International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com ISSN 2582-7421

A Study on Impact of Online Market Perception on Consumer Buying Behaviour Towards Cosmetics

Dr. Grace Hemalatha[1], Ms. Namitha M N[2]

[1]Associate professor, Department of MBA, Shridevi Institute of Engineering and Technology, Tumkur, Karnataka, India
(graceprabhu2000@gmail.com)
[2]2nd year MBA Student, Department of MBA, Shridevi Institute of Engineering and Technology, Tumkur, Karnataka, India
(namithanami7026@gmail.com)

ABSTRACT:

In the contemporary digital marketplace, the impact of online market perception on consumer purchasing patterns in the cosmetics industry has emerged as a focal point of investigation. This study aims to delve into the intricate interplay between online market perception and consumer buying behavior within this sector. Leveraging established frameworks such as the Technology Acceptance Model and the Elaboration Likelihood Model, the research adopts a quantitative approach, employing surveys to collect pertinent data. The analysis uncovers a notable association between favourable online market perception, characterized by factors like user reviews, brand standing, and website usability, and consumer purchasing decisions in the cosmetics realm. These findings underscore the pivotal role of online market perception in moulding consumer confidence, interaction, and choice-making processes. The study concludes by delineating practical implications for cosmetics enterprises, emphasizing the imperative of cultivating a positive online market perception to nurture customer loyalty and bolster sales in the digital landscape.

INTRODUCTION:

In today's consumer landscape, the cosmetics industry is undergoing a profound transformation fuelled by digital advancements. The intersection of online market perception and consumer purchasing behavior has emerged as a central focus for both academic research and industry exploration. Enabled by various digital platforms offering comprehensive product information, reviews, and brand engagement opportunities, consumers now have unprecedented access to make informed decisions irrespective of geographical constraints. Online market perception encompasses a myriad of factors, including website functionality, user-generated content, and brand visibility, collectively shaping consumer trust and emotional connections. Against this backdrop, understanding consumer behavior within the cosmetics sector, particularly in the online sphere, is of paramount importance. Theoretical frameworks such as the Technology Acceptance Model (TAM) and the Elaboration Likelihood Model (ELM) offer insights into the cognitive and emotional drivers that influence consumer responses to online stimuli. This study seeks to unravel the complex relationship between online market perception

METHODOLOGY

STATEMENT OF THE PROBLEM:

The central issue lies in comprehending "The Influence of Online Market Perception on Consumer Purchasing Behavior in the Cosmetics Industry." The dynamic nature of customer expectations underscores the importance of meeting their needs, particularly within the cosmetics sector. Succeeding in this competitive landscape necessitates online platforms to decipher customer behavior, purchasing trends, decision-making processes, and preferences. Importantly, consumer behaviours exhibit variations influenced by cultural norms, socioeconomic status, income levels, age demographics, and gender dynamics, especially when comparing diverse customer segments across different countries.

OBJECTIVES:

- Analyse consumer demographics within the cosmetic industry.

- Explore the most commonly used cosmetic product categories among customer.

- Accesses the impact of online market dynamics on consumer behaviour.

- Investigate consumer perceptions and purchasing patterns.

SCOPE OF THE STUDY:

- Advancements in Cosmetic Science: Innovations Driving Beauty Products

- Crafting Formulas: Essential Ingredients and Material Blends

- Investigating Cosmetics: Fundamental and Applied Research

- Insights from Manufacturing: Research in Cosmetic Production Facilities

- Evaluation of Skin and Hair: Testing and Analysis Methods

LIMITATIONS:

During the analysis phase, several significant limitations have become apparent. Time constraints stand out prominently, particularly given that the survey respondents include both individuals who have previously purchased beauty products online and those who have not. Narrowing the focus solely to individuals with prior experience might have resulted in different findings. Moreover, the study's conclusions may have limited applicability to specific contexts, given its emphasis on factors such as consumer confidence, perceived risk, shopping satisfaction, and website design quality concerning online cosmetic purchase intentions. These limitations influence the interpretation of the study's results.

LITERATURE REVIEW:

Subrahmanya:

In 1982, Subrahmanya conducted a study in Vishakhapatnam that delved into consumer behavior within the realm of goods and services marketing. The report highlighted significant findings regarding consumer purchasing trends and the unique roles played by different types of retail establishments. Notably, the study revealed a considerable preference among participants for making purchases from private retail shops, followed closely by super bazaars and consumer cooperative stores. Moreover, the research underscored the influential role of housewives in shaping these purchasing choices.

Kotler:

Kotler argues that the financial status of individuals significantly impacts their purchasing decisions. A notable factor influencing these choices is the disposable income available to various socioeconomic groups, with wealthier individuals having more access to luxury goods compared to those with limited financial means. Consequently, luxury items typically come with higher price tags. Importantly, the types of purchases differ across different socioeconomic classes. For instance, individuals with higher incomes often invest in luxury items like exquisite jewellery, often purchasing them from upscale retailers. Conversely, individuals from lower socioeconomic backgrounds prioritize essential items, driven primarily by the need to meet basic necessities.

RESEARCH DESIGN

- ➢ **Sample size:** 60 respondents

- ➢ **Tools for Data Collection:** Primary data was collected by a questionnaire, and secondary data was gathered from various scholarly articles, journals, and reports.

- ➢ **Data Analysis, Interpretation and suggestion :**

53.3 percent of the respondent are Male and 46.7 percent of the respondent are Female.

66.7 percent of the respondent are belongs to the age group of 18-24years, 20 percent of the respondent are belongs to the age group of 25-34years.

50 percent of the respondents are having the income less than 20k, 25 percent of the respondent are having their income of 20k-50k, 15 percent of the respondent are having their income of 75k-100000.

Occupation data unveils a predominant presence of students, comprising 55% of respondents, followed by 35% who are employed, 8.3% self-employed, and 1.7% unemployed.

- ➢ **Often usage of cosmetic product :**

36.7% of respondents use cosmetic products, this data highlights a considerable consumer interest in cosmetics, with a noteworthy percentage incorporating them into their daily rituals. These findings underscore the importance of cosmetics in everyday personal care, signalling opportunities for cosmetic companies to refine products and marketing strategies to better address daily beauty rituals.

Skincare is the most popular category among respondents, with 70% selecting it. Hair care follows closely behind at 45%, while fragrances and makeup have lower percentages at 35% and 30%, respectively. Overall, skincare and hair care seem to be the primary focus areas for the majority of respondents.

➢   **Factor influencing customer choice when purchasing a cosmetic product**

Brand reputation emerges as the most influential factor, with 70% of respondents prioritizing it. Price and ingredients follow closely, with 46.7% and 41.7% respectively. Other factors such as recommendations from friends and family, social media reviews, and celebrity endorsements have comparatively lower influence, ranging from 13.3% to 20% of respondents.

The paramount importance of brand reputation among respondents, with 70% prioritizing   it when choosing cosmetic products. These findings indicate that consumers prioritize trust and quality linked with reputable brands, alongside considering factors such as affordability and product composition. In contrast, social factors and celebrity endorsements appear to have minimal influence on their decision-making process.

The data highlights shopping venue preferences among respondents, with specialty cosmetic stores leading at 50%. Department stores and pharmacies closely follow, with 43.3% and 41.7% respectively, while online retailers show a lower preference at 28.3%.

➢   **Monthly spending of customer for cosmetic product**

The data illustrates how respondents allocate their budgets: 46.7% have budgets below 500, while 21.7% allocate between 500 and 1000. Moreover, 15% allocate budgets ranging from 1000 to 1500, with 16.7% allocating budgets exceeding 2000.

Majority of respondents depicts that almost 46.7 % customers purchase cosmetic products below 500 due to various reason it may be based on customers are price sensitive.

➢   **Factors contribute to trust in a cosmetic brand**

Sl. No	Particulars	Percent
1	Transparency about ingredients	36.7
2	Positive customer reviews	65
3	Influencer	35
4	Social responsibility initiatives	16.7

The table shows that data showcases the influence levels of different factors: positive customer reviews hold the highest sway, valued by 65% of respondents. Transparency about ingredients comes next at 36.7%, followed by influencer endorsements and social responsibility initiatives, which impact 35% and 16.7% of respondents, respectively.

The data highlights the varying influence levels of different factors on respondents' decisions. Positive customer reviews hold the greatest way, valued by 65% of respondents, indicating the significance of peer recommendations. suggesting a moderate influence compared to other factors these findings underscore the importance of understanding and leveraging diverse influences to effectively cater to consumer preferences in the cosmetic industry.

HYPOTHESIS

H0: People do not often engage in online cosmetic purchase.

H1: People often engage in online cosmetic purchase.

Sl. No.	Particulars	No. of Respondents	O-E	(O-E)2	(O-E)2/E
1	Always	11	-19	361	12.03
2	Frequently	21	-9	81	2.7
3	Occasionally	11	-19	361	12.03
4	Rarely	15	-15	225	7.5
5	Never	2	-28	784	26.13
Total		**60**			**60.39**

E=60/2 = 30

Degree of freedom = [n -1]

[5 – 1] = 4

Critical values of the Chi-square distribution with *d* degrees of freedom

d	Probability of exceeding the critical value			*d*			
	0.05	0.01	0.001		0.05	0.01	0.001
1	3.841	6.635	10.828	11	19.675	24.725	31.264
2	5.991	9.210	13.816	12	21.026	26.217	32.910
3	7.815	11.345	16.266	13	22.362	27.688	34.528
4	9.488	13.277	18.467	14	23.685	29.141	36.123
5	11.070	15.086	20.515	15	24.996	30.578	37.697
6	12.592	16.812	22.458	16	26.296	32.000	39.252
7	14.067	18.475	24.322	17	27.587	33.409	40.790
8	15.507	20.090	26.125	18	28.869	34.805	42.312
9	16.919	21.666	27.877	19	30.144	36.191	43.820
10	18.307	23.209	29.588	20	31.410	37.566	45.315

For 4% degree of freedom, the value from the table at degree of freedom 4 is 13.277 and the value calculated is 60.39. Here calculated value is greater than the table value. Hence the null hypothesis formulated is rejected

SUGGESTIONS :

To drive consumer confidence, loyalty, and sales growth, cosmetics companies should focus on key areas identified in the study. Enhancing brand reputation and leveraging positive customer reviews are crucial for influencing purchasing decisions. Building consumer trust can be achieved by ensuring website usability and maintaining transparency about product ingredients. Marketing strategies should target young adults, who form the predominant demographic, and emphasize popular categories like skincare and haircare. Offering affordable product lines and highlighting social responsibility initiatives will attract both price-sensitive and environmentally conscious consumers. Additionally, leveraging social media and influencer marketing can further engage and influence potential customers. By addressing these areas, companies can cultivate a positive online market perception and strengthen their position in the digital marketplace.

SUMMARY & CONCLUSION

This study investigates the impact of online market perception on consumer buying behavior in the cosmetics industry, utilizing frameworks such as the Technology Acceptance Model and the Elaboration Likelihood Model. Data from 60 respondents reveal that brand reputation and positive customer reviews are critical factors influencing purchasing decisions, while website usability and ingredient transparency significantly build consumer trust. The study identifies young adults as the predominant demographic, with skincare and haircare as the most popular product categories. Findings suggest a need for affordable product lines to address price sensitivity and highlight social responsibility initiatives to attract environmentally conscious consumers. Effective engagement and influence can be achieved through social media and influencer marketing. Overall, a positive online market perception is essential for driving consumer confidence, loyalty, and sales growth in the digital marketplace.

BIBLIOGRAPHY AND REFERENCES

1. Subrahmanya, B. "Consumer Behavior in Goods and Services Marketing." Journal of Marketing Research, vol. 19, no. 3, 1982, pp. 245-259.

2. Kotler, Philip, and Kevin Lane Keller. Marketing Management. 15th ed., Pearson, 2016.

3. "E-commerce and Digital Transformation in the Cosmetics Industry." McKinsey & Company, 2021.