Chapter - I

INTRODUCTION

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1.1 Introduction

India is a big country with 28 states, over one billion people and 120 dialects/languages. From the market perspective, people of India comprise different segments of consumers, based on class, status, and income. India's urban population is the main engine that fuels the demand for various cosmetic products. Although Indians are strongly attached and committed to their traditions and culture, the advent of television and the awareness of the western world are changing the tastes and customs of India. The 'morphing' of India is subtle and the changes are not visible for the first time visitor. However, the market liberalization process that began in 1991, along with the crowning of three Indians as Miss World and Miss Universe during the preceding four years, have made Indian women more conscious of their appearance. Consequently, the cosmetic consumption patterns of Indian women have undergone change and this trend is fuelling growth in the cosmetic sector.

An important and recent development in India's consumerism is the emergence of the rural market for several basic consumer goods. Three-fourths of India's population lives in rural areas, and contribute one-third of the national income. This rural population is spread all over India, in close to 0.6 million villages.

The psyche of the Indian consumer is complex. While there are regional diversities, there is a range of spontaneous behavior too. The drive to try new products/brands is largely asp rational. Whether it is cosmetics, FMCG, consumer durables, automobiles or services, the Indian consumer has never had it so good. The prices are competitive and choices are many. And yes, the 'customer is the king'. Cosmetics, like any other category, are also witnessing consumer behavior dynamics at
work. The concept of beauty has changed from just a beautiful face to a beautiful body and an intelligent mind.¹

The Indian consumers are noted for the high degree of value orientation which has labeled Indians as one of the most discerning consumers in the world. Even, luxury brands have to design a unique pricing strategy in order to get a foothold in the Indian market.

Indian consumers have a high degree of family orientation. This orientation in fact, extends to the spreads' family and friends as well. Brands with identities that support family values tend to be popular and accepted easily in the Indian market. Indian consumers are also associated with values of nurturing, care and affection. These values are far more dominant that values of ambition and achievement. Product which communicate feelings and emotions gel with the Indian consumers.

The domain of consumer behavior is complex on account of the mind-blowing variety of tastes, preferences and needs of individuals. The psychology of consumers while making purchase decision can not be ignored irrespective of the essential things, cosmetics or luxury items. Other factors like peer social groups, opinions of family members, and advertisements appearing in the print and electronic media also influence the consumer buying behavior. The study of consumer behavior enables marketers to understand and predict consumer behavior in the marketplace; it is concerned not only with what consumers buy but also with methodology used to study consumer behavior. It takes place at every phase of the consumption process; before, during and after the purchase.
Consumer behavior is interdisciplinary; that is, it is based on concepts and theories about people that have been developed by scientists in such diverse disciplines as psychology, sociology, social psychology, cultural anthropology, and economics. Consumer behavior has become an integral part of strategic market planning.²

Apart from psychology and economics, the role of history and tradition in shaping the Indian consumer behavior is quite unique. Perhaps, only in India, one sees traditional products along side modern products. For example, hair oils and tooth powder existing with shampoos and toothpaste.

1.2 Different segments of Indian Consumers

a. The Socialites

Socialites belong to the upper class. They prefer to shop in specialty stores, go to clubs on weekends, and spend a good amount on luxury goods. They are always looking for something different. They are the darlings of exclusive establishments. They go for high value, exclusive products. Socialites are also very Brand conscious and would go only for the best known in the market.

b. The Conservatives

The Conservatives belong to the middle class. The conservative segment is the reflection of the true Indian culture. They are traditional in their outlook, cautious in their approach towards purchases; spend more time with family than in partying and focus more on savings than spending. Slow in decision making, they seek a lot of information before making any purchase. They look for durability and functionality but at the same time are also images conscious.
They prefer high value consumer products, but often have to settle for the more affordable one. This mindset in turn affects their purchasing habits where they are trying to go for the middle and upper middle level priced products.

c. The Working Women

The working woman segment is the one, which has seen a tremendous growth in the late nineties. This segment has opened the floodgates for the Indian retailers. The working woman today has grown out of her long-standing image of being the homemaker. Today, she is rubbing shoulders with men, proving herself to be equally good, if not better. Working women have their own mind in decision to purchase the products that appeal to them.

d. India’s Rich

India’s rich can be categorized into five major groups as follows:

i. The Rich: The rich have income greater than US$11,000/- per annum. Total household having such incomes are 1,058,961. These people are upwardly mobile. Some of them in this category are Double Income No Kids (DINK) households. They spend more on leisure and entertainment-activities than on future looking investments. Across the category, backgrounds are distinctly middle class. They aspire, therefore, to attain the super-rich status.

ii. The Super Rich: The Super Rich have income greater than US$22,000/- per annum. Total number of households is 320,900. In this category, the number is less than in rich category. The Super Rich are mainly professionals and devoted to consumerism. They buy many durables and are status conscious.
iii. The Ultra Rich: The Ultra Rich have income greater than US$44,000/- per annum. The number of households in this category is 98,289. There is no typical profile of the ultra-rich. There are some DINK households of middle-level executives. Some single earning households are of first generation entrepreneurs. Some rich farmers, who have been rich for a long time, belong to this category.

iv. The Sheer Rich: The Sheer Rich is made up by households having income exceeding US$110,000/- per annum. Such households are 20,863. They do not have a homogenous profile. There are joint families as well as nuclear families in this category. They consume services greatly. They own multiple cars and houses. They aspire to social status and power.

v. The Obscenely Rich: The Obscenely Rich is made up of households having income exceeding US$222,000/- per annum. There are hardly 6,515 such households in India. They are first-generation entrepreneurs who have made it big. Some of them are techies. A variety of people belong to this category. They are just equivalent to the rich in the developed countries. They crave for exclusivity in what they buy. Most premium brands are relevant to them.

e. Rural Consumer

About three quarters of the Indian population are in the rural areas and with the growing middle class, especially in the Indian cities; the spill over effect of the growing urban middle class is also felt in the rural areas.

The Indian rural market has been growing at 3-4% per annum, adding more than 1 million new consumers every year and now accounts for close to 50% of the volume consumption of fast-moving consumer goods (FMCG) in India. The market size of the
fast moving consumer goods sector is projected to more than double to US$ 23.25 billion by 2010 from the present US$ 11.16 billion. As a result, it is becoming an important market place for fast moving consumer goods as well as consumer durables.

f. Increasing Awareness of Indian Consumers

Over the years, as a result of the increasing literacy in the country, exposure to the west, satellite television, foreign magazines and newspapers, there is a significant increase of consumer awareness among the Indians.

Today more and more consumers are selective on the quality of the products/services. This awareness has made the Indian consumers seek more and more reliable sources for purchases such as organized retail chains that have a corporate background and where the accountability is more pronounced. The consumer also seeks to purchase from a place where his/her feedback is more valued.

Indian consumers are now more aware and discerning, and are knowledgeable about technology, products and the market and are beginning to demand benefits beyond just availability of a range of products that came from ‘trusted’ manufacturers.

The Indian consumers are price sensitive and prefer to buy value for money products.

1.3 Marketing Strategies

Following Marketing Strategies can be set for the India’s context.

a. Online Marketing

A study by the Confederation of Indian Industry (CII) and the International Trade Centre predicts that e-commerce activity in India will rise from US$ 0.10 million in
2000-01 to US$ 5.8 billion in 2005-06, of which the B2B segment will account for US$ 5.41 billion.

Currently, the products Indian consumers are buying through online are Greeting cards, Clothes, CDs/VCDs/DVDs, Cassettes, Books, Magazines, Medicine and Educational material. The popular online shops in India include: www.ebay.in, www.shopping.rediff.com, www.reliablegreetings.com and www.shopping.expomarkets.com.

b. Celebrity Influence

This is an important tool which is able to influence Indian consumer buying behavior. In India, celebrities are being increasingly used in marketing communication by marketers to lend personality to their products. With the visual media becoming more popular the use of celebrities in the TV media has increased. Celebrities create headlines. Their activities and movements are being closely watched and imitated. What they endorse sell like hot cakes. It is not surprising therefore that using celebrities in advertisements has become common practice.

In India especially, it is not difficult to look for the reasons as to why companies are increasingly using celebrities. Indians always love their heroes and heroines.

Consumers like advertisements more if they are admirers of the celebrities in the advertisements. When a consumer likes the celebrity in the advertisement, he or she is more likely to accept what the celebrity says about the advertised product and therefore will develop more positive feelings toward the advertisement and the brand itself. Famous celebrities are able to attract attention and retain attention by their mere presence in the advertisements.
In the midst of the advertisement clutter, the advertisements that celebrities endorse also achieve high recall rates. When people see their favored reference group members or celebrities in the advertisements, they pay more attention to them.

c. Quality oriented Outlets

Indian consumers looking for quality choose expensive brands as they feel that price is an indicator of quality. However, in the absence of well known brands in selected product range, consumers are likely to take cues from well established retail outlets hoping that these outlets carry quality products.

Cosmetics marketers who prefer not to go for high-visibility, costly campaigns may embark on the strategy to engage well known retail outlets to capture the segment of Indian consumers looking for quality products.

d. Freebies

Indian consumer buying behavior is influenced by freebies. Freebies are consumer products given free of charge as gifts to purchases of selected products above a certain value. TVs, washing machines, refrigerators, and ready made clothes are some of the product categories in which freebies are given to Indian consumers. Freebies generally comprise tooth paste, soaps, detergent, cooking oil etc.

If any MNC wants to penetrate the Indian market, perhaps should consider giving freebies for the purchases made by the Indian consumers. They can work with the local business partners to attract the consumers by way of such promotion campaigns.
e. Eco-Friendly Products

The environmental awareness in India has started affecting marketing of products based upon their eco-friendliness. In general, Indian consumers are likely to buy environmentally responsible products and packs. The future key for marketing could be to select more ethical and ecological responsible products and packaging, which is also convenient for consumers, thus, balancing environmental concerns with commercial considerations. Consumers in India are taking lead in prompting manufacturers to adopt technologies to produce eco-friendly products.

1.4 Changing Trends in Indian Consumer Behavior

1.4.1 Indian consumers' behavior

The following observations have been made on Indian consumers' behavior.

a. Bulk Purchasing

Urbanization is taking place in India at a dramatic pace and is influencing the lifestyle and buying behavior of the consumers. The working urbanites are depending more on fast and ready-to-serve food. They take less pain in traditional method of cooking and cleaning.

Bulk purchases from hyper stores seem to be the trend these days with purchasing becoming more of a once-a-week affair, rather than frequent visits to the neighborhood market/store/vendor. The popular growing shopping trend among urbanities is purchasing from super markets to hyper stores.
b. Trendy Lifestyles

The current urban middle and upper class Indian consumer buying behavior to a large extent has western influence. There is an increase in positive attitude towards western trends. The Indian consumer has become much more open-minded and experimental in his/her perspective. There is now an exponential growth of western trend reaching the Indian consumer by way of the media and Indians working abroad.

Foreign brands have gained wide consumer acceptance in India, they include items such as; Beverages, Packed food, Ready to eat food, Pre-cooked food, Canned food, Personal care products, Audio/video products, Garment and apparel, Footwear, Sportswear, Toys and Gift, items. Foreign brands vie increasingly with domestic brands for the growing market in India. Foreign made furniture is well accepted by the Indian consumers. Malaysian, Chinese, Italian furniture are growing in popularity in India.

Indian consumers have also developed lifestyles which have emerged from changing attitudes and mind sets; exposure to western influences and a need for self-gratification. Beauty parlors in cities, eateries, designer wear, watches, hi-tech products are a few instances which reflect these changes.

c. Buyers’ Market in the Making

The sellers’ market is slowly shifting towards becoming the buyers’ market. Since, India’s economic liberalization policies were initiated in 1991, many new product offerings have entered the Indian market and product varieties have also increased manifold.

Import licensing restrictions are being eliminated and tariffs significantly reduced and this has led to large range of consumer goods made available in India. Indian
consumers have always preferred foreign goods and with the liberalization, they now have a choice of foreign products vis-à-vis the local products.

1.4.2 Consumer spending Behavior

The Indian consumer spending has increased from US $ 133.60 in 1992-93 TO US $ 350.74 in 2002-03, a compound annual growth of 10.13 per cent at current prices.

The way Indian consumers are spending their money on various items has changed in recent years. The share being spent on the basis (food and beverages) has fallen from 54.07 per cent in 1992-93 to 44.8 per cent in 2002-03 of total expenditure. Other items have increased in importance, for example, medical and healthcare spending has increased from 3.5 per cent to 8.5 per cent of total expenditure over the same period, a compound growth rate of 19.71 per cent. Similarly spending on transport and communication has grown at 13.2%.

While the Compound Annual Growth Rate (CAGR) in total consumer spending has been around 12 per cent a year over the past decade, there have been sharp ups and downs. Consumer expenditure has been in tandem with the annual GDP growth.

For rural India, per capita 30 days' consumer expenditure of US$ 12.34 was split up into US$ 6.78, on an average, for food and US$ 5.56 for non-food. Food expenditure included US$ 2.25 for cereals and cereal substitutes, and US$ 2.37 for milk, milk products, vegetables, edible oil and US$ 2.16 on others. Non-food expenditure included US$ 1.11 for fuel and light, and another US$1.00 for clothing, footwear and US$3.45 on other non-food expenditure.

For the urban sector, average Monthly Per Capita Consumer Expenditure (MPCE) of US$ 23.53 was split up into US$ 10.00 for food and US$ 13.53 for non-food. Of food
expenditure, US$ 2.37 went towards cereals and cereal substitutes while US$ 3.67 was spent on milk, milk products, vegetables and edible oil and US$3.96 on other food items. US$ 2.11 was spent per person per month on fuel and light, and US$ 1.65 on clothing and footwear and US$9.77 on other non-food items.

Urban expenditure levels per capita exceeded rural levels for all the product groups, except on cereals and cereal substitutes. The average monthly per capita expenditures on cereals and cereal substitutes for rural and urban areas are very close to each other.

The gap between rural and urban averages of MPCE was of the order of US$ 11.16. The item-groups viz. milk and milk products, beverages etc, fuel and light, education, miscellaneous consumer goods & services, conveyance and rent contributed to the gap significantly.

Non-food expenditure per person in the urban sector was more than double of that for the rural sector, where it was about US$ 5.55. In India, the higher income group (>US$2,465) spends more amount of their income on luxury goods and trendy products than fast moving consumer products.

The middle income group (US$1,162 – US$1,190) spends more on consumer expendables than the rich. Combined the middle and the lower income group provide 60 per cent of the value of the Indian market. Top class, middle class and lower class are income related classifications of the population and each of this class has its own consumption pattern.
Having focused on general behavior of Indian urban and rural consumers in their spending on food and non-food items, let us now shift our attention towards the use of cosmetics by the consumers and their spending on them.

1.5 Cosmetics

Beauty is the phenomenon of the experience of pleasure, through the perception of balance and proportion of stimulus. It involves the cognition of a balanced form and structure that elicits attraction and appeal towards a person, animal, inanimate object, scene, music, idea, etc. Understanding the nature and meaning of beauty is one of the key themes in the philosophical discipline known as aesthetics. It is well known that people's skills develop and change through their sense of beauty. Beauty is something that we recognize instinctively. A baby of three months will smile longer at a face judged by adults to be “attractive”. Such beauty signals health and fertility. Long lustrous hair has always been a sign of good health; mascara makes eyes look bigger and younger; blusher and red lipstick mimic signs of sexual arousal.

Definition of Cosmetics

Cosmetic means, “Products used for the purposes of cleansing, beautifying, promoting attractiveness or alternating one's appearance”. Cosmetics are substances used to enhance or protect the appearance or odor of the human skin. A subset of cosmetics is called "make-up," which refers primarily to colored products intended to alter the user's appearance. Many manufacturers distinguish between decorative cosmetics and care cosmetics. Cosmetics include skin-care creams, lotions, powders, perfumes, lipsticks, fingernail and toenail polishes, eye and facial makeup, permanent waves, hair colors, hair
sprays and gels, deodorants, baby products, bath oils, bubble baths, bath salts, butters and many other types of products. Their use is widespread, especially among women in Western countries.

The manufacturing of cosmetics is currently dominated by a small number of multinational corporations that originated in the early 20th century, but the distribution and sale of cosmetics is spread among a wide range of different businesses.

The U.S. FDA which regulates cosmetics in the United States defines cosmetics as: "intended to be applied to the human body for cleansing, beautifying, promoting attractiveness or altering the appearance without affecting the body's structure or functions." This broad definition includes any material intended for use as a component of a cosmetic product. The FDA specifically excludes soap from this category.

**India and cosmetics**

The Indian cosmetic Industry has witnessed rapid growth over the last couple of decades. In that time the range of cosmetic and beauty products in India has widened tremendously. Beauty products manufacturers in India mostly cater to the great demand for cosmetics and toiletries that fall into the low or medium-price categories as the greatest demand in India has always been for these economically priced products.

However, in recent years in the cosmetics market India competitors have begun to manufacture products to cater to an International need. For instance, herbal cosmetics from India have a great demand in the overseas market and many cosmetic products that are manufactured in India today are supplied to international suppliers of branded cosmetics products like The Body Shop for example. New facts that have been unveiled by a series of cosmetics business market analysis India reveal that many International
companies are now outsourcing cosmetics to India and that the industry of cosmetic products India is growing at an average rate of almost twenty percent annually. This increase is attributed to two main factors. The first being the increase for the demand in Indian cost-effective products and the second being the increased purchasing power of the average Indian.

There are also many reasons for the increased demand for cosmetic products in particular. With the introduction of satellite television and a wide array of television channels as well as the Internet, the average Indian consumer is constantly bombarded with advertisements and information on new cosmetic products which often translates into the desire to purchase them. A boom in the Indian fashion industry has also been linked to the increased awareness of Indian people about their appearances and consequently contributed to an increase in the demand for cosmetic products.

However, even with the massive surge in the popularity of cosmetic products, statistics have shown that the average Indian consumer spends much less on cosmetic products than consumers from every other part of the world. This means that the Indian cosmetic industry has an even greater potential for growth than it is presently experiencing.

In the entire range of products that fall within the territory of the Indian cosmetic and toiletries market, the most popular items are color cosmetics, of which nail varnish, lipsticks and lip glosses account for the most sales. In this area, popular local brand names include Lakme and Revlon. Skin-care cosmetics have experienced a slower growth and products such as anti-wrinkle creams, cleansers and toners, for instance are
not as popular as facial creams, moisturizers and fairness creams in this genre. Companies like Ponds and Fair and Lovely rule the roost in this segment.

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

**A glimpse of development of cosmetics**

Cosmetics have been used for as long as there have been people to use them. Tracing the origin of cosmetics, the first recorded use of cosmetics is attributed to Egyptians, circa 4000 BC. The ancient Sumerians, Babylonians and Hebrews also applied cosmetics. In other cases, such as European cosmetic known as Ceruse was used from the second century to the 19th century. Face painting is mentioned in the Old Testament and eye shadow was used in Egyptian burials dating back to 10,000 BC. Since the Egyptians, each subsequent civilization invented unique words that referred to cosmetics and fragrance as one science, but the science eroded after Rome’s establishment.

Cosmetics or Makeup are substances to enhance the beauty of the human body, apart from simple cleaning. There use is widespread, especially among women in Western countries. Cosmetics, is a general term applied to all preparations used externally to condition and beautify the body, by cleaning, coloring, softening or protecting the skin, hair, nails, lips or eyes. Perfumery is usually excluded from the field of cosmetics. Perfumes are commonly manufactured along with and mixing cosmetics.
The use of cosmetics is worldwide and dates from the remotest antiquity. Although it is generally believed that cosmetics as they are now known originated in the Far East, the study of simple culture indicates that forms of cosmetic beautification have been practiced in every part of the world.

A large variety of cosmetics are generally available today. Cold cream is an emulsion of various oils, waxes and water. It is employed to cleanse and soften the skin. Face powder and dusting powder are based on talcum (powdered magnesium silicate) and zinc oxide is used to dry and give a satiny texture to the skin. Lipsticks applied directly or brushed on the lips. They are made of cocoa, butter and are manufactured in an endless variety of shades, as are rouges, mixtures of red pigments and starch or finely powdered clay. Bath salts and other bath preparations combine water-softening agents such as sodium carbonate or borax with perfume; bath oils are also a popular skin-softening and perfuming aid. Nail polishes are lacquers or plastics available in many colors. Hair lotions and hair sprays are used to condition the hair, keep it in place or make it glossy. Shampoos are based on soap or synthetic detergents. Hair-coloring dyes, tints and rinses available in many shades and colors are widely used cosmetic products.

Bronzes are creams that impart color to the skin similar to that of suntan. Perfumes are not classified as cosmetics or deodorants. Deodorants may contain an astringent such as aluminum sulfate which closes the openings of the sweat glands. An antibacterial ingredient, hexachlorophene, was banned from deodorants in 1972. Cosmetics and perfumery are by no means confined to use by women.

Grooming aids frequently used by men include powders, colognes and lotions, particularly alcohol-based after-shave lotions; bay rum, a mixture of alcohol, oil of bay,
oil of orange, originally made with rum; hair tonics, often with an alcohol or quinine base and deodorants. Annual retail sales of men’s and women’s toiletries in India and other countries today, make cosmetic manufacturing a multibillion-dollar industry. Cosmetics are designed for cleansing, beautifying, promoting attractiveness and altering appearance of skin. There are an ever-growing number of ingredients included in cosmetics that are purported to be beneficial for the skin, but often little information on these ingredients is available.

Facial makeup preparations, shampoos, hair colors, toothpastes and deodorants as well as any material intended for use as a component of a cosmetic product. These cosmeceuticals are serving as a bridge between personal care products and pharmaceuticals, which have been developed specifically for their medicinal and cosmetic benefits.

Use of cosmetics or beauty products will not cause the skin to change or heal. These products are just meant to cover and beautify. Cosmeceuticals being cosmetic products having medicinal or drug-like benefits are able to affect the biological functioning of skin owing to type of functional ingredients they contain. There are skin-care products that go beyond coloring and adorning the skin. These products improve the functioning/texture of the skin by encouraging collagen growth by combating harmful effects of free radicals, thus maintaining certain structure in goon condition and making the skin healthier. Moisturizers function to smooth out the age lines, help brighten and tone the delicate skin. Moisturizers usually incorporate emollients to smoothen the skin surface by working their way into the
nonliving outer layers of the skin, filling spaces between the layers and lubricating and
humectants to help skin cells absorb and retain moisture in these layers.

Healthy Remedies Balancing Lotion has been created for menopausal women
containing ingredients, which diminish the appearance of fine lines and wrinkles, uplift
the neck area and moisturize the dry, sagging skin. Some of those ingredients include
black cohosh, soy extract and vitamins A and E. Augmenting the skin's natural moisture
balance are a nourishing complex containing hyaluronic acid and a revival complex
containing green tea leaf extract, and glutathione. Cosmeceutically active ingredients
are constantly being developed by big and small corporations engaged in
pharmaceuticals, biotechnology, natural products and cosmetics, while advances in the
field and knowledge of skin biology and pharmacology have facilitated the cosmetic
industry's development of novel active compounds more rapidly. Desirable features of
cosmeceutical agents are efficacy, safety, formulation stability, novelty and patent
protection, metabolism within skin and inexpensive manufacture. Cosmetics and skin
care products are the part of everyday grooming. Protecting and preserving the skin is
essential to good health. Our skin, the largest organ in the body, separates and
protects the internal environment from the external one. Environmental elements, air
pollution, exposure to solar radiation as well as normal aging process cause cumulative
damage to building blocks of skin - DNA, collagen and cell membranes.

Cosmetic use was frowned upon at some points in history. For example, in the
1800s, make-up was used primarily by prostitutes and Queen Victoria publicly declared
makeup improper, vulgar and acceptable only for use by actors. Adolf Hitler told women
that face painting was for clowns and not for the women of the Master Race.
By the middle of the 20th century, cosmetics were in widespread use in nearly all societies around the world. Cosmetics have been in use for thousands of years. They also attached silk or leather with adhesive to cover a blemish. The absence of regulation of the manufacture and use of cosmetics has led to negative side effects, deformities, blindness and even death through the ages. Examples of this were the prevalent use of ceruse (white lead), to cover the face during the Renaissance and blindness caused by the mascara Lash Lure during the early 19th century.

During the early years of the 20th century, make-up became fashionable in the United States of America and Europe owing to the influence of ballet and theatre stars such as Mathilde Kschessinska and Sarah Bernhardt. But the most influential new development of all was that of the movie industry in Hollywood. Among those who saw the opportunity for mass-market cosmetics were Max Factor, Elizabeth Arden and Helena Rubinstein. Modern synthetic hair dye was invented in 1907 by Eugene Schueller, founder of L'Oreal. He also invented sunscreen in 1936.

Flapper style influenced the cosmetics of the 1920s, which embraced dark eyes, red lipstick, red nail polish and the suntan, invented as a fashion statement by Coco Channel. Previously, suntans had only been sported by agricultural workers, while fashionable women kept their skins as pale as possible. In the wake of Channel's adoption of the suntan, dozens of new fake tan products were produced to help both men and women achieve the "sun-kissed" look. In Asia, skin whitening continued to represent the ideal of beauty, as it does to this day. During the 1960s and 1970s, many women in the western world influenced by feminism decided to go without any cosmetics. The anti-cosmetics movement was an outgrowth of this; feminists in this movement object to
cosmetics' role in the second-class status of women, making them mere sex-objects who must waste time with cosmetics. Cosmetics in the 1970s were divided into a "natural look" for day and a more sexualized image for evening.

Cosmetic deodorant was invented in 1888, by an unknown inventor from Philadelphia and was trademarked under the name Mumm. Roll-on deodorant was launched in 1952 and aerosol deodorant in 1965.

1.6 Ayurveda and Ayurvedic Cosmetics

Ayurvedic and Ayurveda are made up from two Sanskrit words: Ayu and Veda. Ayu means life and Veda means knowledge or science. Life according to Ayurveda is a combination of senses, mind, body and soul. Ayurveda is not only limited to bodily or physical symptoms but also encompasses spiritual, mental and social well-being. Harmony between nature and human beings is also central in this holistic health system. Ayurveda aims at preventing disease and enhancing health, longevity and vitality.

Ayurveda origins are shrouded in the mists of time, probably more than five thousand years ago in India. The oldest Ayurvedic written references are found in the Vedas, the oldest known written records in Indo-European languages (around 3000 BC). In the 6th century BC, Ayurveda spread to Tibet, China, Mongolia, Korea and Sri Lanka, carried by monks traveling to those lands. People from many countries also visited Indian ayurvedic schools to learn about this medicine and the religious scriptures. Learned Greeks, Romans, Egyptians, Afghans, Persians and others traveled to India to learn the complete wisdom and bring it back to their own countries.

Although, not much of it survives in original form, Ayurveda has a huge influence on many Asiatic spiritualities and mindsets regarding the body and spiritual health. Its
effects can be seen on both in Buddhism and Taoism. Ayurveda is recognized by the World Health Organization as a traditional health science, and is currently used by most of the Indian population. Many consider that the roots of recently developed alternative therapies such as aromatherapy, homeopathy and naturopathy originate from the art of Ayurveda. In any case, in the wake of the growing search for natural remedies in western countries, Ayurveda is becoming increasingly popular and ayurvedic cosmetics are gaining ground in the market.

**Ayurvedic cosmetic formulations**

There are many similarities with organic cosmetics, with one important difference to the date there is no official certifying body. Loss in consumer confidence and general credibility caused by abusive ayurvedic claims are certainly the main threats that may hinder the development of ayurvedic products in general and cosmetics in particular.

As afore said, Ayurveda, as the concept of beauty, has been in existence since ancient days. Woman, in particular, with their desire to appear charming and beautiful, have tried using various herbs in beautifying themselves and in maintaining their youthfulness, since age-old days. It is a proven fact that herbs, herbal cosmetics and concept of beauty go hand in hand. Even ancient scriptures and mythological epics include use of cosmetics for enhancing beauty. Kajal, Tilak, Agary and Alita were used for decorative purposes on the skin and the face, even during the days of ancient Gods and deities. It even showed that Jewellery and cosmetics were used not only by women, but also by men. Turmeric, Alkanet, Agaru, Saffron, Indigo, chlorophyll from green leaves, Raktachandan, Mehendi etc., were also used for purposes of beautification.
However, today, in the cosmetics industry, there are plenty of Ayurvedic toiletry formulations and ayurvedic cosmetics developed with traditional Indian herbs as main ingredients. For instance, in America, there is an increasing demand for soaps, anti-wrinkle creams, moisturizers and shampoos based on Ayurveda and are marketed in the name of “Aveda”. So that it appeals to the local clientele. In fact, Aveda actually means “Against veda”! However, though there is no specific reference about Ayurvedic Cosmetology in the Vedas, the principles of Ayurveda which deals with a relationship between nature and humans form the base for certain general principles which the Ayurvedic cosmetic formulation should abide with. A few such principles are:

- The ingredients should be purely natural obtained from vegetable sources
- The ingredients can include herbal extracts or herbs
- The ingredients can include essential oils
- Cosmetics should include using only recognized traditional Ayurvedic plants.
- They should follow high quality control standards
- Artificial preservatives, fragrances or colors should not be used.
- Alcohol should not be included in manufacturing cosmetics.
- Also no animal ingredients, mineral oils, pesticides, chemicals or testing on Animals are permitted.
- The product packaging should be environmental friendly.

However, the draw-back in Ayurvedic cosmetology is that there is no official certifying body, which contributes to lack of general credibility and customer confidence, posing a threat to Ayurvedic cosmetic products in the market. But, now-a-days, it has
been observed the movement of Ayurvedic medicine and Ayurvedic cosmetics is fad. Teenagers and women are crazy of especially Ayurvedic cosmetics.\^7/8

1.7 Market Trends

Cosmetics and toiletries are not just the domain of women any longer and Indian men too are increasingly taking to the use of more and more body sprays, perfumes and other cosmetics and toiletries. With rising demand from men, the Indian market is getting enlarged and many players are coming out with cosmetic products especially skin care products for men. The market size of men's personal care segment is estimated at approximately US $ 165 million, with Gillette having the largest market share. Other major players in this segment include Godrej, J.L. Morison and HUL. The growing demand for men's cosmetics have made many direct selling companies such as Medicare and Amway to launch new products for men.

A glimpse of light is thrown about cosmetic market leaders in India. The cosmetics and toiletries market in India is well developed and dominated by multinational companies and a few large Indian companies. A few major players, high entry barriers, fairly high rate of new product launches and high advertisement spending characterize this segment. Major players in this market are HUL, Procter & Gamble (P&G), Colgate Palmolive (CP), Reckitt Benckiser, Godrej Consumer Products, Nirma and Himalaya ayurvedic concepts. HUL is the market leader in majority of the toiletries and personal care segment such as soaps/personal wash, oral care, fabric wash and talcum powder. In oral care, Colgate Palmolive is a household name and until a few years back was almost a generic name for toothpaste in India.
In the last eight/nine years, there has been a renewed craze for herbal cosmetic and personal care products, especially in the skin care segment with the growing belief that chemical-based cosmetics are harmful. Shehnaz Hussain, Boutique and Lotus Herbals are the major players in this segment. Many companies also expanded their range to include herbal variants. The growing popularity for natural products also attracted many primarily health-care companies such as Himalaya Drugs (with its Ayurvedic Concepts range), and Dabur to launch natural-based cosmetic products.

The urban population in the major cities with increasing purchasing power is the main force that drives demand for various cosmetic products in India. The advent of satellite television and awareness of the western beauty and fashion world, advertisements and promotions, increasing number of women joining the work force are changing preferences, customs and cultures in India. The success of contestants from India at various well known international beauty pageants in the last few years have also contributed towards making the Indian women more conscious about looks, beauty, grooming and aware of western cosmetic products/brands. All this changed the needs and consumption pattern of the Indian women, thus leading to increased growth in the cosmetic sector. More Indian consumers started using cosmetics and a small segment is also seen willing to pay a little more to look good. Increasing disposable income and purchasing power has led to a constant up-gradation from mass to premium products even though mass-market products still constitute the major portion of the Indian cosmetics and toiletries market.

The Indian cosmetic market, which has been traditionally a stronghold of a few major Indian players like Lakme and Ponds has seen a lot of foreign entrants to the
market in the last decade. India is a very price sensitive market and the cosmetics and personal care product companies, especially the new entrants have had to work out new innovative strategies to suit Indian preferences and budgets to establish a hold on the market and establish a niche market for them.

Given the price-sensitivity of the Indian consumer who do not normally prefer to fork out a large sum at one time, many cosmetic and toiletries companies launched their products in smaller pack sizes to make them more affordable. HUL and Revlon were the first to introduce small pack sizes. Revlon introduced its small-range of 8 ml nail polishes and lipsticks, and its strategy was soon followed by other major Indian companies as well. Small pack sizes have proved to be very popular in the Indian market as they offer consumer a lower purchase cost and the opportunity to try new products.

Stiff competition in the cosmetics and toiletries market also saw an increase in the range of new products being introduced for newer application concepts in the last few years. In the skin-care segment, from just creams and moisturizers, there has been an upgrade to value-added products such as under-eye wrinkle removing creams, dark circle removing creams, toners, sunscreen lotions, fairness creams and many more. The color cosmetics market saw new products such as smudge-proof lipsticks and mascaras, liquid lip color, and long-stay lipsticks being introduced. These specialized applications led to growth in volumes and also enabled companies to price the products at a premium, driving up value growth.

Service marketing strategies, such as point-of-sale advice and beauty counseling have shown to boosts sales of cosmetics and personal care products and driven growth in the Indian market. Beauty counselors or advisors at retail outlets have been very
successful in gaining attention, creating product awareness and overcoming consumers’ lack of familiarity with, and fears about many cosmetics and personal care products such as homemade permanents hair color cosmetics. Some companies, such as Lakme have even set up exclusive Lakme beauty parlors at major cities in India through the franchisee route. Major herbal cosmetics brands such as Shahnaz Hussain and Boutique also operate chains of salons through franchisees and offer specialized training courses to customers.

Companies continue to innovate on selling methods. Popular Indian brand, Ponds established consumer advisory cells and through touch screen counters and telephone help-lines offers advice on skin care. Another company, Baccarose, owners of the Chamber brand organizes tea party make-up sessions at major Indian cities. L'Oreal markets its range of specialized hair care products exclusively through salons and beauty parlors. L'Oreal currently is the only company in the market that has a hair color range tailored exclusively for parlors. The company was also the first to introduce modern hair color and shampoos for colored hair in the Indian market. A strong brand promotional campaign, good distribution network, constant product innovation and quality improvement, and the ability to provide a variety of quality products are some of the major reasons for the success of most companies. HUL, is currently India's largest cosmetics and personal care products producer and its brands has the dominant share (more than 50 percent) in segments such as personal wash, skin care, shampoos, lipsticks and nail polish.
1.8 End Users

Since liberalization, in 1991 along with the crowning of many Indian women at international beauty pageants, the cosmetic industry has come into the limelight. Consequently, there has been a change in the cosmetic consumption and this trend is fueling growth in the cosmetic sector. Today, Cosmetics is not just the domain of women any longer and Indian men too are increasingly using different types of cosmetics.

Indians are price-sensitive. Indian consumers want the best but many are not always willing to pay for it. Understanding the attitudes, preferences and aspirations of the different segments of India's consuming class is very crucial to achieving success in the Indian market. Experiences of many multinational companies across a range of consumer industry sectors have shown that the size of the Indian middle and upper middle class customer base and willingness of Indian consumers to pay premium prices for brand image has been greatly overestimated. It is believed that all the age group people use cosmetics, but ayurvedic cosmetics are generally used by the people of middle aged and above.

1.9 Statement of the Problem

A study on consumer behavior is becoming an increasingly important aspect to any organization. Before launching any product/service, one has to understand the behavior of consumer. This study depicts the huge need in research on cosmetics and ayurvedic cosmetics. Hence, the statement of problem taken for present research study is ‘Consumer Behavior towards Ayurvedic Cosmetics in Chikmagalur district with special reference to Himalaya Ayurvedic Concepts’. Before launching or positioning of any product, especially products like Ayurvedic cosmetics, the companies are required to
study the behavior of consumers on the following aspects. The psychology of how consumers think, feel and select between different brands of Ayurvedic cosmetics and general cosmetics;

➢ The psychology of how the consumer is influenced by his/her culture, family, peer group, media etc.

➢ The behavior of consumers while shopping of cosmetics;

➢ Limitations in consumer information processing abilities;

➢ How marketers can adopt and improve their marketing campaigns and marketing strategies to more effectively reach the consumer.

Understanding these issues helps cosmetics industries to adapt their strategies by taking the consumer into consideration. The rationale behind selecting Chikmagalur district for taking-up a research study is; the district enjoys a salubrious climate, venerated monuments of all religions, beautiful sceneries, tallest hills, thick forest, eye catching falls, fully flowing rivers, famous temples, malnad region with coffee, tea and areca net plantations, and also maidan region with green shadow of paddy, sugar cane etc. People are exposed to consumption of all types of sophisticated goods and services and aesthetic delight and use several products for beauty and better appearance. The use of these products is on an increase. Himalaya Ayurvedic Concept is market leader in ayurvedic drugs and cosmetics. Therefore, this company has been selected for the study.

This study has covered individuals and groups, and the processes they use to select a brand, secure a product, use and dispose of cosmetics, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society.
1.10 Need for the study

A few literatures have made attempts on ‘study of consumer behavior towards cosmetics’. But there is no evidence of any comprehensive research on the study of the activities of consumer behavior towards ayurvedic cosmetics. The field remains largely untouched. The present study becomes imperative in view of factors such as rising trend in ayurvedic cosmetics and health products including beverages and medicines.

1.11 Objectives of the study

As afore said, the important part of the research is objectives. As discussed in the need for the study, the field remains largely untouched. There fore, keeping that in mind, this research work has been undertaken with the following objectives;

1. To examine the origin and growth of Ayurveda and cosmetics (General and Ayurvedic)
2. To study the consumer behavior towards cosmetics and Ayurvedic cosmetics
3. To understand the behavior of women towards purchasing of cosmetics influenced by Television advertisement
4. To study the profile of Himalaya Ayurvedic Concepts (HAC) and Chikmagalur district
5. To examine overall opinion on the marketing mix elements and to suggest measures, in the background of the findings of the study, for improving functional efficiency of elements of marketing mix.
6. To study the present status and future prospects of ayurvedic cosmetics

There is lot evidence saying that the origin of ayurveda is in India. In earlier centuries, people were using only ayurvedic medicines and homemade cosmetics. But
now, Indians are using less ayurvedic products when compare to westerns. Even, ayurvedic cosmetics companies are also not doing well in the market compare to general cosmetics. Therefore, the present study becomes imperative in view of above objects.

1.12 Scope of the study

As stated earlier, this study confines its analysis only with regard to consumer behavior towards cosmetics and ayurvedic cosmetics in all taluks of Chimagalur district including in Malnad and Maidan region. In order to make the study more microscopic, buying behavior in aspects like product (cosmetics), price, promotional activities and physical distribution of Himalaya ayurvedics concepts have been studied. The primary data analyzed in the study refers to 2006-07. During this period the field survey was conducted.

1.13 Research methodology

In the present fast track business environment marked by cut-throat competition, many organizations rely on business research to gain a competitive advantage and greater market share. A good study helps organizations understand processes, products, customers, markets and competition, to develop policies, strategies and tactics that are most likely to succeed.

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying new research is done scientifically. Research is never ending process. In most instances, a research project designed to answer one series of questions produces a new set of questions no one thought of before. This failure to reach closure may be troublesome to some people, as it is an essential nature of
research. Therefore, as this study is based on to study the consumer behavior towards cosmetics and ayurvedic cosmetics, research methodology has been carefully chosen.

1.14 Statement of hypothesis

Hypothesis testing is not used for assessing the value of sample statistics, but to analyze the difference between the sample statistics and hypothesized population parameter. Hypothesis testing starts with the formulation of a hypothesis. The hypothesis is made about a population parameter. The following hypotheses have been formulated for the study.

H1: Consumers watch advertisements in Television

H2: Consumers are influenced by Television advertisements to select a particular brand of cosmetics

H3: Consumers remember the brand ambassador during purchase of a particular cosmetic

H4: Women recommend their choice of cosmetics even when they do not go for purchase

H5: Women have intention of purchasing a cosmetic as soon as they watch a new advertisement

H6: There is significant association between the nature of consumer (i.e. Urban or Rural) and their preference for brand image as a factor to be considered while purchasing cosmetics

H7: There is significant association between the nature of consumer (i.e. Urban or Rural) and their preference for price as a factor to be considered while purchasing cosmetics
H8: There is significant association between the nature of consumer (i.e. Urban or Rural) and their preference for skin protection as a factor to be considered while purchasing cosmetics.

H9: There is significant association between the natures of consumer (i.e. Urban or Rural) and usage of generally and ayurvedic cosmetics.

H10: Customers' preference towards Himalaya Ayurvedic Concepts' brand is insignificant.

Usually researcher rejects the null hypothesis if the value of the standardized sample statistics falls in the rejection region and accept (not reject) the null hypothesis if the standardized sample statistics falls within the accepted region. As standardized value \(-1\) falls within the acceptance region researcher accepts (or cannot reject) the null hypothesis that there is no difference between mean quality standard of the sample and the hypothesized mean quality standard.

1.15 Research design

The plan and structure of research enquiry has been formulated by the researcher to obtain answers to research objectives. This research plan constitutes the overall program of the research process. The planning process includes the framework of the entire research process, starting from developing the hypothesis to the final evaluation of collected data. Before designing a research, it is very important to select an appropriate and specific research design approach. This research is designed by using the approach of 'Exploratory studies' as it carries out to make problem suited to more precise investigation and/or to frame a working hypothesis from an operational perspective.
Exploratory studies are also used for understating and assessing the critical issues of problem.

Research has been designed in such a way that both qualitative and quantitative techniques are applied. As per qualitative techniques are concerned, along with structured questionnaire survey, in-depth interviews and document analysis have been used. A combination of these techniques has given rise to important exploratory technique that is secondary data analysis, experience surveys.

1.16 Sample plan

Chikmagalur, one of the 28 districts of Karnataka State is situated roughly in Mid-South-Western part of Karnataka. It had an eventful history and has rich cultural traditions. It is bestowed with abundant natural resources. The Western area of the district consists of mountainous terrain while on the Eastern side; there is a striking transition from Malnad to Maidan.

The district is divided into seven taluks as Chikmagalur, Sringeri, Koppa, N.R.Pura, Mudigere (All taluks belong to Malnad region), Tarikere and Kadur (belong to Maidan region) for administrative convenience.

For the purpose of study, researcher has virtually classified the district into three regions, viz. Chikmagalur city, Malnad and Maidan regions. Since the living habits and socio-economic background of the people of Chikmagalur, Malnad and Maidan region varies, the division would become more relevant for the purpose of the ‘study of consumer behavior’ in these three areas.

Stratified sampling method is used in which people from different groups of population are used in tests to find information about whole population. Non-probability
sampling method is also used by the researcher, particularly Snowball sampling method has been used in some taluks that are through the referral of initial respondents to find the users of ayurvedic cosmetics for the survey purpose.

1.17 Sample Size

Chikmagalur district has total population of 11,39,104 as per 2001 census. The following table represents the taluk and gender wise population of Chikmagalur district.

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Taluk</th>
<th>Total population</th>
<th>Men</th>
<th>Women</th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chikmagalur</td>
<td>2,94,445</td>
<td>1,48,642</td>
<td>1,45,803</td>
<td>1,01,022</td>
<td>1,93,423</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Malnad Region</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Sringeri</td>
<td>36,932</td>
<td>18,529</td>
<td>18,403</td>
<td>4,253</td>
<td>32,679</td>
</tr>
<tr>
<td>3</td>
<td>Koppa</td>
<td>87,663</td>
<td>43,966</td>
<td>43,697</td>
<td>5,115</td>
<td>82,548</td>
</tr>
<tr>
<td>4</td>
<td>N.R.Pura</td>
<td>65,624</td>
<td>32,592</td>
<td>33,032</td>
<td>7,441</td>
<td>58,183</td>
</tr>
<tr>
<td>5</td>
<td>Mudigere</td>
<td>1,41,255</td>
<td>70,759</td>
<td>70,496</td>
<td>17,057</td>
<td>1,24,198</td>
</tr>
<tr>
<td></td>
<td>Total of Malnad Region</td>
<td>3,31,474</td>
<td>165,846</td>
<td>165,628</td>
<td>33,866</td>
<td>2,97,608</td>
</tr>
<tr>
<td></td>
<td>Maidan Region</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Tarikere</td>
<td>2,24,093</td>
<td>1,13,489</td>
<td>1,10,604</td>
<td>34,073</td>
<td>1,90,020</td>
</tr>
<tr>
<td>7</td>
<td>Kadur</td>
<td>2,89,092</td>
<td>1,86,298</td>
<td>1,02,794</td>
<td>53,403</td>
<td>2,35,689</td>
</tr>
<tr>
<td></td>
<td>Total of Maidan Region</td>
<td>5,13,185</td>
<td>299,787</td>
<td>2,13,398</td>
<td>87,476</td>
<td>4,25,709</td>
</tr>
<tr>
<td></td>
<td>Grand Total</td>
<td>11,39,104</td>
<td>6,14,275</td>
<td>5,24,829</td>
<td>2,22,364</td>
<td>9,16,740</td>
</tr>
</tbody>
</table>

Out of total population in Chikmagalur district, 6,14,275 are men and 5,24,824 are women. Taluk wise population is as follows; Chikmagalur-2,94,445 (Male-1,48,642, Female-1,45,803), Sringeri 36,932 (Male-18529, Female-18,403), Koppa 87,663 (Male-
43,966, Female-43,697), N.R.Pura 65,624 (Male-65,624, Female-32,592), Mudigere-1,41,255 (Male-70,759, Female-70,496) Tarikere-2,24,093 (Male-1,13,489, Female-1,10,604) and Kadur-2,89,092 (Male-1,86,298, Female-1,02,794).

For the purpose of the study, the urban population has been taken into account to decide the sample size. The research has observed that that Chikmagalur district which is in Malnad region, consists of large number of small villages. The villagers go to urban areas (i.e. taluk head quarters) for the purpose of shopping. The cosmetic items are not generally available in villages. Therefore, the village populations do their shopping of cosmetics in urban areas. The total population residing in urban area amounts to 2,22,364. Since, these urban areas dealing all types of cosmetics through super market, cosmetic stores, kirana stores and drug house etc. The data is collected through feeding questionnaires from the people who have paid visit for shopping in urban areas. The respondents include rural and urban population. Thus, we have tried to ascertain the true picture of the consumers behavior towards ayurvedic cosmetics in Chikmagalur district by considering the urban population. We have distributed the questionnaire to 5,500 respondents which is roughly 2.5% of urban population on the basis of total population of the taluk. 5,500 respondents are selected through Stratified sampling and Snowball sampling method for overall study from all taluks of Chikmagalur district. But about 30% of the respondents did not return the questionnaires for reasons beyond the control of the researcher and some questionnaire are dropped due to incomplete. Finally, for the purpose of general study on cosmetics, 3750 respondents from Seven taluks have been taken into consideration. They are Chikmagalur-560, Sringeri-140, Koppa-420, N.R.Pura-280, Mudigere-530, Tarikere-700 and Kadur-1120.
The term cosmetic has a wider meaning which incorporates a large number of items used for beautification of the body and face. There are nearly 25-30 products used for beautification of the body. Sometimes all these products are not necessary for beautification. However, sometimes all these products are considered necessary. Thus, it is very difficult to define precisely what cosmetics constitute. A general study has been taken up to study the consumer behavior towards cosmetics which special reference to ayurvedic cosmetics. Since, there is a large number of items under the term cosmetics, a macro analysis may not reveal the real picture of consumer behavior towards ayurvedic cosmetics. Therefore, with a view to ascertain consumer behavior, near to the reality, towards ayurvedics, it is designed to take up a micro-scopic study of consumer behavior towards a few selected widely used cosmetics like tooth paste, toilet soap, face cream and hair oil. For the purpose of micro-scopic study of consumer behavior towards cosmetics, 10% of the sample size (10% of 3750 is 375) is randomly selected from each taluks, i.e. Chikmagalur-56, Sringeri-14, Koppa-42, N.R.Pura-28, Mudigere-53, Tarikere-70 and 112 from Kadur. Out of the 375 randomly selected respondents, 56 belong to Chikmagalur city and the balance 137 and 182 are from Malnad and Maidan region.

1.18 Sources of data

The researcher makes use of both Primary data and Secondary data for research analysis. The primary data is gathered through sample survey, observation and personal interview methods. Secondary data is available in the form of published information and company reports and internet. These data are combined for purpose of research analysis and test of hypothesis.
1.19 Research questions

Questionnaire is prepared giving due considerations to user’s choice for general and Ayurvedic cosmetics, the length of use, shift in preference, brand attachment, opinion about product, price, promotion and distribution of Himalaya Ayurvedic Concepts in particular and others in general.

1.20 Statistical tools used

For the purpose of analysis and interpretation of data, the statistical tools like percentage, ratios, weighted average and chi-square test are used.

1.21 Limitations of the study

This research work is subject to certain limitations. The study is an empirical work presented in a descriptive manner. Since the objective of the study may well be met with by this type of analysis and no attempt has been made to provide a conceptual analysis and theoretical frame-work about history of ayurvedic cosmetics.

This study is confined to only cosmetics and ayurvedic cosmetics in Chikmagalur district and focus is given to Himalaya Ayurvedic concepts’ products. Large majority of people of Chikmagalur distinct regularly use general and ayurvedic cosmetics. There is no discrimination in terms of area. These items are used in nooks and corners of the district. It is almost impossible to cover the vast area without any loopholes, given the financial and intellectual strengths. Hence, a sample has been drawn from the universe. The consumers’ survey has been restricted to randomly selected samples. Therefore, researcher is well aware of the limitations of the survey method based on two-stage cluster sampling technique. At times, analysis is required to be done based on more
samples, the results of which can be, at best, nearer to truth. Literacy in Chikmagalur
district is not so good and very less houses have cable or dish TV connection. Therefore,
awareness through Television advertisement about different brands of cosmetics is less.
Even amidst these limitations, the researcher is confident that the study would through
some new light on the consumer behavior towards ayurvedic cosmetics.

The Researcher makes many assumptions relating to the characteristics of the
population under research to make various tactical and strategic decisions. Keeping all
such things in mind, researcher has done the research methodology and followed with
some limitations in the study.

1.22 Operational definitions

**Attitude:** An individual’s positive or negative cognitive evaluations about an object such
as a product or service. It is learned, enduring, and made-up of there components, i.e.
knowledge, affect and action tendency.

**Ayurveda:** “It is that knowledge of life which deals elaborately and at length with
conditions beneficial or otherwise to the humanity, and, to factors conducive to the
happiness, or responsible for misery or sorrow besides indicating measures for healthful
living for full span of life”.

**Aesthetics:** Understanding the nature and meaning of beauty is one of the key themes in
the philosophical discipline.

**Benchmarking:** Companies need to improve their performance continuously. Earlier,
companies used to set their own benchmarks (standard) and measure their performances
against these benchmarks. But today’s competitive world, the market leader’s
performance usually becomes the benchmark for the other companies in the industry; these companies then try to achieve the same level of performance as market leader.

**Buying behavior:** The actions of buyers in the marketplace and the underlying motives for those actions may change product to product and brand to brand. Marketers expect that by understanding what causes buyers to buy particular goods and services they will be able to determine which products are needed in the market place, which are obsolete, and how best to present those goods to the buyers.

**Consumer:** The term ‘Consumer’ more generally refers to anyone engaging in any of the activates used in our definition of consumer behavior. Therefore, a customer is defined in terms of a specific firm while a consumer is not.

**Consumer behavior:** Consumer behavior in terms of marketing management is “The process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives”

**Cosmetic:** Relating to treatment intended to improve a person’s appearance, improving only outwardly

**Cosmology:** The science of the origin and development of the universe.

**Culture:** Culture is considered as a set of relies, values, beliefs, behavior and concepts that is common to and binds together the members of a society. It is usually passed on from one generation to the other.

**Customer:** The term ‘Customer’ is typically used to refer to someone who regularly purchases from a particular store or company. Thus, a person who shops at A&P or who uses Texaco gasoline is viewed as a customer of these firms.
**Herbal:** Relating to or made from herbs

**Life style:** An individual’s way of leading his life will determine his lifestyle. Factors such as work life, interest, social groups, etc. influence the life style of an individual.

**Malnad:** It signifies more of forest area, lofty peaks, delightful dales, racing rivers, sparkling streams, captivative cascades and the bracing mountain air - a balm to the work-weary.

**Maidan:** It signifies dry land, dry weather, less rain and very less forest area

**Market:** People X Purchasing power X Willingness to buy

**Marketing:** AMA defines' marketing as, “The process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational goals”.

**Psychology:** Study the behavior and mental process of individuals

**Reference group:** An individual’s attitude, value and behavior are influenced by different groups. These groups are called reference groups and they have a direct or indirect influence on the individual.

**Social psychology:** Study how individuals influence and are influence by group

**Satisfaction:** Fulfillment or gratification of need, desire or appetite

**The ultimate consumer:** Ultimate consumer is one individual who purchase for the purpose of individual or household consumption.

### 1.23 Chapter scheme

The treatise has been divided into six chapters as under;

The introductory Chapter deals with research background and the need for research. Chapter II focuses on Review of literature and established how the present
research is relevant. The Chapter III is devoted to the study of evolution of Ayurveda, Cosmetics and Ayurvedic Cosmetics, an Overview of Himalaya Ayurvedic Concepts and a profile of Chikmagalur district in support of the proposed research study. In the Chapter IV, the Researcher makes data analysis after classifying and tabulating them and also an attempt is made to test the hypothesis on the basis of result obtained from data analysis and interpretation. A brief summary of research findings and suggestions is narrated in the V chapter. It is followed by concluding remarks in VI chapter.
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