



Economic Empowerment Among Women Entrepreneurship in Beauty Services Segment – is it the Beginning of an ERA For Sustainable Development?

*Mrs. A. Bharathy

* Assistant Professor, Department of Management, Pondicherry University Community College Lawspet, Pondicherry - 605 008.

ABSTRACT

A look into the case studies of the growing beauty business service in major regions shows that salons which once used to get around three clients a day now have risen to 10 at present. Beauty consciousness has dawned on rising affluence. Franchise India (2010) reports, the salon industry at present is largely unorganized, and will grow at an average rate of 30% over the next decade. The organised and semi-organized beauty services industry alone accounts for about Rs 1,600-1,800 crore, and a major stake lies with the unorganized players. Further as more and more of women motivated by the factors of economic independence / family difficulty are opting for setting up of beauty salons - the industry signals tough competition from branded parlours as they have started to make inroads not only into the metros but also into the tier 2 and 3 cities as the big players find their cash registers ringing high in these areas. This paper is an eye opener in this direction to understand the economic empowerment and sustainable development they have attained as the industry shows a paradigm shift from the organised to the unorganised sector in the days ahead.

Keywords : entrepreneurship, empowerment, affluence, non traditional activities, micro enterprise

INTRODUCTION

Beauty consciousness has dawned on rising affluence. With an increase in the number of households upgrading to a higher consumption lifestyle, there is an explosion of growth in the Indian beauty space. Consider the Living Standard Measurement (LSM) classification, which is the new socio-economic classification to gauge consumption patterns: between LSM 1-4, which is the lowest level, and LSM 8-plus (top end), there has been an 80-fold jump in growth in the consumption of beauty products and services. That explains why a Hindustan Unilever (HUL) is speeding up to open a Lakme salon a week or how a Jawed Habib Hair & Beauty (JHHB), which has grown from 37 salons in 2006 to around 225 at the end of November 2010, is eyeing a similar growth or why foreign chains like the contemporary French beauty salon, Jean-Claude Biguine, with annual revenues of 150 million euros, are setting up salons to groom the Indian consumer. As per the Franchise India report, the salon industry at present is largely unorganized, and will grow at an average rate of 30% over the next decade. The organised and semi-organized beauty services industry alone accounts for about Rs 1,600-1,800 crore, and a major stake lies with the unorganized players. The percentage of organized and unorganized players in major regions of our country is in the ratio of 10:90 but the good thing is that the unorganized section will move towards becoming organized faster with the entry of international players. The entrepreneurial ventures in these regions are coming up with tie-ups with global cosmetic brands like L'Oreal who give them their knowhow and train their staffs, which is helping them get organized.

A look into the case studies of the growing beauty business service in major regions shows that salons which once used to get around three clients a day now have risen to 10 at present. Similar are the statistics of hundreds of beauty salons that have mushroomed in the cities in recent years leading to a booming industry across the country. Some franchised parlour owners in the city of Gurgaon have seen rise in demand and revenues since 2002. This boom has not only infected the metros but has also trickled down to the tier 2 and 3 cities and towns alike as more of the organised parlours are making

their inroads giving a tough competition to the unorganised players. This signals tough competition for women entrepreneurs in this segment as beauty care is one among the highly favoured entrepreneurial venture of women across the various socio-economic groups. .

Women Entrepreneurship

Women have been largely man-made and it is still a way to go ahead. It is estimated that presently women entrepreneurs comprise about 10% of the total entrepreneurs in India. It is also clear that this percentage is growing every year. If prevailing trends continue, it is not unlikely that in another five years, women will comprise 20% of the entrepreneurial force in India. In today's context women also have to convert themselves from job seekers to job givers.

Entrepreneurship is a more suitable profession for women than regular employment in public and private sectors since they have to fulfil dual roles. Women have been taking increasing interest in recent years in income generating activities, self-employment and entrepreneurship. This is seen in respect of all kinds of women both in urban and rural areas. Women are taking up both traditional activities (handloom, handicraft, knitting, pickle making, toy making, jam and jelly etc.) and also non-traditional activities (like computer training, catering services, beauty parlour, gym etc.). It is clear that more and more women are coming forward to set up enterprises. Starting and operating business involves considerable risk and effort on the part of the entrepreneur, particularly in the light of highest failure rate.

Women in India enter into business mainly for two types of factors i.e. pull and push factor. Pull factor refers to the process in which women are encouraged to start an occupation or venture with an urge of doing something independently. Whereas push factors refers to the process in which women are compelled to take up their own business in order to tackle-up their economic difficulties as well as responsibilities. In India, most of the women are now showing their preferences towards the entrepreneurship rather than going into the fields of professional occupations and various other service sector

jobs. Women are choosing both the traditional (toy making, pickle making, candle making, etc.) as well as the non-traditional (garment shop, beauty-parlour, computer-training, school management, etc.) activities and are performing well unfortunately, there has been found a difficulty to eradicate completely the evil conception of male. In India, women who try to play the entrepreneurial role, generally have to face the environmental constraints. There are the chances for having high rate of failure for the one who is starting a business at the cost of his own effort and risk. Thus, this rate of loss might go even higher in the case of women who have to face the business, family and social problems. Consider the case of Kerala as the highest literate state where the women are getting the full chance of showing their skills and proficiency. Such an environment is beneficial and suitable for the growth and development of women entrepreneurs. Thus, this shows that women should be properly guided and encouraged to enter into business. This approach will help in the increment of their motivation level. Training approach is important for helping women in non-traditional, high skill, male dominated activities and also to build-up the confidence among women to meet their requirements (Kirve and Kanitkar, 1993). Training to develop good entrepreneurial skills is useful and essential to women (Padmavati, 2002; Sathyasundaram, 2004). The Government should also provide them with financial, marketing and training assistance so that women can start-up their business. Thus, in order to bring up liftment in the quality and work skill of the women entrepreneurs they should be given proper training and support. The beauty care is a small business venture in this direction.

Women in the business of beauty

Beauty Salon is an increasingly booming business that will never have lack in customers as women and even men will continue to go to beauty salons for a new haircut, for a manicure, pedicure or even for removing tanning. More and more of women motivated by the factors of economic independence / family difficulty are opting for setting up of beauty salons. It gives them the liberty to work from home or in a small rented portion in their neighbourhood and also frees them from the trouble of marketing of finished products as in the case of most small business. Hence one sees a number of friendly neighbourhood parlours mushrooming across cities as being beautiful is every one's wish. Successful women entrepreneurs have come from this segment. One such person is Shahnaz Husain, the pioneer and leader of herbal care in India, has achieved unprecedented international acclaim for her practical application of Ayurveda. With a burning desire to recapture an ancient heritage, Shahnaz Husain has taken India's Ayurvedic tradition to every corner of the globe. Shahnaz has received several national and international awards, including the World's Greatest Woman Entrepreneur Award from Success Group of the U.S.A. She is the first woman to be so honoured, in the 107-year history of the Success awards. Hers is the story of the human spirit that transcends geographical boundaries and encompasses the entire world. It is a story that is an inspiration to others to follow their dreams with faith and courage. Indeed, as head of the largest herbal clinic-chain of its kind in the world, Shahnaz Husain has become a legend in her own lifetime. The other successful women are Mythili's, Anoo's, Vasundara's, VLCC etc.

Similarly driven by the hope of earning money, C. Prabhavathi became a beautician after taking up a training course offered by Guild of service. Today she is the proud owner of 3 salons and a gym in Arumbakkam and has finally managed to earn a profit and is source of inspiration and support to many women in need of help. The town of Puducherry where the present study is conducted has also motivated women who have ventured into this trade like Prabha's V'Care, Gowri's, May Flower and a number of others.

Objectives of the study

This paper focusses on the women entrepreneurs in the beauty segment in the town of Puducherry and tries to understand the economic empowerment and sustainable develop-

ment they have attained as the industry shows a paradigm shift from the organised to the unorganised sector in the days ahead as big corporates find their cash registers ringing in high at these cities and towns. The objectives of this paper are

- a: To find out the degree of influence of Socio-Cultural and Economic factors on women entrepreneurs in the beauty segment.
- b: To understand the behaviour of Women as Entrepreneur in the beauty segment.
- c: To find out future prospect for prospective women Entrepreneurs in this segment.
- d: To understand and give solution to the problems of women entrepreneurs in this segment.

Research Methodology

Sample of 25 beauty parlour owners in the various areas of the town of Puducherry were included in the survey. It was a snowball sampling technique that was adopted to identify the sampling units. A personal interview technique was used to collect the data from the respondents. The findings of the study are discussed to arrive at suitable conclusion and suggestions.

Findings and Discussion

- The size of a typical beauty parlour owned by the women entrepreneurs is basically micro enterprise in nature, as the study reveals that an overwhelming majority of 84% of the parlours had only about 1-9 employees. Further most of these parlours were owned and run by the owner herself and mostly had only about 2 employees including the owner.
- The age group profile of the parlour owners reveals that there are more or less an equal proportion of women starting a beauty parlour in the various age groups up to 35 years. This shows that many women start this business well into their mid ages once they have taken care of their family responsibilities like bringing up of their children to a certain age and also when they find their financial needs rising.
- As to the educational background, the average business woman in this segment has a secondary degree (Higher secondary education). In fact, 40.8% of women entrepreneurs confirmed to have secondary education, whereas 33.3% had tertiary education (University Degree) and 25.9% launched their enterprise with a degree of primary education.
- Those with university degree however showed a mismatch to the present profession being done by them. This reveals that many take up UG and PG degrees mostly without a proper goal in life or do not find the right employment and are hence driven to starting a passion for beauty care.
- Regarding their domicile status - they are married and have about 2 children even though a small percentage of about 16% are unmarried young girls. This further shows that unmarried women entrepreneurs are not more prevalent as it needs a lot of support from the family members to give permission to these women.
- The situation with regards to availability of help at home is varying as most of these women have the help of their parents / husband to take care of their family when they are at work- as job of a beautician is very demanding and keeps one away from home during the late evening hours and also on holidays. Though about 19% of the respondents have also said that they have to take care of family and work, all by themselves.
- As to the choice of entrepreneurship as the main occupation, 47.7% of women entrepreneurs confirmed that they have always worked for themselves, whereas 52.3% have become entrepreneurs after having occupied various jobs.
- Around 86% of the respondents said that this was the first enterprise they owned while the remaining had experience in running other small business like garment

shop, tailoring, pickle products etc... before venturing into beauty segment. Further some have succeeded in their previous venture and expanded into beauty care while few went out of business in their earlier venture.

- A majority of the respondents had started their venture solely on the basis of the support rendered by their family members like their husband, father / mother. It is thus seen that the immediate family plays a very important motivator for the women to cherish her dream to establish a parlour.
- Financial questions came clearly first with 49.7% of respondents quoting this factor as the most important one, followed by the combination of work and family life with 31.4% and the lack of information and advice with 28.1%. Nearly one fifth (17.0%) stated that they did not experience any problems when starting their business. It may be worthwhile having a closer look at this category of women to investigate their success paths and the possible relationship between educational levels, cultural background and family situations for example. Yet these kinds of considerations go beyond the scope of the present study, and would need to be looked at in a separate analysis.
- The obstacles that women face while running their business though may look same with regards to need for finance to upgrade their business (41%) and balancing of work and family life (28%) but also seems to be dominated with other issues like lack of time to upgrade their skill sets (16%), manpower problem in providing and maintaining quality of the service provided by them (18%) etc...
- About 50 – 85% of the respondents rate their satisfaction with the present business as ranging from highly satisfied to satisfied. Their satisfaction is duly justified by their future choice of segment for expanding their entrepreneurship venture and we see that an overwhelming majority of 76% would invest in the business of beauty parlour and would expand by starting more branches apart from venturing into gym, tailoring unit and the like.
- They further state that they would positively recommend this business to other women interested into venturing in it.
- It is indeed interesting to see the commitment of these women entrepreneurs surveyed as being an entrepreneur is clearly a lifestyle, as 62.8% of respondents declared to work over 48 hours per week, in comparison to 24.2% who spend 40 to 48 hours at work. 12.9% declared dedicating less than 40 hours a week to their business.
- The need for economic independency motivating women into entrepreneurship is very much evident from the fact that about 56% of the women meet their household income to the extent of 75 – 100 % while 28% meet 50 – 75% of their household income in comparison to the other proportions.
- It is indeed sad to know that the small industries development institutions have not rendered any support to these women entrepreneurs in starting their enterprises as only 16% have received any such support.
- A highly encouraging support of their family members has the foundation of success of these women entrepreneurs standing high in the field of beauty care. It is also worthwhile to mention the support rendered by the society to these women entrepreneurs though much later in their business cycle when they have successfully withered away the storms and have established themselves towards glory.

Suggestions

The following are the suggestions made based on the discussions above:

- Encouraging loans from banks for women in this sector through special financial schemes.
- A guarantee mechanism should be foreseen in these schemes whereby extended credit terms are offered in case the business takes longer than foreseen to take off or unforeseen events lead to financial pressure.
- Providing technical assistance for up gradation of their technology in the light of the increasing global competition.
- Providing industry ready trainees through initiating training programs with the help of SHG's, educational institutions etc.
- Policy initiatives by the government to protect them from the organised entrants. They can assist them by offering technical assistance services to upgrade their technology and skill set level.
- Conduct awareness drive as to getting the parlour registered as this would enable them to make use of the financial assistance and the other incentives of the government from time to time.
- Establish linkages with skin doctors so that the women entrepreneurs can do their job far more efficiently. This will also give them more confidence to service their clients better.

Conclusion

Thus the study brings forth the characteristics of a typical female entrepreneur in the beauty care segment who is mostly educated with secondary education, runs a micro enterprise, has a husband and children and mostly supported by husband / father/mother for help and no other outside help. The woman creates her enterprise before the age of 35, after having gained some working experience working for others. The main reason for creating her business is the desire for control and freedom to take own decisions, yet she does not lose the perspective of making money out of sight. She dedicates over 48 hours (typically around 60 hours) to her business on a weekly basis, and has made it thanks to hard work, perseverance, family support and solid self-confidence. The main problems she faced when creating her enterprise were financial questions and combining work and family. In the daily running of the businesses, these problems appear to remain, liquidities and financial issues being a major concern, as well as the reconciliation of work and family. There does not appear to be an easy solution to the reconciliation issue, whereas financial issues can be overcome with a loan from the bank or alternative finance sources (family or savings).

While on the other hand we see this segment becoming increasingly organised and patronised by affluent women entrepreneurs - women entrepreneurs who hail from rich business families. They are the daughters, daughter-in laws, sisters, sister-in-laws and wives of affluent people in the society. Many of them are engaged in beauty parlour, interior decoration, book publishing, film distribution and the like. The family supports the above type of entrepreneur in carrying out their responsibilities. It is here at these crossroads that our government has to come up with measures to uplift them in the light of reformations like 100% single brand retail being permitted into the country to meet its fiscal deficits.

REFERENCES

- Brigit Arens (2004), "Women in business and decision making – a survey on women entrepreneurs" conducted by euro chambers. | Mamta Sharma (2012), "Beauty business glowing in Gurgaon" article in Times of India April 15, 2012 | Namrata Singh (2012), "Beauty Business set to boom" article in Times of India June 20, 2012 | Rajesh Kumar Shastri et al (2010), "The Socio - Cultural and Economic Effect on the Development of Women Entrepreneurs (With Special Reference to India)", Asian Journal of Business Management 2(2): 30-34 | Padmavati, D (2002), "Training women for entrepreneurship", Soc. Welfare, 49(2): 15-18. | Sathyasundaram, I. (2004), "Encouraging women entrepreneurship", Soc. Welfare, 50(12): 13-15.