CHAPTER I
INTRODUCTION

1.1 Introduction

The history of cosmetics has undergone drastic changes during the past few decades. The global cosmetic market was about 460 billion USD in 2014 and it is estimated to reach 675 billion USD by 2020, growing at a rate of 6.4 percent.\(^1\) The Beauty market has grown by 4.5 percent a year on an average with an annual growth rate ranging from 3 percent to 5 percent. During the 19\(^{th}\) century, France developed a chemical process to replace the fragrance made by natural methods. In the 20\(^{th}\) century, the use of make-up became very fashionable in the United States and in Europe. The modern era of cosmetics business began in 1950, but the industry had shown enormous growth only in 1980 with $ 20 million annual sales. At the end of the 90s, the global cosmetic market went through a slight slowdown. In 1998, the global cosmetics and toiletries retail sale dipped to 166.2 billion USD down from 171.5 billion in 1997.\(^2\) The Early 20\(^{th}\) century was remembered as the most exciting time in the history of cosmetics. It was during the 20\(^{th}\) century that the popularity of cosmetics industry had increased rapidly.\(^3\) The cosmetics for the first time were openly put up for sale in early part of the 20\(^{th}\) century. By the middle of 20\(^{th}\) century, cosmetics were used in wide spread by women in almost all industrial societies around the world. In the 21\(^{st}\) century, the cosmetic industry was not only concentrating on women but also providing a chance to the metro male population to improve their facial looks. Today, the world cosmetic industry faces a huge demand and challenges in providing assured quality of cosmetic products. With the advancement in technology, globalization and increased purchasing power, the consumers in recent years have become more aware of hygiene and beauty, which is the foremost reason behind the rapid development of cosmetic industry. Cosmetics are mainly used for beautification and for protecting the skin and body.\(^4\)
The Indian cosmetic industry experienced rapid growth rate since the economic Liberalisation in 1991. Throughout the first decade of 21st century, the sale of cosmetic and toiletries grew steadily reaching the level of 4.5 percent (CAGR) in the first half and 4.4 Percent (CAGR) in the later half. The beauty industry was affected in 2009 and recovered in 2010 as a result of the improvement of global economy. The cosmetic industry is now a multibillion dollar industry. India is the second largest exporter of thermal cosmetics to the world market after China. The Indian cosmetic industry has witnessed a rapid growth over the last couple of decades when the Indian competitors started manufacturing products in order to meet the increased needs of both the Indian and the international markets. Many of the world’s popular cosmetic brands entered the Indian market in 1990s in order to meet the strong demand for the cosmetic products in India. The Indian cosmetic industry has witnessed a strong growth in recent years with a rising concern among men and women. The purchasing power and fashion consciousness of the consumers were considered to be the driving force of cosmetic industry. In India, the cosmetic market is estimated to remain at a growth rate of 15-20 percent in the coming years. It is greatly influenced by the movie industry and the theatre stars. The Indian cosmetic industry caters to increasing needs of cosmetic products in all spheres such as rural area to cosmopolitan cities, poor to millionaires, and even the new born babies to the old aged people. It could be observed that the Indian cosmetic industry is undergoing active phase in terms of product development and marketing. Looking at the wide potential of cosmetic market, the cosmetic manufacturing companies spend sizeable amount of money and time to analyse the different demographic and psychographic characteristics of Indian population.

Kerala is one of the fastest urbanising regions in the country. Exposure to markets, acceptability and proximity to modern amenities has resulted in a change in taste and preference of the consumers. The migration of people to the Gulf and the European countries has also resulted in unexpected change in socio-economic condition of Keralites. This resulted in the entry of females to various fields of work and their desire to look beautiful and attractive has provided an activism to cosmetic industry. Kerala has a privilege to have a wide client base in cosmetic industry. The
shining names in FMCG and cosmetic industry have a good base in Kerala with the establishment of Viscose situated in Kinfra Park in 1993 in the Wayanad district of Kerala. Many other cosmetic industries were also situated in Thrissur, Ernakulam and Palakkad. The high literacy rate and rapid urbanisation of Kerala led to a rapid growth in employment among the women which led to an increase in the demand for cosmetic products in Kerala.

1.2 Significance of the study

The Consumer behavior is an integral part of human behavior and essential part of marketing activities in the world. The study on the behaviour of female consumers in the purchase and use of cosmetics seems relevant from the perspective of manufacturers of different selected cosmetic brands, the marketers, the consumers and beauticians in Kerala. The study enquires about the major reasons for the purchase of cosmetic products. Since the entire marketing activities are becoming more consumer-centric now-a-days, the study of consumer behaviour goes well beyond the mere act of acquiring cosmetic products or the use of the products. The present study depends on the deeply held values, attitude, perception, psychology, culture, socio-economic factors and personality of female consumers. In a highly developed and technologically advanced society, the study of consumer behaviour is relevant as the consumers have a great deal of choice and option to decide on the type of products purchased. Likewise, there is diversity that exists among the consumers, producers, marketers, retailers, individuals and in their psychological behaviour. A sense of psychological and socio-economic factors in the minds of consumers enable the marketers to make predictions about the desire of consumers towards new products, price to be charged, the type of promotional campaign required and about the their needs and wants.

The psyche of the Indian consumer is complex as there is a regional diversity and spontaneous behavioural change. The act of buying is influenced by a number of factors and the type of products provided by the manufacturers as there is a shift from traditional role of house wife or home maker to various fields of occupation. The expansion of service sector followed by fast growing rise in the number of
women joining the work force has led to enhancement of purchasing power of women community compared to the past few decades. Women are becoming financially independent and led to a change in the behaviour. In the present scenario, changing life style, higher disposable income, increasing advertisement, rising status, migration of people, demand for superior quality, changing consumer preference and the advertisements resulted into a paradigm shift in the behaviour of females in the purchase and use of cosmetics. The rise in the number of women joining the work force over the decade enhanced the purchasing power of women community. As a result, the women started investing more on their appearance and looks. The concept of beauty has changed from just a beautiful face to a beautiful body, hair and an intelligent mind. It is in this background the study on behavior of female consumers in the purchase and use of cosmetics is attempted. Hence, the study seeks to provide a source to know the different type of cosmetics and the available Providers in Kerala. The study also aims to provide an insight into the perception and behavior of females in taking a purchase decision.

1.3 Scope of the study

The present study focuses on the behaviour of females who purchase and use cosmetics in Kerala. All types of female consumers who use four types of cosmetic care products such as Lip care, Eye care, Nail care and Skin care products are included in this study. For the purpose of study, the selected leading manufactures such as Revlon, Lakme, L’Oreal, Himalaya and the leading unbranded cosmetic products manufacturers were taken together as a group. The lip care products are again classified into lip stick, lip gloss, lip liner and other lip care products. The Eye care products are further classified as Mascara, eyeliner, eyebrow, lashes and other eye care products. The Nail care products are classified as Nail polish, nail remover and nail designer. The skin care products are classified as face wash, foundation, cleanser and other skin care products. The study also focuses on the buying behaviour, the reasons for the purchase of cosmetics and the level of satisfaction of the consumers.
1.4 Statement of Problem

A study on consumer behaviour is becoming an increasingly important aspect in an organization. The consumer behaviour may directly affect the marketing strategy of the manufacturer. A firm can satisfy their needs only if they understand their customers properly. The recognition of consumer behaviour is the key to marketing success. The study further attempts to understand the behaviour of females and marketing mix of the providers. The marketing potential of any product is based on consumer purchasing behavior. The behaviour of females and the marketing potentials assume a greater importance in the minds of manufacturers, marketers, Government agencies and academicians as there is tremendous changes taking place in the fashion, lifestyle, and living standard and in the rate of literacy. The technology innovation has also brought about a sea-change in the minds of consumers. In this context the desire of female consumers to remain beautiful and attractive seems relevant, as every women wish to be appreciated and admired. It is believed that, the use of cosmetics helps to build confidence at home, work place and promotes a sense of emotional well being in women. The cosmetics are becoming an increasingly essential item for every woman in day to day life. Studies indicate that more than 60 percent of people care much about their beauty and about the cosmetic products they buy. Cosmetic products are being used by a majority of people in Kerala and it has become part of their life. The present study tries to examine the various reasons for the purchase of cosmetics, the preferential buying habits of consumers for the selected cosmetic manufacturers, the reasons for the use of cosmetics and their level of satisfaction in the use of cosmetics. In this context the study is significant and relevant.

1.5 Objectives of the study

The following are the objectives of the study

1. To study the influence of socio-economic factors on the behaviour of female Cosmetic consumers in the purchase and use of cosmetics.
2. To analyse the reasons for the purchase and use of cosmetic products.
3. To evaluate the marketing mix of selected cosmetic brands.
4. To measure the satisfaction of females in the purchase and use of cosmetics.
1.6 Hypotheses of the study

Based on the above objectives, the following hypothesis for the study are formulated and tested.

1. There is no significant influence between the demographic variables and the number of cosmetic products purchased.
2. There is no significant influence between the demographic variables and the frequency of usage of cosmetic products.
3. There is no significant influence between the demographic variables and the amount of money spent.
4. There is no significant association between the demographic variables and buying behaviour of cosmetic products.
5. There is no significant association between the socio-economic factors and the reasons for the purchase of cosmetic products.
6. There is no significant difference in the opinion among the respondents regarding the elements of marketing mix and the purchase of cosmetic products.
7. There is no significant difference between the socio-economic factors and the elements of marketing mix in the opinion of the respondents.
8. There is no significant difference in the satisfaction of the respondent and the type of the cosmetic product purchased.

1.7 Methodology of the study

1.7.1 Type of study

This study is descriptive and analytical in nature in the sense that it describes and analyse the behaviour of the female consumers in the purchase and use of cosmetics. It analyses the reasons for the purchase and use of cosmetic products and the influence of socio-economic factors on the behaviour of female Cosmetic consumers in the purchase and use of cosmetics. The study also measures the level of satisfaction of females in the purchase and use of cosmetics and evaluates the marketing mix of selected cosmetic brands.
1.7.2 Population for the study

The population for the study comprises female cosmetic consumers in the state of Kerala.

1.7.3 Sources of data

The data for the study were collected from both the primary and secondary sources.

1.7.3.1 Primary data

The primary data were collected from the sample respondents by using structured interview schedule to analyse the perceptions and attitude of the female cosmetic consumers.

1.7.3.2 Secondary data

The secondary data required for the study were collected from various books, journals, newspaper, theses and web sites.

1.7.4 Method of Sampling

For the purpose of selection of respondents, Purposive sampling technique was used. Initially, the researcher had confirmed whether the women were accustomed to the use of make-up products. Since the make up products such as lip care, eye care, nail care and skin care tends to be incarnate, the researcher has got the willingness of the respondents to obtain their views about the cosmetic products. Hence the researcher has used Purposive sampling technique for this study.

1.7.5 Sample Design and size

The state of Kerala is divided into three regions on the basis of geographical location namely South, Central and North. The Southern region comprises Thiruvananthapuram, Kollam, Pathanamthitta and Alappuzha districts. The Central region consist of Kottayam, Idukki, Ernakulam and Thrissur districts and the Northern region includes Palakkad, Malappuram, Wayanad, Kozhikode, Kannur and
Kasaragod districts. For the purpose of study, a district from each region was identified and selected for the detailed study and analysis. The selected regions include Thiruvananthapuram from Southern region, Ernakulam from the Central and Kozhikode from the Northern region.

Out of the 450 respondents selected for the study, 150 respondents each were selected from Southern region, Central region and Northern region. Of the 150 respondents selected from Thiruvananthapuram district, 65 respondents are from urban area, 51 respondents from semi-urban area and 34 respondents from rural area. With regard to Kozhikode district, the number of respondents from urban area was 54, semi urban 65 and rural 31. In case of Ernakulam district, the cosmetic users from urban area were 83, semi urban 44 and respondents from rural area were 23 cosmetic users.

<table>
<thead>
<tr>
<th>Place</th>
<th>Area of residence</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Urban</td>
<td>Semi-urban</td>
</tr>
<tr>
<td>Thiruvananthapuram</td>
<td>65</td>
<td>51</td>
</tr>
<tr>
<td>Kozhikode</td>
<td>54</td>
<td>65</td>
</tr>
<tr>
<td>Ernakulam</td>
<td>83</td>
<td>44</td>
</tr>
<tr>
<td>Total</td>
<td>202</td>
<td>160</td>
</tr>
</tbody>
</table>

Source: Sample Design

1.7.6 Research Instruments

An Interview schedule was prepared and used for the collection of primary data from the female cosmetics users in Kerala. The variables included in the research instrument were identified by referring the studies conducted previously. The interview schedule were pre-tested through a pilot study before its administration.

1.7.7 Pilot study
Before the finalization of the research instrument a pilot study was conducted among 30 female users of cosmetic products. The data collected from the users of cosmetic products were studied in detail to make necessary alterations in the interview schedule. The reliability of the statements was checked using Cronbach’s Alpha and found that all the statements included in the final interview schedule have Cronbach’s Alpha more than 0.976.

1.7.8 Period of study

In the present study, secondary source of data with regard to the behaviour of females for a period of 8 years from March 2010 to February 2018 were collected. The primary data were collected during the period from 1\textsuperscript{st} January 2016 to 31\textsuperscript{st} December 2016.

1.8 Tools for analysis

Both descriptive and inferential statistics were applied to augment the researcher’s inference. The statistical analysis was carried out with the help of SPSS 17.0. The data were analysed using table, percentage, cross tabulation, Chi-Square test, ANOVA F test, and Post-Hoc and Kruskal Wallis test.

1.8.1 Descriptive statistics

Frequency table, percentage and cross tabulation was used to describe the sample data. Mean scores were used to supplement the statistical tables.

1.8.2 Inferential statistics

Inferential statistics were used to make the comparison between two or more groups and for the study of relationships.
Table 1.2
Statistical Tools used for analysis

<table>
<thead>
<tr>
<th>Tools used</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>It is the mathematical tool used to find out the socio-economic preference.</td>
</tr>
<tr>
<td>Chi-Square test</td>
<td>To test the significant difference between the demographic variables and the behaviour of the respondents in purchase of cosmetics with regard to the number of cosmetic purchased, frequency of purchase and the amount of money spend.</td>
</tr>
<tr>
<td>ANOVA</td>
<td>To test the significance of mean difference among more than two groups of consumers whenever the quantitative data was used.</td>
</tr>
<tr>
<td>Kruskal–Wallis test</td>
<td>To study the comparison between the demographic variables and the reasons for the purchase of cosmetics.</td>
</tr>
</tbody>
</table>

Source: Text Books of Statistics

1.9 Variable used for the Study

The variables framed based on the objective of the study is given in table 1.3.

Table 1.3
Variables of the study

<table>
<thead>
<tr>
<th>SL No</th>
<th>Purpose</th>
<th>No. of variables</th>
<th>Name of the variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>To study the Socio-economic profile of respondents</td>
<td>10</td>
<td>Age, Area, Religion, Marital status, Educational status, Occupation Monthly income, family type, family size and skin type</td>
</tr>
<tr>
<td>2</td>
<td>To study the marketing mix of the selected cosmetic providers</td>
<td>4</td>
<td>Product, Price, Place, And Promotion.</td>
</tr>
<tr>
<td>3</td>
<td>To study the reasons for the purchase and use of cosmetics</td>
<td>10</td>
<td>To look beautiful, To build confidence, To reduce the aging effect, To attract the opposite sex, To look attractive, To take care of the skin, To look presentable, To look glamorous, For medical reason, To gain appreciation of others</td>
</tr>
</tbody>
</table>
To study the satisfaction in use of cosmetics

<table>
<thead>
<tr>
<th></th>
<th>17</th>
</tr>
</thead>
</table>
| Quality, usage, delivery, ease of use, Reliability, Handling, safety, effectiveness, Ingredient, Design of the product, color fragrance, value for money, Display, Packaging, Labeling, attitude, range of product.

Source: Adapted from the literature related to the study of cosmetics.

1.10 Limitations of the study

The study is not free from limitations. The main limitation of the study is that it deals with the qualitative aspects of human behaviour which cannot be exactly quantified. In addition to this, the study is subject to the following limitations:

1. The study could not learn the inner psychological characteristic of the users of cosmetics clearly.
2. The study could not quantify the opinion of the respondents.
3. The consumers hesitated to give the actual information regarding the use of cosmetics.
4. Only a few selected manufacturers of cosmetic products were considered for the study.
5. The term cosmetics include herbal products also but in the present research, only one brand of herbal product was included.

1.11 Scheme of the Study

Chapter 1 – Introduction

This chapter presents the introduction, significance of the study, scope of the study, statement of the problem, objective of the study, hypothesis, research methodology, variable used for the study, limitations of the study and the scheme of study.
Chapter 2 – Review of Literature.

This chapter attempts to give a comprehensive view of various aspects and opinion of authors and research scholars from the researches done at national and international levels.

Chapter 3 - Theoretical Frame Work of the study

This chapter explicates a theoretical frame work of the concept of cosmetics, the different types of cosmetic products and the different cosmetic brands.

Chapter 4 – Analysis and interpretation of Data

This chapter deals with the analysis and interpretation of primary data collected from a sample of 450 female consumers through interview schedule.

Chapter 5 - Summary of Findings, Suggestions and Conclusion

This chapter summarizes the Findings, the Conclusion and the Suggestions of the study on the behavior of females in the purchase and use of cosmetics.
REFERENCES


