



Perception of Women Skincare Cosmetics Buyers Regarding the Relative Importance of the Major Place / Distribution Components - A Study

KEYWORDS

Brand Loyalty, Distribution, Wide Availability of the Brand in stores, Sufficient Number of Brand Outlets.

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ABSTRACT This paper aims to find out the perception of women skincare cosmetics users regarding the relative importance of the sub-components of Place/ Distribution-Related Factors Influencing the Purchase of Skincare Cosmetics Products namely, Wide Availability of the Brand in Stores and Sufficient Number of Brand Outlets. For the purpose of analyzing the relative significance of Distribution Related Factors, the Two factors, namely, Wide Availability of the Brand in Stores and Sufficient Number of Brand Outlets were put forth before the respondents with a request to rank them 1 and 2 in order of Importance. It was found that Wide availability of the brand in stores was perceived as the most important factor affecting the purchase of skincare cosmetics followed by Sufficient Number of Brand Outlets at second place. Based on the findings; the paper also suggests various marketing strategies to marketers of skincare cosmetics to ensure a strong loyalty base.

1. INTRODUCTION:

In the modern marketing environment consumers are becoming more and more demanding since the market is glutted with endless products and countless brands and offering them rich choices. In pursuit of achieving the best possible value for their money, modern day consumers are gradually becoming quite choosy about products/services on the basis of their intrinsic value. Gone are the days of the marketers with the placid assumption that a market once won is theirs'. In view of the same, marketers of today frantically search strategies to maintain a set of consumers who are loyal to the products/services that they are offering for sale. This phenomenon is particularly significant for the low priced, daily use, non durable products which are purchased repeatedly by the consumers at frequent intervals popularly termed as fast moving consumer goods (FMCGs). The purchase behaviour of the consumers for such products is of special interest to the marketer since these items are purchased repeatedly and it is this purchase that results in generating volumes and profits.

A number of research studies are, indicative to the fact consumers in general are found to be quite loyal to the brands of frequently purchased items. Brand loyal consumers as a matter of fact, provide the basis for a stable and growing market share of a company. Therefore, interest of marketers hover around the ways and means to develop and sustain brand allegiance for their products and services. However, retaining customers in a highly competitive and volatile market place is indeed a difficult proposition.

Brand loyalty is undoubtedly one of the most important and interesting aspects of consumer behaviour. This also is a crucial area of exploration for the marketers for their survival and growth in a competitive environment. Almost all marketing strategy decisions are inextricably related directly or indirectly with the level of brand loyalty. Marketers are therefore, increasingly interested to probe deep into the inner world of consumers by examining the most plausible factors leading to brand loyalty so as to develop successful marketing strategies in highly competitive environment.

2. THE BACKDROP :

2.1. Brand Loyalty

The most cited definition of brand loyalty is probably the one given by Jacoby and Olson (1970): "The biased, behavioral response, expressed over time, by some decision-making

unit, with respect to one or more alternative brands out of a set of such brands, and is a function of psychological processes". Selling to brand loyal customers is less costly than converting new customers. Loyalty reduces the sensitivity of consumers to marketplace offerings, which gives the company time to respond to competitive moves (Aaker, 1991). In addition, brand loyal customers are less price sensitive. Due to all of these factors, managers must realize the importance of brand loyalty and give it sufficient consideration in their decisions.

Brand Loyalty is in fact recognized as an asset and consumers are willing to pay more for a brand. Well established brand names continue to contribute investment and time in upholding Brand Identity, preserving Brand Loyalty and developing new product lines so as to occupy more market share. Marketing managers realize the rising trends of Brand Switching and recognize Customer Retention as an easier and more reliable source of superior performance. Therefore it is important for marketers to acquire more knowledge in Brand Loyalty.

2.2. Cosmetics

Any of the several preparations (excluding soap) applied to the human body for beautifying, preserving or altering one's appearance or for cleansing, colouring, conditioning or protecting the skin, hair, nails, lips, eyes or teeth are included in Cosmetics and are commonly termed as 'Cosmetics and Toiletries.'

2.3. Rationale of the Study:

On the one hand, the favourable demographics of India as a whole including her various states pose a unique opportunity for global cosmetics giants as well as domestic companies to generate additional revenues through sales in India , on the other hand, the increasing competition in the Indian Cosmetics Industry due to the entry of foreign multinationals post 2005, has posed a tremendous threat to the players in the Cosmetics & Toiletries industry by making the Indian market an extremely challenging and a dynamic one.

It is in this backdrop that the researcher has tried to underline the significance of the concept of 'Brand Loyalty' as a valuable asset at disposal of various companies in the field and to analyse its role of helping to retain existing customers, as selling to brand loyal consumers is far less costly than attracting new consumers. In this paper, the Researcher has tried to

find out the perception of women skincare cosmetics consumers regarding the relative importance of the sub-components of Place/ Distribution-Related Factors Influencing the Purchase of Skincare Cosmetics Products as the Fourth Major Factor affecting the purchase of Skincare Cosmetics, namely, Wide Availability of the Brand in Stores and Sufficient Number of Brand Outlets.

3. RESEARCH METHODOLOGY:

3.1 Objectives of the Study:

The objective of the study is to find out the perception of women skincare cosmetics users regarding the importance of the sub-components of Place/ Distribution-Related Factors Influencing the Purchase of Skincare Cosmetics Products namely, Wide Availability of the Brand in Stores and Sufficient Number of Brand Outlets.

3.2. Nature of Study and Type of Data : Exploratory. Primary as well as Secondary data were collected.

3.3. Data Collection Method:

Self Administered Structured Questionnaire containing Ranking type, Multiple Choice and Dichotomous Questions and Interview.

3.4. Sample Design :

The Population of the study was Women Skincare Cosmetics Users above the age of 18 yrs. in the Four Major Cities of the State of Gujarat, namely, Ahmedabad, Surat, Vadodara and Rajkot . The Sample size was 800 respondents, 200 each from the four major cities stated earlier. Non Probability based Convenience Sampling Method was used.

3.5. Statistical Tools Used:

Simple Percentage and Average ranking methods

3.6. Survey Period: Dec 2010 to June 2011

4. ANALYSIS AND INTERPRETATION OF DATA:

4.1. IMPORTANT FACTORS THAT INFLUENCE THE PURCHASE SKINCARE PRODUCTS BY WOMEN.

The Researcher tried to find out the perception of women skincare cosmetics consumers regarding the Factors that Influence the Purchase of Skincare Cosmetics Products in earlier researches, wherein, first, the Brand Loyals and Switchers were identified from amongst the total respondents and thereafter, Six Factors that are likely to influence the Purchase of Skincare Cosmetics Products by the respondents based on literature review, namely, Brand Name, Product Quality, Price of the Products offered by the Brand, Brand Promotion, Brand Distribution and Packaging and Labeling of the Brand were put forth before the respondents with a request to rank them from 1 to 6 in order of their importance in the Questionnaire. The findings indicate that Among the Important Factors that Influence the purchase of Skin care Cosmetics, Product Quality was considered by all the Women Respondents (Both Brand Loyals and Switchers) as the Most Important Factor, followed by Brand Name and Price of the Branded Products, Distribution of the Brand, Brand Promotion and Packaging and Labeling of the Brand as the Second, Third, Fourth, Fifth and Sixth Most Important Factors affecting the purchase of skincare cosmetics respectively.

4.2. ANALYSIS OF THE RELATIVE IMPORTANCE OF PLACE/DISTRIBUTION RELATED FACTORS AFFECTING THE PURCHASE OF SKIN CARE COSMETICS .

Following Point 4.1, in this paper, the Researcher has tried to find out the perception of women skincare cosmetics consumers regarding the relative importance of the sub-components of Product Distribution. For the said purpose, The Fourth Most important factor Product Distribution was subdivided into two components namely: Wide Availability of the Brand in Stores and Sufficient Number of Brand Outlets. For the purpose of analyzing the relative significance of Distribution Related Factors, Two factors mentioned above were put forth before the respondents with a request to rank them 1 and 2 in order of Importance. The responses received from

the subjects in this connection are shown in the table 1. below:

Table 1. Rankings of Distribution Related Factors Affecting the Purchase of Skincare Products by Women Respondents

Sr. no of Factors influencing the purchase of Skincare Products	No. of Respondents giving ranks 1 and 2					
	Loyals		Switchers		Total	
	1	2	1	2	1	2
Q.5.2 e. 1	378	386	143	172	521	558
2	196	750	87	284	283	1034

Source: Primary Data from Survey

On the basis of the responses received another table 2. was prepared for analysis and inferences. For this purpose, average rank values were calculated for each of Two Factors included in category of Distribution Related Factors in the questionnaire by dividing the total rank values of the Factor by the number of Women respondents giving the ranks to arrive at the Final ranks. These final ranks were calculated for All the women respondents as also for Brand Loyals and Brand Switchers separately, for every Factor affecting the purchase of Skincare Cosmetics.

Table 2 . Total Values and Average Values of the Ranks and the Final Ranks of The Distribution Related Factors Affecting the Purchase of Skincare Products by Women and the Differences therein

Sr. No. of Factors	BRAND LOYALS			BRAND SWITCHERS			ALL RESPONDENTS		
	Total	Average Value	Final Rank	Total	Average Value	Final Rank	Total	Average Value	Final Rank
Q.5.2 e. 1	764	1.34	1	315	1.38	1	1079	1.35	1
2	946	1.66	2	371	1.62	2	1317	1.65	2

Source: Primary Data from Survey

5. FINDINGS :

Relative significance of Distribution Related Factors

It was found that there was no difference between the Perceptions of all the three categories of respondents namely The Brand Loyals, The Brand Switchers and The Total Respondents. All the three Perceived Wide availability of the brand in stores as the most important factor affecting the purchase of skincare cosmetics followed Sufficient Number of Brand Outlets at second place.

6. Strategy Suggestions:

The present study elucidates the following suggestions for the marketers: In order to retain the existing loyalty of consumers, manufacturers should ensure a wide availability of their favorite brands in stores. Out of Stock Condition of the Consumers' favorite brand in the stores can lead to Brand Shifting by the Consumers and this could prove to be a possible threat to their Brand Loyalty for their favorite brand if two- three consecutive experiences of out of stock conditions occur one after another.

In order to maintain a regular supply of the consumers' favorite brands, manufacturers need to do sales forecasting based on which they should try replenish their stocks. In case a rise in demand is forecasted, and the firm has underutilized capacity, they should increase capacity utilization to match the forecasted demand. In case the firm is operating at full capacity, and a further rise in demand is expected, they should consider increasing their production capacity by ex-

panding the scale of their operations. As far as Brand Switchers are concerned, out of stock condition of their favorite brand in stores will not stop them from purchasing a different brand, so to avoid this situation, ensuring a regular supply of the consumers' favorite brand is a must on the part of the marketer.

7. Limitations of the Study:

- (i) The specific Limitation of this study has been the non-inclusion of Rural Respondents and respondents of cities other than the four most populous ones, due to time constraints.
- (ii) Again this study is limited to the State of Gujarat so the generalization of conclusions of the study may therefore not have universal applicability.
- (iii) Admittedly, consumer behavior is product and very often situation specific. It may vary from one product to another or even differ for the same product from one user to another. Therefore, general applicability of the inferences and conclusions of a consumer behavior study like the present one cannot be claimed.

8. RESEARCH ASPECTS:

The researcher feels that since this particular study was restricted only to the Urban population of Gujarat, further work is need to be undertaken in the Rural areas of the state to find out the differences if any, in the results. Even other states can be explored for Buying Behavioral studies.

9. CONCLUSION :

Among the Important Factors that Influence the purchase of Skin care Cosmetics, Product Distribution was considered by the Women Respondents as the Fourth Most Important Factor, Preceded by Product Quality and Brand Name and Product Price as the First and Second and the Third Most Important Factors affecting the purchase of skincare cosmetics respectively. And amongst the Two Distribution Related components analyzed for assessing their relative significance, Wide availability of the brand in stores was found to be a more important factor affecting the purchase of skincare cosmetics than Sufficient Number of Brand Outlets.

Since Product Distribution is an important factor that influences the purchase of Skincare cosmetics, in order to retain the existing loyalty of consumers, manufacturers should ensure a wide availability of their favorite brands in stores. Out of Stock Condition of the Consumers' favorite brand in the stores can lead to Brand Shifting by the Consumers and this could prove to be a possible threat to their Brand Loyalty for their favorite brand if two- three consecutive experiences of out of stock conditions occur one after another. The researcher hopes that the information provided in this study will assist companies already existing in or planning to enter the Indian market, in shaping their marketing strategies and serving their customers better.

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