# AN ANALYSIS OF CONCUMER BEHAVIOUR ON PURCHASING COSMETIC PRODUCTS: A CASE STUDY ON KALMUNAIKUDY

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**ABSTRACT:** Nowadays many people are willing to spend big amount of money for the sake of taking care the attractive appearance by purchasing cosmetic products. Cosmetic products which are available market ranged from local products and imported products. This research attempted to study the consumer behavior on purchasing cosmetic products a case study in Kalmunaikudy. For this purpose, influence of demographic factors on purchasing cosmetic products were analyzed. In order to cope with the research purpose, respondents were selected by clustered one stage sampling technique and data were analyzed and interpreted with the help of statistical package for social science and micro soft excel as well as statistical technique of principle component analysis used in this research. The researcher distributed 130 questionnaires among cosmetic users who are in Kalmunaikudy. The principle component analysis was used in this research. The finding of the study indicated that marital status, age and income level of cosmetic users' have been significantly influence on purchasing cosmetic products but gender and occupation have not been influence on purchasing cosmetic products.

**Keywords:** consumer behaviour, cosmetic, purchase

## INTRODUCTION

Understanding behaviour of consumer is a key to the success of business organization. Marketing personnel are constantly analyzing the patterns of buying behaviour and purchase decision to predict the future trends. Consumer behaviour is the study of how individual customers, groups or organizations select, buy, use, and dispose ideas, goods, and services to satisfy their needs and wants. It refers to the actions of the consumers in the marketplace and the underlying motives for those actions.

The study of consumer behaviour assumes that the consumers are actors in the marketplace. The perspective of role theory assumes that consumers play various roles in the marketplace. Starting from the information provider, from the user to the payer and to the disposer, consumers play these roles in the decision process.

According to Engel, Blackwell, and Mansard, 'consumer behaviour is the actions and decision processes of people who purchase goods and services for personal consumption' (http://www.yourarticlelibrary.com/marketing/market-segmentation/consumer-behaviour-meaningdefinition-and-nature-of-consumer-behaviour/32301/).

The various factors that influence the consumer behaviour such as, marketing factors (product design, price, promotion, packaging, positioning and distribution), Personal factors (age, gender, education and income level), Psychological factors (buying motives, perception of the product and attitudes towards the product), Situational factors (physical surroundings at the time of purchase, social surroundings and time factor), Social factors (social status, reference groups and family), Cultural factors (religion, social class-caste and sub-castes) (http:// www.yourarticlelibrary.com/products/5-factors-influencing-consumer-behavoiur-explained/22163).

Understanding of the term cosmetics is also important for this study. The cosmetic means make-up, are substances or products used to enhance the appearance or fragrance of the body. Many cosmetics are designed for use on the face and hair. In the 21st

century, women generally use more cosmetics than men. They are generally mixtures of chemical compounds; some being derived from natural sources (such as coconut oil), and some being synthetics. Common cosmetics include lipstick, mascara, eye shadow, foundation, rouge, skin cleansers and skin lotions, shampoo, hairstyling products (gel, hair spray, etc.), perfume, and cologne.

In the U.S., the Food and Drug Administration (FDA), which regulates cosmetics, defines cosmetics as "intended to be applied to the human body for cleansing, beautifying, promoting attractiveness, or altering the appearance without affecting the body's structure or functions." This broad definition includes any material intended for use as a component of a cosmetic product. The FDA specifically excludes soap from this category (http://www.reportlinker.com/ci02135/Cosmetics.html).

The global personal care products industry is concentrated in nature, with the top 50 companies holding a combined market share of around 85%, reports Hoovers. The US, EU, UK, Brazil and Russia dominate the global personal care products industry. However, the United States is the biggest cosmetic market in the world, with estimated total revenue of about 60.58 billion U.S. dollars and employing about 62,450 people by 2015 (http://www.cosmeticsbusiness.com/technical/article_page/incosmetics_trends__looking_good_for_CT/61232).

Since the early twentieth century, the production of cosmetics has been controlled by a handful of multi-national corporations. The global cosmetics industry is broken down into six main categories; skin care being the largest one out of them all, accounting for 34.1 per cent of the global market in 2013.

In recent years, consumers have been spending higher levels of disposable income on cosmetics than they had in the past. People's purchasing power has been growing in personal care products in Sri Lanka. Average monthly household expenditure on major non-food especially personal care and health is increasing trend in Sri Lanka. According to the preliminary report of household income and expenditure survey 2012/2013, average monthly household expenditure on major all non-food is 25529 rupees in 2012. Out of this, personal care and health is 2228 rupees in 2012. It is higher than the previous year 2009/10. This amount was very low level as 36 rupees in 1980/81. And also cosmetic import companies have spent over Rs five billion to import cosmetic products Sri Lanka (http://sri-lanka.exportersindia.com/health-beauty/makeup.htm).

The study of consumer behaviour refers to the selection, purchase and consumption of good and services for the satisfaction of their wants. There are different processes involved in the consumer behaviour. Initially the consumer tries to find what commodities he would like to consume, then he selects only those commodities that promises greater utility. Meanwhile, there are various other factors influencing the purchases of consumer

Irrespective of gender, cosmetic products are in high demand and people prefer a variety of product lines and benefits. Age remains an important factor in the consumption of the cosmetic products. The younger generation between the age group of 12 years to 40 years is more opened to the use of cosmetic product as considered to the older generation. This age group is the target market and this age group wants to be more attractive and is more conscious for their looks. In the past, cosmetic items were considered as luxury goods. But in this modern society, people consider cosmetics as necessary and essential in their day to day personal as well as professional life. Nowadays more and more males and females are entering in the job market in one or another form and dress up themselves to be more decent in the workplace and they spend

lot of money to purchase cosmetic products. The demand of cosmetics is therefore getting increased this research area.

People change their life style from tradition to modern and market or consumption of cosmetic product is growing in this research area. Each person must have different expectations of likely benefits from the use of the product. So this research is very important to understand the consumer behaviour regarding cosmetic product. The researcher would like to find out those factors of consumers must be applying while selecting, purchasing and using particular cosmetics.

**OBJECTIVE OF THE STUDY**

To analyze the demographic factors, influence on purchasing cosmetic products.

**RESEARCH METHODOLOGY**

A quantitative approach, survey, was used in this research and this study is mainly based on the primary data collection. The primary data collection was performed by a well-structured questionnaire. The questionnaire was distributed among both male and female within the age group of 12 to 50 years. Clusters one stage sampling technique was followed for the selection of sample and the sample size was 130.

Principle component analysis was used to identify the factors which influence on purchasing cosmetic products. For this analysis five-point Likert scale was used starting from strongly disagree to strongly agree.

Consistent with the objective of the study, the following hypothesis was developed for testing.

$H_0$: factors have not influence on purchasing cosmetic products

$H_1$: factors have influence on purchasing cosmetic products

**DISCUSSION AND RESULTS**

The objective of factor influence on purchasing cosmetic products was analyzed in a following way.

**Reliability Test**

A reliability test is used to test if different statements about a certain variable are investigating that specific variable; this can be done by the statistical tool Cronbach's alpha that is used to measure the internal reliability. Cronbach's alpha varies from 0 to 1, and a value of 0.6 or less usually indicates unacceptable internal consistency reliability (http://www.ats.ucla.edu/stat/spss/faq/alpha.html). Therefore, all the variables in this study with a value over 0.6 were considered as reliable, which they were.

The estimated Cronbach's alpha values are given in table 1. The Cronbach's alpha results indicate that the value is more than 0.7. So these factors are reliable.

**Table 1: Reliability test statistics Cronbach's alpha values**

| Variable | Cronbach's alpha | Number of item |
|---|---|---|
| Social factor | 0.832 | 5 |
| Psychological factor | 0.871 | 5 |
| Situational factors | 0.775 | 5 |
| Cultural factors | 0.815 | 4 |

Source: Questionnaire Survey, 2016

The above table presents the number of items that were used to measure each variable and the alphas for each variable. All the variables had a Cronbach's alpha over 0.6, which demonstrates that the variables are reliable. All of the theoretical areas are studied with at least 4 items, which is considered a minimum to measure an item.

**Principal Component Analysis**

To reduce the respondents' responses from sub factors to one main factor principal component analysis was used. Using the principal component technique 19 sub factors

were reduced to 4 main factors such as: social, psychology, situation and culture. To select the number of principal components proportion of variance (70% or above) criterion is used. The summarized information is given in table no1,2,3,4.

Cumulative proportion of variation explained by social, psychology, situation and culture are 76.169, 81.837, 71.364, and 70.283 respectively. According to that, to explain social, psychology and situation factors are only two principal components are available but cultural factor is only one principle component is sufficient.

**Table 1: Total Variance Explained**

| Social | | | |
|---|---|---|---|
| **Component** | Initial Eigenvalues | | |
| | Total | % of Variance | Cumulative % |
| 1 | 3.002 | 60.040 | 60.040 |
| 2 | .806 | 16.129 | **76.169** |
| 3 | .546 | 10.928 | 87.097 |
| 4 | .392 | 7.842 | 94.940 |
| 5 | .253 | 5.060 | 100.000 |

Source: Questionnaire survey, 2016

**Table 2: Total Variance Explained**

| Psychology | | | |
|---|---|---|---|
| **Component** | Initial Eigenvalues | | |
| | Total | % of Variance | Cumulative % |
| 1 | 3.399 | 67.975 | 67.975 |
| 2 | .693 | 13.862 | **81.837** |
| 3 | .408 | 8.164 | 90.001 |
| 4 | .278 | 5.559 | 95.561 |
| 5 | .222 | 4.439 | 100.000 |

Source: Questionnaire Survey, 2016

**Table 2: Total Variance Explained**

| Situation | | | |
|---|---|---|---|
| **Component** | Initial Eigenvalues | | |
| | Total | % of Variance | Cumulative % |
| 1 | 2.651 | 53.015 | 53.015 |
| 2 | .917 | 18.349 | **71.364** |
| 3 | .649 | 12.980 | 84.344 |
| 4 | .482 | 9.634 | 93.978 |
| 5 | .301 | 6.022 | 100.000 |

Source: Questionnaire Survey, 2016

**Total Variance Explained**

| Culture | | | |
|---|---|---|---|
| **Component** | Initial Eigenvalues | | |
| | Total | % of Variance | Cumulative % |
| 1 | 2.811 | 70.283 | **70.283** |
| 2 | .792 | 19.794 | 90.077 |
| 3 | .382 | 9.542 | 99.619 |
| 4 | .015 | .381 | 100.000 |

Source: Questionnaire Survey, 2016

The above tables show the cumulative percentage of social, psychology, situation and culture. The cumulative percentage is above the 70 percentage.

**4.7.3 t-Test**

The independent samples t-test procedure compares means for two groups of cases. In this research, t-test used to check whether the purchasing cosmetic product differs based on variables Gender (Male, Female) and Marital Status (Single, Married). The result is shown in a following table.

**t-Tests Result for Gender**

| | Independent Sample Test | | | | |
|---|---|---|---|---|---|
| | t | df | Sig.(2-tailed) | 95% Confidence Interval of the Difference | |
| | | | | Lower | Upper |
| Gender | 0.303 | 128 | 0.762 | -0.58730 | 0.79991 |
| Marital Status | 3.867 | 128 | **0.000** | 0.63071 | 1.95269 |

Source: Questionnaire Survey, 2016

According to the table, significant value of gender is 0.762. It is greater than 0.05. The significant value of marital status is 0.000 and this value is less than 0.05. It concludes that marital status is significantly influence on purchasing cosmetic products

**4.7.3 ANOVA**

In this research one-way ANOVA is used to test for the differences among three or more means of sub variables of main variables such as age, occupation, and monthly income to check the purchasing of cosmetic products. It explains in a following table.

**ANOVA Result**

| Demographic factors | Source of variations | Sum of squares | df | Mean square | F | Sig. |
|---|---|---|---|---|---|---|
| **Age** | Between group | 64.143 | 4 | 16.036 | 4.511 | 0.002 |
| | Within group | 444.372 | 125 | 3.555 | | |
| | Total | 508.515 | 129 | | | |
| **Occupation** | Between group | 41.677 | 5 | 8.335 | 2.214 | 0.057 |
| | Within group | 466.838 | 124 | 3.765 | | |
| | Total | 508.515 | 129 | | | |
| **Income** | Between group | 54.193 | 4 | 13.548 | 3.728 | 0.007 |
| | Within group | 454.322 | 125 | 3.635 | | |
| | Total | 508.515 | 129 | | | |

Source: Questionnaire Survey, 2016

According to the p value of demographic factors such as occupations (0.057) on purchasing cosmetic products are more than 0.05. It reveals that there is no significant impact of occupation on purchasing cosmetic products. So it concludes that occupation categories are same with purchasing cosmetic products.

But p value for age and income on purchasing cosmetic products is 0.002 and 0.007 respectively. The p value is less than 0.05. Thus, there is significant impact of age and income on purchasing cosmetic products. Then in conclude that at least one category of this age and income is different with purchasing cosmetic products.

**CONCLUSION**

Understanding of consumer behavior on purchasing cosmetic products is important one because the good of cosmetic is not an essential good and it is a luxury good. So the consumer behaviour is also different from other consumers' behavior. Here other consumer means they are purchasing essential goods. So the section explains conclusion of this research.

According to the objective of identify the factors influence on purchasing cosmetic products, the research has been found that marital status, age and income level of consumers has significantly influenced on purchasing cosmetic products. Then $H_0$ has been rejected and $H_1$ has been accepted. On the other hand, gender, occupation has not significantly influence on purchasing cosmetic products. It reveals that $H_0$ has been accepted. Here, principle component and factor analysis were used for the purpose of statistical analysis.

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