

A STUDY ON CONSUMER INTENTION TOWARDS ONLINE PURCHASE OF COSMETIC PRODUCTS

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Abstract - Nowadays, shopping online has become an essential activity for the whole world. Cosmetics have now started selling online. Trends are changing, a few years back none would consider purchasing cosmetics online as it is considered necessary to try out such products in person to judge the color, texture etc., but now, a lot of websites solely depend on online portals to sell cosmetics. The present study is undertaken to analyze consumer intention towards online purchase of cosmetic products. A survey of 150 respondents was selected using convenience sampling and analyzed using various functions of SPSS. A questionnaire was developed and was administered to 150 employees. The results shows that pricing, advertisements and discounts influence the purchase behavior of consumers while purchasing cosmetics online.

Key Words: Cosmetics, Discounts, Online Shopping, Pricing, Advertising.

1.INTRODUCTION

Nowadays, people are becoming self-aware. They take care of their body by their own effort. They take care of their body by eating healthy and drinking water, at the same time, they take extra caution while deciding what their body should come in contact with. The usage of cosmetics has conquered since day in age, but as the consumers become more advanced, the products become more advanced. People want to live healthy, and it not only includes a vegan diet, or exercising, but also what choices they make when they purchase cosmetics that they use on themselves. Online shopping becomes an essential part nowadays. It includes purchasing products or services using the net. It requires the user to go online, seller's website, choosing on their choice and need and placing the order for its delivery. The payment is made online using a debit or credit card, or paying upon delivery. It eliminates the need of going to the store in person.

Indian cosmetic industry is expected to grow at a speeder rate. Both men and women will help this growth. The companies realized the potential of the rural markets and started to expand these markets. This new area of expansion helps the companies to grow faster. In traditional marketing and purchasing, discounts and advertisements have great significance to influence purchase behavior. Higher discounts and frequent advertising are seen to rise purchase action. Every purchaser is price sensitive and approachable to lower prices. In an Indian market, where price plays a vital

role. Lower prices are often resulting in greater purchase behavior.

The paper is aimed to study the consumer intention towards online purchase of cosmetic products and impact of discounts, pricing and advertising while purchasing the cosmetics online. It is also aimed to know the reason for the increase in online shoppers and to recognize with something like cosmetics which is usually tried and tested at the shops before purchase, with the elimination of this option, how would most consumers respond to purchase cosmetics online.

REVIEW OF LITERATURE

A brief review about the concepts and results of the past research and explanation on the concepts, studies relevant to the study are presented.

(Krieng kitbumrungrat ,2022) the paper aims to focus “the Factors influencing consumers decision to purchase new brand cosmetics in the facial skin care through online.” The researcher said that “online shopping is growing worldwide at an accelerated rate. So, vibrant businesses use online as a network to vend their products specifically, beauty- related products like cosmetics are veritably hip among consumers.

(Dr.R.Gopinath ,2021) the paper aims to focus “customer behavior on online purchase of Perambalur district.” He revealed that “The IT diligence may realize it as a new- business operation expected toward marketable deals. The companies use the net to describe their product range and services in order to enter on the worldwide request and reach a wider cult. The scholars visited Perambalur quarter for this study. Correlation and retrogression are used in this exploration. The exploration concluded that simple use & Perceived Utility are largely told the online shopping intentions.”

(Joseph, 2017) This study was done to know the perception and consciousness among college students towards online shopping. The level of awareness, the factors that affect online shopping, challenges faced during shopping online are taken into account. The data collected from 60 college students. Majority of them have a positive perception towards online shopping. Majority of the students agree that shopping online saves time. It also allows purchase at any time, provides access to information, and better security. The factors that affect online shopping are ease, security in payment, product variety, promotion, website reputation and a bunch of secondary factors like money, delivery time and fee, return policy etc.

OBJECTIVE OF THE STUDY

The main objective is to study the buyer intention towards online shopping of cosmetic products and to determine whether difference in price, discounts and advertising encourages people to shop cosmetic products online.

SCOPE OF THE STUDY

The study helps to give an outlook about how advertising, discounts and pricing have a greater influence on the consumer’s mind to endorse online shopping of cosmetics. The study highlights the factors individually affecting the buying decisions and enlightens the extent of influence. It also helps to know the purchaser intentions, the effects of customers' perceptions to buy cosmetics online, including age, gender, income, education level, and occupation. It investigates the factors like quality, brand perception, packaging to attract the consumers' intentions to buy cosmetics online. It also examines how socially influencing elements such as online reviews, social media, and reference groups, grab consumers attention to buy cosmetics online.

RESEARCH METHODOLOGY

The validity of any research depends on the systematic collection of data, and analyzing it in a sequential order. In the present study, both primary and secondary data were made. For collecting the primary data, questionnaire was constructed and employed in the study. First-hand information was collected from 150 respondents. Convenience sampling method was employed for selecting the respondents.

2.Data analysis and interpretation

Case Processing Summary

| | | N | % |
|-------|----------|-----|-------|
| Cases | Valid | 150 | 100.0 |
| | Excluded | 0 | 0 |
| | Total | 150 | 100.0 |

The table above shows, 100% of data has come in the valid entries, since 0 data points have been excluded. It shows all the data been used for analysis and none of the data has been discarded.

Overall Reliability statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| 0.793 | 11 |

Cronbach’s Alpha analysis is 0.793 which is greater than the required 0.7. and so, the data is reliable and acceptable.

Model Summary b

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------|----------|-------------------|----------------------------|---------------|
| 1 | 0.793 | .560 | .535 | .341 | 1.84 |

a. Dependent Variable: Purchase Behavior

The model explains 56 % of all variations and after adjustments explains 53.5% of all variations. This may explain only half of the model but can show that online purchases may be dependent on many other factors apart from discounts offered online and advertisements. These factors may include the experiential shopping that is provided in stores and in malls, the trust factor when shopping online or even technical know-how when dealing with older customers. The lack of explain ability in the model may point towards low level of commoditization.

Null Hypothesis Ho: The factors of the model are insignificant.

Alternative Hypothesis H1: The factors of the model are significant.

ANOVA

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|-------|-------|
| 1 | Regression | 40.63 | 24 | 1.688 | 3.329 | .000b |
| | Residual | 63.366 | 126 | .507 | | |
| | Total | 103.873 | 150 | | | |

The significance value is < 0.05 and hence we reject the null hypothesis and conclude that the model is significant.

Table 1- Frequency of purchase with respect to difference in pricing

| | Never | Often | Rarely | Sometimes | Very Often | Total |
|--------------|-----------|-----------|-----------|-----------|------------|------------|
| Equivalent | 7 | 4 | 5 | 23 | 5 | 44 |
| Higher | 1 | 3 | 1 | 2 | 3 | 10 |
| Lower | 5 | 23 | 21 | 33 | 14 | 96 |
| Total | 13 | 30 | 27 | 58 | 22 | 150 |

Table 2- Frequency of purchase with respect to Motivation to low prices

| | Never | Often | Rarely | Sometimes | Very Often | Total |
|--------------|-----------|-----------|-----------|-----------|------------|------------|
| May be | 2 | 3 | 5 | 30 | 1 | 41 |
| No | 4 | 5 | 4 | 4 | 1 | 18 |
| Yes | 5 | 21 | 15 | 30 | 20 | 91 |
| Total | 11 | 29 | 24 | 64 | 22 | 150 |

Table 3- Frequency of purchase with respect to Motivation from online advertisements

| | Never | Often | Rarely | Sometimes | Very Often | Total |
|--------------|-----------|-----------|-----------|-----------|------------|------------|
| Equivalent | 5 | 4 | 7 | 30 | 1 | 47 |
| Higher | 4 | 5 | 9 | 11 | 4 | 33 |
| Lower | 2 | 19 | 9 | 24 | 16 | 70 |
| Total | 11 | 28 | 25 | 65 | 21 | 150 |

In the questionnaire survey of 150 respondents, a few conclusions maybe drawn.

Firstly, to determine whether advertisements encourage people to shop online, for that we have to consider the frequency of exposure of advertisements and it's the motivation to shop online. Since the mean value being higher than the test value, it can be concluded that the respondents come across more than a usual number of advertisements.

Respondents shown a sensible positive relationship between the frequency of advertisement and purchase. The people who come across advertisements are less likely to purchase. It shows the customer who comes across an advertisement frequently got annoyed by the company or brand, to an extent he decides not to purchase the product. There is a significant impact of advertisements on the purchasing behavior of consumers with nearly double the motivation and willingness of buying a product if the respondents were motivated by the advertisements.

Finally, motivation caused by the frequency of advertisements peaks near the middle and reduces when the frequency goes greater. The prices encourage purchase behavior by looking at discounts, difference, and the value of price. The respondents who believed that discounts encourage them, were three times likely to be favorable towards purchasing cosmetics.

The demographics considered for analyzing the purchase behavior is age and gender. The majority of the consumers falls between the age groups of 18 to 25 and 25 to 35. There is a sharp dip after 35 years. The women are nearly two times likely to purchase cosmetics as compared to men. The advertisements are the highest motivation factor in the younger age segments of below 15 and 15-18 years and in the older age groups of 35. But the group between 18 to 25 though they are motivated by advertisements, they show highest level of uncertainty within the group by answering maybe.

Hence, it can be concluded that price plays a significant influence on the purchase of cosmetics online. The discounts also motivate certain age and gender demographics. The advertisements show a significant influence on the purchase behaviors but a higher frequency of advertisements is detrimental.

3.CONCLUSION:

The study on the intention of consumer behavior towards online purchase of cosmetics and the kind of impact advertising, discounts and pricing has on the behavior will give a great understanding of how these factors influence a consumer buying behavior. The scope of online shopping is widespread. The people are becoming more aware day by day, but still the awareness on purchasing cosmetics online is still lesser as compared to other products. Still many people are hesitant and ignorant in buying cosmetics online. Companies who market cosmetics online can work on their awareness and advertising campaigns as a majority part of the crowds remain untapped. The study also specifies that there is a lack of faith from the side of the buyers pertaining to the purchase such products as quality is extremely imperative while purchasing cosmetics. Companies should also work on the hope factor to promote more selling.

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