



The Cosmetic Industry Changing The Whole Market Scenario: A Review

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Abstract

The Indian cosmetic industry is changing due to economic and digital growth. People have more income to spend on their individual needs. Males and females both are inclined toward their outer appearance and inner health. This has created a huge demand for cosmetic products. Companies are making products to cater needs of every individual, by providing products with different varieties, color shades, and skin conditions. The digital market has created a platform for companies to create their presence by investing in physical stores. Cosmetic products are available in urban, semi-urban, and rural areas also due to online market presence. Companies manufacturing their products in India can market their products worldwide. Each country has its norms and regulations for the manufacturing and marketing of cosmetic products. Companies need to follow those regulations for their global presence.

Introduction

India's economic and social condition is in its blossom stage. Its manufacturing and digital sectors are growing at a faster pace. India's economic condition has contributed a lot to uplifting individuals' income. An increase in family income has improved the family's quality of life. This has created opportunities for more personal care products, which was impossible in previous decades. Drastic improvement in the manufacturing industry with the deployment of new technologies and the rise in digitalization has created a boom in the cosmetic industry in India. Cosmetic products' reach has increased from urban areas to rural areas. Its boundaries are not restricted only to urban areas and semi-urban areas, it has expanded its feet to rural areas. In the future, this industry is predicted to get closer to the American market. There are different sets of challenges for the Indian cosmetic industry as compared to other markets of different countries

India is a land of diversity in every aspect from climatic conditions to skin color and many more. So, it is challenging for the cosmetic industry as one product does not fit all populations. They have to provide multiple products and variations in shades to make them acceptable in the whole market. Present-day consumers are more knowledgeable as compared to previous decades. Thanks to social media which has exposed consumers to information regarding the ingredients of cosmetics. Customers are now aware of safe ingredients and are in such a stage that the cosmetic industry is formulating products as per their requirements. Indian market is majorly divided into two parts one is ayurvedic-based products and chemical-based products. India, a land of diversity provides huge possibilities for both upcoming and existing players.

The Make in India project of the government has opened a gateway for new players to flourish. Nowadays customers are showing more interest in domestic products. International products are facing huge competition due to new players' arrival.

The increasing number of corporate jobs has also increased family income. Increased family income has increased the market size for both domestic and international brands. In the cosmetic industry, social media and mass media play a very important role. Every customer has a different motivation level for buying any product. To attract customers, marketers endorse celebrities in their product promotion. Indian customers connect easily with their favorite celebrities and want to look like them. So, they get easily attracted to the products and frame opinions in their mind that products are safe and made up of good quality.

Slowly with time, in 2014 Indian consumers have shown a change in their preferences for cosmetic products. They are moving towards cleaner, herbal, organic, and safer ingredients. There are lots of companies that are coming up with clean and safer ingredients. There is also a huge change in customers' mindset, they are not interested in lighter skin tones, they find themselves comfortable with their original skin tone which was not normal in previous decades as fair skin tone was the beauty standard. It is also a challenge and opportunity for marketers.

Literature review

"The cosmetic industry in India: A pestle analysis" authors are Dr. Manohar Sahrash, and Hrithika Rao, in their article, they mentioned that e-marketers are putting extraordinary efforts to attract more customers towards the online market by providing a single platform for multiple products, attractive discount, convenience and many more. It has provided opportunities for existing and emerging brands to reach the maximum number of customers without investing in and maintaining physical stores. E-commerce websites such as Amazon, Flipkart, Nykaa, Myntra, and many others have paved the way for online markets from traditional stores. Online stores are expanding dramatically to exploit the fastest-growing cosmetic market. Companies with innovative products are entering the market, they can

reach easily into different parts of the country. The pandemic has slowed down its growth but now it is changing its speed intensity. The categories which were mostly showing low sales were makeup products, fragrances, and sun care products as people's outdoor activities were restricted. The digital era has transformed the beauty industry. This era provides a platform for companies to connect to their customers both nationally and internationally. These all are contributing to higher customer expectations.

Siddharth Shriram Shimpi and Dr. D. K. Sinha their article "A factor analysis on attitude characteristics of consumer behavior for male cosmetics products in Pune city." have explained that organizations can survive in this competitive era only when they understand their customers splendidly and can influence their customer's purchasing pattern. In their study, they emphasized three sections of consumer behavior those are sociocultural impact, situational impact, and psychological impact. The cosmetic industry is quite challenging, cosmetic products are directly applied to the skin and create a huge risk. It can easily generate disappointment if the product fails to satisfy customers. They also discussed another segment of customers those who were not using cosmetics before a few decades, but now men are changing their opinion about cosmetics and are concerned about skincare and self-care products. The economic growth of India has contributed to the growth of male cosmetic products. In the present era, male consumers are giving more importance to their outer look as well as inner health due to an increase in family income and living standards. TV, Cinema, and the Fashion industry have played a major role in this new market segment. Indian male consumers are frequently using cosmetic products and this is creating a rise in male cosmetic product demand. Male consumers are concerned about their outer appearance and this has eradicated the monopoly of women in the cosmetic industry. Products targeting male consumers involve a high risk of dissatisfaction and post-purchase dissonance. Male customers have lots of expectations towards the products targeting them. Their skin type is entirely different from females so they need different products. Female products cannot solve the problem of male consumers. Companies must formulate different products to cater to their both market segment.

"Green customers perception towards herbal skin care products in Tiruppur city" by Thiyagaraj. V. in his article he mentioned business organizations are spending lots of money to understand their customers better, what motivates them to purchase, and their attitude towards cosmetic products. Cosmetic products are no longer a women's dominant market, men are also more concerned about their looks. This has compelled marketers to add more products to their product line and modify their existing products with more attributes to attract both male and female customers. In his study, he covered the soap and face wash industry. He mentioned that the herbal skin care products market is growing at a faster pace. In the article, it is explained that advertisements play a major role in consumer buying behavior. The second point of his research was an appeal used in advertisements. Models used in advertisement creates a major impact on customers' mind. It was suggested that

companies should create an advertisement that looks natural to connect with consumers directly. People cannot connect to things that seem unreal. Companies should keep in mind while making advertisements that people should remember their products rather than remembering only the celebrity. They should engage those models or celebrities who truly match their products, not with those celebrities who will be remembered not the advertised products in a cluttered market.

Brij Mohan Singh, Ayushi Jain, and Anoop Mishra in their article “Cosmetic regulations in India vs Globally and challenges in Harmonization.” discussed cosmetic products and the way it changes the appearance of a person make them more noticeable and good-looking in public. Consumers use cosmetic products in their daily life for their welfare, and to enhance their self-confidence. These all favor the cosmetic industry to grow enormously in the whole world. The cosmetic industry is the fastest growing, highly innovative, and makes a significant contribution to the country’s economy. It is a science-driven industry. The cosmetic industry has its presence worldwide and due to the globalization of the economy; this industry has to follow all rules and regulations and ensure their products are safe for human beings as well as safe for the earth. This industry is continuously evolving to make them suitable for international standards. The authors have gone through the guidelines of three countries. They found that regulation compliance changes from country to country. Few countries have banned animal testing and others do not find it bad in animal testing. They also found product classification also differs, a drug in one country can be considered cosmetic in another country. They also discussed the product ingredients list, labeling, and GMP. Every country has its own set of rules and regulations. In India now all the products have to mention their ingredients on their inner and outer packaging. They also suggested companies should take it as a challenge and try to follow the norms of every country and if required change it accordingly. Companies with the strategy of thinking globally act locally can do well in the international market.

Conclusion

The cosmetic industry is the fastest-growing industry. This market was predominantly dominated by female customers but now the whole scenario has changed. Males are showing more interest in cosmetic products to enhance their looks. companies are making different products to cater to different customers’ demands. Female products cannot be useful for male customers. Male requirements are different from those of females, so companies are making entirely different products to cater to both male and female customers. India’s diversity is also a challenge for cosmetic companies. The climatic condition and skin color play a very crucial role in product formulations. Companies should try to provide various shades of cosmetics to target people with different shades of skin. The digital world has changed the whole market scenario, Indian cosmetic companies can provide their products in any corner of the world thanks its globalization and digitalization. Companies have to

follow the rules and regulations of other countries to make their product sellable in that market.

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