CHAPTER – I
INTRODUCTION

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Introduction

It is a fact that the success of any business organization lies in firm’s ability to understand and influence the consumer behaviour. However, it is in no way an easy job. Mainly because consumer behaviour is highly dynamic and it poses a number of challenges in front of the marketers while formulating strategies in this regard. Moreover, products that companies deal in also play a vital role in these challenges. By and large, the consumers buy only those products that give them value they seek for. However, value of the product in the minds of the consumers depends on their ability to perceive. There are various external and internal forces that act upon the consumers’ mind and can directly affect the purchase decisions. Even the perception keeps changing with the changing marketing environment. Failure to understand the dynamic buyer behaviour and improper allocation and coordination of resources will lead the organization to great losses. There are three areas related to consumer behaviour that need to be addressed carefully: psychological influences, socio-cultural influences and situational influences. The marketers have to go through a number of challenges in selling products like ‘cosmetics’ as they have to be applied directly on human skins, body and other parts. There is a perceived risk of dissatisfaction in the consumers as far as its benefits are concerned.

Of course, the smart marketers also seek opportunities of emerging markets out of the dynamic nature of consumer behaviour. The study of consumers and their buying behaviour is gaining more importance in the backdrop of the increased diversity at various fronts like technology and different elements of marketing mix. It is not just the buyer who is influenced by the indirect influences of purchase decisions of the individuals or a group, but it also affects drastically the seller as well. A need is being felt to gather information about the specific consumers involved in the marketing decisions.

Competition is one of the elements that compel the marketers to think more on the target customers and to see as to how they can pass on more value to their customers. After all, marketers have to satisfy the needs of their customers by serving them profitably, which they can do by creating customer value. The need for understanding consumers in a better way becomes inevitable in this sense.
1.1 Cosmetics – The Product Perspectives

The word ‘Cosmetics’ in the Indian perspective always related with the females till recently. Inclusion of exclusive ‘male’ segment in the world of cosmetics is a recent phenomenon. It did not mean that men never used cosmetics in earlier days. Of course they used it. But it was limited to shaving related products and at the most application of hair oils and gels, scents or such other products. Skin care products were not very openly used by male as they were used by female members in the society. The marketers found ‘male cosmetics’ as one of the most lucrative and fast growing segments, which was earlier shadowed under the name of cosmetics in general without apparent gender differentiation.

The manufacture and sale of cosmetic products are regulated by different government entities around the globe. There may be different specific regulatory systems; they have a common aspiration of ensuring that cosmetic products are safe and appropriately labeled. In the industrialized countries these regulations have evolved to the point where they are rather extensive and, largely because the United States and European Union are the two largest marketplaces in the world for cosmetic products. The cosmetics market in India is growing at 15-20% annually, twice as fast as that of the United States and European market. Indian cosmetic industry is matured enough and responsible to make sure the quality and safety of its products. 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, GMP guidelines of USFDA as well as guidelines of CTFA (Cosmetic, Toiletries and Fragrance Association), IFRA (International Fragrance Association) and similar bodies.

Cosmetics\(^1\) 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 appearances.”

According to the FDA U.S. Food and Drug Administration\(^2\) under U.S. Department of Health & Human Services, ‘cosmetics’ are referred by their intended use, as "articles intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body...for cleansing, beautifying, promoting attractiveness, or altering the appearance" [FD&C Act, sec. 201(i)]. Among the products included in this definition are skin moisturizers, perfumes, lipsticks, fingernail polishes, eye and facial makeup preparations, shampoos, permanent waves, hair colors, toothpastes, and deodorants, as well as any material intended for use as a component of a cosmetic product. To identify the ‘intended use,’ the FDA has remarkably given certain explanation. According to it, product’s intended use can be established on the following basis:

Claims stated on the product labeling, in advertising, on the Internet, or in other promotional materials: Certain claims may cause a product to be considered a drug, even if the product is marketed as if it were a cosmetic. Such claims establish the product as a drug because the intended use is to treat or prevent disease or otherwise affect the structure or functions of the human body. Some examples are: claims that products will restore hair growth, reduce cellulite, treat varicose veins, or revitalize cells.

Consumer perception, which may be established through the product’s reputation: This means asking why the consumer is buying it and what the consumer expects it to do.

Ingredients that may cause a product to be considered a drug because they have a well known (to the public and industry) therapeutic use: An example is ‘fluoride in toothpaste’.

However, EU Cosmetic Legislations are based on Council Directive 76/768/EEC of 27 July 1976 on the approximation of the laws of the Member States relating to cosmetic products (Cosmetics Directive)\(^3\). As in the U.S., manufacturers are responsible for ensuring that cosmetic products comply with the law before they


are marketed. The manufacturer or importer of cosmetics is responsible for demonstrating that the product is safe for its intended use. Regulations are enforced at the national level, and each country in the EU has an authoritative body that is responsible for upholding compliance.

Table 1.1: Summary of Cosmetic Regulations

<table>
<thead>
<tr>
<th>Contents</th>
<th>USA</th>
<th>EU</th>
<th>INDIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authority</td>
<td>FDA</td>
<td>EMEA</td>
<td>CDSCO</td>
</tr>
<tr>
<td>Pre-Market Approval</td>
<td>Not Required</td>
<td>Not Require by Cosmetic Directive</td>
<td>Required under State Government licensing</td>
</tr>
<tr>
<td>Expiry Date</td>
<td>No date required</td>
<td>Date of minimum durability if durability is &lt;30 months. Period after opening if durability is &gt;30 months</td>
<td>Indicated as “Use before date”</td>
</tr>
<tr>
<td>Post Marketing</td>
<td>Yes (Voluntary Cosmetic Registration Program)</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Reporting System</td>
<td></td>
<td></td>
<td>Source: Der Pharmacia Letter, 2011</td>
</tr>
</tbody>
</table>
According to dictionary.reference\textsuperscript{4} 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 or more impressive.” The free dictionary website\textsuperscript{5} 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.”

In his article “Herbal Cosmetics for Skin and Hair care,” Dr. V. P. Kapoor\textsuperscript{6}, of National Botanical Institute, Lucknow describes, “Cosmetics are the utility products used extensively throughout the world for maintaining and improving general appearance of face and other parts of body, e.g. mouth, hand, finger, eye, hair etc. It includes cream, powders, face pack, lotions, moisturizers, shampoo, hair oil, conditioners, nail polish, etc.”

\scriptsize
\begin{itemize}
  \item \textsuperscript{6} Kapoor, Dr. V. P. "Herbal Cosmetics for Skin and Hair care." Natural Product Radiance Magazine, January, 2005.
\end{itemize}
1.2 Cosmetics – Brief History

The word ‘Cosmetics’ is known to human race since time immemorial. 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. Cosmetics were used by ancient people in different ways. As per the cosmeticsinfo\(^7\) website, the cosmetic products were noted to be used 10000 years B.C. Cosmetics in those days were integral part of Egyptian hygiene and health. Men and women in Egypt used scented oils and ointments to clean and soften their skin and mask body odour. Egyptian women used to carry cosmetics to parties in makeup boxes which they used to keep under their chairs.

The following citations from different timelines reveal that cosmetic products were used by different civilizations throughout the world since ages.

<table>
<thead>
<tr>
<th>Period</th>
<th>Country</th>
<th>Types of cosmetics used by the people in the society</th>
</tr>
</thead>
<tbody>
<tr>
<td>10000 BC</td>
<td>Egypt</td>
<td>Men &amp; women used to apply scented oils and ointments to clean and soften their skin and mask body odour. Oils and creams were used for protection against the hot Egyptian sun and dry winds.</td>
</tr>
<tr>
<td>4000 BC</td>
<td>Egypt</td>
<td>Egyptian women used to apply galena mesdemet (made of copper and lead ore) and malachite (bright green paste of copper)</td>
</tr>
</tbody>
</table>


minerals) to their *faces for colour and definition*. They employed a combination of burnt almonds, oxidized copper, different coloured copper ores, lead, ash and ochre – together called kohl – *to adorn the eyes* in an almond shape.

### EARLY COSMETICS

<table>
<thead>
<tr>
<th>Year</th>
<th>Region</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3000 BC</td>
<td>China</td>
<td>People used to stain their <em>fingernails</em> with gum Arabic, gelatin, beeswax, and egg. The colour used were representing the social class.</td>
</tr>
<tr>
<td></td>
<td>Greece</td>
<td>Grecian women used to paint their faces with white leas and applied crushed mulberries as rouge. The application of fake eyebrows, often made of oxen hairs, was in fashion.</td>
</tr>
<tr>
<td>1500 BC</td>
<td>China</td>
<td>Chinese and Japanese citizens commonly used rice powder to make their faces white. Eyebrows were shaved off, teeth painted gold or black and henna dyes were applied to stain the hairs and faces.</td>
</tr>
<tr>
<td></td>
<td>Japan</td>
<td></td>
</tr>
<tr>
<td>1000 BC</td>
<td>Greece</td>
<td>Grecians whitened their complexion with chalk or lead face powder and fashion crude lipstick out of ochre clays laced with red iron.</td>
</tr>
<tr>
<td>100 AD</td>
<td>Rome</td>
<td>People used to put barley flour and butter on their pimples and sheep fat and blood on</td>
</tr>
</tbody>
</table>
their fingernails for polish. Mud baths came into vogue, and some Roman men dyed their hair blond.

300-400 AD India Henna and mehndi were used as the hair dye; especially in Hindu wedding. Henna was also used in North African cultures in those days.

COSMETICS IN MIDDLEAGES

1200 AD Europe Europeans first imported perfumes from the Middle East.

1300 AD England In Elizabethan England, dyed red hairs came into fashion. Society women used to apply egg whites over their faces to create the appearance of paler complexion.

RENAISSANCE COSMETICS

1400 –

1500 AD Europe Italy and France were emerging main centers of cosmetics manufacturing. Arsenic was replaced for lead to be used in face powder during this period. France evolved as the center of modern scent-making. Early fragrances were amalgams of naturally occurring ingredients.

1500-1600 AD Europe European women often used to lighten their skin using a variety of products including
white lead paint. Blonde hair style was most popular as it was considered as angelic. Mixture of black sulphur, alum, and honey was used to colour hairs.

**19th & Early 20th Century Cosmetics**

1800 AD  **Europe**  Zinc Oxide was used widely as a facial powder, replacing previously used hazardous mixtures of lead and copper. During the said period, Queen Victoria expressed publically her disapproval towards the use of cosmetics. She expressed that use of cosmetics must be limited to actors as it appeared vulgar for public at large.

1900 AD  **Europe**  In Edwardian Society, there was pressure on middle-aged women to look as young as possible while acting as hostesses. Use of cosmetics increased under guise; if not openly. Beauty salons started functioning from this era, even if the women had to enter into them hiding themselves from public eyes.

**U.S.**  Unites States by this time was at forefront in cosmetic innovations, cosmetics business and its regulation.

1848  **U.S.**  Congress passed the Drug Importation Act, the first of its kind in United States which mandated the U.S. Customs Service
inspection of imported drugs to prevent entry of adulterated or contaminated drugs from overseas.

1862  U.S.  President Abraham Lincoln appointed chemist Charles M. Wetherill to serve in the new Department of Agriculture. This laid the foundation of the Bureau of Chemistry, the forbearer of the U.S. Food and Drug Administration [F.D.A.]

1886  U.S.  David McConnell founded California Perfume Company (CPC) that grew in the course of time and now has become one of the world-famous cosmetic manufacturing companies— as the ‘Avon.’

1894  U.S.  With growing number of cosmetics companies in the country, Cosmetic, Toiletry, and Fragrance Association [CTFA] came into existence.

1900  By this time, the cosmetics were widely used in all societies around the world.

1904  Max Factor, a Polish-American cosmetician and former cosmetic expert for the Russian Royal Family started selling his rogues and creams in the U.S. at the St. Louis World Fair.
1907  Eugene Schueller, a young French chemist invented modern synthetic hair dye which he called “Auroele.” In 1909, he named his company as ‘Societe Francaise de Teintures Inoffensives por Cheveux (meaning: ‘Safe Hair Dye Company of France’), which today we know it as the famous “L’Oreal.”

1913  Chemist T.L. Williams created Maybelline Mascara for his sister, Mabel.

1920  Flapper look became more fashionable in U.S. which needed increased use of more cosmetics in women. Coco Chanel invented a fashion statement such as dark eyes, red lipstick, red nail polish and the suntan. Cosmetics and fragrances were manufactured and mass marketed in America for the first time during this era.

1920 – 1930  The first liquid nail polish and several other forms of modern base, powdery and the powder compact were introduced.

1930  Large number of people accepted ‘tan’ look as the popular fashion.

1930  Max Factor unveils the first lip-gloss.
1932  Charles and Joseph Revson brothers along with Charles Lachman founded ‘Revlon.’ The founders discovered a unique manufacturing process for nail enamel, using pigments in place of dyes. This brought a good fortune to the company and it became a multimillion dollar corporation within six years from then.

1936  Eugene Schueller founder of “L’Oreal” invented ‘sunscreen.’

1940  U.S.  Leg make up was developed in response to shortage of stockings during World War-II

1950  The modern Era of cosmetics business began. Artificial skin tanning aids were developed and companies started floating television ads for cosmetics products. Companies like ‘Proctor & Gamble’ began to sponsor daytime TV programmes which were eventually called ‘soap operas.’

1952  Mum, the first company to commercially market deodorants launched its first roll-on deodorant which was inspired by the design of ballpoint pen.
1.3 Male Cosmetics – The Global View

Although the ‘male cosmetics’ market on the global perspective is expanding with a higher pace, it is still considered a ‘niche’ market as compared to the female cosmetic market. Many studies have argued that an increasing number of male consumers have changed their attitude towards physical appearances. Male consumers are now more concerned of their ‘good-looking’ aspect than ever before. This change is observed as the opportunity for male cosmetic industry across the world to gain optimum business from this segment of the society. As Xin Gou\textsuperscript{9} in his degree thesis on International Business has expressed that by the year 2006, the global men’s grooming business reached a market of $21.7 billion, it touched the value of $26.0 billion by the end of the 2008 globally. This was about 8% of the total consumption of cosmetics and toiletries market across the world. U.S. market has been noted as the largest single market in male cosmetics leading to the sales of $4.7 billion. Moreover, Western European market for men’s care had a value of $8.5 billion. Procter & Gamble (36.1% share), Unilever (10% share) and Energizer Holdings Inc. (5.5% share) in all accounted for 31% of the total men’s grooming market. Datamonitor Group has forecast that by 2014, the male toiletries market at a global level will reach a value of $22.1 million, an increase of 22% since 2009. Globally, the trend for male cosmetic market is at growing side. It is crucial for marketers to explore men’s needs and behaviours towards personal care products in order to exploit the opportunities emerging out of the growing markets.

According to the research paper written by Dr. Louis Ho Tan Tai\textsuperscript{10} and published by HTH Paris, the global turnover of total cosmetic market was $166 billion in 1998. This included both men and women cosmetics on global level. Since then, the market is growing at a faster speed. The market is dominated by West Europe, followed by North America and Asia. 51% of the market is pervaded by hair care, skin care and make-up cosmetics.


As stated in Global Insight Journal prepared and published for European Commissioner, Directorate General of Enterprise and Industry\textsuperscript{11}, currently big cosmetic corporations combine to control over half of the cosmetics market. The table below lists each of the top companies in 2006 and their respective shares of the global cosmetics market (retail sales value).

<table>
<thead>
<tr>
<th>Company</th>
<th>2006 - Cosmetics &amp; Toiletries Sales (in € Millions)</th>
<th>% Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procter &amp; Gamble</td>
<td>18,360</td>
<td>12.7%</td>
</tr>
<tr>
<td>L’Oréal Group</td>
<td>15,011</td>
<td>10.1%</td>
</tr>
<tr>
<td>Unilever Group</td>
<td>10,264</td>
<td>7.1%</td>
</tr>
<tr>
<td>Colgate-Palmolive Co</td>
<td>5,783</td>
<td>4.0%</td>
</tr>
<tr>
<td>Estée Lauder Cos Inc</td>
<td>5,313</td>
<td>3.9%</td>
</tr>
<tr>
<td>Avon Products Inc</td>
<td>4,801</td>
<td>3.3%</td>
</tr>
<tr>
<td>Beiersdorf AG</td>
<td>4,327</td>
<td>3.1%</td>
</tr>
<tr>
<td>Shiseido Co Ltd</td>
<td>4,314</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

Source: Directorate General of Enterprise and Industry Report

The top companies generally posted positive growth trends in 2006. L’Oréal, headquartered in France, is the second largest global cosmetics firm and experienced significant growth in nearly all market categories in 2006.

Estée Lauder, headquartered in the U.S., with total sales of over €5 billion, saw its growth mainly in the hair care and makeup market segments. As consumers continue to demand luxury products that are more affordable, the company has strengthened its partnerships with salons to provide technical education to stylists as well as developing products which meet changing consumer needs. The development of new products which target the specific hair care needs of different demographic and ethnic groups has helped propel Estée Lauder's sales in this product area. The company has several different, highly successful lines of unique makeup products,

with emphasis on allergy and fragrance free, customizable colour, and aromatherapy products, which have helped propel makeup sales.

**Avon**, headquartered in the United States, is one of the world's leading direct selling companies with innovative marketing techniques based on one-on-one representative to customer contact. After completing its first year of restructuring in 2006, Avon experienced strong growth in their beauty division which includes cosmetics, skin care, fragrances, and toiletries.

**Beiersdorf**, headquartered in Germany. Its consumer segment produces skin and beauty care products that are sold as popular brands like Nivea and Eucerin. The sales in this division grew the strongest in the Africa/Asia/Australia region. Growth was particularly strong in China (46 percent) and Thailand (17 percent). Sales to the Americas also grew faster than the overall company as a whole. Within Europe, Beiersdorf garnered nearly 5 percent of the region's market share with some products experiencing at or near double digit growth rates with particularly strong gains in Eastern Europe.

**Shiseido**, headquartered in Japan, has instituted a multi-year plan intended to restructure the company by eliminating underperforming brands and reducing fixed costs. The goals of the restructuring plan include reforming domestic marketing activities, accelerating expansion of the China business, fundamental restructuring largely through cost structure reforms, and aggressive expansion into other growth markets.

Holding a position as one of the top manufacturers is enviable. However, these companies understand that they must constantly reconsider and re-evaluate their market positions by listening to the demands of their customers, gaining footholds in new markets, and evaluating their organizational structures. These large multinational firms are finding themselves facing stiff competition from other popular brands.
As per the dissertation by Blanchin Audrey, Chareyron Cyrielle and Levert Quentin on a world level, this sector knew a growth of 30% in 2001 and 50% in 2002. According to a study of Eurostaf in 2003, the world market of cosmetics for men roughly accounts to 3 billion of Euros, including approximately 700 million of Euros only for the care products. Moreover, it has a growth rate of 7 to 8% per year. In comparison, the world market for the women weighs approximately 200 billion of dollars.

The French market for men’s cosmetics follows the world tendency. The total sales turnover progressed from almost 140% between 1998 and 2003, to 42.16 million Euros, according to statistics of the Federation of Industries of Perfumery (FIP). For the only products of care and beauty, the progression is 294%. Products for men account for 10.3% of the total French market of the cosmetic, but 25% of the sales of perfumes.

As per the Research & Market Brochure, the Japanese cosmetics market is in a stable condition but with continuous realignment of distribution channels, all cosmetics producers need to enhance and restructure the management of their sales channels. Specialty stores are the leading channel due to consumer convenience and low prices while sales through department stores is slowing down. Shiseido, Kao (and Kanebo), Kose, and Pola dominate the cosmetics market in Japan.

China’s cosmetics market, the second largest in Asia Pacific after Japan, is witnessing increased demand due to improving lifestyles and rising disposable income of the Chinese population.

However, the level of development of the market is still very low. This suggests a huge growth potential for foreign cosmetic producers. Although several

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domestic firms are present, foreign companies dominate the market. L’Oreal has the largest market share in China.

South Korean cosmetics market is growing at a faster rate than developed regions. There is a clear trend of the market heading towards premium cosmetic products. The younger populace is looking for general skin care and hair care products while the older generation has more specific needs for their cosmetics products.

Another notable trend is the rising demand of the male consumer segment. ‘Amorepacific’ and ‘LG H&H’, the leaders in the Korean cosmetics market, have transformed traditional stores into their self-owned retail channels.

India is being targeted by global cosmetic giants due to its favorable demographics. The modern, urban Indian men and women are becoming increasingly conscious about their style and looks, with great emphasis on lightening of skin tone. Skin care and color cosmetics have witnessed solid growth for the last few years, with more than half of the skincare market comprising of skin lightening creams. Lip products form a majority of the color cosmetics market in women cosmetic segment. In India, small pack sizes are very popular as they offer a lower cost and the chance to try new products. Hindustan Unilever is India's largest cosmetics company, followed by L'Oreal.

Skin care products dominate the Taiwanese market, followed by color cosmetics and hair care products. In Singapore, sun care products and men’s grooming product has been the growth engine. In Thailand, skin care products and perfumes lead the market. In Vietnam and Indonesia, domestic cosmetic producers cater to the middle and low-end market segment while imported cosmetics dominate the upper strata of the market.
According to the Euromonitor International\textsuperscript{14} grooming for men is becoming big business in Australia and New Zealand, where an average of US$29 was spent per head of the male population last year on products including razors, hair gels, body washes and deodorants. This figure is not far behind the US$31 average for males in the US, the world's most developed men's grooming market, and mirrors a trend that has become a major driver of cosmetics and toiletries sales growth across the globe.

Credited with men's newfound involvement in the beauty market is the rise of metrosexuality, a consciousness of image and appearance that is driving many affluent young city dwelling males to experiment with products traditionally reserved for women. However, this explanation does not tell the whole story and there is a danger that manufacturers will miss out on opportunities by forgetting who their consumer core really is in a region where the bloke's bloke still reigns supreme.

Sales of men's grooming products reached A$374 million (US$288 million) in Australia last year and NZ$80 million (US$57 million) in New Zealand, increases of 46\% and 54\% respectively on 2001 figures. Yet this dynamism is only partly attributed to an increase in the amount of products men are using; mostly it is a result of a shift away from unisex brands in favour of more expensive male-specific varieties. Deodorant and men's shaving products, particularly razors and blades, have always were essential to men's daily grooming routines. In 2005, combined sales of these two sectors accounted for over 91\% of the total men's grooming products category.

As mentioned in the thesis of Pauliina Tiainen\textsuperscript{15} throughout the last decade, there has been a significant increase in the global market for men's cosmetics. In 2004, the annual growth in Europe was 6.7 \%. That year, the market analyst Mintel


\textsuperscript{15} Pauliina Tiainen, "Marketing Male Cosmetics: A Review of Lumene for Men Products Success to Date and Ideas for Improvement" (Doctoral dissertation, Metropolia University of Applied Sciences, 2010)
valued the UK male cosmetics market at £685 million, predicting that the figure would rise to £821 million by 2009.

In 2005, another market analyst Euromonitor foretold the male skin care market in Western Europe to grow in five years by a further 15.5 %, from $30.5 billion to $32.3 billion. The same year, a third analyst Datamonitor was even more optimistic, forecasting that the sales would grow from to nearly $40 billion by the end of 2010. A steady growth was explained by the widening acceptance of men's spending on cosmetics through high media exposure. The survey by Datamonitor also showed that 73 % of European and US men considered their appearance 'important' or 'very important', compared to 72 % of women with the same response.

In 2006, it was predicted that the global annual growth of men’s skin care products would be around 11 % between the years 2006 and 2011. The same year, a US Research and Markets report showed that the use of the male products in the US had risen rapidly in a year from a value of $26.3 to $29.7 billion.

The report also suggested that, instead of modern young men, it was actually older men who represented the most important growth potential for male grooming products. Their consumption in personal care had seen a 3.9 % annual growth between the years 2000 to 2005, having reached a total of $9.8 billion.

Most market-leading cosmetics companies for women’s products, such as Nivea and L’Oréal, have targeted the growing male consumer market early on, by launching their comprehensive men's ranges, Nivea For Men (2007) and L’Oréal Men Expert (2004) on the global market. However, the world’s best-selling male cosmetic brand is Unilever’s Axe (known in the United Kingdom as Lynx). It is targeted to younger men and acts as a good example of a brand which has been able to successfully expand to other niches than deodorant.

After all, the share of the global male market is still quite small in comparison with the women’s cosmetic industry, which is already estimated to be worth of more than $100 billion worldwide. However, studies report that despite the current economic situation, the European men’s cosmetics market is still thriving. The sector is continuing to grow in value and product offering. Segmentation has moved beyond relatively simple cleansing routines to function-specific products such as anti-ageing and de-stressing. Also, other new trends are emerging, such as more advanced ingredients and ethical and natural products.

The cosmetics business environment is characterized by worldwide fierce competition. The multinational firms, such as L’Oreal or Nivea, compete with each other to increase their global market share. This severe competition is a result from the growing demand of the consumers for cosmetic products, such as foundation cream, lip sticks, eye cream, and face lotion. The make-up industry’s EU-wide turnover rose 4.2 percent last year to more than 44 billion Euros, according to figures released by the cosmetics industry lobby Unipro.

Moreover, a trend that more and more male consumers take care of their appearance reveals a huge potential in this market, and therefore draws attention of marketers increasingly. In 2000, the cosmetics industry represented a $166.2 billion market worldwide.

Between 1994 and 2000, the global cosmetics industry grew at a rate of 11.5%. In 2000, Western Europe was the leading region of the cosmetics industry, with a market of $49.6 billion, followed by North America with $39.1 billion.

Twenty years ago, fashion, skin care, and self-importance in general were primarily the domain of homosexual men. Now sexuality, it seems is irrelevant. In fact, British newspaper have even found a new word for the softer man; the “metrosexual”. According to a report from The Christian Science Monitor’s staff

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writer Noel C. Paul\textsuperscript{19}, American men spend $4 billion on hair and skin products each year. American men pay much more attention to look good than they did even five years ago. \textit{Household and Personal Industry Magazine} reported that men now take as long as 51 minutes to get showered, dressed, and groomed compared to 55 minutes for women. Some men have always taken greater care of their appearance but they have generally been on the fringe, for example, David Beckham, the man whom British academics have credited with changing male behaviour, has been deemed the ultimate metrosexual. Men’s role models are changing and it is not just Beckham and Thorpe. Brad Pitt, Tom Cruise, Hugh Jackman, are carefully manicuring their appearance and constantly showing off their feminine side. In response to this groundswell, magazine publishers have established men’s titles like Men’s Health and GQ (a man’s magazine from the Condé Nast publications company in USA). There seems to be many indications that men’s consumer behaviour in the cosmetics segment is changing, and to understand these changes the theoretical framework for what influences consumer behaviour needs to be explained.

Below are listed the top 50 cosmetics brands around the globe by Brand-Finance\textsuperscript{20}

\begin{table}[h]
\centering
\begin{tabular}{|c|c|c|c|c|}
\hline
\textbf{Rank} & \textbf{Name} & \textbf{Brand Value (USD $ Millions)} & \\
\hline
\textbf{2012} & \textbf{2011} & \textbf{2012} & \textbf{2011} & \\
\hline
1 & 1 & Olay & 11,756 & 11,066 & \\
2 & 2 & Avon & 7,901 & 10,171 & \\
3 & 4 & L’Oréal & 7,744 & 7,630 & \\
4 & 6 & Neutrogena & 6,248 & 6,350 & \\
5 & 5 & Nivea & 5,574 & 6,569 & \\
\hline
\end{tabular}
\caption{Top 50 Cosmetics Brands 2012}
\end{table}


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<table>
<thead>
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<tbody>
<tr>
<td>6</td>
<td>7</td>
<td>Lancôme</td>
<td>5,095</td>
<td>5,685</td>
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<td>7</td>
<td>8</td>
<td>Dove</td>
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<td>8</td>
<td>9</td>
<td>Estée Lauder</td>
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<td>9</td>
<td>10</td>
<td>Biore</td>
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<td>3,014</td>
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<td>10</td>
<td>11</td>
<td>Shiseido</td>
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<td>2,972</td>
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<td>11</td>
<td></td>
<td>Schwarzkopf</td>
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<td>15</td>
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<td>17</td>
<td>17</td>
<td>Natura</td>
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<td>18</td>
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<td>19</td>
<td>Clarins</td>
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<td>23</td>
<td>Maybelline</td>
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<td>21</td>
<td>21</td>
<td>Clean &amp; Clear</td>
<td>1,990</td>
<td>1,959</td>
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<tr>
<td>22</td>
<td>20</td>
<td>Rexona</td>
<td>1,838</td>
<td>1,752</td>
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<tr>
<td>23</td>
<td>22</td>
<td>L'OCCitane</td>
<td>1,611</td>
<td>1,705</td>
</tr>
<tr>
<td>24</td>
<td>24</td>
<td>Axe/Lynx</td>
<td>1,447</td>
<td>1,395</td>
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<tr>
<td>25</td>
<td>27</td>
<td>Oriflame</td>
<td>1,310</td>
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<td>26</td>
<td>26</td>
<td>Biotherm</td>
<td>1,277</td>
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<td>27</td>
<td>29</td>
<td>M.A.C.</td>
<td>1,258</td>
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<td>28</td>
<td>32</td>
<td>Vichy</td>
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<td>29</td>
<td>28</td>
<td>Johnson's</td>
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<td>30</td>
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<td>Kérastase</td>
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<tr>
<td>31</td>
<td></td>
<td>Sunsilk</td>
<td>1,135</td>
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<td>32</td>
<td>36</td>
<td>Redken</td>
<td>1,024</td>
<td>884</td>
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<tr>
<td>33</td>
<td>35</td>
<td>The Body Shop</td>
<td>977</td>
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<td>34</td>
<td>43</td>
<td>Revlon</td>
<td>922</td>
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<td>35</td>
<td>37</td>
<td>Yves Saint Laurent</td>
<td>915</td>
<td>872</td>
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<tr>
<td>36</td>
<td>38</td>
<td>Matrix</td>
<td>871</td>
<td>779</td>
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<td>37</td>
<td>41</td>
<td>Clinique</td>
<td>790</td>
<td>683</td>
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<td>38</td>
<td>40</td>
<td>La Roche-Posay</td>
<td>778</td>
<td>689</td>
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<td>39</td>
<td>31</td>
<td>Calvin Klein</td>
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<td>40</td>
<td>30</td>
<td>Softsoap</td>
<td>754</td>
<td>1,090</td>
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<tr>
<td>41</td>
<td>33</td>
<td>Irish Spring</td>
<td>715</td>
<td>1,022</td>
</tr>
<tr>
<td>42</td>
<td>39</td>
<td>Rimmel</td>
<td>615</td>
<td>694</td>
</tr>
<tr>
<td>43</td>
<td>44</td>
<td>Eucerin</td>
<td>557</td>
<td>618</td>
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<tr>
<td>44</td>
<td>42</td>
<td>Speed Stick</td>
<td>498</td>
<td>681</td>
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<tr>
<td>45</td>
<td>-</td>
<td>KOSE</td>
<td>473</td>
<td>-</td>
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<td>46</td>
<td>45</td>
<td>RoC</td>
<td>472</td>
<td>420</td>
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<td>47</td>
<td>50</td>
<td>Coty</td>
<td>409</td>
<td>336</td>
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<td>48</td>
<td>48</td>
<td>Kiehl's</td>
<td>379</td>
<td>366</td>
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<tr>
<td>49</td>
<td>49</td>
<td>Elizabeth Arden</td>
<td>353</td>
<td>342</td>
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<tr>
<td>50</td>
<td>-</td>
<td>PZ Cussons</td>
<td>250</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Brand-finance 2012
1.4 Present Scenario of Indian Male Cosmetics Industry

The word ‘male cosmetics’ is coined by the marketers on the basis of its use exclusively by male members in the society. Earlier, ‘cosmetics’ was considered to be the feminine area. As normally observed from the existing market, there are 3 major types of cosmetics used by both, males and females. They are
1) Hair care cosmetics
2) Face care cosmetics and
3) Body care cosmetics.

Undoubtedly, men are becoming more and more sensitive about skin care and grooming. Now that separate products for men are available, it is certain that men will not use the products that are used by women anymore. This also projects the scope of developing more products for men in the years to come. An extensive research at Emami implied that more than 30% of the users of fairness creams (all targeted for women at that time) were male. And this is when they thought of coming up with a revolutionary product exclusively for male skin and created a new segment of 'Male Fairness Cream 'in the Indian market. The product was very well received by the Indian consumers and in just five years time it has become an ‘Rs 100-crore’ brand.

Emmeplus s.p.a.\textsuperscript{21} in its report on Indian Cosmetic Sector 2007-08 argued that India's cosmetics and toiletries industry was tipped to grow 27 percent over 2006-2011 as referred to by Euromonitor, due to the country’s strong economic performance and youthful demographic structure.

Like all emerging markets, the trends of India's cosmetics industry are expected to follow those of the more advanced countries, for example an expected growth in natural and organic cosmetics. However significant differences in the market drivers suggest that this sector may not follow the expected patterns.

Local players are dominating the natural cosmetics sector providing cheaper natural alternatives to standard beauty products and foreign brands, according to the market research company.

\textsuperscript{21} Indian cosmetic sector 2007-08. Italy: emmeplus.
In addition, Ayurveda is experiencing something of a renaissance in India and many companies are cashing in on the trend by releasing Ayurvedic inspired beauty products. Furthermore, natural ingredients present an economic advantage for local players as natural and Ayurvedic ingredients are often cheaper than their chemical alternatives. Consequently, the main drivers of India's natural products trend are the country's low income majority, rather than the consumer elite who are willing to pay the premium as is the case in Western markets, and other emerging markets.

As per the report presented by Research and Markets\textsuperscript{22}, Indian cosmetics industry has witnessed strong growth during the past few years and has emerged as one of the industries holding immense future growth potential. The cosmetics industry registered impressive sales worth Rs 422.3 Billion (US$ 9.3 Billion) in 2010. The sector has mainly been driven by improving purchasing power and rising fashion consciousness of the Indian population. Moreover, the industry players are readily spending on the promotional activities to increase consumer awareness.

According to the new research report - Indian Cosmetic Sector Analysis\textsuperscript{23} (2009-2012), Indian cosmetics sector is expected to witness noteworthy growth rate in near future, owing to the rising beauty concerns of both men and women. The industry holds promising growth prospects for both existing and new players. To support this evidence, we have done an extensive analysis of various segments of the cosmetics industry, keeping in view both the services and products sector. The baseline for the optimistic future outlook of the Indian cosmetics industry is that, there has been a rise in variety of products offered by the industry players. Moreover, the companies have started opting for online retailing and are offering specialized products to generate revenue from all the corners. Rising usage of Cosmeceuticals and Nutri-cosmetics by the Indian consumers will also pave way for the Indian cosmetics market during the forecast period. This new research report incorporates an extensive research and rational analysis of the cosmetics industry in India. It provides segment


level analysis of the industry along with the emerging trends that may shape up with the betterment of economic conditions. The research will help consultants, industry analysts, and vendors to get in-depth knowledge of the current, past, and future performance of the industry. The report also provides information regarding consumer behaviour, particularly men and rural population, with regard to cosmetic products.

Indian male cosmetic market has tremendous growth potential on account of the following drivers, which make India’s market as one of the lucrative future markets in this category.

- Indian population has crossed 1.19 billion and it is still growing.
- India is 2nd most populous country in the world
- 17.3% of the world population resides in India
- India is projected to be the most populous country in the world by 2025.
- Life expectancy in India is 70 years.
- 50% of the population of India is under 25 years age.
- 65% of the population is under 35 years of age.
- By 2020, average age of Indian will be 29 years.
- India is having good retail network of Kirana stores
- Number of Departmental stores, Discount stores, Supermarkets, shopping malls, hypermarkets and specialty stores have already strengthen in Indian soil.
- Emergence of youth urban elite
- Changing lifestyles
- Penetration of satellite TV and increasing network of Internet facility
- Availability of lifestyle and luxury products
- Much greater product choice
- Rapid increase of women in workforce
- Service sector growing rapidly and thus creating ample space for men and women grooming products
- Corporate dressing culture
- Image and makeup consultants
Whenever we think of India, we must take into account the rural India. It is because 75% of the population lives in rural parts of India. The demand for cosmetics in rural India is increasing day by day. Products like shampoos and toothpaste which were not in use earlier have now become the regular business in rural markets. Rural consumer cannot be ignored in any way even for the products like male cosmetics. There is ample potential in this segment too.

According to the ISCC report, India’s beauty and cosmetic market is estimated at U.S. $ 950 million. The annual growth rate in this sector is estimated to 20%. Of course this includes again both the men and women products. Colour cosmetics, specialized skin care products, professional hair products, fragrances including deodorants and men’s grooming products are in this fastest growing sector. Spas and beauty salons are already on the phenomenal growth side.

The market share for the following categories in Indian market shows the growth potentials in cosmetics categories:

<table>
<thead>
<tr>
<th>Category of Cosmetics</th>
<th>Market share</th>
</tr>
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<tbody>
<tr>
<td>Skin care</td>
<td>7%</td>
</tr>
<tr>
<td>Colour cosmetics</td>
<td>14%</td>
</tr>
<tr>
<td>Fragrances</td>
<td>21%</td>
</tr>
<tr>
<td>Hair care</td>
<td>19%</td>
</tr>
<tr>
<td>Beauty services</td>
<td>13%</td>
</tr>
<tr>
<td>Herbal products</td>
<td>9%</td>
</tr>
<tr>
<td>Others</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: ISCC report

Market for anti-aging and nourishing products is growing rapidly in India. There is a huge market for fairness and skin lightening products. Even male cosmetics in this category have tremendous response from youths. Consumers are now prepared to spend more on premium skin care products. In Northern region of the country, there is still a greater demand for the products like moisturizers and day / night
creams. Indian consumers are also using sun protection products available in the markets. Younger consumers are fond of face cleansers. Deodorants comprise bulk of market and the category is increasing rapidly. Middle class consumers are trading up from deodorants to mass market fragrances. For rural consumers, talcum powder is still the product of fragrance, one of the highly consumed forms of cosmetics.

There is a paradigm shift in hair care segment. New products are being introduced in the market in hair care category. Hair styling products are in good demand in both the genders: males and females as well. Many companies have launched specialized men’s hair care products in Indian markets. Hair colorant is one such category which has been showing significant growth in Indian markets. Many international brands of hair colour are now available in Indian soil.

Men’s grooming products are expected to show significant growth in next few years. Indian consumers are now awakened to demand the exclusive products to be used by men. Local and international brands like skin whitening, anti-ageing, oil control and moisturizing products are now widely available in Indian market. Marketers are using various strategies to consolidate their presence in male cosmetics arena in India. Consumers are now observed demanding multi-functional products in cosmetics area.

The Marketing Whitebook [2012-13] has published certain data on the Personal Care market in India. The Indian personal care market can be broadly categorized into:

- **Hair care** – Shampoos, conditioners, *shikakai*, hair oil and hair colour.
- **Skin care** – Soap, body wash, handwash, moisturizers, fairness creams, and *multani mitti*.
- **Personal hygiene** – Deodorants, perfume and talcum
- **Other cosmetics** – Nail polish, lipsticks and
- **Hair removal products for men and women**

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Hair care

With a growth rate curving upward, the hair care market in India is going through a major paradigm shift. With consumers being more experimental with newer products and services, there is a sense of excitement in the industry. From coconut oil to conditioners and henna to hair colorants, the Indian hair care market is undergoing a plethora of changes in the way consumers nurture their hair. The market potential is such that major Indian manufacturers are now re-launching hair care brands that did not survive in the earlier market scenario. This is majorly due to the increasing awareness levels about hair care by Indian women today. Maintaining good beauty regimen earlier used to be an occasional led activity, but has now become an important part of everyday life.

Skin care

It is interesting to note that a mere 14 per cent of urban households in India spend on moisturizers, while 58% of them spend on fairness creams. Indians obsession with fairness has been an often debated topic. But the value promised by both these varieties of cream is different, Fairness creams provides a fair glowing skin while moisturizing creams promises relief from dry and flaky skin. In the hot and usually humid climes of India – dry skin is not so much of a concern – at least with facial skin. The proportion of households buying moisturizers is far less than that of fairness creams.

The frequency and the quantity of usage had gone up with the consumer realization that not just face but whole body needs to be taken care of. Also with the repeated communication made by the marketers about the benefits of using moisturizers, the awareness and consumption levels have gone up in the last three years.

Being fair has been an obsession for ages not only amongst women but increasingly amongst men also. The communication on fairness cream had changed from finding a better match for oneself to building self-confidence and bringing a more modern look in life to the consumers at large over the period of time resonating with the changing mindset of the consumers.
With organized retailing as a sector booming up and growing trend towards tapping untapped potential of men’s segment, the India fairness cream market is poised for further growth. The major trends identified in the skin care market include value added factors, array of international brands like Clarins, Olay, Nutragena, Lancome etc and adoption of newer packaging methods.

**Cosmetics**

Cosmetic consumption is a pure indulgence and a growth in cosmetics consumption is indulgence of the increase in disposable income being made available to women in the household.

**Deodorants, perfumes and talcum powder**

The proportion of households that spend on deodorants has more than doubled from a mere 16 per cent in 2007 to 34 per cent in 2010. It has been observed that consumers do not treat talcum powder and deodorants as substitutes for each other but rather as complementing products. Only 35% of households that buy talcum powder buy deodorants and perfumes but 74% of all households that deodorant and perfumes buy talcum powder as well.

**Looking ahead**

There is a huge growth potential as per capita consumption of almost all products in India is amongst the lowest in the world. Again the demand and prospect could be increased further with many marketers continuously attempting to launch newer product lines that resonate with the changes of the consumers’ mindset and by offering new generation products. Earlier, Indian consumers were using non-branded products across many categories, but today, almost every FMCG category has got many large brands with national presence competing against strong regional brands. It is the quality, promotion and innovation of products, which will be the drivers for many sectors in the years to come.
1.5 Consumer Behaviour

For all marketing activities to be successful, it is imperative to understand the consumers’ minds. It is the customer who is instrumental in respecting the strategic moves of the marketers. The main hurdle in the whole process is that customers and consumers are all human beings and they may behave in a particular situation in a particular way. Despite continuous study in this area of marketing, the consumer behaviour still remains mystique. It is on account of this mystery that business houses, academia and such other entities are showing great interest in studying consumer behaviour. As stated by Courtland Bove’ e & John Thill\textsuperscript{25} in their book ‘Marketing’, ‘Consumer behaviour encompasses all the actions involved in selecting, purchasing, using, and disposing of goods and services.’ Consumer buying behaviour refers specifically to the actions consumers take when deciding what to buy and when making actual purchase.

According to Joel R. Evans and Barry Berman\textsuperscript{26}, demographic, social and psychological factors affect the way final consumers make choices and can help a firm understand how people use the decision process. An affluent consumer would move through the process more quickly than a middle-income one due to less financial risk. An insecure consumer would spend more time making decisions than a secure one.

Arun Kumar and N. Meenakshi\textsuperscript{27} emphasize that consumer behaviour influences the choice of target markets and the nature of marketing mix developed to serve it. The focus here is on various questions to be asked.

- What are the consumers buying?
- Who is important in buying decision?
- How do they buy?


What are their choice criteria?
Where do they buy from?
When do they buy?

Rajan Saxena\textsuperscript{28} calls consumer mind as the ‘black box’ which is influenced by company controlled stimulus like product, price, advertising, sales promotion, display and distribution, besides social stimulus as word of mouth and reference group. He calls it an enigma or black box which responds to the various stimuli resulting in either buying or no-buying phenomenon.

According to Philip Kotler and Kevin Lane Keller\textsuperscript{29}, ‘A consumer’s buying behaviour is influenced by cultural, social and personal factors.’ According to these authors, culture, subculture and social class are particularly important influences on consumer buying behaviour. Social factors include reference groups, family and personal factors comprise of age and stage in the life cycle, occupation and economic circumstances, personality and self-concept, and life-style and values.

According to Philip Kotler and Keller, the buying decision process comprises of Five-Stage model involving:

- Problem recognition
- Information search
- Evaluation of alternatives
- Purchase decisions
- Post-purchase behaviour

Suja Nair\textsuperscript{30} has discussed a few models of consumer buying decision process. “The discussions have been about some of the important models of consumer behaviour, which attempt to give comprehensive view of all those aspects of buying situations which are deemed to be significant by their creators.” Some of them are:


The Economic Model: Under economics, it is assumed that man is rational human being, who will evaluate all the alternatives in terms of cost and value received and select that product which gives him maximum satisfaction or utility. Consumers are assumed to follow the principle of maximum utility based on law of diminishing marginal utility. It is assumed that with limited purchasing power, and a set of needs and tastes, a consumer will allocate his expenditure over different products at given process so as to maximize utility.

Learning Model: Classical psychologist argued that living beings were influenced by both innate needs such as primary needs and learned needs like fear and guilt. A drive which when directed towards a ‘drive reducing object’ becomes a motive.

Psychoanalytic model: It is based on the work of psychologists who were concerned with personality. They were of the view that human needs and motives operated at the conscious as well as sub-conscious levels. According to these psychologists human behaviour is the outcome of ‘id, super ego and ego’. From the marketing point of view this means that buyers will be influenced by the symbolic factors.

The Sociological model: According to this model the individual buyer is a part of the institution called society. Since he is living in a society, he gets influenced by it and in turn also influences it in its path of development. The marketers through a process of market segmentation can exercise on the common behaviour pattern of a specific class and group of buyers and try to influence their buying pattern.

The Howard-Sheth Model: It basically serves two purposes, first it indicates how complex the whole question of consumer behaviour really is and second it provides the framework for including various concepts like learning, perception, attitudes, etc. which play a role in influencing consumer behaviour.

The Nicosia Model: The model suggests that messages from the firm first influences the consumer towards the product or services. Based on the situation, the consumer will have a certain attitude towards the product. This may result in a search for the product or an evaluation of the product attributes by the consumer. If the above product satisfies the consumer, it may result in a positive response with a decision to buy the product otherwise the reverse may occur.

The Engel Kollat-Blackwell Model: According to this model, a decision making process is in the form of five steps or activities which occur over a period of
time. Apart from these basic core steps, the model also includes a number of other related variables grouped into five categories as information inputs, information processing, product-brand evaluation, general motivating influences and internationalized environmental influences.

Leon G. Schiffman & Leslie Lazar Kanuk\textsuperscript{31} have at the outset revealed various facts and impact of the digital revolution on Consumer Behaviour. According to the authors:

- Today, the digital revolution of the marketplace allows much greater customization of products, services and promotional messages than older marketing tools.
- Consumers have more power than before
- Consumers have access to more information than before
- Marketers can offer more services and products than before
- The exchange between marketers and customers is increasingly interactive and instantaneous.
- Marketers can gather more information about customers more quickly and easily.

Leon G. Schiffman and others\textsuperscript{32} have illustrated the consumer decision-making in three distinct but interlocking stages: the input stage, the process stage, and the output stage. These stages in depicted in the following model of consumer decision making:


There are four views of consumer decision-making.

- An Economic View
- A Passive View
- A Cognitive View
- An Emotional View

**An Economic View**

To behave rationally in the economic sense, a consumer would have to

1. be aware of all available product alternatives,
2. be capable of correctly ranking each alternative in terms of its benefits and disadvantages, and
3. be able to identify the one best alternative.
Realistically, however, consumers rarely have all of the information or sufficiently accurate information or even an adequate degree of involvement or motivation to make the so-called ‘perfect’ decision.

A Passive View

This view depicts the consumer as basically submissive to the self-serving interests and promotional efforts of marketers. In the passive view, consumers are perceived as impulsive and irrational purchasers, ready to yield to the aims and into the arms of marketers.

A Cognitive View

This model portrays the consumer as a thinking problem solver. Within this framework, consumers frequently are pictured as either receptive to or actively searching for products and services that fulfill their needs and enrich their lives. The cognitive view focuses on the processes by which consumers seek and evaluate information about selected brands and retail outlets. This view describes a consumer, who falls somewhere between the extremes of the economic and passive views, which does not (or cannot), have total knowledge about available product alternatives, and therefore cannot make perfect decisions, but who yet actively seeks information and attempts to make satisfactory decisions.

An Emotional View

Each of us is likely to associate deep feelings or emotions, such as joy, fear, love, hope, sexuality, fantasy, and even a little ‘magic,’ with certain purchases or possessions. These feelings or emotions are likely to be highly involving. When a consumer makes what is basically an emotional purchase decision, less emphasis is placed on the search for pre-purchase information. Instead, more emphasis is placed on current mood and feelings. In an emerging market like India, where different emotions may be the triggering factor for purchase among different segments of the society, marketers need to understand the mechanics of emotional buying behaviour and the trigger emotions of consumers.
Ajzen and Fishbein\textsuperscript{33} formulated the theory of reasoned action (TRA). This resulted from attitude research from the Expectancy Value Models. Ajzen and Fishbein formulated the TRA after trying to estimate the discrepancy between attitude and behavior. This TRA was related to voluntary behavior. Later on behavior appeared not to be 100\% voluntary and under control, this resulted in the addition of perceived behavioral control. With this addition the theory was called the theory of planned behavior (TpB). The theory of planned behavior is a theory which predicts deliberate behavior, because behavior can be deliberative and planned. Theory of Reasoned Action suggests that a person's behavior is determined by his/her intention to perform the behavior and that this intention is, in turn, a function of his/her attitude toward the behavior and his/her subjective norm. The best predictor of behavior is intention. Intention is the cognitive representation of a person's readiness to perform a given behavior, and it is considered to be the immediate antecedent of behavior. This intention is determined by three things: their attitude toward the specific behavior, their subjective norms and their perceived behavioral control. The theory of planned behavior holds that only specific attitudes toward the behavior in question can be expected to predict that behavior. In addition to measuring attitudes toward the behavior, we also need to measure people's subjective norms – their beliefs about how people they care about will view the behavior in question. To predict someone's intentions, knowing these beliefs can be as important as knowing the person's attitudes. Finally, perceived behavioral control influences intentions. Perceived behavioral control refers to people's perceptions of their ability to perform a given behavior. These predictors lead to intention. As a general rule, the more favorable the attitude and the subjective norm, and the greater the perceived control the stronger should the person’s intention to perform the behavior in question. These stages are depicted in the following model of consumer decision making:

Figure 1.2: Theory of Reasoned Action
1.6 Defining the Subject

The existing study focuses on the buying decision process and the factors that influence and affect such decisions particularly when consumers go for male cosmetics purchases. The market for male cosmetic products, although still niche in India, is growing and evolving at a higher pace. Male consumers are placing greater importance on looking good and the personal care aspects of improved health and wellness are being more emphasized these days. It is apparent that understanding the male needs, attitudes and behaviors towards grooming will open up new commercial avenues in this under-served arena. The male cosmetics market, while exhibiting strong potential, needs a markedly different approach in order to succeed compared to the mature female market, due to some substantial differences in attitudes and behaviors that exist across genders. The marketers have already started sensing this ‘male cosmetics market’ and are attempting to capture their share by various strategic moves. As the market for male cosmetics in India is growing fast, there is a need to study the consumer’s particular actions in choosing the specific products and various factors that cause to change their behaviour in buying male cosmetics products. Although there are common needs of the consumers, specific demographic, geographic, social and economical environment can have different impacts on different markets. The researcher has therefore selected to focus his study on the city of Pune. This city has witnessed a sea-change in its demography and from a specific ‘cool and silent’ city; it is now turning as the vibrant city on account of its cosmopolitan mix. Therefore, this study is expected to unfold specific aspects of the decisions that the consumers take while buying male cosmetics.
1.7 Purpose of Selecting the Topic under Study

With the changing environment of world’s economic, technological and socio-cultural perspective, consumers are now able to procure cost-effective and quality products for satisfying their needs. Irrespective of the product categories, there are different alternative products and solutions available in the markets, particularly in developed and developing nations. Severe competition in all major business arenas has facilitated today’s choosy customer to be keener in taking decisions while buying any product. There are many psychological influences like person’s motives, needs, attitudes, personality, perception that play a great role during the buying process. Consumer is also influenced on account of socio-cultural origin like culture; demographics, social status, household and word of mouth that continuously affect his / her buying behavior. Apart from these, there are situation influences that work on his mind to take particular type of decision in a particular type of situation.

The researcher is keen to understand this buying decision-making process that compels the customers and consumers to change their decisions. It also depends on what type of problem the consumer is facing. This severity of the problems may lead him / her to take a particular decision. It mainly depends on the understanding of the consumer of his immediate problems and his perception to decide which product would help him to overcome the problem in hand. Courtland Bovée has described this situation based on consumer’s involvement with the product. Normally, consumers involve themselves with the product on the basis of their severity of the need. If the product is meant for satisfying their routine problems, the consumers are less involved in buying process. If they find that they are facing a limited sort of problem, consumers choose the products from the shelf: whatever available on shelf, they choose and help themselves. However, if the problem is severe according to their perception, consumers are ready to sacrifice more time, money and effort to procure the product/s they seek for. There is no scope for compromise in their buying decisions.

The researcher is interested in knowing how consumers place ‘male cosmetic products’ in their involvement list. Whether they change their decisions on such

grounds of routine-problem solving, limited-problem solving and extensive-problem solving bases during male cosmetics buying decisions? If ‘yes’ what factors impact their buying decision for a particular male cosmetics product? The use of cosmetics is increasing at a higher pace in current age. This product category is taking the upper place in the hierarchy of needs of today’s youth. Moreover, the companies dealing in male cosmetic products across the world are showing keen interest in Indian markets having understood the ample potentials for its growth.
1.8 Summary

The market for male cosmetic products, although still niche in India, is growing and evolving. Male consumers are placing greater importance on looking good and the personal care aspects of improved health and wellness. Understanding male needs, attitudes and behaviors towards grooming will open up new commercial avenues in this under-served arena. The male cosmetics market, while exhibiting strong potential, needs a markedly different approach in order to succeed compared to the mature female market, due to some substantial differences in attitudes and behaviors that exist across genders.

Before a decade or so, the word ‘cosmetics’ was predominantly associated with a single gender i.e. woman. It did not mean that male never used cosmetic products. They certainly did. However, marketers coined the term ‘male cosmetics’ recently thus identifying special segment for particular products on the basis of gender differentiation.

Undoubtedly, men are becoming more and more sensitive about skin care and grooming. Now that separate products for men are available, it is certain that men will not use the products that are used by women anymore. This also projects the scope of developing more products for men in the years to come. An extensive research at Emami implied that more than 30% of the users of fairness creams (all targeted for women at that time) were male. And this is when they thought of coming up with a revolutionary product exclusively for male skin and created a new segment of 'Male Fairness Cream 'in the Indian market. The product was very well received by the Indian consumers and in just five years time it has become an ‘Rs 100-crore’ brand.

The process of evaluating and selecting the most appropriate / suitable types and brands in male cosmetics cannot be very simple. It is because such products have been bought with a lot of expectations and there is always a risk of dissatisfaction and dissonance and sense of uncertainty. Each person must have different expectations of likely benefits from the use of the product. The researcher would like to find out those factors male consumers must be applying while selecting, purchasing and using particular brands of male cosmetics.
The use of cosmetics may be a routine / habitual phenomenon. People may also be aware of the fact that they may not get results of all cosmetics immediately. Hence, most of them might be deciding on the budget for such expenditures while considering expenditure on other needs. There could be a number of factors restricting the amounts of budget for cosmetics based on the income of families. And still the sales of male cosmetics are increasing substantially.