



Study on Marketing Strategy of Cosmetic Industry

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ABSTRACT

The cosmetic industries in India use a variety of marketing strategies. It is based on the ability to launch new products into the market quickly and without delay. This strategy assists various cosmetic industries in determining product segmentation, positioning, and targeting. Creating a marketing strategy plan consists of a goal, a business vision, and a selling proposition. The ultimate goal of this work is to analyse cosmetic companies' marketing strategies in order to launch various innovative ideas that increase product sales. The issue concerning the cosmetic industries must ensure, "How successfully do the cosmetic industries intend to market their products on the market?" This paper focuses on analyzing various factors related to recent trends in the cosmetic industry. Social networking sites are used as a colossal for all social media and computer-mediated communication. The objective of this paper is to discuss about the factors that determine social media on cosmetic products in India. The Indian cosmetic industry has witnessed rapid growth through social media over the last couple of decades. With a wide range of cosmetic products in India, social media has tremendous growth. Cosmetic products manufacturers in India mostly cater to the great demand for branded cosmetics products in low or medium-price categories. However, in recent years in the cosmetic product market, Indian competitors have begun to manufacture products to cater to global need. Social media can create an impact on customers that involve in the process of decision making of branded cosmetic products.

Keywords: cosmetic products, Social networking sites, marketing mix

1. Introduction

With the arrival of the "appearance level economy", cosmetics, as a consumer goods that can rapidly improve the overall image, is in an era of large-scale popularization and use. The continuous enhancement of woman's social status, the expansion of beauty makeup penetration rate, and the improvement of consumption intention are the long-term factors driving the growth of cosmetics consumption. Cosmetics have gradually become one of the six major areas of China's "appearance level economy". In 2019, "makeup" ranked third with a 98.37 heat index, just behind "fitness" and "clothing", which are not far behind. The cosmetics consumption expenditure in Japan and the United States shows a long-term upward trend. Since the 1980s, with the rise of the industry and the improvement of local cultural confidence, Japanese cosmetics consumption expenditure has continued to increase. Specifically looking at the change of the proportion of cosmetics consumption expenditure of American residents, the period when the proportion increased significantly was the Great Depression period of 1929-1932 (the initial rise of the cosmetics industry), 1936-1945, World War II (more women in the workforce, boosting morale), 1950-1968 (Hollywood stars, television, print media), and the New Economy since 1990 (the Internet accelerated market education). Compared with developed countries, China's cosmetics market has the fastest growth rate, but the per capita consumption of cosmetics still lags behind that of developed countries. With the improvement of Chinese local cultural confidence, the strengthening of the industrial chain, product upgrading, and the channel and marketing reform, the increase of consumption frequency are expected to drive the long-term increase of household expenditure on cosmetics. Furthermore, the "you create the brand, I contribute" model is well established between luxury goods and cosmetics companies. In March 2020, renowned luxury brand Hermes started making makeup. In fact, it is not the only company heading into the world of cosmetics. Luxury brands starting from leather goods began to focus on beauty makeup product lines in recent years. Prada announced at the end of 2019 that it would launch its makeup in 2021, and it enlisted the help of L'Oreal, the world's largest cosmetics company. As a matter of fact, the gross margins on high-end beauty products may be hard to surpass the "windfall" margins on handbags and leather goods. Most luxury handbags make 10-13 times the cost of making them. In other words, gross margins can reach a maximum of around 93% [1]. As for cosmetics, take L'Oreal's as an example. Its gross profit margin is only around 73%. There is no denying that the expansion, acquisitions and promotion of LVMH, which owns brands such as Louis Vuitton, Dior and Tiffany, have made luxury goods, especially bags, as part of the global middle class. However, the very concept of scarcity and limitation of luxury is the antithesis of scale. The core customer base of high-priced personal luxury goods will not expand easily. In addition, as fast-moving consumer good, consumers buy beauty makeup more frequently. For example, cosmetics like lipsticks are easily prone to impulse purchases, but few people can buy Hermes on impulse. Additionally, starting from beauty and perfume, it is worth noting that luxury goods may also be able to "nurture: young consumers through dream-making beauty products. With their age and purchasing power increasing, these consumers can gradually turn into leather goods and clothing buyers. Accordingly, in the context of the new media era and the major turning point of the whole society, how do luxury cosmetics brands use specific marketing strategies to maintain their competitiveness and seek a sustainable development of their brands? By introducing premium cosmetics brands, the Documentary analysis is used to illustrate the marketing mix strategies of luxury cosmetics brands like Dior, YSL, Chanel, and Armani, etc. This report

collects and reviews the marketing literature related to high-end cosmetics brands and extracts and sorts out the core content through qualitative analysis methods such as content analysis. Firstly, this paper begins with a literature review at home and abroad from the perspectives of brand positioning, marketing target, promotion strategies, and customer engagement. Then, after sorting out the main marketing strategies of luxury cosmetics brands, an evaluation of the relevant marketing strategies of certain brands will be made. Also, at the end of this paper, some recommendations will be provided for those premium cosmetics brands and making prospects into the future of the cosmetic brand marketing methods.

2. Review Papers

1. An international team of researchers has published a comprehensive review of the current state-of-the-art in the treatment of Parkinson's disease. Marketing in Aesthetic Plastic Surgery, Plastic and Reconstructive Surgery: January 2014, Issue 1 (p 52-57): The Best Marketing Strategy There is a doi of 10.1097/01.prs.0000436528.78331. 2. In this study, researchers found that anti-aging cosmetics and factors associated with purchase behaviour in Yogyakarta, Indonesia, were associated with higher sales. 3. ehkordi, Goodarz&Rezvani, Samin& Rahman, Muhammad &Fouladivanda, Firoozeh&Jouya, Samaneh. (2012). Understanding the Customer's Response to E-Marketing and its Operation on the Promotion of a Firm 7, 10.5539/ijbm.v7n19p114, International Journal of Business and Management 4. "Investigating the influence of foreign cosmetics promotion in China," Barnes, B. et al. (2004). From 361-387 in the International Journal of Advertising 5. Ahmed, J. U., A. Ahmed, F. Begum, M. A. Majid, & G. Kabir; (2018). Market Dynamics for Toilet Soap in Bangladesh: The Keya Case. 7(2) of the South Asian Journal of Business and Management Cases 6. Sixth: Kim, KKJ; Han, HS; KKJ; Han; (2018). Medical cosmetics marketing tactics and customer acceptance. Journal of Beauty and Cosmetology, 7. B. Varsho & G. DEGEORGE (1999). (2018). Cosmetics and personal care products are governed by six pieces of legislation. Toxicity Regulations. A. F. Halper, S. R. Milstein, and 8. J. E. Bailey are the authors of this study (2001). United States regulations governing the promotion of cosmetics. HI Maibach and AO Barel's Handbook of Cosmetic Science and Technology is a comprehensive guide to the science and technology of cosmetics. In New York, Marcel Dekker Inc. published 737-759. 9. Akkarawongwarit, M. N. (2017). Women's Perceptions of Cosmetic Surgery, as well as the Opportunities for Service Providers (Doctoral Dissertation, Thammasat University). 10. authors listed in this section: Nassab R., Hamnett N., Nelson K., Kaur S., Greensill B., Dhital S., and Juma A. (2010). Cosmetic tourism is based on public perception and an examination of online data and content. Journal of aesthetic surgery, 30(3), 465-469. 11. Rodriguez-Feliz, J. R. (2014). In Aesthetic Plastic Surgery, Conjoint Analysis is the best way to market your services. At 334e in the plastic and reconstructive surgery journal 12. Atiyeh, S. S., M. T. Rubeiz, and S. N. Hayek are the authors of the study, which was published in 2012. (2008). Cosmetic surgery and the ethical issues it presents. Surgical aesthetics, 32(6), 829. 13. Rodriguez-Feliz, J. R. (2014). Conjoint Analysis is the best marketing strategy for Aesthetic Plastic Surgery since it takes into account the preferences of patients. Plastic and reconstructive surgery, 134(2), 334e

3. Research Methodology

The universe considered for this study is the employees of the organization. Descriptive research design was used in this research for making a brief study about the grievance handling and management process. Simple random sampling method is used to get the data. Primary and secondary tools of data collection has been used to collect the data. Questions were circulated over the targeted sample and response was taken for data analysis. Here are the questions and responses received for that.

1. How often do you apply foundation on your face?

Table 1: How often do you apply foundation on your face?

Particulars	Frequency	Percentage
2-3 times a week	72	36%
Once a week	112	56%
2-3 times a week	16	8%

2. Who has utilised the most of these Face Foundations?

Table 2: Who has utilised the most of these Face Foundations?

Particulars	Frequency	Percentage
Strongly agree	28	56%
Agree	9	18%
Neutral	13	26%
Disagree	0	0%

3. In the last several weeks, how many different kinds of face foundation have you used?:

Table 3: In the last several weeks, how many different kinds of face foundation have you used?

Particulars	Frequency	Percentage
Strongly agree	84	42%
Agree	48	24%
Neutral	4	2%
Disagree	0	0%
Strongly Disagree	64	32%

4. Target clients for a mid-priced cosmetics firm may be defined using a market strategy.

Table 4: Target clients for a mid-priced cosmetics firm may be defined using a market strategy.

Particulars	Frequency	Percentage
Strongly agree	48	24%
Agree	28	14%
Neutral	24	12%
Disagree	20	10%
Strongly Disagree	80	40%

5. I'm much too addicted to the world of make-up.

Table 5: I'm much too addicted to the world of make-up.

Particulars	Frequency	Percentage
Strongly Agree	92	46%
Agree	100	50%
Neutral	8	4%
Disagree	0	0%
Strongly Disagree	0	0%

6. Will you put your skin at risk while experimenting with face foundation or other types of cosmetics.

Table 6: Will you put your skin at risk while experimenting with face foundation or other types of cosmetics.

Particulars	Frequency	Percentage
Strongly agree	24	12%
Agree	16	18%
Neutral	116	58%
Disagree	44	22%
Strongly Disagree	0	0%

7. Only a well-known brand can guarantee quality

Table 7: Only a well-known brand can guarantee quality

Particulars	Frequency	Percentage
Strongly agree	64	32%
Agree	136	68%
Neutral	0	0%
Disagree	0	0%
Strongly Disagree	0	0%

Table 8: How crucial is it to choose a foundation that properly matches your skin tone?

Particulars	Frequency	Percentage
Strongly agree	40	20%
Agree	32	16%
Neutral	80	40%
Disagree	40	20%
Strongly Disagree	8	4%

4. Results and Conclusion

Results:

- An analysis of the data reveals that you should apply foundation on your face no more than twice each week. More than 36%. • More than 56% This proclamation is agreed upon every week at the same time. According to the disclosure, 8% Every two to three weeks to every two weeks. • 56 percent of respondents strongly agreed that has used the most of these Face Foundations, 18 percent agreed. has used the most of these Face Foundations towards the announcement is 26 percent of respondents. This inquiry was supported by all of the respondents.
- In the image, 86% of respondents agreed with this assertion, while just 14% disagreed since they had never used Face Foundation.
- 56 percent of respondents strongly agreed that has used the most of these Face Foundations, 18 percent agreed. has used the most of these Face Foundations towards the announcement is 26 percent of respondents. This inquiry was supported by all of the respondents.
- The graph shows that 42% of persons in During the last several weeks, how many different types of face foundation have you used. 24 percent of those polled agreed with this statement (although not enthusiastically). 2% of those polled were 50 unconvinced by the news. There was no unanimity among the responders. Some 32 percent of the people polled voiced a strong disapproval
- 24 percent of respondents strongly agreed that target customers for a mid-priced cosmetics company may be determined using a market strategy, according to the image provided. This comment was backed by 14 percent of the survey participants (although not forcefully). • 12 percent of those polled are neutral, and they've made this claim. Only 10% of them were in agreement. Survey respondents indicated that 40 per cent of mid-priced cosmetics companies may use a market approach to identify their ideal customers.
- Will you put your skin at danger when using face foundation or other cosmetics? According to the graphic, 12 percent of respondents agreed. Only 8% of those polled said they agreed with this statement, which isn't a majority.
- 58 percent of respondents found the statement to be neutral. Some 22% of the people polled disapprove of the findings. No one who responded was adamantly opposed to this idea.
- Figures show that 46% of respondents think I'm hooked to the world of cosmetics. This remark was supported by 50% of the people questioned. Among those surveyed, just 4% are in disagreement with the statement. This question has received no meaningful responses from the participants. • Despite the fact that 32% of those polled strongly agreed and 68% agreed (albeit not strongly!) that only a well-known brand can ensure quality, none of those polled took 51 a neutral view on the statement. The declaration was accepted by all of the responders.
- An allergy survey found that 82 percent of respondents said they generally YES suffer from allergies, whereas 18 percent of respondents stated they usually NO suffer from allergies.
- According to the pie chart shown above, 40% of respondents were indifferent, 20% agreed, 20% disagreed, and 6% strongly disagreed. Respondents disagreed that selecting a foundation that matches your skin tone is important.

Conclusion:

The cosmetics sector, as discussed previously in this chapter, is a fast-paced field where product innovation is critical to success (Kumar et al., 2006). Businesses in today's hypercompetitive environment need constant innovation and a long-term core competence to thrive. Fulfilling customers' needs is the most important factor in gaining market share or gaining a foothold in a new market. Green products have emerged as the future of product development, and this is a response to the public's urge to protect the environment owing to businesses' significant pollution and waste. Most people buy green items for their own needs and wants rather than because they care about the environment, according to a study of the research. Instead of concentrating on how to create a successful marketing plan, marketers must first understand why customers are interested in their product. should choose for environmentally friendly items instead of conventional ones. As a result, this study aims to shed light on the factors that influence consumers' desire to buy green personal care and cosmetic goods.

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