

“Impact of Promotional Activities on Consumer Buying Behavior: A Study of Cosmetic Industry”

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Abstract-

Present study mainly aims at exploring the various factors that influences consumer buying behavior and purchase decision and to identify the various promotional activities used by the sellers in order to motivate the consumer buying behavior and purchase decision. This study consists of Indian cosmetic industry. It is one of the fastest growing industries in India. Cosmetics are mixtures of surfactants, oils and other ingredients. The cosmetics industry in the world is a multi-billion dollar industry.

Being the study exploratory as well as descriptive in nature, findings have been made through snap survey analysis which consisted of 200 consumers in the market. The questionnaire designed for this purpose to know about the Impact of Promotional activities on Consumer buying behavior. Findings have also been made theoretical analysis in order to provide in-depth analysis into the way different promotional factors influence consumers' decision-making processes. It has been found that promotional activities have positive effects on consumers, purchasing behavior or brand choice in cosmetic industry.

Keywords - Promotional activities, Consumer buying behavior, cosmetic industry, cosmetic sector.

Introduction

Promotion is fundamentally a tool to spread the information about the products and services available to them. However, promotional activities today not only include advertising but

it also consist of various promotional gimmicks such as dirigibles at football games, on pack offers, coupons, sweepstakes and games. In the today's competitive scenario the goal of the organizations is brand awareness, product loyalty and corporate image. Earlier the main goal of promotion used to be longer product awareness. Cosmetics sector one of the fastest growing industries in India. Cosmetics are mixtures of surfactants, oils and other ingredients. The cosmetics industry in world is a multi-billion dollar industry. Promotional activities are important in changing consumer perception about a brand. New brands of cosmetics to appeal to various population sectors are constantly being developed.

Value growth was also driven by changing consumer perception, whereby most cosmetics are increasingly considered as essential items for daily use, rather than as luxury products for indulgence. Growing from a smaller base, niche products witnessed the most dynamic value and volume growth.

In order to improve the marketing strategies the organizations have to study the consumer by understanding the following issues:

- The psychology of how consumers make decision between different alternatives (e.g., brands, products, and retailers)
- The psychology of how the consumer is influenced by his or her environment (e.g., culture, family, signs, media)
- Lack in consumer knowledge or information processing abilities influence marketing decisions and outcome;

- How The behavior of consumers affect marketing decision while shopping or making other decisions
- The effect of consumer motivation and decision strategies while deciding between two different products
- How marketers make and improve the existing strategies in order to reach the consumers effectively

Customer behavior study is based on consumer buying behavior. The consumer plays three roles of user, payer and buyer. For understanding consumer buying behavior marketer uses Relationship marketing. It is considered as an influential asset. Relationship marketing helps in understanding the true meaning of marketing as it consider the importance of the customers, customer relationship management, customization; Consumer retention, one-to-one marketing and personalization are also considered important by the marketer for analyzing the consumer behavior.

Objectives

- 1) To identify the various factors that influences consumer buying behavior and purchase decision.
- 2) To identify different modes of promotional activities and their importance in motivating consumer buying behavior and purchase decision of consumers in cosmetic industry.

Literature Review

Marketers follow “Customer Rules” thus their primary responsibility to the organization is to gain knowledge of their customers: what satisfies them and makes them happy and what benefits they are seeking in the marketplace.

Researchers in marketing have studied most areas of consumer behavior including the impact of everything as to how people behave and how they consume products. Hence the fact is that we live in a consumption-driven culture. Therefore marketers focus on the basic constructs accepted today in the study of buying behavior.

According to Schiffman & Kanuk, 2004, four different views are considered for understanding consumer decision making process and behaviour. According to him first is ‘economic view’. According to this view point consumers

are facing imperfect competition in the market and it is expected from the consumers that they have full knowledge about the products in the market and would make the decision rationally. They can rank the positivity and negativity about the different alternative in the market and select the best alternative out of all. Second is ‘Passive View’. This view is totally opposite to economic view and according to this view consumers make irrational decision and they are very impulsive and they easily got influenced by marketer promotional technique. Similarly third is ‘Emotional View’. According to this view consumer make buying decision based on their emotional association or feeling about the products and services. Fourth and most acknowledged view is ‘Cognitive View’ according to this view consumers are “thinking problem solver’ Consumer’s buying behaviour is based on information seeking and processing attributes usually directed by a goal.(Papers4you.com, 2006).

Despite the various studies on these four types of decision making but it can be considered as a valid argument that these four behavior exist while making the buying decision and provide the guideline for the analysis of consumers accordingly by the marketers.

Batra & Kazmi (2004) asserts broader stages of a consumer’s decision making process that includes problem identification (feeling need of a new car), information search (on internet and showrooms), evaluation of alternatives (comparing brands, for instance’ on basis of reputed and features), outlet selection and purchase (purchasing selected item) and post-purchase action (satisfaction or dissonance).

Research Methodology

Research methodology of this study consists of following procedures:

Research Design: Being the study descriptive as well as exploratory in nature, it will go through sampling, data collection, and its analysis.

Source of Data: This study is mainly based on primary data collected through a snap survey using the questionnaire designed for this purpose to know about the Impact of Promotional activities on Consumer buying behavior. In addition to this secondary data has also been

gathered from various newspapers, journals, magazines and websites.

Sampling:

Sample size: 200

Sampling unit: Individuals at the market (consumers)

Type: Deliberate/ purposive sampling has been taken.

Research Method: Study is based on sampling not the census method which limits its universality.

Consumer Buying Behavior

Consumer behavior considered as the mental and emotional process and the observing behavior of consumers during searching, purchasing and post consumption of a product or service. Consumer behavior involves study of what they buy, why they buy, how they buy, and when they buy. Consumer behavior consists of four basic elements these are psychology, sociology, economics and anthropology. These consumer behaviors also consist of the influence of groups such as family, friends, reference groups and society in general on the consumer buying process. Buyer behavior has two aspects: the final purchase activity visible to any observer and the detailed or short decision process that may involve the interplay of a number of complex variables not visible to anyone.

Cosmetic Industry at a Glance

Cosmetics sector one of the fastest growing industries in India. They should be effective, long lasting, stable and last not least safe to human use. The demand of cosmetics is increasing day by day. New cosmetics brands are developing and entering into the market. The industry produces a large number of products which consists of nail products, creams, shaving creams, shaving products, and perfumes, all types of hair products, mouthwashes, lipsticks, deodorants and lotions. Standards for the materials used in these products have been upgraded and many are now equal to the material specifications for the pharmaceutical industry. The Indian Cosmetic Industry consists of traditional and the modern types of cosmetics. Traditional Toiletries items are like Perfumes

and Ethers, Perfumed Hair Oil, Talcum Powder, Kajol, Sindoor, Kum-Kum, Bindi and Herbal Cosmetics and Toiletries. The Indian Cosmetics Industry can match International Standards when comes to quality, price and range. The industry holds promising growth prospects for both existing and new players.

Brands (International):

L’Oreal, Revlon, Maybelline, Garnier, Almay, Max Factor, Neutrogena, Borghese, Adreïn Arpel, Nivea, Unilever Group, Body Shop, Ponds

Brands (Indian):

Lakme, Ayur, Himalayas, Vicco, Shehnaz, VLCC, Biotech

Mode of Promotional Activities used in Cosmetic Industry

The concept of ego:

According to Freudian Psychoanalytic theory most of the cosmetic brands tries to position itself on the basis of its appeal to the consumers which have an ego. This means that the consumers have an impulsive drive for which they seek immediate satisfaction.

Women all over the world as well as women in India always expected to look good. Women always prefer those products which make them to look good and improve style. Now With globalization and liberalization of Indian economy Indian women are not confined to her home now they work and contribute to the growth of Indian economy. Because of this Indian women now are more concerned to their looks.

The concept of personality groups:

Mostly cosmetic brands try to woo the consumers according to Karen Horney’s classification of personality groups i.e. people who move towards others. Women are always preferred to look good and beautiful not only in western countries but also in India.

Women loves if anyone appreciates their beautiful, so it has become custom of the society to look beautiful and get appreciated. So it would be prudent to say that according to the societal norms a women has to look good at all times and

which has a bearing on the psychology of female consumers towards cosmetic products which help them achieve that desired look.

Concept of perceptual selection:

On the basis of perceptual selection, in the competitive scenario brands have tried to position itself among its consumers in the

following ways:

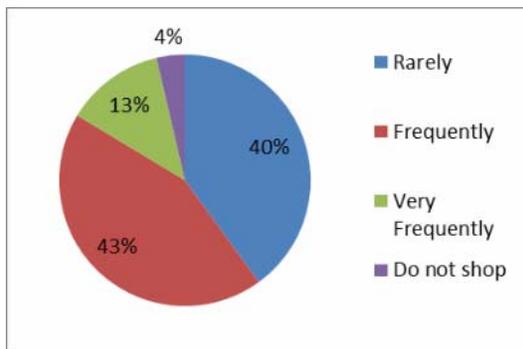
In order to gain the attention of its consumers brands have made their packaging and print advertisements attractive. Looking at the product depth it is pretty evident that brands have come up with the number of products in the market according to the need of the consumers in the cosmetics industry.

Now consumers have easy access to high quality products and with rising disposable income and size of the Indian middle class consumers shifted their attention to foreign players.

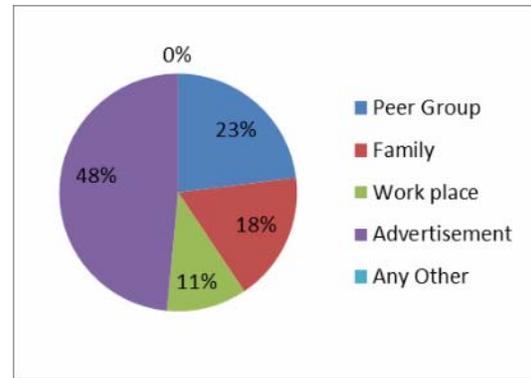
These are only some of the modes promotional activities that cosmetic brands undertake however trends are ever changing and so is the consumer needs and desires. Promotional activities are a tool to create brand awareness and there by are required by every field and cosmetic industry is no exception.

Data Analysis and Interpretation

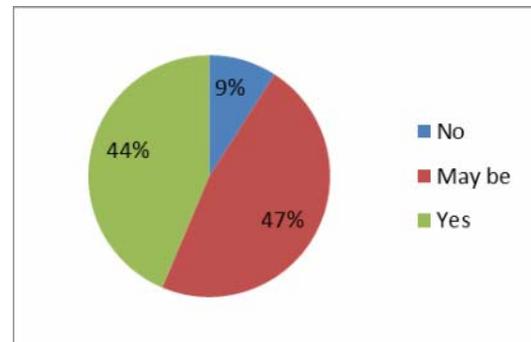
1) How often do you buy cosmetics?



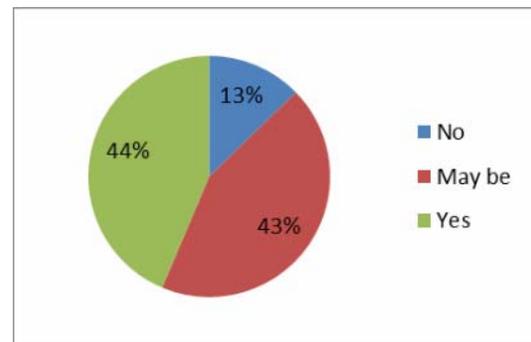
2) Which factor influences you the most while choosing your cosmetic brand?



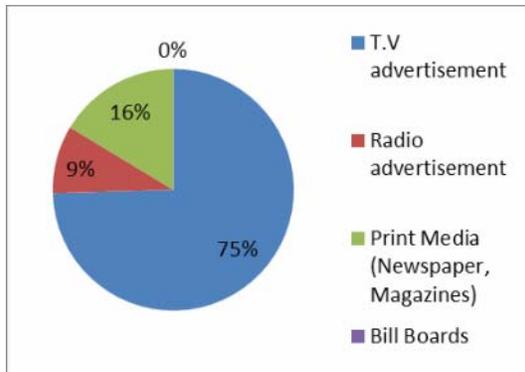
3) Do quality advertisements change your perception about the product?



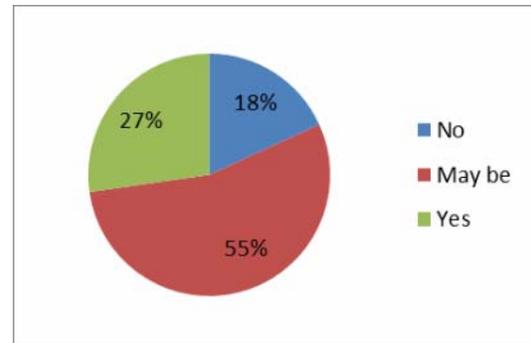
4) Do you buy a cosmetic product after watching its advertisements?



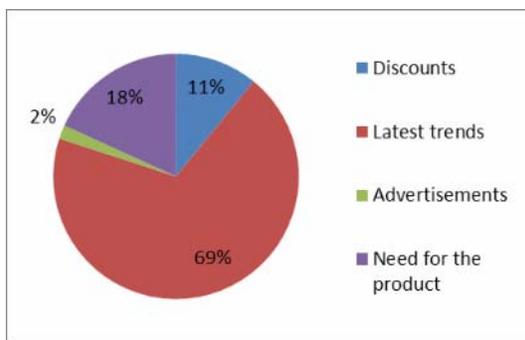
5) According to you what kind of advertisement has long lasting impact in terms of cosmetics?



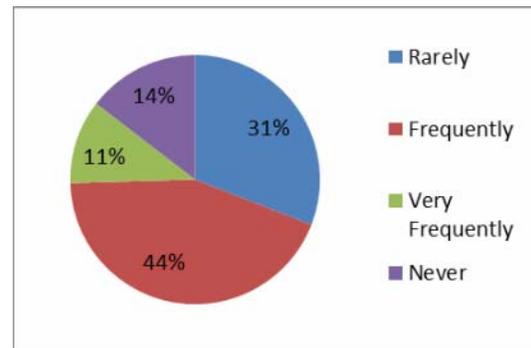
6) What motivates your purchasing process in terms of cosmetics?



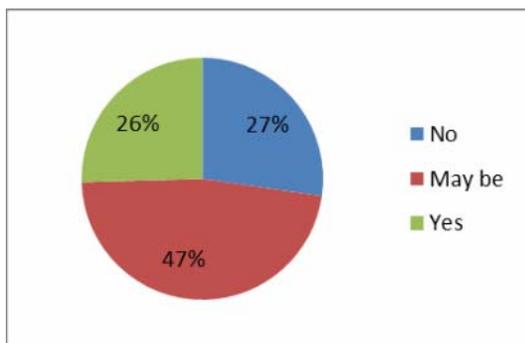
9) How often you recommend a cosmetic brand after watching its advertisement?



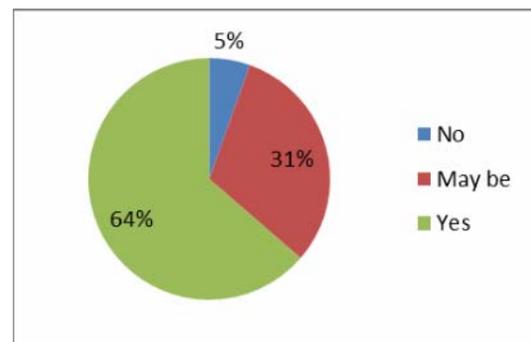
7) Does celebrity endorsement influence you to buy any cosmetic product?



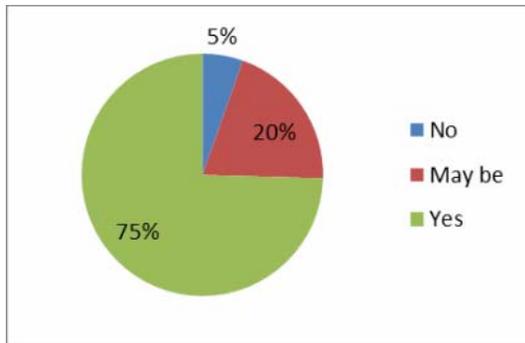
10) Do you recommend cosmetic brand depending on your past experience?



8) Do you believe cosmetic brands endorsed by celebrities are of good quality?



11) Do you think promotional activities are must for a cosmetic brand to attain success?



Conclusion

As per the analysis promotional activities actually work; that is, have any positive effects on consumers' purchasing behavior or brand choice in cosmetic industry. This study attempts to provide an in-depth analysis into the way different promotional factors influence consumers' decision-making processes. Consumers do give importance to advertisement be it T.V or newspaper while choosing their brands. Reference group influence is also observed to be dominating; word of Mouth does play a vital role.

The usage of celebrity endorsements has been confirmed to result in more favorable advertisement ratings and positive product evolutions. Marketers have heavily relied on different forms of promotional activities like celebrity endorsement, because they believe in its positive impact of assisting in improvement of brand awareness, brand equity, and even financial returns. Besides returns on the financial aspect and brand awareness, using celebrities in advertisements can be a shortcut to assisting brands in gaining recognitions. All these efforts may be contributions in creating brand loyalty.

Recommendations

- 1) Sales performance will tell if the promotional activities are working. Unless the sales response to the promotional activities is immediate and overwhelming, it is almost impossible to use sales data to judge the effectiveness. So it is recommended to keep a check on the sales performance and depending upon the result of the consumer purchase decision it should be altered.
- 2) Regular surveys should be conducted regarding effectiveness of the promotions as it is mandatory for the marketer to remain

updated with the customers demand; cosmetic industry has immense opportunities even for the new entrants hence to remain ahead in competition its important to be updated with customers ever changing needs.

- 3) Today innovation is the key to success. Sophisticated promotional mix can help in attracting customers with regular offers with match up the latest trends in order to capture the market.

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