years, growing at a CAGR of around 7.5% between 2006 and 2008. This is mainly due to increasing purchasing power and fashion consciousness. In the Indian cosmetic industry, both electronic as well as print media are playing an important role in spreading awareness about the cosmetic products and developing fashion consciousness among the Indian consumers.

Due to the development of satellite television and a number of television channels as well as the internet in the modern day, the Indian consumers are constantly being updated about new cosmetic products, translating into the desire to purchase them.

Additionally, the flourishing Indian fashion/film industry is fueling growth into the cosmetic industry in India by making Indians to realize the importance of having good looks and appearances. Today most of the cosmetics manufacturers in India cater to the domestic market but they are gradually establishing their footholds in overseas market. Indian herbal cosmetic products have a tremendous demand in the international market.

1.2 Review of Literature

Hoyer, Deborah (2001)¹ According to them the consumer behavior influences in three aspects, they are acquiring, using and disposing. Acquiring means how the consumer spends money on the products, such as leasing, trading and borrowing. Using means some of the consumers use the high priced products and some of the consumers see the quality. Disposing means distribution, order or that places a particular product.

Kerin et al, (2003)² According to them lifestyle is a way of living that is identified by how people spend their time and resources, what they consider important in their environment and what they think themselves and the world around them. Personality, motives and attitudes also influences lifestyle.

Kotler and Keller (2009)³ Attitudes are formed through experience and learning and that attitudes influence buying behavior. Consumer attitudes towards a firm and its products greatly influence the success or failure of the firm.

Solomon, (2009)⁴ According to him the concept of lifestyle provide a description of behavior and purchase pattern, especially the ways in which people spend their money and time. Personality, motives and attitudes also influences lifestyle. Lifestyle defines a pattern of consumption.



1.3. Statement of the Problem

Consumer attitude gives both difficulty and development to the company. Decisions regarding buying of cosmetic products are mainly based on personal interest of a customer. However this personal interest is largely influenced by several other factors like economic growth of the region, geographical features, demographic features etc. Now, consumers have lot of interest regarding the cosmetic products and also they have awareness about cosmetic product attributes. Hence, the cosmetic companies need to understand the consumer attitude on cosmetics buying behavior which brings success to the company. This study focus to analyse the factors which effect the female cosmetic consumption as well as their decision making process for purchasing the cosmetic products.

1.4. Objectives of the Study

- To analyse the buying behavior of women consumers towards cosmetic products.

1.5. Research Hypotheses

- There is a significant difference in the frequency of buying cosmetic products among married and unmarried women.
- There is a significant difference between age and type of cosmetic product being used.
- There is a significant difference between employment and type of the cosmetic products.

1.6. Research Methodology

1.6.1. Source of data:The study is based on both primary and secondary data. The primary data has been collected by using questionnaire and the secondary data has been collected from magazines, journals and websites.

1.6.2 Sample design:The population is infinite in nature therefore for the purpose of collecting response from the respondents the convenience sampling method was used. Sample sizes of 120 respondents from Irinjalakuda town were selected.

1.6.3 Data Analysis:Percentage and Chi-square analysis are used as tools for data analysis.

1.7 Limitations of the Study

1. Sample size is limited to 120 female respondents.
2. As the data has been collected on a convenient basis and study is limited to a particular town, the results of the study cannot be generalized.

Part II

2.1 Indian Cosmetics Industry

The Indian Cosmetics industry is defined as skin care, hair care, colour cosmetics, fragrances and oral care segments which stood at an estimated \$2.5 billion in 2008 and is expected to grow at 7%, according to an analysis of the sector. Today herbal cosmetics industry has driving growth in the beauty business in India and is expected to grow at a rate of 7% as more people shun chemical products in favor of organic ones. The emphasis of the herbal cosmetic has been on the spectacular growth of the herbal and ayurvedic beauty products business as conveyed by beauty expert Shahnaz Hussain who was the first to introduce the concept of ayurvedic cosmetics to the world when she launched her products way back in 1970. Today, the Indian cosmetic industry has a plethora of herbal cosmetic brands like Forest Essentials, Biotique, Himalaya, Blossom Kochhar, VLCC, Dabur and Lotus and many more.

The beauty business in India is growing phenomenally with the cosmetics market growing at 15 – 20% annually, twice as fast as that of the United States and European markets. Accordingly to analysis and figures given by the Confederation of Indian Industries (CII) the total Indian beauty and cosmetic market size currently stands at US \$ 950 million and showing growth between 15-20% per annum. The retail beauty and cosmetics market in India currently estimated at USD 950 million is pegged at USD 2.68 billion by the year 2020. Market consumption volumes increased by 5.6% in the period 2008 – 2012 to reach a total of 88.6 million units in 2012. The market's volume is expected to rise to 109.6 million units by the end of 2017, representing a growth of 4.4% for the 2012-2017. In 2017, the Indian make-up market is forecast to have a volume of 109.6 million units, an increase of 23.7% since 2012. The study focuses on the top 7 brands of cosmetics in Indian market are:-

Lakme

Lakme is a reputed Indian brand which is owned by Unilever. The company is headed by Mr. Anil Chopra who is the CEO of the company. Lakme was founded in the year 1952 by JRD Tata. In 1996 the Tata group decided to sell of its stake in Lakme to Hindustan Lever Limited.. lakme was also ranked at 47th as one of the most trusted brands in India according to The Brand



Trust Report in 2011. This brand also sponsors the Lakme Fashion Week twice a year. It also launched the Lakme Perfect Radiance and Lakme eyeconic kajal which gained significant market share. In the financial year 2012, Hindustan Unilever Limited had a rise in profit before tax and interest of about 23%.

Lotus

The company Lotus Herbals Ltd. Was set up two decades ago in the year 1993 by Kamal Passi. This brand deals with manufacturing and selling of various kinds of cosmetics. The list includes face cleansers, sunscreens, winter care, hair oils, and shampoos. Passi knew the importance of good packaging and made sure his products at least 10 – 15% lower than the contemporary brands in the segment. However he doesn't believe making a huge expenditure on advertising. Lotus Herbals Ltd Company specializes in producing cosmetics that claim to have Ayurvedic as well as herbal goodness. Lotus Herbals Ltd. Is growing at a rate of 35-40% a year.

Biotique

Biotique was launched by Vinita Jain in the year 1984. This brand also manages to stand out in the world of chemical – based cosmetics as it doesn't contain any artificial preservatives or synthetic fragrances. The ingredients used are extracted naturally from herbs. Moreover the herbs used for extracting raw materials are also monitored from its nascent stage hence the end product is organic.

L'Oreal

L'Oreal is one of the giants in the cosmetic segment in the world. Jean . Paul Agon is the chairman and CEO. The Company has been present in India for about 20 years. Today, L'Oreal India is a subsidiary of L'Oreal which is growing at a very fast rate. L'Oreal Paris is one of the trademark brands of this company. In 2013 L'Oreal decided to invest Rs.970 crores in India. Moreover in the same year it made its first acquisition in India – Cheryl's Cosmeceuticals, thus entering the professional skincare segment. In 2013 the company grew at a commendable rate of 70%.

Shahnaz Husain

This brand was founded in the 1970's by Shahnaz Husain. In the year 2006 she was awarded Padma Shri. This brand also tries to harness the natural goodness of Ayurveda. Currently it has around 350 products spread out over different categories like skin, hair, make up etc.

Maybelline

It was launched way back in 1915 by its subsidiary, L'Oreal India. One of the major factors that have helped this brand to carve its niche is being reasonably priced in spite of having an international appeal. The Maybelline Colossal range was a huge hit in India which made the brand more popular.

Himalaya

The Himalaya drug company was founded in the year 1930 by Mr.m.Manal who had a vision to make Ayurveda accessible to the world. Himalaya has been able to patent its sunscreen, Under – eye Cream, Anti-Acne range and hair loss cream among others from the United States Patent and Trademark Office. The business of Himalaya in India contributed 60% of the brand's sales of Rs1,200 crores in 2011. Himalaya is also the owner of the popular face wash Purifying Neem which is very popular in a country like India where problems like acne and greasy skin are widespread.

The Associated Chambers of Commerce and Industry of India has published a survey which stated that 65% of the teenagers claimed that their expenditure on branded cosmetics had increased 75% in the past 10 years. Unlike the western countries, where 55 plus age category is the target group, in India the target is from 30 plus age group. Indian men are increasingly taking to cosmetics with men's personal care segment estimated at over \$200 million. When compared to their female counterparts, the expense of the male segment has reported a rise of about 80% over this period. India's import of cosmetics, beauty products and intermediate raw materials is approx \$400 million per year. Major driving factors for this industry has been the improved purchasing power and rising fashion consciousness among the population. Increased levels of brand advertising have also captured the imagination and awareness of the people. Another factor which has helped the growth is the higher spending power of the Indian women owing to them being placed at better paying jobs since the last decade. The Indian movie industry and its changing fashion have also created an impression on the youth over the importance of grooming and being fashionable.

Part III

3.1 Findings and Conclusion

1. Majority of the collected sample consists of married women. Respondents possess a good level of education. Majority are graduates. Most of the respondents belongs to the income group 30000 – 40000.



2. Most preferred place for purchasing cosmetic products is cosmetic store. Today internet is widely being used as one of the important channels to purchase a variety of products. However the sample collected prefers internet the least as a place for purchasing cosmetic products.
3. The most important reason for purchasing from a particular shop is the quality of the goods offered by them.
4. Most of the respondents prefer Ayur products. People usually believe that herbal products are safe. Also ayurvedic products are considered as having no side effects. It may be because of these reasons that majority of respondents prefer Ayur products. As cosmetics are directly applied on their skin they will be more conscious. The survey suggests that only 10% prefer chemical cosmetics.
5. When considering the type of cosmetic product, most of the respondents prefer fairness creams. Then preference is for moisturizing creams and body lotions.
6. Most important purpose for using cosmetic products is facial care. Next purposes are maintaining young looks and improving self image. It can be observed that all these purposes are personal in nature. They arise out of internal feelings. It can be assumed that most of the respondents wish to improve their skin color.
7. Respondents of the sample selected belongs to all income groups specified. However majority of the respondents' expenditure towards purchase of cosmetic products is less than Rs.5000. 90.83% of the respondents prefer spending less than 5000 rupees towards cosmetic products.
8. Respondents have ranked advertisements as the most influencing factor while choosing a brand. They also prefer continuing the usage of brand with which they are satisfied.

Findings on Hypotheses:

- H_0 : There is no significant difference in the frequency of buying cosmetic products among married and unmarried women.
- H_1 : There is a significant difference in the frequency of buying cosmetic products among married and unmarried women.

Table 3.1, Frequency of buying cosmetic products among married and unmarried women.

Frequency	Marital Status		Total
	Married Women	Unmarried Women	
Monthly	8	12	20
Quarterly	41	19	60
Half yearly	20	7	27
Special occasions	8	5	13
Total	77	43	120

Chi-square (Observed value)	6.725
Chi-square (Critical value)	7.815
DF	3
p-value	0.081
alpha	0.05

Source: Survey data

The result of the analysis showed that the computed p-value is greater than the significance level $\alpha=0.05$. So accept the H_0 , ie, There is no significant difference in the frequency of buying cosmetic products among married and unmarried women.

- H_0 : There is no significant difference between age and type of cosmetic product being used.
- H_1 : There is a significant difference between age and type of cosmetic product being used.

Table 3.2, Age of the respondents and type of cosmetic product preferred by them

Age \ Type	15 - 25	25 - 35	35 - 45	45 – 55	Total
Anti aging & anti wrinkle	5	6	6	8	25
Fairnesscreams	12	10	8	6	36
Body lotions	9	6	7	6	28



Moisturizingcreams	8	8	7	8	31
Total	34	30	28	28	120

Chi-square (Observed value)	3.096
Chi-square (Critical value)	16.919
DF	9
p-value	0.960
alpha	0.05

Source: Survey data

The result of the analysis showed that the computed p-value is greater than the significance level alpha=0.05. So accept the Ho, ie, There is no significant difference between age and type of cosmetic product being used.

- H₀: There is no significant difference between employment and buying behaviour on the type of cosmetic products.
- H₁: There is a significant difference between employment and buying behaviour on the type of cosmetic products.

Table 3.3,Employment and buying behaviour on the type of cosmetic products.

Employment	Type of product			Total
	Ayurvedic	Chemical	Both	
Employed	29	7	14	50
Unemployed	47	5	18	70
Total	76	12	32	120

Chi-square (Observed value)	1.814
Chi-square (Critical value)	5.991
DF	2
p-value	0.404
alpha	0.05

Source: Survey data

The result of the analysis showed that the computed p-value is greater than the significance level alpha=0.05. So accept the Ho, ie, There is no significant difference between employment and buying behaviour on the type of cosmetic products.

Conclusion

On the basis of the study conducted, it can be said that the female consumers of cosmetic products in Irinjalakuda city do not prefer spending much on it. Respondents belonging to different income groups prefer almost the same level of expenditure towards cosmetic products.

Most of them prefer fairness creams. Respondents are also highly concerned about the quality of the products. However they make only rare evaluation of brands. It means majority of them are brand loyals or once they feel satisfied with a product they do not prefer trying another product or do not prefer taking effort comparing different brands. Frequency of cosmetic purchase among married women is less than that of unmarried women.

So from above it can be said that for an existing brand it is better to concentrate more on fairness creams and reduce the stock of other products thereby reducing the inventory costs. Also increase or maintain the quality of their products.

However for a new participant in cosmetic industry, Irinjalakuda city might not be favourable. This is because consumers are not interested to spend much on cosmetic products. Also they prefer T.V advertisements and word of mouth marketing for



purchase of cosmetic brands. But commercial media is a highly expensive promotional tool and also word of mouth marketing takes considerable time to show its results.

Thus for a new participant, initial costs will be high by using commercial media as promotional tool and ensuring high quality for products. As the consumers do not spend much on cosmetic products, it cannot be priced high. This means it may take much time for the company to get back its initial investment and start getting profits. Hence, Irinjalakuda town cannot be considered as a suitable market for a new participant in the field of cosmetic industry.

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