

A STUDY OF DETERMINANTS OF BRAND LOYALTY IN COSMETICS AND BUYING BEHAVIOR OF FEMALE CONSUMERS FROM THE RETAILER'S POINT OF VIEW IN PUNE CITY¹

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ABSTRACT

The global cosmetic industry has been captivated by India in a fascinating manner. India's retail beauty and cosmetics industry, currently estimated at \$950 million, is likely to almost treble to \$2.68 billion by 2020 (TOI, 2013). The industry has been growing at an annual rate of almost 15-20 per cent in the coming years, which is twice as fast as that of the United States or Europe (TOI, 2013). As competition in the cosmetic sector is increasing day by day, consumers are continually bombarded with information on different brands in the same product category of cosmetics. In such a situation it might be very expensive for a company to create brand loyalty amongst existing customers. Therefore many marketing managers are concerned with the growing trends of switching brands. So it has become more important for marketers to have a greater knowledge of the determinants of brand loyalty, that is, the factors that influence consumer to become and remain loyal to a particular brand of cosmetics.

Present article is the compilation of conclusions drawn from the interviews of cosmetic retailers and dealers conducted to find out the various determinants of brand loyalty in cosmetics and the buying pattern and behavior of female consumers in Pune city.

KEYWORDS: Brand Loyalty, Buying Behavior, Cosmetics, Cosmetic Retailers, Female Consumers

INTRODUCTION

The global cosmetic industry has been captivated by India in a fascinating manner—the world's second most populous country has seen an enormous growth of the cosmetics industry. India's retail beauty and cosmetics industry, currently estimated at \$950 million, is likely to almost treble to \$2.68 billion by 2020 (TOI, 2013). The industry has been growing at an annual rate of almost 15-20 per cent in the coming years, which is twice as fast as that of the United States or Europe. The Indian cosmetic industry has witnessed robust growth in the past decade and has been ranked 5th largest in Asia (TOI, 2013).

The Associated Chambers of Commerce and Industry of India (ASSOCHAM, 2013) has published a survey which stated that 65% of the teenagers claimed that their expenditure on branded cosmetics had increased 75% in the past 10 years. Unlike the western countries, where 55 plus age category is the target group, in India the target range is from 30 plus age group.

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Major driving factors for this industry have been the improved purchasing power and rising fashion consciousness among the population. Increased levels of brand advertising have also captured the imagination and awareness of the people. Another factor which has helped the growth is the higher spending power of Indian women owing to them being placed at better paying jobs since the last decade. The Indian movie industry and its changing fashion have also created an impression on the youth over the importance of grooming and being fashionable.

The cosmetic market caters to all sections of the masses, offering products ranging from a mere Rs. 100 to about Rs. 50000. The higher-end market range is considered to be within Rs. 1500 to Rs. 15000, while the middle market consumes products that are priced below Rs. 1500. The increased brand awareness has also aided the growth of many brands such as L'Oréal, Maybelline, Lakmé, etc. People have also embraced the importance of quality of products.

The disposable income of the urban Indian youth is making them opt for better choices, most certainly in terms of grooming. Also, the changing mindset of the people has encouraged a much lavish approach to expenditure. The makeover of the Indian cosmetic industry has certainly worked for both India and its investors, and it certainly looks set to impress.

As competition in the cosmetic sector is increasing day by day, consumers are continually bombarded with information on different brands in the same product category of cosmetics. In such a situation it might be very expensive for a company to create brand loyalty amongst existing customers. Therefore many marketing managers are concerned with the growing trends of switching brands. 'Reasons such as consumer's dissatisfaction, constant availability of new product, and an increased concern with price may lead to decline to their loyalty towards the brand.' (Schiffman & Kanuk 1997). So it has become more important for marketers to have a greater knowledge of the **determinants of brand loyalty**, that is, the factors that influence consumer to become and remain loyal to a particular brand of cosmetics.

Much has been talked about all these issues viz. future of cosmetic industry in India, the impact of foreign players on the domestic players etc. But we should not forget that customers are the end beneficiary of all the marketing activities. No matter what type of cosmetics a company is making: natural or chemical, what type of company it is: national or international; finally it has to satisfy the needs of the customers. No marketer can ever be successful until and unless it is able to understand the buying behavior of the end users. Hence, this research aims at not only finding out the various determinants of brand loyalty but it also tries to explore how brand loyalty influence the buying behavior of women consumers with reference to cosmetics but from retailers' point of view as they are the one who are in direct and constant touch with the consumers. At times, consumers can bluff around or may not give the fair answer (rather they keep on giving ideal answers). But since the retailers observe the behavior of the consumers on a regular basis, they can always provide the true side of the picture.

Origin of Research Problem

As a faculty of marketing, the researcher feels that it is very essential to further investigate this area of study. This study is important, as it will allow a marketer of cosmetic brand to focus on the major determinants that will enable them to win and retain loyal customers rather than trying to take care of all the influencing factors. The study is of utmost importance to them as it will provide them with the real and clear picture of the buying behavior of female consumers of cosmetics since the study is purely based on the conclusions drawn from the in-depth interviews of the cosmetics retailers who are in direct contact with the customers and observes them very closely on a daily basis.

LITERATURE REVIEW

The aim of this research is to explore the determinants of brand loyalty in the cosmetic sector and the buying behavior of female consumers in Pune city. Therefore, before discussing such a concept, it is important to explain the meaning of the term 'brand.' According to **American Marketing Association**, 'A brand is a name, term, sign symbol or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers, and to differentiate them from those of competition. '(Keller, K.L. 1998).' Thus, a brand identifies the seller or maker. It is essentially a seller's promise to consistently deliver a specific set of features, benefits and services to the buyers. The best brands convey a warranty of quality. '(Kotler, 1994). In today's world it is such a force that hardly anything goes unbranded. Products like salt, oranges and even fresh food products like vada pav & fish are being sold under strongly advertised brand names. In spite of the cost that is involved in developing brands, sellers or makers still prefer to name their products because branding gives the seller a lot of advantages. Apart from the other advantages, branding gives the seller an opportunity to attract a loyal and profitable set of customers. **Brand loyalty** gives sellers some protection from competition and greater control in planning their marketing programs. '(Kotler, 1994).

As the researcher aims to investigate the factors influencing brand loyalty in the cosmetic market, it is essential to discuss the concept of brand loyalty to some extent.' The importance of brand loyalty has been recognized in marketing literature for the last three decades' (Howard & Sheth, 1969). Indeed, it is part of the basic model of consumer behavior. Some consumers may follow the process of purchase decision process whereas others may leap from problem recognition to purchase. The later can occur when it is a more programmed decision. 'Brand loyalty is a special case of programmed decision making when customers adopt a decision strategy of giving all or most of their patronage to a particular brand'. (Runyon, 1980). Many experts and authors have defined brand loyalty in their own way. Yet recently, a more detailed definition was given by **R. L. Oliver (1999)** in which he defined brand loyalty as 'a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior.' (Chaudhuri & Holbrook, 2001). Oliver's definition of brand loyalty emphasizes the two different aspects of brand loyalty- the behavioral and attitudinal concept (Chaudhuri & Holbrook, 2001). In behavioral terms, 'brand loyalty is simply a customer's consistent repurchase of brand over time. It may be assumed that repeated purchasing of the product gradually reinforces the customer relationship with the product.' (Assael, 1998). Yet it must be remembered that from the behavior of consumers, we can only observe what they are doing, it does not say anything about why they do it. In spite of that several authors defined brand loyalty by the sequence of purchases. Brown defined brand loyalty as five purchases in a row of the same brand. (Brown, 1952). Tucker defined brand loyalty as three purchases in a row (Tucker, 1964). Lawrence defined loyalty to a new brand as four purchases in a row (Lawrence, 1969). However Blattberg and Sen used a proportion of purchases rather than a sequence as an indication of loyalty to national and private label brands (Blattberg & Sen, 1976). Yet to consider a consumers sequence of purchases as an indication of their loyalty towards a brand may be misleading. 'Repeat purchase of the brand may not represent commitment, it may merely represent acceptance of the brand.' (Assael, 1998). Indeed repeat purchase may also occur in a monopoly situation as well as when little choice is available.

Even so 'the problem with behavioral brand loyalty is that it does not show whether the customer really likes the brand more than others do. A consumer may buy a particular brand regularly just as a habit or for convenience without

thinking much about it. Such a loyalty cannot be stable'. A consumer may buy a particular brand because it is the lowest price brand available in the market. A slight increase in price may cause the consumer to shift to another brand. So purchasing behavior may not be sufficient to confirm loyalty. Again consumers might continue to buy the same brand because other brands are not available or because the brand is offering a series of price deals. **(Dick and Basu, 1994)** For this reason-marketing scholars argue that the consumers might be considered loyal only if the consumer's attitude towards a brand is more favorable than for the competing brands. **(Sheth, Mittal & Newman, 1999)**. Therefore, 'true brand loyalty occurs when the customer holds favorable attitude towards the brand in addition to purchasing it repeatedly.' **(Day, 1969)**. **(Basu, 1994)**.

Above discussion leads to these two important questions: "what makes a customer brand loyal?" and "how do the consumers behave while buying cosmetics?" As a result, it is necessary to discuss the factors that determine the brand loyalty of customers in more detail. Moreover, the review of literature indicates that no significant study has been carried out to explore the buying behavior of female consumers with reference to cosmetics. Hence, the present area of study has been chosen to fill the gap.

OBJECTIVES OF THE STUDY

Based on the review of literature, following objectives are derived for the study:

- To determine the various determinants of brand loyalty in cosmetics as per the retailers' observation.
- To find out the buying behavior of female consumers from retailers' point of view.
- To research how the female consumers take decision for buying a particular brand of cosmetics and what factors affect the decision as per retailers' scrutiny.

METHODOLOGY

Research Method: The objective of a qualitative approach is to collect information with the help of discussion and observation of the studied subject. A qualitative approach will help the researcher to measure a small sample of respondents' views and to focus on gathering information in depth, explores feelings, motivations, purchase drivers and inhibitors, purchase behavior, and much more such as exploring customers feelings from retailers' point of view. A qualitative method is a good method to work on attitudes, values, perceptions and motivation of the researched public (of cosmetic customers from retailers' point of view for instance) with the main objective of understanding them deeply. The process of data collection, analysis and theory generation are much more closely linked in qualitative than in quantitative research. As per these premises, it has been decided to develop a **qualitative research method**.

Type of Research: A research methodology starts by identifying some specific types of research: exploratory, explanatory, and descriptive. Exploratory researches are sometimes considered as a prelude to social research for instance. If the primary aim of an exploratory research, is to discover the important variables in a given situation, then the aim of descriptive research is to provide an accurate and valid representation of those variables; where exploratory research discovers something of interest and gives directions, descriptive research summarize it. Therefore, it does fit with the kind of objectives the present study mean to obtain: as before-mentioned, a qualitative research and an exploratory type of research is appropriated as what is going to be studied which is "the retailers' view point" and not "the customers' one" which could give figures for instance. Hence the present study will use **exploratory research**.

Population and Sampling of the Research

The Population: As the research is a qualitative one, it does not look for a large population to make the sample. Furthermore, the analysis is concentrated on a specific segment of the retailer's population. It is sought that the retailer should be dealing in female cosmetics. Indeed, it is important for the analysis to get information reflecting the reality in order not to give partial and biased results and conclusions. Therefore, the population is every retailer dealing in female cosmetics in Pune city.

Sampling Plans: In order to make a sample for the research, it has been chosen a judgment sampling. Indeed, judgment sampling is a form of non-probability sampling in which the researcher selects potential respondents on the basis that they conform with some basic criterion specified as relevant to the population to be sampled (e.g.: age, ownership of an article, activity etc.). Judgment samples are selected on the basis of what the researcher thinks, particular sampling units or elements will contribute to answering the particular research question or problem in hand. When using this method, the researcher must be confident that the chosen sample is truly representative of the entire population. Therefore, this kind of sampling fit with the research objectives and the definition of the population as it seeks 30 cosmetics retailers who are majorly located in the prominent locations of Pune city such as M.G. Road, Shankar Seth Road, Katraj, Kondhwa and Hadapsar.

Instruments of Data Collection

In order to make the research as relevant as possible, an interview is the best way. Indeed, one useful technique to collect data in the qualitative method is a deep interview which is going to be applied in this study. The interview which is going to be done will consist of a set of questions presented verbally to respondents for their answers. As the interview is very flexible, there are many ways to ask questions: it has been decided to make it as a **Semi-Structured Interview** which is perhaps the most commonly used interview technique in qualitative research. Indeed wanted information are those which can be compared and contrasted with other information collected from other retailers. The kind of questions will be **Open-Ended Questions**, which means that it allows the respondents to answer in their own words.

DISCUSSIONS & INTERPRETATION

Buying Behavior Information

Researcher's Question: Do you have such customers who mostly purchase cosmetics from your shop only? If yes, approximately what number of such customers you have?

Respondents Feedback: Most of the retailers said that yes they have fair number of such customers who repeatedly purchase cosmetics from their shop. And the number of such customers ranges from 30-100 at various shops.

Researcher's Question: On an average, how much does an average customer spend on cosmetics per visit?

Respondents Feedback: The responses range from Rs. 500-1500.

Researcher's Question: Do they use tester more often before the purchase of cosmetics?

Respondents Feedback: Most of the respondents said that yes maximum number of customers are always willing to use testers before purchasing any cosmetics.

Researcher's Question: When according to you the customers purchase cosmetics?

Respondents Feedback: Most of the retailers think that the customers purchase cosmetics when stock at home depletes, or on some special occasions such as festivals, marriage, etc. or when they see some special offers or discounts. And most of the time it is an unplanned purchase (impulsive purchase).

Researcher's Question: What role do you or your salespersons play in the cosmetic buying decision of customers?

Respondents Feedback: They said that yes most of the time they become successful in influencing the buying decision of customers yet they are unable to impress and convince some ladies.

Researcher's Question: What, as per your observation, are the various influencing factors in cosmetic buying decision of customers?

Respondents Feedback: Most of the retailers were of view that females are mostly affected by advertisements and offers and discounts while some of the retailers even said that sometimes some females are influenced by their friends and colleagues as well as they come with their experienced friends/colleagues who guide them for their cosmetics purchase.

Researcher's Question: How much do the customers compare brands before purchase?

Respondents Feedback: Females mostly compare brands before purchase while some of the females never compare as they know very well which brand they have to purchase.

Researcher's Question: How much time do they invest in buying cosmetics?

Respondents Feedback: Sometime more sometime less.

Brand Loyalty Information

Researcher's Question: What are the various brands that are available at your shop?

Respondents Feedback: After combining everyone's response, following brands come into picture:

Lakme, Revlon, Loreal, Maybelline, Elle 18, Chambor, Color Bar, Street Wear.

Researcher's Question: Have you ever gone through a situation when a customer asks for a brand which is not available at your shop? If yes, which brand or brands?

Respondents Feedback: After combining everyone's response, following brands are missing from shop Oriflame, Amway, Avon, M.A.C.

Researcher's Question: What according to you defines brand loyalty with respect to cosmetics?

Respondents Feedback: When customers buy that brand frequently, when the customer is completely satisfied with the brand, when she purchases other products of the same brand and when she recommends the brand to others as well.

Researcher's Question: Do you have such customers who are loyal towards certain brand? If yes, (approx.) how many such customers you know?

Respondents Feedback: Every retailer said that yes, they have such customers. The number ranges from 30-70.

Researcher's Question: What according to you determines the brand loyalty towards cosmetics?

Respondents Feedback: Product features, their trust towards the brand, reputation of brand, and yes some time the celebrity endorsement; e.g. Kareena endorsing Lakme eyeconic Kajal, Sonam & Aishwarya for Loreal etc.

Researcher's Question: What are the various features of cosmetics products about which the customers generally enquire about?

Respondents Feedback: Performance, durability, reliability, quality, consistency in quality, price in comparison with other brands, price consistency etc.

Researcher's Question: Do you have the idea of brand personality?

Respondents Feedback: Almost everyone said no.

After explaining the concept of brand personality **the researcher asked**, "Do you think brand personality, in any way, affects (or is a determinant of) brand loyalty?"

Respondents Feedback: Most of them said yes yet 2-3 retailers said they can't say anything.

Researcher's Question: What about brand trust? Do you think that the customers, who are more loyal towards their brand, are actually having more trust towards their brand as compared to those who are less loyal? If yes, please tell the reason for the same as per your observation.

Respondents Feedback: Most of the retailers were agree towards the above statement. They said that the customers, who are loyal, rely on the brand, its advertisement and its commitment to fulfill their requirements.

Researcher's Question: Please throw some light on how brand reputation affects brand loyalty?

Respondents Feedback: Most of the loyal customers believe on the reputation of the brand. They seek whether the brand is best in class, is highly popular, and held high esteem among the target audience.

CONCLUSIONS

Based on above discussions and interpretations, we can conclude (Table 1) that product features, brand personality, brand trust, brand endorsee and brand reputation are the major determinants of brand loyalty. The researcher can now develop a model and conduct a survey of female consumers to test this model whether these factors really determine the brand loyalty or not. Product features consist of performance, durability, reliability, best in class, quality standards, consistency in quality, value for money, price in comparison with other brands and price consistency. Brand trust is determined by whether the brand is genuinely committed to customer's satisfaction, whether the customer have faith on the brand and its adverts. Whether the customer's loyalty towards a brand is because of the brand endorsee is an interesting fact to know and is dependent on whether the customer is delighted when the brand is associated with a popular figure, whether she likes to follow celebrities while purchasing cosmetics or not. Last but not the least, the reputation of the brand also plays an important role in making a customer loyal towards a brand and it is possible if the brand is best in class, is highly popular and holds high esteem among the target customers.

The above discussions also bring out important facts about the buying behavior of female consumers of cosmetics. For instance, testing the product before purchase, impulsive buying, purchase based on offers & discounts, for special

occasion such as festivals, marriage etc., influence of salesperson, friends/colleagues, advertisement, brand comparison and amount of time spent for cosmetic purchase, are some key specifics about the female buying behavior with respect to cosmetics.

Table 1

Location	Type of Market	Major Category of Customers	Brands Available	Product Features	Brand Trust	Brand Endorsee	Brand Reputation	Brand Personality
M.G.Road	High end	Working Women/ Students	Almost all major brands	Emphasis on quality	More loyal, More trust	Influence of celebrities on purchase is evident	Esteem of brand, Best in Class	Concept not known Response (Yes)
Shankar Seth Road	Higher Middle	Working Women/ Students	Lesser brands available	Emphasis on quality	Customers have faith on brand & its ads	Influence of celebrities on purchase is evident	Esteem of brand, Best in Class	Concept not known Response (Yes)
Katraj	Middle	Students	Only popular brands available	Both quality & price	Customers rely on brand	Influence of celebrities on purchase is evident	Popular Brand	Concept not known Response (Yes)
Kondhwa	Middle	Housewife/ Students	Only popular brands available	Both quality & price	Customers have faith on brand & its ads	Influence of celebrities on purchase is evident	Popular Brand	Concept not known Response (Yes)
Hadapsar	Low end	Housewife	Few brands available	Emphasis on price	More loyal, More trust	Perceive those brands as expensive	Popular Brand	Concept not known Response (Yes/Don't Know)

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