EFFECTS OF SOCIAL MEDIA ON BARDING ASPECTS OF COSMETIC PRODUCTS IN THE CONTEXT OF INDIAN COSMETIC INDUSTRY

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Abstract

The technology grew faster than ever in last 10 years. Palmtop which were considered as costly and limited use instrument in 2005 become handy devices. Now a day's palmtops are commonly sold with the name of touch screen android phones. Not only the hardware but the software has gone through major revolutions. Presently internet services in India as well as in whole world are cheaper than ever. The cheaper internet services helped the developers to build different applications and communication software. This concept gave birth to a word 'Social Media'. Social media is a cheaper method to communicate with the people. Companies, who were facing high cost of production because of paid marketing and advertisement for brand building, observed this social media concept. They find it suitable for their purpose. Social media has made revolutionary changes in marketing campaigns. The impact of social media on different dimensions of any product is very high. The present research is an effort to study the impact of social media on the branding of cosmetic products.
Keywords – Cosmetics Industry, Social Media, Branding

I. INTRODUCTION

Modern day businesses are highly competitive. Creating and developing a product become easier than sustaining the product in the market. Many producers enter in the market providing similar goods or services. In FMCG and cosmetic goods the competition is so tuff that the profit margins are reduced as the products are almost similar. Herbal soap with 'Neem' extract is too easy to make than anyone can do it. So to create a differentiation in the mind of customers, business started emphasizing on creation of brand. A brand is a name, logo, trade mark or any specific symbol that recall the product in the mind of customers. 'Hamam' and 'Margo' were early birds in 'neem soap' industry. They did advertising and created a brand among Indian people. But gradually the cost of marketing increased as other players Medimix, Ayur, Khadi, Patanjali, Organic India and many more started producing 'Neem' soap. It becomes difficult to get a recall value for the product in the mind of the customers. Earlier when Neem soap was required the only names were Hamam or Margo in the mind of customers but this is no more a scenario now a day. Now creating the brand

image became difficult in the mind of customers. The marketers found the solution in using social media as a tool of marketing and branding. The present study will try to explore different aspects related to social media use in cosmetic products marketing and communication.

Cosmetics Industry In India:

Cosmetic marketing is the most complex in India. In India cosmetic value of a person matters a lot. People prefer to look better as their appearance helps to succeed in many dimensions of life. Pleasant personality helps people to get a better social environment, self confidence and positive moral that is very necessary in modern day life. In such a situation cosmetics play a great role. They enhance the beauty of a person that helps to attract other positive attributes of personality. A beautiful person is obliviously considered wise and smart. Companies understand this idea and they also know that this segment of market is highly potential. Due to large amount of profit and easy entry many companies have entered in the market. The cosmetics market in India is very competitive and fast growing.

Fig: Indian retail cosmetics market share
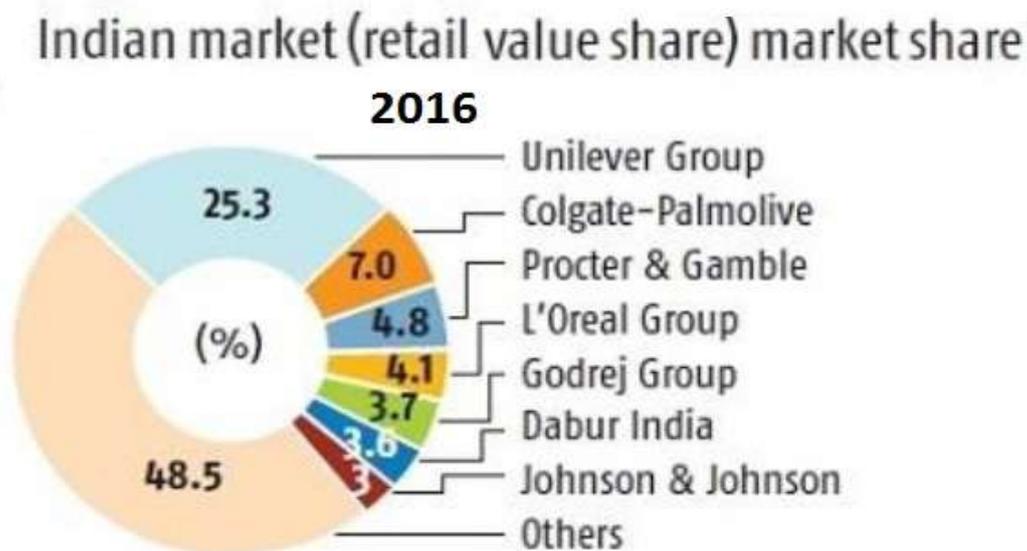
Cosmetics industry is popularly known as BPC (Beauty and personal care) industry. According to a report by A.T. Kearney[1] the Indian BPC industry is supposed to grow upto 10.5 Billion USD. The selection of cosmetic industry for the present study is done because of the complexity of the business. More the complex is business more and more it uses

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[1] http://ibhaindia.com/wp-content/uploads/2016/04/ATKearney-knowledge-report.pdf, last viewed 02 Jan 2019

marketing phenomena. Different types of marketing attributes are vitally shown in the marketing of cosmetic goods. So when it comes to study the impact of social media on the branding of any product, it is wise to consider cosmetic marketing.

Fig: Growing BPC market in India

Indian BPC Market (USD Billion)

6%

5-6%

~7.0

7.8

9.5-10.5

2014   2016   2021
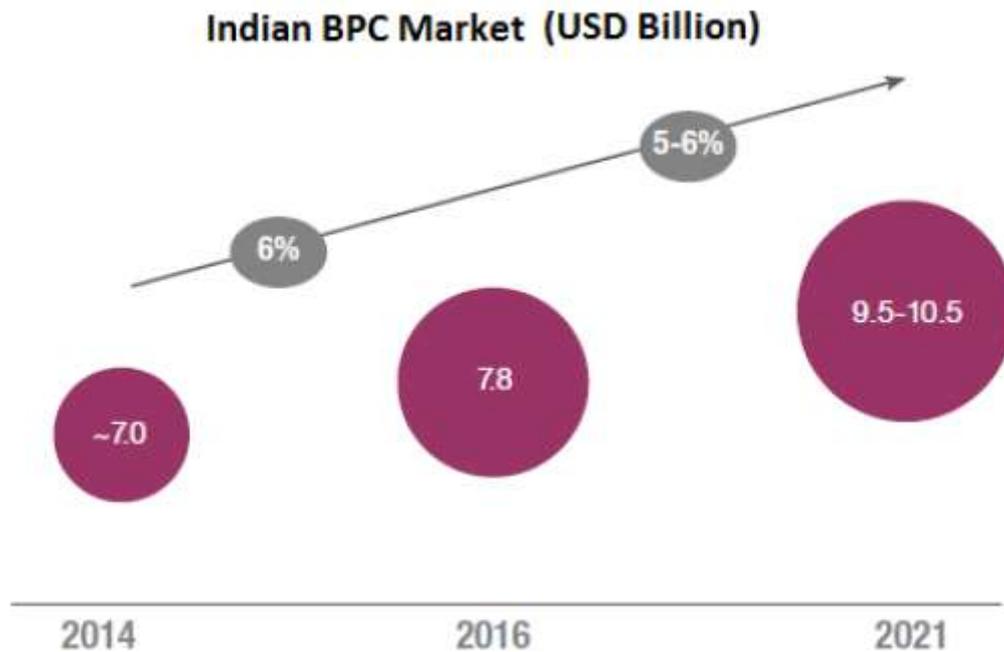
The report further suggests that the market segments will separately achieve new heights. The BPC industry has further subdivision in Hand are, color cosmetics, face care, hair care and body care. The highest growth will be achieved by body care industry till 2021. The hair care industry will grow up to 30% of the cosmetic market. Face care, color and hand care will be 21%, 12% and 01% respectively. The market structure divided in such a manner shows that how complex it is to make a branding effort in such a fast growing industry. In such condition role of assertive tools of barding becomes very important. Role of social media marketing is too important for branding of this type of fast growing market.
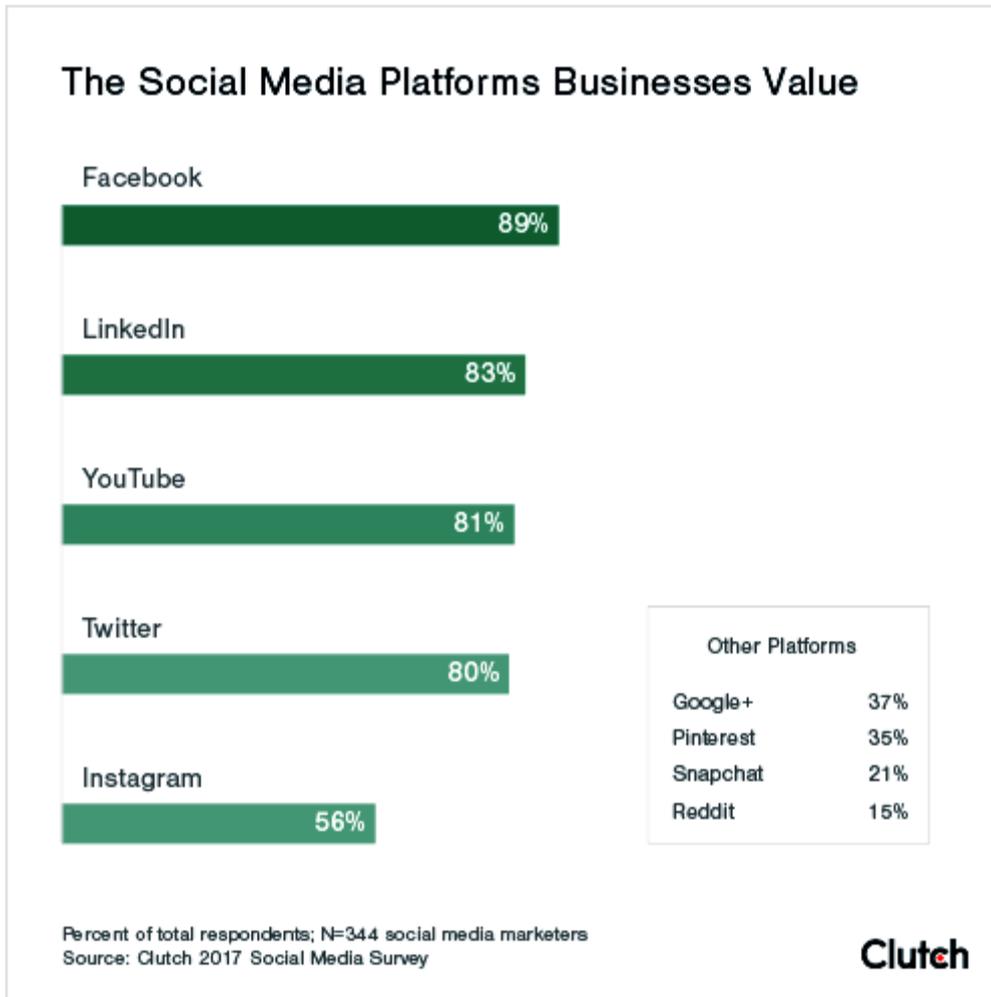
Growth of Social Media:

The advent of internet made a revolution in advertisement media. Radio and TV commercials were yet more effective but repetitions of advertisements (frequency) were costlier. Internet made things cost effective. While working on internet or accessing any website a written, audio or video message window pops up. It was not only easy but also cost effective. E-mails provided another other helping hand in marketing and advertisements. This whole phenomena was known as digital advertisement and marketing.

In January 24 2004 social networking site ORKUT came into existence. This was a major breakthrough in internet communication. Before ORKUT, different one to one communication mediums like MSN or yahoo messenger were available. ORKUT has provided a new thing to its users that they can search other users and connect with them. This way people started created online societies. The groups had some common interest. A person adds his family, friends and professional associates in his group. When they share any message it easily gets communicated to everyone. Posting messages on their wall (web space provided by ORKUT after creating ORKUT account) become a trend. People post festival messages, birthday wishes, and job related activities on their wall. These posts contain messages, photos and videos. Gradually people started sharing their views about product and things around them. These are not expert opinion but just user generated contents (UGC). But as there is a well know marketing phenomena "Word of mouth", these online media messages started contribution in marketing. This gave birth to social media marketing.

In the same inception year of ORKUT another social media FACEBOOK also came in existence. Though ORKUT was dissolved in 2014 but FACEBOOK is the most common social media platform. The elite marketing platform was gradually accompanied by TWITTER, YOUTUBE etc. When mobile phone based applications came in existence things changed dramatically. WHATS App and INSTAGRAM moved one step further resulting in viral marketing in true sense.

As per report The Indian Telecom Services Performance Indicators July - September, 2015 published by TRAI (Telecom Regulatory Authority of India) the total number of internet subscribers (broadband and Narrowband) in India was increased from 319.42 million at the end of June, 2015 to 324.95 million at the end of September, 2015 with quarterly growth rate of 1.73%. Wired Internet subscribers blown from 19.21 million at the end of June, 2015 to 19.60 million at the end of September, 2015 with quarterly growth of 2.07%, and Wireless Internet subscribers had shown tremendous growth from 300.22 million at the end of June, 2015 to 305.35 million at the end of September, 2015 with quarterly growth rate of 1.71%. Number of Broadband subscribers amplified from 108.85 million at the end of June 2015 to 120.88 million at the end of September 2015 whereas, the number of Narrowband subscribers dropped from 210.57 million at the end of June, 2015 to 204.07 million at the end of September, 2015.

Fig: Business value of Social Media Platforms

The Social Media Platforms Businesses Value

Facebook 89%
LinkedIn 83%
YouTube 81%
Twitter 80%
Instagram 56%

Other Platforms
Google+ 37%
Pinterest 35%
Snapchat 21%
Reddit 15%

Percent of total respondents; N=344 social media marketers
Source: Clutch 2017 Social Media Survey

Clutch

II.   OBJECTIVES

The present study will focus the role of social media in the cosmetics marketing and branding. The study will try to find out the perceptions of the consumers in regards with the social media.

III.   METHODOLOGY

Present study will be considering women user which are active on social media as respondents. Women using cosmetics as well have access and knowledge of social media and branding are population for present research. Sampling size based on confidence interval for statistics is used to decide sampling size.

Standard deviation of Population is unknown so we will use proportion formula.

$n = p (1-p) (Z/E)^2$

$n = 0.050 (1-0.50) (1.96/0.05)^2$

$= 0.50 (0.50) (39.2)^2$

$= 0.50 (0.50) (1536.64)$

$= 384.16$

As researcher cannot take a part of sample, so updating to nearest integer, minimum sample size will be 385. As the sample, location includes different cities nearby Lucknow and researcher has to visit each location five times so the researcher raised the sample size up to 500. Research tool will be a questionnaire. It will consist two parts. Part-01 will have 10 general purpose questions that will draw some basic information about social media marketing of cosmetics companies. This will also help respondents to bring in the context so that while filling the part-02 they should become more conscious. Part-02 of the questionnaire has 25 questions. These close ended questions are given 5 answers according to which scoring will be done. The part-02 of questionnaire has been tested for validity and reliability. Cronbach's Alpha of the tool is 0.825 for 25 items. This shows that the tool is reliable. Further PCA explains that the tool is explaining 5 variable which are named as Social Media Impact (Respondents Opinion about social media), Female buying behaviour, Brand Affect, Brand Trust and Brand Locality.

IV.   FINDINGS OF THE STUDY

The study have been conducted in two part first part of questionnaire have 10 questions that relates to the use of social media and cosmetics industry. Findings of these questions are as follows:

1.   Respondents show that the cosmetics companies are promoting their products with the help of social media.

2.   56% respondents are following cosmetics companies now a day. They are of believe that they must get updated about new products and their variants. The use of social media is

very helpful. The dashboards of these websites are designed in a manner that they display any notification or post. This helps the user to know all the happening and events about the group or the page they follow. Almost similar numbers of respondents don't follow any cosmetic companies' webpage.

3.   Respondents are in favour that these cosmetic companies are more active on customer feedback handling. Their activeness helps customers to feel more privileged. Once the customer is acknowledged for the feedback he becomes an active participant in the word of mouth publicity of the company.   Companies can get easy and better marketing solutions with the help of social media.

4.   88 respondents find that most of the users generated content, social media feedbacks are useless. 102 respondents find that the social media post are mostly complains or grievances of the users of that product. 80 respondents feel that the responses and social media posts are from fake accounts to promote product where as 120 respondents feel that these are feedbacks of users either positive or negative.

5.   The response pattern shows that twitter is most commonly used social media platform for the promotion of products. Twitter is most commonly used platform to share news feeds. It is nearly impossible for companies to avoid "hash-tag culture" any more.

6.   Social media presence of Maybelline is higher than any other selected brand in the questions. The objective for keeping the question is not enquiring about the cosmetic brand but to enquire about the awareness of respondents about the brands available on social media.

7.   The response for the effect of social media on buying behaviour is having almost similar in both categories. 237 respondents feel that their buying behaviour is not effected by social media contents where as 263 respondents feel that the get influenced from social media.

8.   285 respondents feel that they actively post their feedback suggestions and responses on social media. This shows that social media posts can used in MIS generation for the companies. They can generate enough intelligence for the development and improvement of their products. Companies can gather data from social media to understand the trend and mood of buyer. They can make changes according to the demand of buyers. Lots of companies are already in these activities. Even few companies collect data and sell it to the marketing department for pitching their products.

9.   Almost 58 % respondents feel that cosmetic companies are responsive to their posts. The objective of putting this question is to judge the seriousness of the respondent towards the social media. Some time users post contents randomly, if they are aware about the feedback or reply on their post it shows their level of involvement in social media.

10.   289 respondents feel that the cosmetic companies can be benefited with the use of social media. Social media can be used as marketing tool. Companies can use it for market activation and mass communication. Most of the users feel that social media presence is fruitful for the cosmetics companies.

Part-02 of the questionnaire generates data regarding five variables named as Social Media Impact (Respondents Opinion about social media), Female buying behaviour, Brand Affect, Brand Trust and Brand Locality. The findings are as follows:

1.   The correlations between Social Media Impact with Female Buying are very high. Pearson Correlation value is positive 0.709 which is good and correlation is significant at the 0.01 level.

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	8.600	.546		15.763	.000
	Female Buying Behaviour (y)	.613	.027	.709	22.426	.000
a. Dependent Variable: Social Media Impact (x)						

The relation can be arithmetically written as:

'y = 8.60 + 0.613x'

2.   The correlations between Social Media Impact with Brand Affect are high. Pearson Correlation value is positive 0.565 which is good and correlation is significant at the 0.01 level.

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	8.468	.800		10.583	.000
	Brand Affect (y)	.611	.040	.565	15.267	.000
a. Dependent Variable: Social Media Impact (x)						

The relation can be arithmetically written as:

'y = 8.468 + 0.611x'

3. The correlations between Social Media Impact with Brand Trust are high. Pearson Correlation value is positive 0.565 which is good and correlation is significant at the 0.01 level.

Coefficients^a

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	6.735	.717		9.399	.000
	Brand Trust (y)	.697	.036	.659	19.532	.000

a. Dependent Variable: Social Media Impact (x)

The relation can be arithmetically written as:

'y = 6.735 + 0.697x'

4. The correlations between Social Media Impact with Brand Loyalty are low but are positive. Pearson Correlation value is positive 0.118 which is low and yet correlation is significant at the 0.01 level. So it can be said that relation between brand loyalty and social media impact in weak.

Coefficients^a

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	17.784	1.011		17.586	.000
	Brand Loyalty (y)	.134	.050	.118	2.661	.008

a. Dependent Variable: Social Media Impact (x)

The relation can be arithmetically written as:

'y = 17.784 + 0.134x'

V. CONCLUSION

The present research affects different dimensions of society. Cosmetic companies, marketers, entrepreneurs and students of business studies are foremost benefited group. The significance of present study can be understood as follows:

a) Cosmetics companies:

Cosmetics companies can use the findings of the study to improve their marketing campaigns. Presence on social media can be made more emaphtic if the stuy is applied to marketing efforts.

b)   Marketers:

Marketer not only confined to the cosmetic industry can use this research for their purposes. Thought present study is in the context with cosmetics industry and women buyers but its applicability is in all marketing domains.

c)   Entrepreneurs:

Starting a venture is difficult as well as easiest task. If all the home work is done in regards of production, supply chain and marketing it is an easy task. Entrepreneurs can access the literature of present research to better equip themselves with social media marketing tools.

d)   Students of business studies:

Students of business studies are very dynamic and versatile. They are supposed to be armored with all the academic knowledge to cope up with the forthcoming challenges of business world. Students can enhance their knowledge about social media marketing with the help of the literature of present research.

Social media is a crucial part of your business marketing, but it doesn't have to be stressful to manage. Take the first step, create a profile, and start engaging with your customers when to resolve public conversations in private messages.

The research can be concluded by considering the fact that role of social media in brand management is very high and inevitable with special reference to cosmetic goods.

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