



CONSUMER BUYING TOWARDS COMESTICS IN THE PRESENT ERA- A CASE STUDY OF FMCG PRODUCT

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Abstract

The present era of globalization, the market and store shelves today, are flooded with a number of products and countless brands, giving number of choices for the consumers to buy. Increase in literacy levels, high increase of women joining the workforce have made people more aware and conscious towards hygiene and beauty. The growing concern for a perfect skin and a perfect body has become the goldmine for the skincare industry all over the world. This paper focuses on an effort to determine consumer buying behavior through the awareness of product ingredients in skin care products by Women users living in Uttar Pradesh. The research includes women skin care users both working & non working. The findings of the study indicated buyers have an awareness regarding the presence of product ingredients in skin care products. Skincare users are conscious about the Product quality of the skin care products. The research is on consumer behavior, certain degree of subjectivity can be found among sample respondents was the limitation of the study. It suggests that Companies should strive hard to explore new natural ingredients which are safe and effective in usage.

Keywords: Product Ingredients, Skincare Users, Consumer Buying Behavior, Comestics.

INTRODUCTION

Consumer is the king and hence it is the consumer is one who is the final end user of the product or services determines what a business is, therefore it is required to a careful analysis of the habits, attitudes, motives and needs of consumers. Buying behavior of consumers is defined as the decision processes and acts of people involved in buying and using products. Buying behavior refers to the buying behavior of ultimate consumers—those who purchase products for personal use and not for business purposes. With increased awareness on the harmful effects of chemicals used in cosmetics, the demand for natural cosmetic products has gained tremendous momentum in the past and the trend is expected to continue in future as well. In current scenario, Indian cosmetic industry is full of herbal beauty brands and many cosmetics companies are also launching a new range of herbal products. As per our research, we found that market for herbal cosmetics will surge in the near future contributing majorly to the growth of cosmetic industry in India.

According to a new research report by RNCOS, “Indian Cosmetic Sector Forecast to 2015”, Indian cosmetics market has been growing at a rapid pace and has outpaced all market dimensions. With the rising beauty concerns among both men and women, the Indian cosmetics sector is expected to expand remarkably in near future. Our research revealed that robust media promotion and rising western culture’s influence are the major factors driving the cosmetics sector in India. Furthermore, rising purchasing power and growing fashion consciousness in the country will majorly contribute to the growth of Indian cosmetic market, which is anticipated to register a CAGR of around 17% during 2011-2015.

The report evaluated the Indian Cosmetics Market by segmenting it into hair care, skin care, oral care, fragrance, and color cosmetics providing detailed analysis and forecast of the Indian cosmetics market. It also provided a comprehensive study on sub-segments, such as shampoo, hair conditioner, hair gel, hair color, face creams/lotions, talcum powder, face wash, tooth paste and powder, tooth brush, and mouth wash. In order to depict a correct picture of the current and future market outlook of the industry, we also analyzed various established and emerging trends in Indian cosmetics sector. With a view to understand the industry’s competitive landscape and present a balanced outlook to the clients, we have also included a section profiling on the major players for each segment along with a SWOT analysis. The report also facilitates a brief analysis of Hair and Beauty Salon Market, Spa Market and Cosmetics Surgery market, which forms a major part of the Indian cosmetics sector.

Cosmetics are substances which are defined under the Drugs and Cosmetics Act 1940 and Rules 1945 as “Articles which are meant to be rubbed, poured, sprinkled, or sprayed on or introduced into or otherwise applied to the human body for the purpose of cleansing, beautifying, promoting attractiveness or altering the appearance.”

According to industry sources, the total size of the Indian retail beauty and cosmetics market is currently estimated at \$1.5 billion, with fragrance comprising the largest component. Color cosmetics account for 14%, fragrances - 21%, hair care - 19%, skin care - 17%, beauty services - 13%, herbal products - 9%, others - 7%. The cosmetics market in India is growing at 15-20% annually, twice as fast as that of the United States and European markets. The growth rate in the cosmetics market reflects an increasing demand for beauty care products in India. Premium global brands are gaining sales as Indian consumers



gain exposure to the global media and move from functional items to the advanced and specialized cosmetic products. Even with a good growth rate, however, penetration of cosmetic and toiletries is very low in India.

REVIEW OF LITERATURE

The word „Cosmetics is known to human race since ages. At the same time, desire to look good and attractive for every individual also can be identified as the psychological need having been given the upper place in hierarchy for ages. However, it will be relevant to understand the exact meaning of the word „cosmetic from various sources at the outset.

According to dictionary reference published on websites, the word „cosmetic is a noun and includes “powder, lotion, lipstick, rouge or other preparation for beautifying the face, skin, hair, nails etc.” The second meaning in noun category is “cosmetics: superficial measures to make something appear better, more attractive or more impressive.” When used as an adjective, it refers to as the “serving to beautify; imparting or improving beauty, esp. of the face;” Second adjective meaning of cosmetics means “used or done superficially to make something look better, more attractive of more impressive.”

The free dictionary website refers cosmetics as noun in two ways: Firstly, “A preparation, such as powder or skin cream, designed to beautify the body by direct application.” Secondly, “it is something superficial that is used to cover deficiency or defect.” As an adjective it refers to “Serving to beautify the body, especially the face and hair.” For cosmetic surgery, it refers to “Serving to modify or improve the appearance of a physical feature, defect or irregularity.”

Anne Marie Todd (2004) in her paper focuses on green consumerism. It is described in the paper that ecomarketers must carefully frame their environment products in a way that appeals to consumers with environmental ethics and layers who constructs a complicated ethical identity for the green consumer. This article analyzes the promotional materials of their companies that advertise their environmental consciousness Burt’s Bee’s Inc, Tom’s Maine, Inc., and the body shop Inc. Responding to an increasing online shopping market, these companies make their promotional and marketing materials available online and these web based materials replicate their printed catalogs and indoor advertisements. These companies employ two specific discursive strategies to sell their products. They create enhanced notions’ of beauty by their natural products and thus infuse green consumerism with a unique environment aesthetic .they also convey ideas of health through community values, which in turn enhances nations of personal health to include ecological well being. Fong Sheing yee and Susan chin Tee Suan (2012) in their study focuses to analyze the purchasing behavior of the young generation on skincare products. The independent variables to be tested would be price, packaging, promotion, branding, environmental concerns and self image. The purpose of the study is to determine which factors influence the consumer buying behavior. A structured Questionnaire was developed with a sample size of 200 respondents. It was found that environmental concerns were ranked highest among the six variables. People do care for whatever will be applied to their skins. (Aqueveque 2006) One vital proposition in research is that the choice objective and the nature of consumption situation are critical because they influence all phases of perceived risk processing through decision making. People normally purchase facial skin care according to their needs. Since the body skin has a slightly different cellular structure than the skin care product, a facial skin product is essential to cleanse the dirt and grime off easily while at the same time rejuvenate skin cells so that the healthy glow will show. Batra and Kazmi (2004) „asserts the broader stages of a consumer’s decision making process that includes problem identification (feeling need of a new car), information search (on internet and showrooms), evaluation of alternatives (comparing brands, for instance' on basis of repute and features), outlet selection and purchase (purchasing selected item) and post-purchase action (satisfaction or dissonance). As for facial skin care product, the factors that influence the buyer would include: beliefs in product attribute, environmental concern, demographic and personal characteristic which induce the consumer to purchase the facial skin care product. (Dickson and Sawyer 1990) Lower prices do not really affect the purchasing decision. Evidence shows some consumer even failed to recall the purchase prices. (Bolton et. al. 2003) Most people understand the basic premise of supply and demand, and realize the impact these factors have on prices. However, according to Bobinski et al. (1996), consumers tend to purchase products during the discount period. It was reported that over 60 percent of US department store volume is sold at “sales” period. In general, lowering the price is a common method used by many companies. (Lee, 1993; Lee, 1998; Kim, 2001) Majority of consumer respond to lower price and quality improvement and also design and packaging of container. Consumers responded to lower price, improve quality and sophisticated container design. Alston and Prince Roberts (1999) found, in their research on environmental strategy and new product development, that there was a willingness to pay slightly more for environmental improvement in cleaning products than to sacrifice product performance. Environmental concern refers to an affective attribute that can represent a person’s worries, compassion, likes and dislikes about the environment (Yeung, 2005). As consumers have been recognizing the importance of protecting the environment, environmentalism has become a major issue in the marketplace (Brown, 1996; Kalafatis et al., 1999). Consumers are willing to pay higher price to purchase a products/ services that purport environmental friendly. Alston and Prince Roberts (1999) found, in their research on environmental strategy and new product development,



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A study done by Mert Topoyan and Zeki Atıl Bulut states in the research paper titled “packaging value of cosmetics products: an insight from the view point of consumers” that consumers expect more sophisticated packages from known brands, consumers are willing to pay more on better packages and better packaging designs positively influence customer satisfaction.

RESEARCH METHODOLOGY

Researchers have used secondary data and selected the samples from Lucknow region representing both the genders, different age groups, education level, marital status and monthly income. Secondary data was collected from the available literature, journals and web search wherever necessary. The Questionnaire method was chosen for its versatility speed and cost benefits.

INCREASING DRIVE TO INCLUDE NATURAL/ORGANIC PRODUCTS

The number of large companies offering products within the natural/organic space has increased in recent years. Johnson & Johnson rolled out Johnson’s Natural, a new line of products for children claiming at least 98% plant and fruit-derived natural ingredients. Procter & Gamble introduced Nature Luxe, a makeup range with natural ingredients, while more recently Beiersdorf introduced Nivea Pure & Natural, a skin and body care range claiming to derive 95% of its ingredients from natural and organic sources. Some companies, on the other hand, have acquired brands with an established image, examples being L’Oréal’s acquisition of The Body Shop, Clorox’s acquisition of Burt’s Bees and Estée Lauder’s acquisition of Aveda. More recently, Shiseido acquired Bare Escentuals to tap into the growth of the natural/organic segment.

Although larger companies are actively seeking opportunities in the natural/organic space, it primarily remains the domain of smaller players such as Yes To, Lush and L’Occitane, which are in general experiencing above industry growth rates. L’Occitane’s CAGR of more than 24% between 2004 and 2009 in its primary Asian market compares to an industry average of 7%. Similarly, Lush, which specializes in bath and shower, posted a 6% CAGR between 2004 and 2009, compared to a little over 5.5% for the global bath and shower market. This is because consumers appear to be more skeptical about mass produced natural/organic products, thus favoring smaller brands. For example, The Body Shop saw its share of the global beauty and personal care market fall from 0.5% in 2006 to 0.4% in 2008 and 2009 due, according to Euromonitor International, to its association with L’Oréal.

The concept of natural/organic is not just confined to natural ingredients but extends to a more environmentally-friendly manufacturing process. To increase their credibility and help support green offerings, large players have developed clear environmental objectives. For example, Procter & Gamble’s goal is to replace a quarter of the petroleum-based materials it currently uses with sustainable sources by 2020. This is a move in the right direction, but this alone may not be enough as there is still the issue of product authenticity. Along with environmentally-friendly goals, larger companies may consider setting up small autonomous units to manage green brands under a name not connected with their regular brands. It is perhaps too early to judge, but Beiersdorf may have benefited more if the name Nivea was not attached to its Nivea Pure & Natural range.

CONCLUSION & FINDINGS

It is evident from the above mentioned findings that buyers in Uttar Pradesh are aware about the presence of product ingredients in skin care products. It can be said here that Skincare Consumers are aware about the difference of natural and synthetic ingredients present in skin care products. The awareness level among the Skincare Consumers is contributed by education, exposure to media and advertisements displaying the use of unique ingredients used in their products to create a unique selling point.

It is evident from the above mentioned findings that buyers in the state awareness, education level and media exposure have made buyers quite conscious about what they are wearing or using on their skins. As from the data obtained from the buyers 62.73 % of Skincare Consumers are accepted that products should not have any side effects is first important factor that influenced to purchasing of skin care products.

Larger companies are at a disadvantage as consumers question their product authenticity and green credentials. Over the years, larger companies have developed sustainability programs to help improve their green credentials as well as support their green offerings, but this alone may not be enough. They need to consider creating smaller entities with full autonomy and maintain a distance from them.



FUTURE SCOPE

Manufacturers of skincare products should lay emphasis on the Research Department. Since, the consumers are more conscious about the side effects caused by skincare products. A growing consciousness among consumers regarding the side effects caused by skincare products. Companies should strive hard to explore new natural ingredients which are safe and effective in their usage. An inclination of the consumers towards natural ingredients should lead a path for the companies to prepare skincare products containing unique ingredients which can create a unique selling proposition for their products. Secondly, companies should launch skincare products which are scientifically and clinically tested, and approved by international panel of dermatologists.

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