A STUDY ON CUSTOMER SATISFACTION AND PREFERENCE TOWARDS FOREIGN BRANDED COSMETICS IN TIRUPUR CITY

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ABSTRACT

Nowadays Cosmetic Industry covers a wide range of products and services. It continues to grow and evolve, the profitable opportunity will enhance the growth of this industry. Presently in cosmetic industry diversity and innovation exists because customers demand and continues to expand globally, several trends support this expansion and promise continued profitability into the future. From product innovation, organic industry growth and continued growth into the male half of the population, the cosmetic industry continues to offer a diverse set of profitable franchising opportunities. This paper is to study on customer satisfaction and preference towards foreign branded cosmetics in Tirupur city. This study is also going to reveal that to have permanent place in the minds of consumers, i.e., brand loyalty, company has to devote much attention to the cardinal factors like quality, pricing, a well-knit distribution network and connectives to agents and so on. By finding out the customer preference and satisfaction towards the selected foreign branded cosmetic products among the Tirupur city.

Keywords: Globally, Innovation, Cosmetics, Foreign brands, Consumer satisfaction.

INTRODUCTION

A customer is the king of the market. Consumer performance consists of both physical and mental activities. Mental activities involve perceiving communication, material and learning to prefer a particular brand of product. On the other hand, physical activities involve visiting a shop examining product selection (or) eating / drinking outside that is the actual act of consumption. The consumer market is the sum total of all goods and services purchased in a given period by the inhabitants of a given country (or) a section there of for the satisfaction of their consumption needs.

The consumer market actually consists of four components

1. People
2. Purchasing Power
3. Needs for a specific products and
4. Willing to fill the need with a given product.

The factor “people” requires that very often it is said that “market are people”. But all the people do not constitute market and the people without ability to buy should be excluded from market.

The second component is purchasing power that is the money needed to buy. Only the people with money to spend and the desire to spend it constitute potential customers. All the customers together represent a potential market. The word ‘potential’ does not mean ‘Actual’. It should be understood that even people with money to spend do not themselves constitute a potential customer market for a
particular product. People must have a need or want for a specific product. This forms the third component of consumer market. The consumer market is only that segment of the people who can offered to buy his product, who have need for it and willing to buy the product in preferences to all, similar products sold by the other manufactures.

Cosmetics (colloquially known as makeup or make-up) are care substances used to enhance the appearance or odor of the human body. They are generally mixtures of chemical compounds, some being derived from natural sources and many being synthetics. According to Webster “Buying behaviour is all psychological, social and physical behaviour of potential customers as they become aware of, evaluate, purchase, consume and tell other people about product and services. 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 involves as Problem Recognition, Information Search, Evaluation of alternatives, Purchase Action and Post-purchase.

INDIAN COSMETIC INDUSTRY

The Indian Cosmetics Industry is defined as skin care, hair care, color 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 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 shun chemical products in favor of organic ones.

The emphasis of the herbal cosmetic has been on the spectacular growth of the herbal and ayurvedic beauty products business as conveyed by beauty expert Shahnaz Husain who was the first to introduce the concept of ayurvedic cosmetics to the world when she launched her products way back in 1970. Today, the Indian cosmetics industry has a plethora of herbal cosmetic brands like Forest Essentials, Biotique, Himalaya, Blossom Kochhar, VLCC, Dabur and Lotus and many more. The Indian cosmetics industry has emerged as one of the unique industries holding huge potential for further growth. In 2009, the cosmetics industry registered sales of INR 356.6 Billion (US$ 7.1 Billion) despite the global economic recession. Indian cosmetics Industry has mainly been driven by improved purchasing power and rising fashion consciousness of the Indian population and industry players spending readily on the promotional activities to increase consumer awareness and develop their products.

FOREIGN COSMETIC INDUSTRY

The global cosmetic business permeates our lives, influencing how we perceive ourselves and what it is to be beautiful. The brands and firms which have shaped this industry, such as Avon, Coty, Estee Lauder, L'Oreal, and Shiseido, have imagined beauty for us. The global beauty industry from its emergence in the nineteenth century to the present day, exploring how today's global giants grew. It shows how successive generations of entrepreneurs built brands which shaped perceptions of beauty, and the business organizations needed to market them. They democratized access to beauty products, once the privilege of elites, but they also defined the gender and ethnic borders of beauty, and its association with a handful of cities, notably Paris and later New York. The result was a homogenization of beauty ideals throughout the world.

Today globalization is changing the beauty industry again; its impact can be seen in a range of competing strategies. Global brands have swept into China, Russia, and India, but at the same time, these brands are having to respond to a far greater diversity of cultures and lifestyles as new markets...
are opened up worldwide. Worldwide Cosmetic Market. If you look at the entire worldwide cosmetic industry, sales reach about $170 Billion dollars a year. It’s distributed pretty uniformly around the world with ~$40 billion in the Americas, ~$60 billion in Europe, ~$60 billion in Australia & Asia, and another $10 billion in Africa. The Western world spends a bit more per person but India and Asia are quickly catching up.

GROWTH OF FOREIGN BRANDED COSMETICS

It’s one thing to localize your products so they don’t come across as foreign forces of imperial capitalism, but quite another to finesse an approach that fosters real affection and trust with international customers. For some brands, it’s a matter of recognizing the right offering at the right time. For others, it’s about customizing the introduction. IKEA home furnishings, Under Armour athletic wear, and Estée Lauder’s M.A.C. cosmetic line have all managed to take a global product offering and make it local for markets around the world.

FIVE PRIMARY COSMETIC SEGMENTS

So now that you know where all the money is spent, it’s helpful to know what people are spending their money on. The cosmetic industry (aka beauty industry or personal care industry) can be broken down into 5 segments. Market researchers like to break these up into even more segments but these 5 cover everything.

- **Hair Care Market**
  
  About 20% of all cosmetic products sold are for the hair. Shampoos make up the vast majority of this market since almost everyone uses shampoo. Other significant market segments include conditioners, styling products, hair color, and relaxers. Currently, the biggest players in this category are Procter & Gamble (Pantene) and L’Oreal.

- **Skin Care Market**
  
  The range of products that are offered for the skin care market are much more diverse than the hair care market. Skin care makes up about 27% of the total cosmetic industry and includes skin moisturizers, cleansers, facial products, anti-acne, and anti-aging products. Women do not mind spending big bucks to keep their skin looking young.

- **Make-up Market**
  
  The color cosmetic market represents about 15% of the cosmetic industry and includes anything from lipstick to nail polish. Included are things like blush, eyeshadow, foundation, etc. The array of products is vast and the number of color variations are practically infinite. The market is highly segmented so there isn’t really one dominant player.

- **Fine Fragrance**
  
  This market segment has really taken a hit in the last few years but it still makes up about 10% of the cosmetic industry so some companies are still making money. This is the highest profit segment of the cosmetic industry but consumers are fickle. Fine fragrances come and go like fashion and companies have to continue to reformulate just to compete.

- **Other Category**
  
  The “other” category represents 23% of the cosmetic industry and is made up of things like toothpaste, deodorants, sunscreens, depilatories, and other personal care products not yet mentioned. Actually, many of these products could fall under one of the categories already mentioned but the
industry likes to keep them separated whenever they do stories on the various markets. No matter what, people want to smell and look good so even when the economy hits a recession people will still buy soap. The recent economic conditions demonstrate, they do buy less, but they do keep buying.

REVIEW OF LITERATURE

The review of related literature's has greatly helped the researcher in plotting the entire research design and establishing research objectives. The researcher has intensively gone through all those related scholarly published articles and research papers.

Elif A. Ergin et al (2005), carried on a research study with view to determining brand loyalty among Turkish women with respect to skin-care products and enabling cosmetics players to penetrate to the Turkish market and to shape marketing strategies. The results showed that there is a brand loyalty among Turkish women for cosmetic products. Sondoh Jr., Stephen L et al (2007), examined the impact of brand image benefits on satisfaction and loyalty intention for color cosmetic product. Results revealed that brand image benefits viz. functional, social, experiential and appearance enhances are positively related to overall satisfaction and loyalty intention is significantly influenced by functional and appearance enhance. (Mermelstein & Felding, 2007), This change is becoming a new trend and the male grooming industry is expected to blossom since consumers are increasingly adapting to western styles. The gap has shorten now a days between men and beauty care products, their demand for skin care products are revealed to fulfill their pleasure and wellness start from, cream their skin, feed the skin nutrition, antiaging treatment, body and hair cares, spa centres or even beauty institutions.

Hamza Salim Khraim (2011), analysed how factors of brand loyalty towards cosmetic brands influence the consumer buying behaviour. The findings of this study disclose that there is positive and significant relationship between factors of brand loyalty namely brand name, product quality, price, design, promotion, service quality and store environment with cosmetics brand loyalty. Debiprasad Mukherjee (2012) conducted a study entitled „Impact of celebrity endorsement on Brand Image“. This study shows that consumers report higher self-brand connection for brands with images that are consistent with the image of a celebrity that they aspire to be like, particularly in the case when the image of the celebrity and the brand match. Yousaf, Usman et al (2012) tried to know the brand loyalty and affirmed that brand credibility, brand awareness, brand association, perceived quality and product knowledge are important to build brand loyalty. Result of this research indicated that there is a positive relation between brand credibility, brand awareness, brand association, perceived quality, product knowledge (independent variables) and brand loyalty (dependent variables). It has also been concluded that brand awareness has the highest impact on brand loyalty and L’Oreal consumers are more than other brands.

Anjali Sharma et al. (2013), made an attempt to investigate the impact of brand loyalty on consumer buying behaviour for beauty products and aspects involved while purchasing cosmetic products. Majority of respondents opined that quality is the most important factor at the time of purchasing of the beauty products followed by brand and price. However, small group of women feel packaging is the key factor for decision making. Researchers concluded that these factors are generally responsible for switching to other brands and friends are the most powerful reference group. K. G. Sankaranarayanan & Nandakumar Mekoth (2014), found significant difference between the usage and attitude of the clusters. This analysis resulted into the formation of three clusters viz. medium self-directed, heavy other-directed & occasional nonbelievers with varying characteristics. In addition, brand preference for body spray was found to vary by cluster and brand preference for face
wash, shaving cream and face cream was not varying by cluster. Surprisingly, heavy other directed were reported to be the lowest spenders while occasional non believers were the highest spenders.

OBJECTIVES OF THE STUDY

1. To study about the selected foreign branded cosmetics.
2. To know about the factor influencing the consumer in buying the foreign branded cosmetics.
3. To analyze the awareness and the level of satisfaction of the consumer towards foreign branded cosmetics.
4. To study the problems faced by consumer in using the foreign branded cosmetics.

RESEARCH METHODOLOGY

Research methodology generally refers to the systematic procedure carried out in a research study. The descriptive research design used in this project, the primary data were collected directly from the customers through the questionnaire method. The secondary data which are collected from some other sources such as journals, magazines and websites. The study confined to a period of 45 days. The sample size taken for this study is 100. The sampling used in this study is probability sampling method i.e., Simple Random Sampling technique was employed to choosen the sample. The various tools and techniques used in this study was Simple percentage method, Point analysis and Ranking method.

LIMITATIONS OF THE STUDY

- Time is a major constraint
- The study is restricted to Tirupur city only.
- The stastical tools are used to analyze the data with its own limitations.
- The data collected is based on the questionnaire and the results would be varying according to the options of the individuals. Only 100 respondents were taken as the sample.

ANALYSIS AND INTERPRETATION OF DATA

1) Occupation-wise Classification of the Respondents

A person’s occupation influences their consumption pattern. When the respondents were given choice to indicate their occupation it was found that majority of them were student.

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Occupation</th>
<th>No. of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Student</td>
<td>38</td>
<td>38</td>
</tr>
<tr>
<td>2</td>
<td>Employees</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>3</td>
<td>Business</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>4</td>
<td>Professional</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>
Inference: The above table reveals that 38% of the respondents are students, 25% of the respondents are business peoples, 24% of the respondents are employed, and 13% of the respondents are professional persons.

2) Type of Selected Foreign Branded Cosmetics

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Branded Cosmetics</th>
<th>No. of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Avon</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>2</td>
<td>Johnson &amp; Johnson</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>3</td>
<td>L’Oreal</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>4</td>
<td>Procter &amp; Gamble</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>5</td>
<td>Others</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Inference: The above table depicts that 30% of the respondents prefer L’Oreal company, 23% of the respondents prefer Procter & Gamble company, 19% of the respondents prefer Avon company, 17% of the respondents prefer Johnson & Johnson, 11% of the respondents prefer other companies.

3) Factor Influencing the Consumer in Buying the Foreign Branded Cosmetics

<table>
<thead>
<tr>
<th>S.N no.</th>
<th>Factors</th>
<th>No. of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Specification</td>
<td>46</td>
<td>46</td>
</tr>
<tr>
<td>2</td>
<td>Well-known brand</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>3</td>
<td>Cheapest price</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>Availability</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>5</td>
<td>Design &amp; Package</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>6</td>
<td>Special benefits</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Inference: The above table depicts that 46% of the respondents purchase foreign branded cosmetics based on the specification, 28% of the respondents purchase foreign branded cosmetics based on the well-known brand, 14% of the respondents purchase foreign branded cosmetics based on the special
benefits, 9% of the respondents purchase foreign branded cosmetics based on the availability, 2% of the respondents purchase foreign branded cosmetics based on the design and package, 1% of the respondents purchase foreign branded cosmetics based on the cheapest price.

4) Level of Satisfaction of the Consumer towards Foreign Branded Cosmetics

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Factors</th>
<th>Highly Satisfied (%)</th>
<th>Satisfied (%)</th>
<th>Neutral (%)</th>
<th>Dissatisfied</th>
<th>Highly Dissatisfied (%)</th>
<th>Point Analysis Score</th>
<th>Mean Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Quality</td>
<td>60</td>
<td>34</td>
<td>4</td>
<td>2</td>
<td>0</td>
<td>452</td>
<td>4.52</td>
</tr>
<tr>
<td>2</td>
<td>Price</td>
<td>8</td>
<td>40</td>
<td>40</td>
<td>12</td>
<td>0</td>
<td>344</td>
<td>3.44</td>
</tr>
<tr>
<td>3</td>
<td>Availability</td>
<td>32</td>
<td>58</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>364</td>
<td>3.64</td>
</tr>
<tr>
<td>4</td>
<td>Advertisement</td>
<td>14</td>
<td>44</td>
<td>36</td>
<td>6</td>
<td>0</td>
<td>366</td>
<td>3.66</td>
</tr>
<tr>
<td>5</td>
<td>Quantity</td>
<td>20</td>
<td>38</td>
<td>32</td>
<td>8</td>
<td>2</td>
<td>366</td>
<td>3.66</td>
</tr>
<tr>
<td>6</td>
<td>New arrival</td>
<td>16</td>
<td>44</td>
<td>36</td>
<td>0</td>
<td>4</td>
<td>368</td>
<td>3.68</td>
</tr>
<tr>
<td>7</td>
<td>Design &amp; Package</td>
<td>34</td>
<td>42</td>
<td>20</td>
<td>4</td>
<td>0</td>
<td>406</td>
<td>4.06</td>
</tr>
</tbody>
</table>

**Inference:** The above table reveals that out of 100 respondents 60% of the respondents highly satisfied the quality, 58% of the respondents satisfied the availability, 44% of the respondents satisfied the advertisement and new arrival, 40% of the respondents satisfied the price, 38% of the respondents satisfied the quantity, 34% of the respondents highly satisfied the design and package.

**Point Analysis:** The total points obtained are 452, 344, 364, 366, 368, 406 and the calculated mean value are 4.52, 3.44, 3.64, 3.66, 3.68, 4.06 which is greater than normal mean value 3. Hence the respondents are highly satisfied with Quality of branded cosmetics.

5) Problems in using Foreign Branded Cosmetics

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Problems</th>
<th>Weighted Score</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Low Quality</td>
<td>278</td>
<td>IV</td>
</tr>
<tr>
<td>2</td>
<td>Non-Availability of Products</td>
<td>369</td>
<td>II</td>
</tr>
<tr>
<td>3</td>
<td>Side Effects</td>
<td>292</td>
<td>III</td>
</tr>
<tr>
<td>4</td>
<td>Poor Package</td>
<td>208</td>
<td>V</td>
</tr>
<tr>
<td>5</td>
<td>High Price</td>
<td>372</td>
<td>I</td>
</tr>
</tbody>
</table>

**Inference:** The above table shows the problems in using foreign branded cosmetics. The Customers ranked the first and foremost problem is high price with the score of 372 points(Rank 1), the second problem is non-availability of products with the score of 369 points(Rank 2), the third problem is side effects with the score of 292 points(Rank 3), the fourth problem is low quality with buyer with the
score of 278 points (Rank 4) and the fifth problem is poor package with the score of 208 points (Rank 5).

**FINDINGS**

- Majority 72% of the respondents are female customer, Majority 58% of the respondents are between the age group of 18-25 years.
- Maximum 38% of the respondents are students, Mostly 34% of the respondents earn monthly income of Rs 20000- Rs 30000.
- Majority 95% of the respondents are using foreign branded cosmetics only, 32% of the respondents are aware of the foreign branded cosmetic through media.
- Most 42% of the respondents using the foreign branded cosmetics for the past 3-5 years, Majority 68% of the respondents purchase the foreign branded cosmetics on monthly basis.
- Maximum 34% of the respondents purchase the foreign cosmetics at malls, 40% of the respondents spend Rs.500-Rs.1000 for foreign branded cosmetics.
- Mostly 30% of the respondents prefer L’Oreal company, Maximum 32% of the respondents prefer fragrances for foreign branded cosmetics.
- 34% of the respondent use foreign branded cosmetics to look beautiful, Majority 52% of the respondents highly satisfied the cost effectiveness of Procter and Gamble.
- Mostly 46% of the respondents are influenced to purchase foreign branded cosmetics because of specification. Maximum 50% of the respondents their opinion on usage of foreign branded cosmetics is good.
- From the Point analysis value(452), 60% of the respondents highly satisfied the quality of foreign branded cosmetics.
- From the Ranking method, the first and foremost problem is high price with the score of 372 points customers ranked as first and fifth ranked as problem is poor package with the score of 208 points.

**SUGGESTIONS**

- Advertisement is an important device which influences more customers. Therefore, they have to increases awareness through the advertisement in order to increases the sales.
- The marketer has to provide awareness about the foreign branded cosmetic products in rural areas to attract more customers. Companies should provide training to their distributors and dealers in order to serve their customers in the best way so as to build brand loyalty.
- Nowadays the sales strategy is moving towards giving free gifts, offers, etc., for the products. Hence, in order to withstand in the market and to increase the market share the manufacturers should give free gifts, offers, etc., from charging the reasonable price.
- The distributor has to take necessary steps to improve the supply of products by fulfilling the customer’s requirements.

**CONCLUSION**

The depth study on the consumer satisfaction and preference towards foreign branded cosmetics, has come to the conclusion that foreign branded cosmetic products is growing and will continue to grow very fast. The future for the foreign branded cosmetic sector look extremely encouraging. The sector having undergone a structural change is all set to emerge stronger in future. This presents a tremendous opportunity for the markets of branded product. Foreign branded cosmetic product was able to maintain hold its top rank providing quality product at reasonable price to consumer. Quality is the main motivating factor for the consumer to buy the product of foreign branded cosmetics. Introduction of new products in the market to satisfy the consumer is also an
importance reason for foreign branded cosmetics to hold the top in the consumer market. It is evident from the study that to have permanent place in the minds of consumers, i.e., brand loyalty, company has to devote much attention to the cardinal factors like quality, pricing, a well knit distribution network and connectives to agents and so on. By finding out the customer preference and satisfaction towards the selected foreign branded cosmetic products among the tirupur city, the consumers have expressed their opinion on certain aspects of foreign branded cosmetic products to the extent they are satisfied. The foreign brands further growth and success of companies depend on how they adopt different strategies in marketing their products in tirupur city.

REFERENCES


WEBSITES