

Consumer Behaviour towards Luxury Skincare Products

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ABSTRACT:

This research paper explores the intricate and dynamic landscape of consumer buying behaviour in the context of luxury skincare products. In an era, where personal skincare and appearance are increasingly significant, the skincare industry has witnessed a surge in luxury products. The paper delves into the multifaceted factors that influence consumers' choices when purchasing high-end skincare items, shedding light on the interplay of psychological, sociocultural and economic determinants.

KEYWORDS:

Consumer behaviour, Luxury Skincare, Preferences, Price, Decision-making

INTRODUCTION:

Today we can witness that India is rapidly growing in luxury market. There is also awareness of the luxury products amongst the consumers. It is also observed that the luxury brands have an increase in market visibility at retail, through advertising and their exposure to Indian consumers. The willingness of consumer to pay for luxury products includes variables like fashion, lifestyle, open-minded attitude or perceive a social/emotional value. Young women are diverted towards buying these products often. However, before purchasing it they do examine such products. Modern customers buy something to reward themselves, to meet psychological demands, or to make themselves feel better or make a statement, display their individuality, or increase their self-esteem. This study aims at analysing and understanding the factors that influence these modern consumers to buy such luxury items.

STATEMENT OF PROBLEM:

Skincare is a part of every person's routine as form of self – care. Customers purchase luxury skincare not only for the brand but also for the benefits that are drawn out of the ingredients of the products. There are a multitude of factors that are being considered while purchasing skincare products. Some of them are quality, packaging, sustainability, benefits and so on. This study has been carried out to understand the buying behaviour of women and men towards luxury skincare brands and parameters that play an important role in shaping the decision of the customers.

LITERATURE REVIEW:

Nilesh Anute, Ananad Deshmukh and Amol Khandagale (2015) in their paper have mentioned that the rising technology, scientific developments and media hype, has contributed to major rise in revenues of the cosmetic industry. Rising hygiene, beauty consciousness, standard of living, product choice, retail growth and wider availability of products have contributed for the same. Also, it is stated that quality of the product plays an important role in decision making. The paper also includes the steps in decision making process of a consumer which is- Need Recognition, information search, evaluation of alternatives, purchase decision and post purchase behaviour.

Isa Koikoi (2011) in her paper states the consumer behaviour of women towards buying facial care products. Factors like- cultural factors which is a mixture of meanings, rituals, norms and traditions shared in the society, social factors like family, status etc, personal factors like age, stage in life, occupation, lifestyle, values and personality, family life cycle, social class, occupation and income, perceptions, senses like smell and touch are the major concepts that guide women to form her decision while purchasing the product.

Miss Wararat Wiwatanaputit (2017) in her paper mentions that to understand the intention, attitudes towards the behaviour, external factors, internal factors and consumer values can help to uncover the different aspects of the behaviour or better understand the behaviour, which will help the marketers in designing the marketing program to be able to convince consumers to make purchases for the product. Factors like- environmental attributes, social influence, self - efficiency, store image play important role in forming the intention of the consumer.

Jia En Lee and Mei Ling Goh (2019) in their paper have stated the concept of purchase intention which refers to an individual's likeliness to acquire a certain product and it is a critical aspect measuring consumer behaviour. The paper also states brand awareness, brand association, perceived quality, brand loyalty plays positive and important role in decision of consumers while purchasing the products.

Dr. Gauhar Fatma (2020) in her paper talks about how marketing mix affects purchasing behaviour of male students towards skin care products. Four of marketing – product, price, place and promotion affect the decision. The study states that the products were selected on the basis of better quality, good brand, good packaging, aroma and price. In today's world, men are comfortable using skincare as compared to earlier times.

METHODOLOGY:**OBJECTIVES OF STUDY**

1. To study the consumer behaviour towards buying the luxury skincare products.
2. To study the intention of consumers that leads them to purchase luxury products.
3. To study the factors that affects women and men towards buying these products.

SIGNIFICANCE OF STUDY:

Women purchase skincare as based on certain features that they find beneficial. The rising awareness of using luxury skincare products has made women switch to better products. Women are now preferring brands that meet all their needs and are sustainable. Also, the competition of brands in market has provided customers variety of options to consider. Rising competition has also influenced the skincare brands to improve and has created awareness among customers. Hence, it becomes important to find out which factors are being considered that lead them to make their decision of purchasing.

LIMITATION OF STUDY:

Due to paucity of time and budgetary constraints, the study will be conducted in Pune only. The sampling size will be limited to 50 customers only. Also, double verification will not be done due to time constraints, so, authenticity of data might hinder.

TOOLS OF ANALYSIS:

The data will be analyzed through tables, charts and diagrams.

DATA COLLECTION:

This study will be conducted on the basis of primary data collected from the respondents.

| | |
|--------------------|--|
| Sample Universe | Maharashtra |
| Sample Area | Pune |
| Method of Sampling | Non – Probability (Convenience Sampling) |
| Sampling Size | 50 |
| Instrument | Structured Questionnaire |

Questionnaire:

1. Demographics? Age: ____
Location: _____
2. How often do you buy/invest in luxury skincare brands?
 - (a) Weekly
 - (b) Monthly
 - (c) Yearly
 - (d) Rarely
3. How often do you try new or switch to other skincare brands?
 - (a) Often
 - (b) Occasionally
 - (c) Rarely
 - (d) Never
4. Does pricing affect your selection of skincare brand?
 - (a) Yes
 - (b) No
5. Do you consider customer feedback related to the brand you prefer to buy?
 - (a) Yes
 - (b) No
6. Which THREE factors influence your choice of skincare brand?
 - (a) Price
 - (b) Packaging
 - (c) Brand Name
 - (d) Benefits for skin
 - (e) Recommendation from others
 - (f) Quality (Ingredients)
 - (g) Availability
 - (h) Advertisement
 - (i) Personal preference
 - (j) Frequent launching of new products
 - (k) Other: _____
7. Do you buy all your skincare products from a single luxury skincare brand only?
 - (a) Yes
 - (b) No, I prefer products from multiple brands
8. How many luxury brands do you include in your skincare routine?
 - (a) Single brand
 - (b) 2 brands
 - (c) 3
 - (d) 4
 - (e) More than 5
9. Where do you usually purchase skincare?
 - (a) Online
 - (b) Convenience stores

10. Are you willing to pay more for skincare brands that have sustainable and eco-friendly products:

(a) Yes

(b) No

11. Your favorite Indian Luxury skincare brand: _____

12. Your reason for preferring that brand: _____

Thank you for participating in our questionnaire! Your responses will help us to understand buying behavior towards luxury skincare brands better.

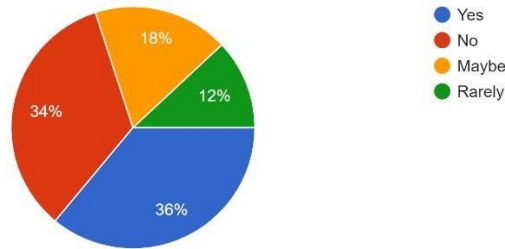
DATA ANALYSIS:

Demographic Profile

Table 1.1 Demographic profile of Respondents

| Basis | Options | Percentage (%) |
|--------------------------|-----------------------------|----------------|
| Gender | Male | 12% |
| | Female | 88% |
| | Other | - |
| Age | 18-25 yrs. | 78% |
| | 26-36 yrs. | 12% |
| | 37-45 yrs. | 8% |
| | 46-55 yrs. | - |
| | 55 & above | - |
| Marital Status | Single | 78% |
| | Married | 20% |
| | Divorced | - |
| Education | HSC Passed | - |
| | Graduation | 62% |
| | Post Graduation Further | 36% |
| | Higher Studies | - |
| Family Type | Nuclear Family Joint | 52% |
| | Family | 46% |
| | Single- Parent Family | - |
| No. of children you have | 1 | 10% |
| | 2 or more | 16% |
| | No child | 18% |
| | Unmarried | 56% |
| Profession | Business | 1.9% |
| | Housewife | 2.4% |
| | Student | 50% |
| | Salaried | 2% |
| Annual Family Income | Less than Rs 1,00,000 | 6% |
| | Rs 1,00,000 to Rs 3,00,000 | 28% |
| | Rs 5,00,000 to Rs 10,00,000 | 30% |
| | More than 10,00,000 | - |
| | Cannot Answer | 32% |

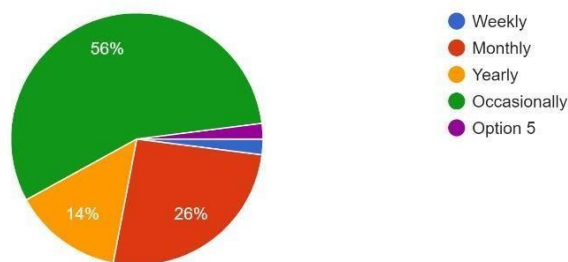
Do you prefer purchasing a luxury skincare brand?
50 responses



Source: Questionnaire Survey

- 36% agree using luxury skincare brand. 34% do not invest or purchase luxury skincare because they think that skin care is only for rich class of people.
- 18% may or may not invest depending on their intention and 12% rarely buy it.

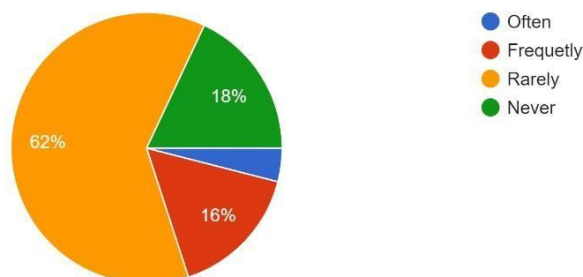
How often do you buy/invest in luxury skincare brands?
50 responses



Source: Questionnaire Survey

- 56% invest occasionally and 26% monthly invest in luxury skincare because most of the ladies feel that after 50 years only they need skin care.
- 14% yearly and very few shop skincare weekly.

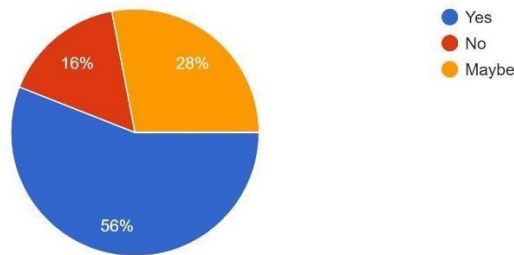
How often do you try or switch to other skincare brand?
50 responses



Source: Questionnaire Survey

- 62% rarely shift to other brands.
- 18% never shift to other brands showing consistency and brand loyalty.
- 16% frequently try different brands and very few shift often.

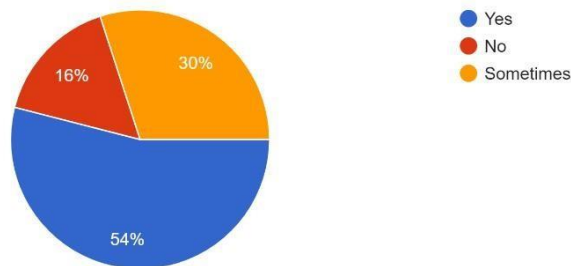
Does pricing affect your selection of skincare brand?
50 responses



Source: Questionnaire Survey

- 56% are affected by the pricing.
- 28% may or may not be affected and 16% are not affected by changes in pricing.

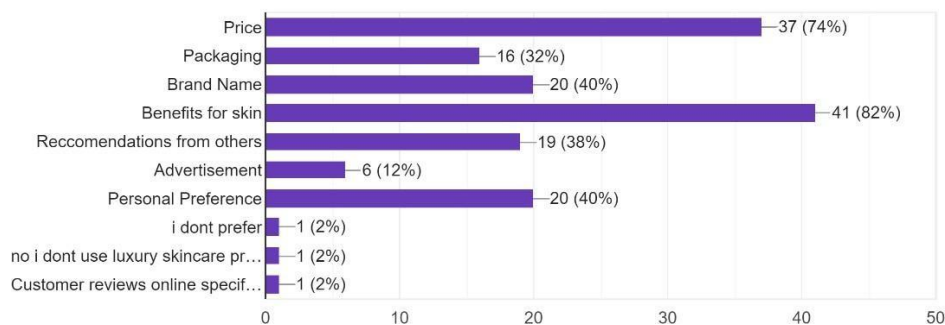
Do you consider customer feedback related to the brand you prefer to buy?
50 responses



Source: Questionnaire Survey

- 54% look at customer feedback before purchasing a product from luxury skincare brand.
- 30% are sometimes look at it and 16% do not consider it.

Which are the 3 factors influence your choice of skincare brand?
50 responses

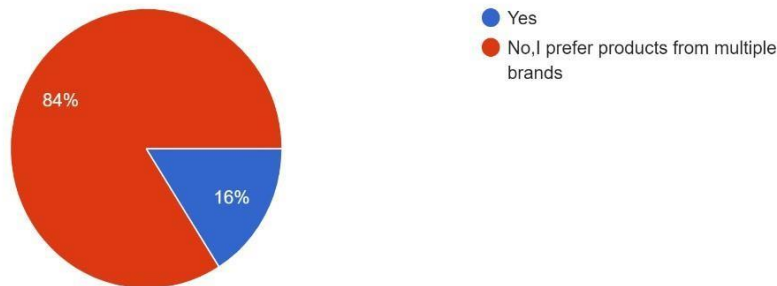


Source : Questionnaire Survey

- Price, Benefits for skin and personal preference are the factors that influence the decision of customers before purchasing the brand.
- Followed by packaging, brand name, recommendations and advertisement.

Do you buy all your skincare products from a single luxury skincare brand only?

50 responses

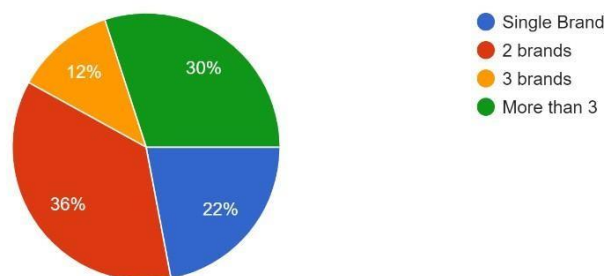


Source : Questionnaire Survey

- 84% respondents prefer multiple brands for their skin.
- 16% stick to one brand.

How many luxury brands do you include in your skincare routine?

50 responses

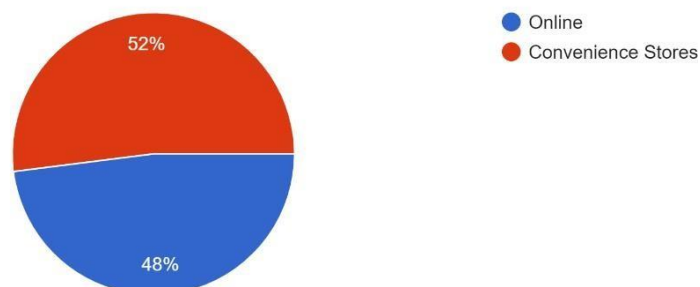


Source: Questionnaire Survey

- 36% people at least include 2 brands 12% include 3 brands in skincare.
- 30% prefer more than 3 brands and 22 % stick to on brand.

Where do you usually purchase skincare products?

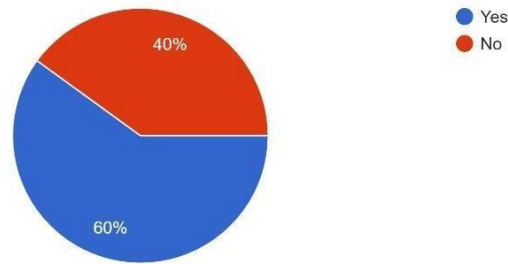
50 responses



Source: Questionnaire Survey

- 52% prefer buying it from convenience stores.
- 48% prefer buying it online.

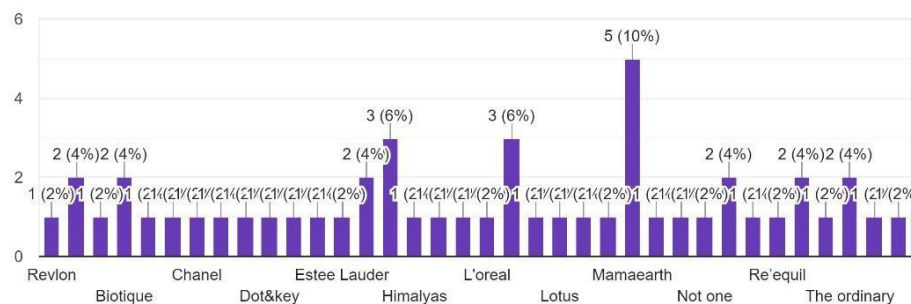
Are you willing to pay more for skincare brands that have sustainable and eco-friendly products:
50 responses



Source: Questionnaire Survey

- 60% respondents are ready to pay more for eco-friendly brands.
- 40% are not ready.

Your favourite Indian Luxury skincare brand?
50 responses



Source: Questionnaire Survey

- Respondents prefer luxury brands like Sugar, Lo'real, Mameearth, 82e, Lakme, MCaffeiene, Re'equil, Dr. Seth etc.

The reason for preferring the specific brand?
50 responses



Source: Questionnaire Survey

- Reasons like-smell, quality, benefits for skin, eco-friendly, auyurvedic, hype influencethe consumer to purchase the product.

CONCLUSION:

In conclusion, the following research has provided us valuable insights into the complex dynamics of customer behaviour particularly towards luxury skincare brands products.

Through Analysis of customer preferences, customer purchasing power, customer motivation towards product, and the impact of marketing strategies, we have uncovered the various factors that influence the customers.

It also reflects that 56% of customers choose their brand on the basis of price. And some of them look for the skin benefits and quality of the particular product. There are majority of customers willing to pay more for eco-friendly products.

Overall the survey conducted also provides us about various customers preferences and satisfaction.

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