A Study on the Purchase Behavior and Cosmetic Consumption Pattern among Young Females in Delhi and NCR

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Abstract: This study was carried out to examine consumption behaviour of young females and their attitudes towards cosmetics in Delhi/NCR. This research focuses on the different marketing variables affects the female cosmetic consumption as well as their decision making process for purchasing the cosmetic products. This study also explains to some extent the influence of customer decision making process in purchasing the dermaceutical products in Delhi/NCR. The target sample was between the age group of 15 years to 35 years females and those who are living in Delhi/NCR. This age group fall under the category of young generation and they can be categories in the Millennials (those who are born after 1980). This study may also help various cosmetic companies to formulate their strategies for marketing the cosmetic products. Primary data was obtained through questionnaire. The results were analyzed through SPSS version 16.

Keywords: *Cosmetic market, Dermaceutical market, Female consumption behaviour, Consumption pattern, Skin care products*

1. Introduction

In the study it was observed that the mind of consumer is changing and they are moving towards the natural and herbal cosmetic products because they feel that these natural products can increase their physical appearance in a better way than that of cosmetic from synthetic origin. They also feel that cosmetic from the natural origin have fewer side effects when compared to the cosmetics derived from the synthetic origin. As we all know that skin is a very sensitive organ of our body and the facial skin reflects the appearance of a person. The side effects of the cosmetics derived from the synthetic origins are reflected on the face and hence make people uncomfortable. The popularity of cosmetic is increasing with a faster rate the reason may be due to the women who are becoming a part of workforce these days and hence their disposable income is increasing and also improving their lifestyle. Not only in urban but also in rural the popularity of the cosmetic is increasing, as the rural women tries themselves to look like their urban counterparts. Growing at a CAGR of around 7.5% between 2006 and 2008, Indian cosmetics had a rapid growth in last decade the reason behind the growth may be due to the increase in the purchasing power of women as well as increase in their consciousness towards fashion.

Forecasting 2015: The Indian Cosmetic Market: There is a rise in the awareness of Indian consumers towards the cosmetics which leads to the rise in the overall growth of the cosmetic industry. As a rise in the demand of existing products is seen the companies are coming with new products having new features. The Indian cosmetics market registered impressive sales worth INR 264.1 Billion in 2011, and with rising purchasing power and growing fashion consciousness, the industry is estimated to expand at a CAGR of around 17% during 2011-2015. As per the "Indian Cosmetic Sector Forecast to 2015", there is good opportunity for existing as well as new players. There is a boom in internet, television etc and people are very much exposed to these different channels which finally leads to the awareness in the people regarding cosmetics and make them up to date.

Market Scenario: According to Confederation of Indian Industries (CII), the total Indian beauty and cosmetic market size currently stands at US\$950 million and showing growth between 15-20% per annum. CII also estimated that over all beauty and wellness market that include beauty services stand at about US\$2,680 million.

Developments in cosmetic market

- As per Indian Cosmetic Sector Analysis (2009-2012), the Indian cosmetics industry is expected to witness fast growth rate in the coming years on the back of an increase in the consumption of beauty

products. It is further expected that the cosmetics industry will grow at a CAGR of around 17% during 2010-2013.

- It is attributed that rising income and affordability has contributed to increased sales of around INR 356.6 Billion (US\$ 7.1 Billion) in 2009.
- ASSOCHAM has also predicted that size of India's cosmetics market will rise by about half to 1.4 billion dollars in the next two-three years.

According to Associated Chambers of Commerce and Industry of India (ASSOCHAM) the estimate current market size of cosmetic industry is at 50 Billion USD will double to be worth Rs. 20,000 (100 Billion USD) by 2014. The reason may be due to the increase in the disposable incomes and increase in the number of working women who are searching for a better lifestyle. As per D S Rawat (ASSOCHAM secretary general) companies are now penetrating in the rural market and making specialized products for this market. One of the studies has mentioned that the higher age group women have higher disposable incomes. Because of this reason many foreign players enter into the Indian cosmetic market with new products specially meant to women over 30 years of age. The herbal cosmetic products are popular in India and many of the herbal solutions also have Indian origin. The overall skin care market in India is expected to grow at more than 10% in next five to six years (kuickresearch.com). India is also a huge market for millennials (people born after 1980's). There is a range product for millennials in Indian market not only in the category of synthetic cosmetic products but also in the category of Ayurvedic and herbal cosmetic products. In this segment, basic skin care products such as face washes, anti-blemish creams, and spot-reduction solutions are in demand.

2. Literature Review

According to *MarketResearch.com* (2007) more of men are consuming Clarins's products as compared to women. *Christian Courtin* (2003) from Clarins states that purchasing power of men is greater than what company aimed. As Jeff Falk mentioned in *GCI magazine* (2009) that, "Women are more emotional in terms of their product purchasing habits, whereas men are drawn to technical, functional things". According to *MarketResearch.com* (2009), by the year 2014 this segment is supposed to reach \$84.9 Billion. From the last few years the skin care segment recorded an inspiring growth. Due to rise in awareness for personal grooming, the skincare market is further expected to register strong CAGR of nearly 19% during 2010-2013, as per our research report "Indian Cosmetic Sector Analysis (2009-2012)". According to Euromonitor's report (2008) Asian market found out to be the biggest emerging market. The Asia Pacific market's value is up to more than US\$70 billion which is the second highest after the Western European market (*Nair and Pillai, 2007*). Talking about the market, Didier Villanueva, MD, L'Oreal India, says, "The Indian middle class is growing rapidly and so is its demand for the best quality products. Today they want to use the international brands whether they are mass market or premium" (*Bhattacharya, 2007*). Western Europe and Australia which spend a combine \$ 7.7 billion on wrinkle reducing facial creams in 2007, according to Euromonitor Internationals new 2008 cosmetic and toiletries database. Cosmeceutical is the fastest growing segment of the natural personal care industry with worldwide annual sales over \$ 14 billion. The category is projected to grow 8 percent to 12 percent annually, according to High Bean Research. In a recent report by AC Nelson, the skin whitening market currently is the fastest growing market segment, at an annual growth rate of 85 percent. With an expected growth of 11 percent in 2009, the personal care segment broke an 18 year old record in the top of mind survey conducted by Datafolha institute (Brazil). The colour cosmetic market currently accounts for \$ 60 million of the total market, while skin care accounts approximately \$ 180 million. US demand for cosmeceuticals is projected to rise by 7.4 percent per year to \$ 8.2 billion in 2012, according to the Feedonia Group.

Research hypothesis

- A). **H_{Null}**: There is no relationship between age group and cosmetic product type.
H_{Alternate}: There is a relationship between age group and cosmetic product type.
- B). **H_{Null}**: There is no relationship between Cosmetic product and Influencing Factor.
H_{Alternate}: There is no relationship between Cosmetic product and Influencing Factor.
- C). **H_{Null}**: There is no relationship between Age Group and Time Period of using Cosmetic Product
H_{Alternate}: There is a relationship between Age Group and Time Period of using Cosmetic Product.

- D). **H_{Null}:** There is no relationship between Monthly Income and Monthly Expenditure on Cosmetic Product.
H_{Alternate}: There is a relationship between Monthly Income and Monthly Expenditure on Cosmetic Product.

3. Methodology

Objectives

- A). to find out the most preferred place of purchasing a cosmetic product by female cosmetic consumers.
 B). to find out the top brand of cosmetic product.
 C). to find out the importance of physical appearance in the mind of female cosmetic consumers.
 D). to determine for what purpose females are using the cosmetic products.
 F). to determine the relation between the monthly income and the place of purchase of cosmetic product.

Sample size and Population: The sample taken was between the age group of 15 years to 35 and above years who are living in Delhi and NCR. A total sample of 100 was collected. The analysis was done through SPSS software and by using various tests.

Instrument: The questionnaire is used as an instrument for collecting the data and it contain 15 close ended questions.

4. Results

Table 1: Most Preferred Place of Purchasing Cosmetic Product

S/N	Place of Purchase	Percentage
1.	Cosmetic Store	41
2.	Pharmacy	32
3.	Departmental Store	18
4.	Internet	9
Total		100

From the above table we came to know that the most preferred place of purchasing a cosmetic product is the cosmetic stores. That means females are more comfortable and satisfied by cosmetic stores. Here we also observed that in case of doctors as influencing factor females preferred to purchase a cosmetic product from a pharmacy shop. This shows that doctors have an impact on the place of purchase of cosmetic product.

Table 2: Most Preferred Cosmetic Brand

S/N	Brand	Percentage
1.	L'Oreal	24
2.	Ayur Products	19
3.	Garnier	11
4.	Olay	10
5.	Nivea	9
6.	Ponds	9
7.	Fair and Lovely	7
8.	Emami	6
9.	Clarins	5
Total		100

While doing all the analysis and summarising the results in table 2 we found that the most preferred brand of cosmetic products by females is the L'Oreal. In our study we mentioned that people are now becoming aware and want to use more of cosmetic products made from the natural origin and through our study we get evidences by number in favour of this. Here from table 2 we can say that the second most preferred brand by female cosmetic consumers is the Ayur Products which we can say are the products from natural origin of herbal products.

Table 3: Importance of Physical Appearance

S/N	Preference	Percentage
1.	Very Important	47
2.	Important	40
3.	Less Important	11
4.	Not Important	2
Total		100

To find out the importance of physical appearance among female cosmetic consumers we did the analysis and came to a conclusion that physical appearance is important. From table 3 we can say that for 87 percent females using cosmetic product physical appearance plays a vital role in their life. We also found that most of the females are using these cosmetic products to improve their physical appearance.

Table 4: Most Preferred Purpose of using a Cosmetic Product

S/N	Purpose of Use	Percentage
1.	Facial Care	24
2.	Occupational Requirement	15
3.	Young Looks	13
4.	Improving Self-image	13
5.	Better Feeling	12
6.	Medical Purpose	10
7.	Being Fashionable	8
8.	Attracting Men	5
Total		100

From table 4 we found that 24 percent of the female are using the cosmetic products for their complete facial care. But this is not the only thin females who are working prefer to use these cosmetic products for occupational purpose. This is because they want themselves to be more effective. The other of using the cosmetic products are for improving self image, for young looks etc. In case of medical purpose we found that the influencer is the doctor and mostly it is in case of young females having acne. These young females are under the age group of 15 years to 20 years.

Table 5: Relationship between types of Cosmetic Product and Age Group

S/N	Type of Cosmetic Product	Pearson Correlation with Age Group
1.	Anti Wrinkle Cream	.000 (i.e. < 0.05)
2.	Anti Aging Cream	.000 (i.e. < 0.05)
3.	Anti Acne Cream	.000 (i.e. < 0.05)
4.	Body Lotions	.000 (i.e. < 0.05)
5.	Moisturizing Cream	.000 (i.e. < 0.05)
6.	Fairness Cream	.000 (i.e. < 0.05)

In case of our first hypothesis that is to determine the relationship between the age group and the type of the cosmeceutical product we do a correlation analysis between these two. The table 5 show the results of the correlation between age group and the type of cosmetic product. Here we found that age group is significant with all the cosmetic product type since in all the case the significance level is less than 0.05 at 95% confidence level. So from our results we can say that there is a relationship between the age group and the type of cosmetic product. Hence we will reject the null hypothesis and accept the alternate hypothesis.

Table 6: Relationship between type of Cosmetic Product and Influencing Factor

S/N	Type of Cosmetic Product	Pearson Correlation with Influencing Factor
1.	Anti Wrinkle Cream	.030 (i.e. < 0.05)
2.	Anti Aging Cream	.017 (i.e. < 0.05)
3.	Anti Acne Cream	.763 (i.e. > 0.05)
4.	Body Lotions	.221 (i.e. > 0.05)
5.	Moisturizing Cream	.365 (i.e. > 0.05)
6.	Fairness Cream	.183 (i.e. > 0.05)

For our second hypothesis that is to find out the relationship between types of cosmetic product and the influencing factor we did the correlation analysis between these two. The results of the correlation analysis are shown in table 6. From these results we can say that only in case of two cosmetic product types that are anti wrinkle creams and the anti aging creams there is a relationship with age group but with the other cosmetic products there is no relationship since the significance level is more than 0.05 at 95 percent confidence level. Finally we can say that there is no relationship between the influencing factor and the type of cosmetic product. Hence we will accept the null hypothesis and reject the alternate hypothesis. We are getting the relationship in care of anti aging and anti wrinkle products because these products are mostly prescribed by doctors and hence in this case doctor is the influencing factor.

Table 7: Relationship between Age Group and Time Period of using Cosmetic Product

		Age Group	Time Period Of Using Cosmetic
Age Group	Pearson Correlation	1	.661**
	Sig. (2-tailed)		.000
Time Period Of Using Cosmetic	Pearson Correlation	.661**	1
	Sig. (2-tailed)	.000	

For third hypothesis that to find out the relationship between the age group and the time period of using the cosmetic product we again did the correlation analysis between these two. By doing correlation analysis we found that there is a relationship between the age group and the time period of using the cosmetic product. That means females having more age are using cosmetic products from a longer period of time. The above table 7 shows that the significance level at 95 percent confidence level is less than 0.05 so there is a relationship between these two. Hence we will reject the null hypothesis and accept the alternate hypothesis.

Table 8: Relationship between Monthly Income and Monthly Expenditure

		Monthly Expenditure	Monthly Income
Monthly Expenditure	Pearson Correlation	1	.344**
	Sig. (2-tailed)		.000
Monthly Income	Pearson Correlation	.344**	1
	Sig. (2-tailed)	.000	

For our fourth hypothesis that is to determine the relationship between the monthly income of the female cosmetic consumers and their monthly expenditure on cosmetic product we again did the correlation analysis between the two. The results of the correlation analysis shows that there is a relationship between the monthly income of consumer and the monthly expenditure of consumer since the significance at 95 percent confidence level is less than 0.05. This means that female cosmetic consumers having higher monthly income spend more money monthly on the cosmetic products. Hence we will reject the null hypothesis and accept the alternate hypothesis.

Table 9: Cross tabulation between Age Group and Year of Using Cosmetic Products

S/N	Period of using Cosmetic Product	Age Group				
		15 years to 20 years	20 years to 25 years	25 years to 30 years	30 years to 35 years	Above 35 years
1.	1 year to 2 years	3	1	0	0	0
2.	2 years to 3 years	10	7	3	0	0
3.	3 years to 4 years	6	9	11	7	6
4.	4 years to 5 years	1	3	6	10	8
5.	Above 4 years	0	0	0	3	6

Table 9 shows the cross tabulation between the age group and the years of using cosmetic products. From the table we can say that as the age of the female cosmetic consumer is increasing the usage years of cosmetic product is also increasing.

Table 10: Cross tabulation between Place of Purchase and the Monthly Income

S/N	Place of Purchase	Monthly Income					
		Below 10000	10000 to 20000	20000 to 30000	30000 to 40000	40000 to 50000	Above 50000
1.	Cosmetic Store	16	2	6	7	5	5
2.	Departmental Store	6	0	5	4	3	0
3.	Pharmacy	12	2	4	7	5	2
4.	Internet	3	0	3	3	0	0

The above table 10 shows the cross tabulation between the place of purchase of cosmetic product and the monthly income of the person. From this table we can only say that it is a mixed result that is any income group female can buy cosmetic product from and source but the most preferred source of purchasing the cosmetic product is the cosmetic stores. This might be due to the trust on the cosmetic stores that they will get the best quality cosmetic product from the cosmetic stores only. From this we can also say that internet is not a big purchasing place of cosmetic products for females but in near future it will become a common source of purchasing cosmetic products.

5. Conclusion

The study is carried out with the aim to find out the various factors that are associated with the consumption pattern and female cosmetic consumer behaviour with respect to cosmetic products. Delhi and NCR were chosen as the area for data collection because Delhi is the capital state of India and NCR are emerging cities. The results provide us an insight of the cosmetic market and help us in finding out how female consume the cosmetic products. We found that as the income level of female consumers is increasing their expenditure for cosmetic product is also increasing. We also found that there is an increase in the awareness as well related to cosmetic products. One major finding in our study tells us that these days female consumers prefer more of cosmetic products which are made from the natural ingredients in other words we can say that they prefer herbal cosmetic products. This will provide the herbal cosmetic industry a great opportunity to grab the cosmetic market by providing more and more new herbal cosmetic brands.

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