CHAPTER I
INTRODUCTION

1.1. INTRODUCTION

“Beauty awakens the soul to act” – Dante Alighieri

The history of ancient cosmetics can be traced back to the cultures of ancient Greece and Roman Empire, where people used herbal mixture with components like henna, sage and chamomile to darken their hair. At present in India, the demand for cosmetics products are so high that it could become the world’s largest cosmetic consuming country in the next few decades. Due to the rising demand, a large number of local as well as international manufacturers have gradually extended their product lines in different provinces of India.

Cosmetic industry in India has come into limelight immediately after the globalization of 1991 which has followed by the crowning of many Indian women at the international beauty pageants. These events lead to the change in the cosmetic consumption in India. In the Indian Cosmetic Industry, electronic as well as print media have played an astonishing role in spreading awareness about the cosmetic products and developing fashion consciousness among the Indian customers.

The Indian cosmetic industry has witnessed rapid growth over the last couple of decades. In that time the range of cosmetic and beauty products in India has widened tremendously. Indian business houses have begun to manufacture products to cater to an international need. Herbal cosmetics from India have a great demand in the overseas market and many cosmetic products like the Baby shops are manufactured in India and supplied to international suppliers with branded cosmetic products.

New facts that have been reveal that the industry of cosmetic products in India is growing at an average rate of almost 20 per cent annually, twice as fast as that of the United States and European markets, this increase is attributed to two main factors. The first being the increase for the demand in Indian cost-effective products and the second being the increased purchasing power of the average Indian. The retail beauty and cosmetics market in India currently estimated at $950 million is pegged at $2.68 billion by the year 2020 (Nanda, et. al., 2005).
There are also many reasons for the increased demand for cosmetic products in particular. With the introduction of satellite television and a wide array of television channels as well as the internet, the average Indian customer is constantly attacked with advertisements and information on new cosmetic products which often translates into the purchase desire within them. A boom in the Indian fashion industry has been linked to the increased awareness of Indian people about their appearances and consequently contributed to an increase in the demand for cosmetic products.

The Associated Chambers of Commerce and Industry of India (ASSOCHAM) has published a survey which stats that 65 per cent of the teenagers claim that their expenditure on branded cosmetics has increased 75 per cent in the past 10 years. In some of the western countries - where 55 plus age category is the target group, in India the target age group is 20 plus age group. Indian men are increasingly taking cosmetics with men’s personal-care segment estimated at over $200 millions. The main reasons for this growth are increased purchasing power and rising fashion awareness due to media and other exposures amongst the people. The demand for cosmetic products, particularly in urban population is steadily rising owing to various reasons, for instance, mall culture, better purchasing power, concern for looking better, by both men and women, nature of the job, development in advertisement technology and in general, availability of a wide range of cosmetic products.

1.2. MEANING OF COSMETICS

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.”

Cosmetics are luxury articles and for the past few years, usage of cosmetics has increased multifold, resulting into an increased production, import, distribution and sale of cosmetics. These items may contain some ingredients, the constant use of which might prove to be harmful and hence needs control.

The safety of cosmetic products is of prime importance for the general customers. The cosmetic products have to be formulated and manufactured in
accordance with Schedule M-II of Drugs and Cosmetics Act 1940 and Rules 1945 and Indian Standards issued by Bureau of Indian Standards, New Delhi, cGMP guidelines of USFDA as well as guidelines of CTFA (Cosmetic, Toiletries and Fragrance Association), IFRA (International Fragrance Association) and similar bodies. On a global scale, countries are reaching a consensus on the standards of quality of cosmetics by coming under a common umbrella of CHIC (Cosmetic Harmonization and International Co-operation) initiated in 1999 and revised from time to time.

Cosmetic products are now considered no less than pharmaceutical products (medicines) in terms of ingredient selection and its quality control. They are also required to follow good manufacturing practices. Validation of processes and equipments, labeling requirement, shelf-life testing, animal testing, etc. are now an essential part of cosmetic manufacturing. Certification from standards regulating bodies like BIS (Bureau of Indian Standards) and ISO (International Organization of Standards) adds to the reputation of the cosmetic manufacturing company.

Great emphasis is now being laid on the quality, safety and efficacy of the products and hence the concept of Total Quality Management is widely accepted. Concern for environment and prevention of cruelty towards experimental animals has become a sensitive issue. Most of the countries have banned testing on animals. Countries in the European Union have decided to stop animal testing by 2013.

Customers of cosmetic products have also become aware of respect towards animals. The concern in this area is not only the use of animals for laboratory testing but also with the use of materials and ingredients derived from animal sources. Due to the growing pressure from vegetarians, religious groups and animal rights groups, there is a requirement of writing ‘non-animal tested’, ‘contains no animal ingredients’, etc. on the label of the product.

The awareness towards environmental issues together with a trend towards green politics and customerism has developed public opinion to a degree where products may be accepted or rejected according to their environmental performance.
1.3. NATURALS IN COSMETICS

During the past decades, there has been a dramatic increase in the use of natural products in cosmetics. A wide range of active principle of various plants and animals including vitamins, hormones, phytohormones, bioflavonoids, enzymes, tannic acid, fruit acids, amino acids, sugars, glycosides, essential oils and dye stuffs are being considered useful in cosmetic formulations. However when purchasing drugs, dietary supplements or cosmetics and personal care products, customers must always be cautious of their effects and possible side effects, even if the product is labeled “natural”.

The commonly held belief that “natural” products come from nature, may be giving customers a false sense of security about their safety. Just because the products are labeled, or advertised as “natural” does not guarantee that the product is safe or harmless for customer or safer than similar products not bearing the “natural” label. The California Department of Human Services found in a random sample of herbal stores that nearly one third of these “natural” remedies contained either heavy metals (such as lead, arsenic and mercury) or undeclared pharmaceuticals (Ko, 1998).

In order to understand what the “natural” label says about a drug or cosmetic product, customers need to understand how the government regulates the claim of natural. The Government agencies are still working in this direction and hence there are no regulations or guidelines, regarding the use of ‘plant derived’ claims on these products. The poor regulations on cosmetic products as well as their enforcement are, not only in India but even in highly developed and aware countries like USA, leaves the customers to be cheated.

There is a need for greater regulation of the “natural” products regarding labeling, advertising and industry standards. These regulations should make it mandatory for the manufacturer to declare on the label, the percent of natural ingredients, the presence of preservatives, antibiotics, chemicals and other additives and the degree of processing. Many manufacturers of cosmetic products containing herbal ingredients try to bypass the specifications and evaluation standards laid down by various regulatory agencies like Bureau of Indian Standards by writing on their label “Ayurvedic medicine”.

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1.4. TOP LEADING COMPANIES IN INDIAN COSMETIC MARKET

India has now become a developed market for cosmetic players since the last decade. Currently there are several cosmetic manufacturing companies, who are operating in all kinds of cosmetics. In the entire range of products that fall within the territory of the Indian cosmetic, the most popular items are color cosmetics, of which nail varnish, lipsticks and lip glosses account for the most sales. In this area, popular local brand names include Lakme and Revlon. Skin-care cosmetics have experienced a slower growth and products such as anti-wrinkle creams, cleansers and toners, for instance are not as popular as facial creams, moisturizers and fairness creams in this genre.

Companies like Ponds and Fair and Lovely rule the roost in this segment. Unilever and Procter & Gamble are major players in the Indian cosmetic sector of shampoos and hair products. However, the Indian hair-care cosmetic sector now has a few foreign brands to compete with these giants as well. Finally, one of the most popular cosmetic produced in India are herbal cosmetics which have gained popularity internationally in recent years, Emami and Ayur herbal products are the most well-known in this area.

1.5. STATEMENT OF THE PROBLEM

With the technological advancement, globalization and increased purchasing power, male customers have become more conscious of hygiene and beauty which leads to rapid growth in male cosmetics industry. The market potential of this era has led the cosmetics and health clubs industries to enter this opportunistic male grooming industry as males become more image-conscious and concerned towards societal expectation on the basis of their increased exposure to the current highly popularized emergence of metro sexual celebrity endorsements.

The desire to improve one’s physical attractiveness seems to be an inherent characteristic of most individuals. Cosmetics have been used by men to control their physical appearance and presumably, their physical attractiveness. From a self-presentational perspective, argued that cosmetics are used specifically for grooming
behaviours and in general function to manage and control not only social impressions but also self-image.

Male customers have a variety of enduring images of themselves. These self-images, or perceptions of self, are very closely associated with personality in that individuals tend to do buy products and services and patronize retailers whose images or personalities relate in some meaningful way to their own self-images. In essence, male customers seek to depict themselves their brand choices—they tend to approach products with images that could enhance their self-concept and avoid those products that do not. Cosmetics offer male customers the opportunity to modify their appearance and thereby to alter them.

As a general, the exposure to pictures of good-looking and even slightly above average looking males lowered the self-image of exposed males and increased dissatisfaction with their own appearance. The body image is an important component of the self-concept and has stimulated the demand of certain products and services, such as dietary, slimming, exercise and cosmetic items.

Due to keen competition and similarity of functions and sizes of products in the cosmetic market, male customers face problems in choosing the product they want. This has pushed producers to adopt appropriate branding measures in order to differentiate and identify their products from competitors. To offer different types of products to the male customers in the market is not the only way to sustain in the market, but the real task is to satisfy the male customers along with sustaining profit, this will lead to the survival of the company in the market place.

1.6. SCOPE OF THE STUDY

The purposes of this study primarily attempts to (a) gain insight into the current state of brand preference of cosmetics and (b) develop a greater understanding of the satisfaction level of customers of cosmetic products. This research will also help cosmetic producers to reflect on their marketing strategies and compete effectively in the cutthroat competition that exists in cosmetic industry.
1.7. OBJECTIVES OF THE STUDY

The present study mainly aims to study the brand preference and satisfaction of male customers towards cosmetics in Chennai city. With this view, the following objectives are formulated.

1. To examine the socio-economic factors of male customers of cosmetics.
2. To examine brand preference of cosmetic products by male customers
3. To study the association between socio-economic factors of male customers and their brand preference of cosmetic products.
4. To identify the factors affecting the purchasing of cosmetic products by male customers.
5. To study the purchasing pattern of cosmetic products of male customers.
6. To examine the level of satisfaction of male customers towards cosmetic products.
7. To analyze influence of the factors affecting the purchasing of cosmetic products on the level of satisfaction of male customers.

1.8. HYPOTHESES

Keeping in view the wider theoretical framework and the above objectives of the study, the researcher has formulated the following hypotheses.

1. There is no significant association between socio-economic features of male customers and their brand preference of cosmetic products.
2. There is no significant association between brands of cosmetic products and frequency of purchase by male customers.
3. There is no significant association between brands of cosmetic products and period of using by male customers.
4. There is no significant association between brands of cosmetic products and satisfaction level of male customers.
5. There is no significant difference between socio-economic features of male customers and their satisfaction about features of cosmetic brands.
6. There is no significant relationship between factors affecting the purchase of cosmetic brands and their satisfaction about features of cosmetic brands.

7. There is no significant influence of factors affecting the purchase of cosmetic brands on satisfaction level of male customers.

1.9. SIGNIFICANCE OF THE STUDY

The brand preference of cosmetic products by male customers would be helpful to understand the pattern of brand preference of male customers about various cosmetic products and the association between socio-economic features of male customers and their brand preference of cosmetic products would be useful to understand the brand preference across the socio-economic profile of male customers.

The factors affecting the purchasing of cosmetic products by male customer would be useful to identify the key factors for formulating product and marketing strategies in future in order to tap the huge potential for cosmetic products among the male customers. The purchasing pattern of cosmetic products of male customers would be helpful to understand frequency of purchase, usage and amount spent for purchasing of different cosmetic products. The level of satisfaction of male customers about cosmetic products would be useful to understand the level of satisfaction for different brands of cosmetic products among the male customers.

1.10. PERIOD OF STUDY

The entire study pertains to the period from August 2004 to July 2014. The period of study related to the pilot study, finalization of questionnaire, collection of data and analysis and interpretation of the data pertains to the study period.

1.11. LIMITATIONS OF THE STUDY

The present study has the following limitations:

1. The present study is carried out in Chennai city only.

2. The present study is based on the primary data collected from the male customers of cosmetic products.

3. The cosmetic products of shampoo, hair oil, face powder and body soaps for male customers only considered for the data collection.
4. The drawbacks and limitations of field level surveys are applicable to the present research also.

5. The data and information collected from the male customers are subjected to recall bias.

1.12. CHAPTER SCHEME

The present study entitled, “A Study on the Brand Preference and Satisfaction of Male Customers towards Cosmetics in Chennai City” is organized into six chapters.

- The first chapter deals with the introduction, statement of the problem, scope of the study, objectives, hypotheses, period of study limitations of the study and scheme of chapters of the study.

- The second chapter relates to the review of literature.

- The third chapter deals with the Origin and growth of the cosmetic industry in India.

- The fourth chapter deals with the methodology of this research work.

- The fifth chapter presents the analysis and interpretation of the data collected.

- The Sixth chapter comprises of summary of findings, suggestions, conclusion and scope for the further study.