



## ORIGINAL RESEARCH PAPER

## Management

### A STUDY ON BRAND LOYALTY AND BUYING BEHAVIOR IN CASE OF SELECTED COSMETICS PRODUCTS IN PUDUKOTTAI

**KEY WORDS:** *Brand loyalty, Buying behaviour, Cosmetics.*

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#### ABSTRACT

Generally cosmetic products are referred as care substances which can be made of chemicals compounds or naturals things to enhance appearance of human body. The buying decision process consists of several steps, which are processes undertaken by the consumer with regard to a potential market transaction before, during and after the purchase of a product or service. The objectives are to prove in this study.

#### INTRODUCTION

The general term 'cosmetics' is 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. Cosmetics are, therefore, products intended to be applied to the human body for cleansing, beautifying, promoting attractiveness or altering the appearance without affecting the body's structure. This broad definition includes any material intended for use as a component of a cosmetic product. The growth of cosmetics and beauty products markets has become significant as consumers are increasingly becoming aware of appearance, beauty, grooming and the choice of personal care products. Understanding this sector should be of valuable use to marketers in identifying marketing opportunities to ensure greater efficiency in the use of resources and other efforts, which are directly related to consumer purchasing behavior such as market segmentation, consumer targeting, product features, promotional and selling efforts. This paper provides an overview of the cosmetics market and its importance and examines the influence of various parameters and brand loyalty on women's buying behavior concerning cosmetics. This study will provide useful information to the business sector as well as dealers in retailing sectors. Since 1991, when economic liberalization took place, many Indian women have been crowned at international beauty pageants and this has corresponded with an increase on focus on the cosmetics industry. Subsequently, there has been a change in consumption of cosmetics and so the sector has been growing. The Indian cosmetics industry has experienced rapid growth in the last couple of years, growing at around 7.5% between 2006 and 2008. While this is due to the improving purchasing power and increasing fashion consciousness, the industry is expected to have maintained growth momentum during the period 2009-2012 and beyond. In this sector, both electronic as well as print media are playing an important role in spreading awareness about the various products available and in developing fashion consciousness among the Indian consumers. According to Indian Cosmetic Sector Analysis (2009-2012) (Research and Markets, 2012), the Indian cosmetics industry is expected to witness fast growth rates in the coming years on the back of an increase in the consumption of beauty products. Owing to growing disposable income of the middle class households and changing lifestyle, it is expected that the cosmetics industry will grow at a cumulative annual growth rate (CAGR) of around 17% during 2010-2013. Working women with high disposable income spend more on cosmetics and beauty products and, particularly, international brands, which are the most popular in the market. According to Retail International, retail accommodation for beauty product retailers has grown 30% in the last three years to account for 25-30% of all retail space in the market. Major brands are very active and more of the key suppliers are expected to follow such branded cosmetics.

The market's growth is also attributed to the region's demographics, with a population of young, fashionable

trendsetters with high disposable income (IBEF, 2013). Owing to the lack of local cosmetics manufacturers, most companies tend to sell as wide a range of cosmetics products as they can. The Indian Cosmetics Industry is defined as skin care, hair care, colour cosmetics, fragrances and oral care segments which stood at an estimated \$2.5 billion in 2008 and is expected to grow at 7%, according to an analysis of the sector. Today, the herbal cosmetics industry is driving growth in the beauty business in India and is expected to grow at a rate of 7% as more people switch to organic products and not chemical ones.

#### 2. Theoretical Framework

Consumer behaviour refers to the mental and emotional process and the observable behavior of consumers during searching, purchasing and post consumption of a product or service (Sheth, Mittal & Newman, 1999:4-7). It is the study of how individuals, groups and organizations select, buy, use and dispose of goods, services, ideas or experiences to satisfy their needs and wants. It involves the study of how people buy, what they buy, when they buy and why they buy. It blends together elements from psychology, sociology, socio psychology, anthropology and economics. It also tries to assess the influence on the consumer from groups such as family, friends, reference groups and society in general. Consumer behaviour should be distinguished from industrial or organizational buying, which takes place according to different criteria and with different purposes and means of judging success.

#### 2.1. Consumer Buying Decision Process

The buying decision process consists of several steps, which are processes undertaken by the consumer with regard to a potential market transaction before, during and after the purchase of a product or service.

There are usually five stages:

##### 1. Problem Recognition

The purchasing decision making process begins when a buyer becomes aware of an unsatisfied need or problem. This is a vital stage because without recognizing the need or want, an individual would not seek to buy goods or service. Various internal and external stimuli affect the recognition of the needs (problems) for cosmetics products. Internal stimuli include fashion consciousness, wishing to emulate others and the need for greater self-esteem. There are also various external stimuli, which include the actions and opinions of friends, doctors, beauticians, advertisements and others.

##### 2. Information Search

After the consumer has recognized the need, she will try to find the means to solve that need. First, she will recall how she has solved such a problem in the past, if relevant, which is called nominal decision making. Secondly, the consumer will try to solve the problem by asking a friend or going to the market to seek advice

concerning which product will best serve the need and this is called limited decision making. Here, consumers actively or passively involve themselves in locating appropriate information as per their needs for cosmetics products.

Consumers search for information such as product range availability, price, product suitability and use and the nature of the products. Opinions of family, friends, doctors and beauticians, as well as reference to company websites and advertisements are major information sources as regards to cosmetics.

### 3. Evaluation of alternatives

Consumers evaluate alternatives according to various criteria such as features, characteristics and benefits that a consumer desires in solving the specified problem. The consumer will decide which product to buy from a set of alternative products depending on the unique features, if any, that the product offers. Here consumers evaluate the different alternatives in cosmetics products as per their needs on the basis of price, quality, brand image, ingredients, suitability, availability and other relevant features.

### 4. Purchase Action

This stage involves the selection of a brand and the retail outlet at which to purchase the desired product. After selecting where to buy and what to buy, the consumer completes the final step of transaction with either cash or credit. After evaluation among the different cosmetics brand available in the market now, consumers finally buy the products desired as per needs. Here consumers evaluate the purchase decision considering various risks like functional risks, physical risks, financial risks and psychological risks.

### 5. Post-purchase Actions

In the event of favorable post-purchase evaluation, the customer will be satisfied with the process. However, if the product's perceived performance level is below expectation, then this will in due course lead to dissatisfaction.

Consumers, if satisfied, are then likely to use the same cosmetics brand in future, which is what gives rise eventually to brand loyalty. If particular products do not perform as per their expectations, then consumers are likely to switch to another brand if one is available and it is perceived to exceed the performance of the current product. This is the model of consumer buying behavior that will be investigated in this paper.

### Review of literature

Tucker W.T., (1964) defined brand loyalty as three successive preference of the same brand in their empirical studies of this concept.<sup>1</sup>

Aaker & Keller (1990) argued that loyalty is closely associated with various factors, one of the main ones being the experience of use. Customers may be loyal owing to high switching barriers related to technical, economical or psychological factors, which make it costly or difficult for the customer to change. From another point of view, customers may also be loyal because they are satisfied with the brand and thus want to continue the relationship (Fornell, 1992).

Keller (2003) argued that famous brand names can disseminate product benefits and lead to higher recall of advertised benefits than non-famous brand names. There are many unfamiliar brand names and alternatives available in the market place. Consumers may prefer to trust major famous brand names for satisfying purposes. These prestigious brand names and their images attract consumers to purchase the brand and bring about repeat purchasing behavior and reduce price related switching behaviours (Cadogan & Foster, 2000).

Nair Vinith Kumar and Pillai Prakash R., "A study on Purchase Pattern of Cosmetics among Consumers in Kerala." (2007).<sup>2</sup> The study analyses the purchase patterns and spending styles of people belonging to different segments of Cosmetic consumers in Kerala.

### NEED FOR THE STUDY

Consumer attitude gives both difficulty and development to the company. Now, Consumers have lot of interest regarding the cosmetic products and also they having awareness about cosmetic product attributes. Here, the cosmetic companies need to understand the consumer attitude on cosmetics buying behavior which brings success of the company. This study focuses on the factors that affect the buying decisions of consumers. This research objective is to get reliable and valid results that helps to the company in planning their future activities and marketing strategies.

### PROBLEM IDENTIFICATION AND FORMULATION

As is evident from the description above, till date, good amount of researches were undertaken to study various aspects of Brand Loyalty at the International Level. However one is yet to come across similar researches in the field of Brand Loyalty at the National Level in India or within the Pudukkottai since the concept of Branding is yet to pick up in a developing nation like ours as compared to western more developed nations.

Against such a backdrop, the researcher has decided to undertake a study that extends over a wide canvas entailing a comprehensive examination of the brand loyalty behavioral pattern of the women skincare cosmetics consumers in Pudukkottai.

### OBJECTIVES OF THE STUDY

The study has been carried out with the following objectives:

- (1) To measure the Level and Study the Pattern of Brand Loyalty for Skincare Cosmetics Products among Women Skincare Cosmetics Buyers/ Consumers in Pudukkottai.
- (2) To identify the important factors that influences the Purchase of Skincare Cosmetics Products by Women.

### RESEARCH DESIGN

The research Design of a Study outlines the nature of information required for the purpose of the study, the method of data collection, the technique used for the analysis and interpretation of the data for the study.

### PRIMARY DATA COLLECTION METHOD

Primary data were collected through questionnaires completed by female cosmetics consumers. A questionnaire approach was considered to be the most effective method for collecting primary data for fulfilling the purpose of studying women's buying behavior as regards cosmetics products. All the questions in the questionnaire were in the English language. The questionnaire included both open-ended and closed questions. The various questions included in the questionnaire were intended to study buying behaviour, to understand their preferences regarding cosmetic products and about brand loyalty issues. Likert scales were used for some questions involving purchasing decisions and additional questions concerned demographic attributes of respondents.

### SECONDARY DATA COLLECTION METHOD

Reference books and academic journals were consulted to determine the existing level of knowledge about consumer buying behaviour. The internet was used to collect data about the companies involved and their various brands and product lines available in the market, as well as the company's turnover and their market positions. In addition, past research survey data was used to help create the questionnaire used to collect primary data.

### SAMPLING DETAILS

The population for this research study consists of women using cosmetics products. Working women, housewives and college students were contacted through a face-to-face interviewing method using the questionnaire. In this study, the sampling unit is the individual consumer who uses cosmetics products. A total of

26 women consumers were contacted within the Pudukkottai and the sample were selected by a non-probability convenience sampling method to seek fair, impartial and effective data.

NATURE AND TYPE OF THE STUDY:

This research work is in the form of ‘ex-post –facto’ study in which the researcher tried to study the existing perceptions of the Women Skincare Cosmetics Buyers regarding the Concept of Brand Loyalty , The Factors Affecting it and the Factors Affecting the Purchase of Skincare Cosmetics in general, etc, without manipulating in any way the scenario as it stands presently. Thus, this Study is largely Empirical in approach.

DATA ANALYSIS AND INTERPRETATION

Table.1 Influence of Age, Monthly Family Income, Occupation and Martial status on Overall Attitude

| Age            |                 | N  | Mean  | SD    | t     | DF | Sig   |
|----------------|-----------------|----|-------|-------|-------|----|-------|
|                | 18 – 20         | 3  | 4.333 | 3.5   | 3.031 | 5  | 0.29  |
|                | 21 – 25         | 11 |       |       |       |    |       |
|                | 26 – 30         | 3  |       |       |       |    |       |
|                | 31 – 35         | 5  |       |       |       |    |       |
|                | 36 – 40         | 3  |       |       |       |    |       |
|                | Above 41        | 1  |       |       |       |    |       |
|                | Total           | 26 |       |       |       |    |       |
| Income         | Below 10000     | 5  | 6.50  | 2.646 | 4.914 | 3  | 0.16  |
|                | 10000 – 25000   | 10 |       |       |       |    |       |
|                | 25001 – 50000   | 7  |       |       |       |    |       |
|                | 50001 and above | 4  |       |       |       |    |       |
|                | Total           | 26 |       |       |       |    |       |
| Marital Status | Married         | 16 | 13    | 4.243 | 4.333 | 1  | 0.144 |
|                | UnMarried       | 10 |       |       |       |    |       |
|                | Total           | 26 |       |       |       |    |       |
| Occupation     | Student         | 12 | 5.20  | 3.962 | 2.935 | 4  | 0.43  |
|                | Homemaker       | 5  |       |       |       |    |       |
|                | Service         | 4  |       |       |       |    |       |
|                | Business        | 2  |       |       |       |    |       |
|                | Professional    | 3  |       |       |       |    |       |
|                | Total           | 26 |       |       |       |    |       |

The above table shows the influence of age on overall attitude of the respondents towards skincare cosmetics products. In order to find out the inflecnce, Anova was performed and the results shows a significant outcome (t=3.031; p=0.29).that is the respondents differ significantly with respect to their age towards their attitude on skincare cosmetic products. On observing the mean values,it is noted that the respondents who are in the age group(M=4.333; SD=3.5) Hence,it is concluded that it have positive attitude towards skincare cosmetics products.

Next,the table shows the influence of Monthly Family Income on Overall attitude of the respondents towards skincare cosmetics products.Anova result shows a non-significant outcome(t=4.914; p=0.16). and the results on mean of (M=6.50; SD=2.646). Also, the table shows the influence of Occupation on overall attitude of the respondents towards skincare cosmetics products. Anova results shows a significant with respect to their occupation is (t= 4;p=0.43) and th emean results and standard deviation is (M=5.20; SD=3.962) and the table Marital status influences the skincare cosmetic users (t=1; p=0.144) and also the (M=13; SD=4.243).

Table 2 FACTORS INFLUENCING AGE AND OCCUPATION  
 The following are the factors influencing the category of age and the occupation group are as follows.

| Age/Occupation | Student | Homemaker | Service | Business | Professional |
|----------------|---------|-----------|---------|----------|--------------|
| 18-20          | 2       | 1         | 0       | 0        | 0            |
| 21-25          | 9       | 2         | 0       | 1        | 0            |
| 26-30          | 1       | 0         | 1       | 0        | 1            |
| 31-35          | 0       | 3         | 0       | 1        | 1            |
| 36-40          | 1       | 0         | 2       | 0        | 1            |
| Above 41       | 0       | 0         | 1       | 0        | 0            |

| Statistics     |                |           |         |         |                |   |
|----------------|----------------|-----------|---------|---------|----------------|---|
|                | Student        | Homemaker | Service | Busines | Professional   |   |
| N              | Valid 6        | 6         | 6       | 6       | 6              | 6 |
|                | Missing 0      | 0         | 0       | 0       | 0              | 0 |
| Mean           | 2.17           | .83       | .67     | .33     | .50            |   |
| Median         | 1.00           | .50       | .50     | .00     | .50            |   |
| Mode           | 0 <sup>a</sup> | 0         | 0       | 0       | 0 <sup>a</sup> |   |
| Std. Deviation | 3.430          | 1.169     | .816    | .516    | .548           |   |
| Variance       | 11.767         | 1.367     | .667    | .267    | .300           |   |
| Range          | 9              | 3         | 2       | 1       | 1              |   |
| Percentiles    | 25 .00         | .00       | .00     | .00     | .00            |   |
|                | 50 1.00        | .50       | .50     | .00     | .50            |   |
|                | 75 3.75        | 1.50      | 1.25    | 1.00    | 1.00           |   |

a. Multiple modes exist. The smallest value is shown

From the above table shows that comparision between the age group and occupation if the skincare cosmetics users it is identified by using the Anova calculation of mean of 2.17 on students and 0.83 of Homemakers and 0.67 of service women cosmetic users and 0.33 of business women's 0.50 of professionals of skincare cosmetics users. And the median of (1.00, ) of student and 0.50 of homemakers and 0.50 of service and 0.50 of professional cosmetic users.

DISCUSSION

Consumer buying behaviour mainly depends on his attitudes. Specifically,the attitudes of consumers can have a critical role on beauty cosmetics buying behaviour. The middle aged people have positive attitude towards beauty cosmetic products compared to young aged people. Through the beauty cosmetic products they try to keep young or give young appearance. And, middle aged people almost they settled in their life. So they have the self spending power to buy beauty cosmetics products.hence, they have positive attitude towards beauty cosmetics products compared to young aged people. All categories of people want to maintain their self image regarding physical apperance among the society.compared to privately employed people and those doing business,housewives having time to take care about them selves. Married people have crossed certain age limit, for that reason they need to take care about their physical apperance. Now-a-days married women have conscious about skin care and personal care.

Hence,married people have positive attitude towards beauty cosmetic products compared to unmarried people.apart from the above factors,consumers are havinf more conscious on quality,money and brands of beauty cosmetic products.

SUGGESTIONS OF GENERAL NATURE:

In order to maintain and extend the Brand Loyalties of the existing Customers and to induce Non-users or Competitor's Customers to Switch their brands in their favour,companies should embark upon the following endeavors.,

1. Develop Long-term outlook coupled with Extensive Research and Development.
2. Continuous Product Innovation
3. Quality Strategy
4. Build Brand Equity by creating the right brand knowledge structures with the right customers.
5. Brand Extension and Multi-Brand Strategy.

CONCLUSION

cosmetic is a preparation extremely applied to change or enhance the beauty of skin, hair, nail, lips and eyes. in today 's scenario the cosmeceutical market is considered to be a Potential market for the cosmeceutical /pharmaceutical companies. Due to the diversity in population and also having a large population India is supposed to be one of the emerging markets in the field of cosmetical production this globe. cosmetic generate beauty ,fragrance, pleasant look and love as well.th findings of the study help cosmetic companies to make their strategies so as to capture this new emerging cosmeceutical market segment.

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