PART I

MARKET RESEARCH

AND

CONSUMER BEHAVIOUR
CHAPTER 1

INTRODUCTION
1.0 INTRODUCTION

1.1 MARKET RESEARCH

Market is a narrower term used to define actual and potential customers. Research involves the definition of problems and the application of systematic and thorough efforts to solve them. It calls for a study to measure, evaluate and interpret the wants, attitudes and behaviour of the various target markets. This information is then fed back to the drawing board, used on the machines to bring out products, which are needed by customers. Market Research is a systematic data collection on various marketing aspects for a company for its goods and services. The study is done with a set objective, may be for the reason to analyse consumer behaviour.

The R&D department of a company may come up with many new effective products out of which only few could be commercialized and very few would meet with success in the markets. Market research thus aims at finding out four things viz. what to sell, when to sell where to sell, how to sell; and it is conducted with different objectives such as (a) To discover the needs of the people regarding a product which a manufacturer plans to produce (b) To examine the reaction of the consumers when a product is already put on the market (c) To ascertain the actual needs of the consumers for a product put on the market to manufacture a similar but more suitable product (d) To ascertain why a particular commodity has failed to appeal to the consumers (e) To boost exports and earn valuable foreign exchange.

The major benefits of Marketing Research includes Production according to consumers' demand, Acceleration in sales, Reduction in marketing expenses, Discovery of new opportunities etc; but it has few limitations viz. the time required to complete research, the money required for the research, enigma of the consumers, occasional erroneous findings.

1.2 CONSUMER BEHAVIOUR

John Kenneth Galbraith has called the consumer as the king. No longer can any manufacturer dump his products on him. The study of consumer behaviour helps in many
ways. What he wants leads to product development, where he buys decides the channels of distribution, how he is motivated to buy brings out the sales promotion and advertising plan, how much he buys and at what intervals helps him estimate the total demand and his own capacity.\(^1\)

Abraham Maslow has explained why people are driven by particular needs at particular times by arranging human needs in a hierarchy, from the most pressing to the least pressing which is called as Maslow’s Hierarchy of Needs (Figure No. 1). In their order of importance they are Physiological needs, Safety needs, Social needs, Esteem needs, and Self-actualization needs. People will try to satisfy their most important needs first and when a person succeeds in satisfying an important need, that need, will cease being current motivator and the person will try to satisfy the next most important need. Maslow’s theory helps marketers understand how various products fit in the plans, goals and lives of potential consumers.\(^3\)

**Figure No. 1: Maslow’s Hierarchy of Needs**
A new philosophy is emerging today that rather than placing emphasis on R & D, it should be on marketing R & D very much in alignment with the quote by Theodore Levitt* that “It is not mere R&D but its is marketing R&D”. Today the companies have to decide whether they want to be masters of market or masters of products and technology. In the former one has to understand the needs and wants of the consumer and accordingly has to design an effective product which delivers and satisfies the consumer whereas in the latter the products are designed in the laboratory and then are decided to be marketed which may end up in big failures.

Today people in all age groups and gender are becoming appearance and beauty conscious, for this purpose they are resorting to different products and services. The former includes variety of products available in the market that may be synthetic, semi-synthetic, natural, herbal etc. and latter includes regular exercise, yoga, visiting parlors and getting advice from the experts in this line. This research study is aiming at analysis of consumer awareness about aging and anti-aging therapies and their perception and expectations from anti-aging cosmeceuticals. It must be noted that commercially this is a growing market all over the world including India hence the study of consumer behaviour as a part of doctoral work is justified.
CHAPTER 2

SCOPE
2.0 SCOPE

2.1 AIMS AND OBJECTIVES

(a) To investigate the most commonly available and sold anti-aging products in the market covering various aspects viz., brands, price, category, type and form, package, ingredients, label claims etc.

(b) To evaluate the psychological and physiological behaviour of the consumers in different age groups. The psychological aspects would include the role and importance of appearance in a person’s personality, self-esteem and self-confidence; the preference to look young with the advancement of age. The physiological aspects would include the awareness about aging, premature aging, visible signs of aging, skin wrinkling, the age from which the care should start to delay skin wrinkling and the body parts where appearance of wrinkles is most worrisome.

(c) To find out the awareness of consumers about various anti-aging remedies and to identify the preferences of the consumer pertaining to the source from where they would seek help viz., beauticians, dermatologist, cosmetologist etc, the line of treatment which they would prefer viz., Ayurveda, Homeopathy, Modern Day treatments etc, the form of treatment which is most desirable viz., surgery, tablets/capsules, creams/lotions etc. and the most commonly known anti-aging brands.

(d) To understand the perception of consumers about anti-aging cosmeceuticals with respect to their quality, efficacy, the type of effects they exhibit and the time in which the effects are seen.

(e) To evaluate the influence of various factors on the buying behaviour of consumers for anti-aging cosmeceuticals. The factors would include preference to the type of brands viz. overseas brands, national brands, local brands etc; the price of the product / treatment, media by which the products are advertised viz., TV, magazines, internet etc and the preferred place of buying viz., chemist’s shop, general store etc.
(f) To understand the expectations of consumer from anti-aging cosmeceuticals in terms of form of the product, functions of the product, effects of the product and the category of the product viz., herbal, synthetic etc.

(g) To estimate the likely market size for anti-aging cosmeceuticals and the market growth rate.

2.2 RESEARCH METHODOLOGY

The research methodology included the Primary and Secondary research

(a) Primary research included receiving actual information fulfilling the aforementioned objectives, the Research Tools used for this included (i) surveying the market for which the major retail and distribution outlets were visited for collecting the information about the popularly sold anti-aging products. (ii) interviewing the samples for which a structured questionnaire was designed and directly administered to the respondents for recording the feedback. Before finalizing the questionnaire pre-tests of the initially designed questionnaire was carried on by administering it to about 25 respondents i.e. 5% of the total sample size; based on the pre-tests the desired modifications were made in the questionnaire and then it was finalized to be administered to the respondents directly.

(b) Secondary research included collecting information by referring to all available sources of published data; this included the print and digital sources viz., books, reports, internet etc, all the sources referred to, have been duly acknowledged in the bibliography.

2.3 COVERAGE

The fieldwork was carried out in Pune city of Maharashtra state in India.

2.4 SAMPLING PLAN

For Market Survey all the major shopping malls, cosmetic distribution / retail outlets, chemist’s shop, general stores were visited, the distributors and retailers were interviewed and the products were purchased for comprehending the information about the most popularly sold type, form, brand etc of anti-aging products.
For **Consumer Research** / interviewing, the **Sampling Unit** (target population) were the residents of Pune city, the **Sample Frame** (respondents) included consumers of both sexes (male/female) in Different Age Groups (This included five age groups 18-25 years, 26-35 years, 36-45 years, 46-55 years, 56 & above); Different Occupations (This included five categories professional and working, non-professional and working, professional and non-working, non-professional and non-working, students); Different Qualifications (This included four categories under - graduate, graduate, post graduate, doctorate); Different Income Group (This included five categories where in the income was (in INR) less than 5000/-, 5001-10000/-, 10001-25000/-, 25001-50000/-, more than 50000/-). The **Sample Size** (representative population) chosen for this study was 500 from the aforementioned sample frame. The **Sampling Technique** used or the **Sample Type** was Non-probability Stratified sample or Convenience Sample by breaking the population in terms of stratas like age, gender, education, income and profession.

### 2.5 TIME FRAME

The fieldwork was carried out during the period of 2003-2004.

- **Market Survey** – July 2003 – October 2003
- **Consumer Research** – October 2003 – April 2004

### 2.6 LIMITATIONS

This research work has following limitations -

(a) The coverage was restricted to Pune because the researcher was residing at Pune and there was no budgetary provision, however it was started with an assumption that this will be representative of India.

(b) There were no budgets available for the research work.

### 2.7 HYPOTHESIS

Following hypothesis would be tested through research-

(a) The concern for aging is on the rise in all age groups and gender.

(b) Consumers are well aware about aging, premature aging and remedial steps for that.
(c) The market for anti-aging products is on the rise.
(d) Ayurvedic line of treatment is preferred over other lines of treatment and herbal / natural products are more in demand than synthetics.
(e) Overseas brands are more popular than Indian Brands.
(f) Consumers expect miracles from anti-aging products.

2.8 DELIVERABLES

This research work will be useful to the researchers, manufacturers and others as follows

(a) It will help in defining the target market (age, gender, income) for anti-aging products.
(b) It will help in understanding the perception and expectations of target consumers from anti-aging products.
(c) It will help in designing the market strategy for the products including the positioning strategy.
CHAPTER 3

REVIEW OF LITERATURE
3.0 REVIEW OF LITERATURE

3.1 GLOBAL MARKET SCENARIO

Today the earnings of the world’s cosmetic industry have crashed the 100-billion-dollar barrier and are soaring at an annual rate of up to 10%. The cosmetics global market scenario is presented in Table No.1.

Table No. 1: Cosmetics Global Market Scenario

<table>
<thead>
<tr>
<th>Market size</th>
<th>US $ 100 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Herbal cosmetics</td>
<td>10% of total market</td>
</tr>
<tr>
<td>Biggest markets (for cosmetic products)</td>
<td>Europe, North America &amp; Asia</td>
</tr>
<tr>
<td>Growth in Asian region</td>
<td>15-20% p.a.</td>
</tr>
<tr>
<td>Average growth rate in the world</td>
<td>3-10% p.a.</td>
</tr>
<tr>
<td>Average growth of the herbal natural Cosmetic industry</td>
<td>8-25% p.a.</td>
</tr>
</tbody>
</table>

The world wide market for prescription dermatological drugs stood at nearly $7 billion in 2001 and was expected to expand at a healthy pace to surpass $10 billion by 2006. The hair loss and hair removal segment posted the highest growth rates over past 5 years, growing at nearly 55% however the most dynamic segment going forward appears to be the anti-aging segment, where botulinum agents, namely Botox will change the competitive landscape.

Cosmetics and toiletries is a major consumer market, with global sales rising to over US $173 billion in 2001. Skin care has emerged as a dynamic sector over the 1997-2001 review period mainly driven by anti-ageing properties and other cosmeceutical benefits intended to help maintain a healthy, youthful appearance. The EU is the world’s largest producer of cosmetic products, with USA and Japan following at a distance.

In US demand for cosmeceutical products will record strong gains of 8% per year through 2007 and US demand for anti-aging products will approach $25 billion in 2007. New product introductions, improvements in the quality of active ingredients and aggressive
marketing campaigns will stimulate demand among both graying baby boomers and younger adults attempting to stave off the first signs of aging. The expected growth rate of the cosmetic industry in Europe and USA is 5% and 7% respectively.

The main EU producers are multinational companies like Unilever (The Netherlands), L’oreal (France), Wella (Germany), Sanofi (France), Beiersdorf (Germany). The EU personal care market has grown continuously and reached Euro 45.8 billion in 1999. Spain showed the highest market increase (8.7%) followed by Italy (6.9%), France (5.8%), Germany (2.9 %), UK (2.6 %).

According to Retail Intelligence, the market for “green” cosmetics in Germany is growing by 10-20% annually. In Italy, pharmacies are selling more cosmetics. Another growth area is the *erobisteria* segment; these stores sell herbal remedies and have recently launched skin care and cosmetic ranges. In the UK, trends towards a natural look, towards lighter fragrances based on floral notes and towards scientifically formulated skin preparations are likely to continue.

Today’s older consumers have a greater interest in personal appearance than their predecessors – and most importantly have the disposable income to purchase premium products that claim miraculous results. Innovation is the key in this mature and competitive industry, and recent years have seen a plethora of products claiming preventive and restorative qualities.

In 1999, the leading EU markets for cosmeceuticals in the EU were Germany (US $ 1.7 billion), France (US $ 1.1 billion), Italy US $ 863 million, the United Kingdom (US $ 652 million) and Spain (US $ 568 million). The major growth markets were Germany (13.6 %) and Spain (13.4 %), followed by Italy (8.8 %), UK (7.6 %), France (3.6 %). Major manufacturers such as Beiersdorf and L’Oreal has led facial skin care to become the largest sector of the market (accounting to 46.1 % of the total sales in 12 major markets around the world).

Natural personal-care products accounted for US $ 1.4 billion in the 1996 global personal-care market. By 1997, this figure had grown to US $ 2.8 billion. Average annual growth in the natural segment of the market is estimated at 8-10%. In 1999 facial skin care accounted for a 46.1% share of total sales in 12 major cosmeceuticals markets.
around the world. Hair care accounted for 25.1%, sun protection for 16.7% and body care products for 12.1% of total sales. The number of small and large companies entering the market of natural products is on the rise and during the last few years there has been a massive entry into this arena by the large mainstream manufacturers. Growth in the natural personal care and cosmetics market is global. Ten Kate & Laird in their reports on ‘The commercial use of biodiversity-1999’ have shown⁸ –

**Table No. 2: World’s 15 Largest Beauty Companies**

<table>
<thead>
<tr>
<th>Company</th>
<th>Country</th>
<th>Sales 1996 (US $ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>L’Oreal Group</td>
<td>France</td>
<td>9.587</td>
</tr>
<tr>
<td>The Procter &amp; Gamble Co.</td>
<td>USA</td>
<td>7.1</td>
</tr>
<tr>
<td>Unilever</td>
<td>The Netherlands &amp; UK</td>
<td>6.969</td>
</tr>
<tr>
<td>Shiseido Co. Ltd.</td>
<td>Japan</td>
<td>4.874</td>
</tr>
<tr>
<td>The Estee Lauder Co.</td>
<td>USA</td>
<td>3.29</td>
</tr>
<tr>
<td>Johnson &amp; Johnson</td>
<td>USA</td>
<td>3.03</td>
</tr>
<tr>
<td>Avon Products</td>
<td>USA</td>
<td>2.9</td>
</tr>
<tr>
<td>Wella Group</td>
<td>Germany</td>
<td>2.262</td>
</tr>
<tr>
<td>Sanofi SA</td>
<td>France</td>
<td>2.211</td>
</tr>
<tr>
<td>KAO Corp.</td>
<td>Japan</td>
<td>2.2</td>
</tr>
<tr>
<td>Revlon Inc.</td>
<td>USA</td>
<td>2.17</td>
</tr>
<tr>
<td>Beiersdorf AG</td>
<td>Germany</td>
<td>2.096</td>
</tr>
<tr>
<td>LVMH</td>
<td>France</td>
<td>1.753</td>
</tr>
<tr>
<td>Henkel KGAA</td>
<td>Germany</td>
<td>1.716</td>
</tr>
<tr>
<td>Joh. A Benckiser</td>
<td>Germany</td>
<td>1.603</td>
</tr>
</tbody>
</table>

### 3.2 INDIAN MARKET SCENARIO

India’s cosmetic industry is as old as its civilization, traces of its rich heritage have been found among the relics unearthed at the site of the Indus Valley Civilization of 5,000 years ago. India’s market for cosmetics and toiletries is estimated to be around INR 4,500 crore in the organized sector alone. Another INR 3,000 crore is assessed to be the contribution of the unorganized sector, mainly offering traditional, herbal and men’s
cosmetics, all of which is expected to take off at a phenomenal 15% every year. Table No. 3 depicts the Cosmetics Indian market scenario w.r.t to different product categories.

**Table No. 3: Cosmetics Indian Market Scenario**

<table>
<thead>
<tr>
<th>Market size</th>
<th>INR 4,500 crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth rate</td>
<td>15% p.a.</td>
</tr>
<tr>
<td>Herbal / Herbal-based cosmetics</td>
<td>25-30% p.a.</td>
</tr>
<tr>
<td>Hair-care products</td>
<td>INR 1,700 crore</td>
</tr>
<tr>
<td>Hair oils</td>
<td>INR 635 crore</td>
</tr>
<tr>
<td>Colour cosmetics</td>
<td>INR 150 crores</td>
</tr>
<tr>
<td>Skin-care products</td>
<td>INR 250 crores</td>
</tr>
<tr>
<td>Perfumes (all types)</td>
<td>INR 300 crores</td>
</tr>
<tr>
<td>Fragrances (for body)</td>
<td>INR 100 crores</td>
</tr>
</tbody>
</table>

The organized personal care market, which is mainly dominated by multinational companies and a few large Indian companies, is clearly divided into two categories:

1. Premium segment which mostly caters to the urban higher middle class and it is less price sensitive and highly brand conscious.
2. Popular segment which caters to the middle and lower middle classes and it competes mainly on price basis.

Estimates put the growth in the urban market at 6% and in the rural market at 15%. According to a survey conducted by a leading market research organization, it has been observed that a rural household spends Rs. 215 on consumables besides food grains, milk and vegetables, in a range of a high of Rs. 333 for more affluent to a low of Rs 166 for the least affluent. Of the spending, 20% is on toiletries, 13% on washing products, 10% on cosmetics, 4% on OTC products and 9% on other consumables. Leading players found to have made inroads into the rural markets: Hindustan Lever (88%), Nirma (56%), Colgate Palmolive (33%). The pointers for the markets are, therefore, indicating a rural thrust, which should accelerate a demand push unseen in the past.

In some of the skin care and hair care products the shift to herbal or natural products is a new phenomenon, not only in India but also in the western markets. The consumer concern for health-related issues is so serious that the marginal price divergences are
Part I - Review of Literature

ignored. In the cosmetics market valued at about Rs. 25 bn, Ayurvedic or herbal-based
products have begun to enjoy a significant share of Rs 5 bn. The prominent players being
IRL marketing (Biotique brand), Shahnaz Husain group, Godrej, Dabur India, Emami
group, Ayur etc\textsuperscript{14}. Around 37% of the Indian Cosmetics market is made up of herbal
creams, shampoos, lotions, lipsticks, nail enamels etc\textsuperscript{11}.

The value of output of cosmetics industry (excluding toiletries) is estimated at Rs 16 bn
in the organized sector. The informal sector produces about one-third by value and much
higher by volume. The overall market is estimated to be of the order of over Rs 20 bn. It
has witnessed a growth rate of 12-18\% annually. Teenager is the target of all brand-
builders although the major user segment is the adult women starting from 20. The up-
end market is expected to grow at the rate of 15\% and might pick up a rate 20\% from the
present market value level of Rs 16 bn. The herbal segment is growing at a faster pace
riding on the piggy back of good health and absence of side effects. Dabur India is
emerging as a strong force. In the personal hygiene products HLL and P\&G are the lead
players.

The estimates for the size of the market for men’s personal care products is placed at Rs 2
bn. Three diverse factors seem to have contributed to the growth of male’s predilection
for cosmetics and glamour-oriented toiletries which are – New modes of personality-
building, the aggressive campaigning by the MNCs and higher monetary income levels.
The reduction in customs duties from a high of 120\% to the present levels has further
contributed to the demand generation\textsuperscript{14}.

3.3 MARKET AND PRODUCT SEGMENTATION

The market for cosmetic ingredients can be divided into two main segments
A Processing industry
B End-product manufacturers
   1. Perfume industry
   2. Hair-care products manufacturers
   3. Beauty and personal-care products manufacturers
      (a) Skin care
      (b) Deodorants, antiperspirants
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(c) Suntan and sun protection products
(d) Decorative cosmetics

The market is also segmented according to type of ingredient such as essential oils, vegetable oils and plant extracts. The personal care products are fluid in their taxonomy and how the following segmentation is taken as rational:

1. Dental care products
2. Skin care products
3. Hair care products
4. Color cosmetics
5. Men’s hygiene products
6. Women’s hygiene products
7. Perfumes, fragrances and eau de colognes
8. Condoms
9. Soaps and Detergents

The cosmetic products can be classified into:
- Popular segment and Premium segment
- Male toiletries and Female toiletries
- Herbal products and Synthetic products

The cosmetics market can also be divided into several groups of products: hygiene products, make-up cosmetics, skin-care products, hair-care products, perfumes and others. Each of these large groups is represented by a wide range of brands, both for men and women.

Cosmetic products can be also classified along the following lines:

a) **elite cosmetics** ("luxury"), including such worldwide recognized designers' trade marks, as Christian Dior, Chanel, Cacharel, and Estee Lauder;
b) **middle class** (consider good quality at medium prices); and
c) **mass market** (lower quality, sold at lower prices).
3.4 CONSUMPTION PATTERNS AND TRENDS

Personal care products have maintained divergent growth trends in past few years. With a complete redirection of living styles in the country engined by the access of millions to the TV media and advertising and inspired by the economic processes of globalization, the personal care industry is opening up new vistas. Brand consciousness is on the increase and the expanded disposable incomes are escalating the appetite for these products. The growth in the market has been stimulated also by the product range, the new elegant packaging, transformation in social values and reduction in duties – both customs and excise. The increase in the number of working women is leading to higher disposable incomes commanded by them, which is attracting consumer spending.

Presence in the offices and institutions demands use of better clothing and cosmetics. Consumers are also becoming quality conscious, they don’t have time for frequent acquisitions and replenishments. A major change in consumer psychographics has been evident; the consumer increasingly perceives the personal care products not as accessories of luxury or status symbols of the affluent but as essentials with a high degree of relevance to personal health and welfare. The change is aided and abetted by the glare and penetration of the global brands which are looking forward to the burgeoning Indian consumer market.

A. Consumer level

The increased consumer sophistication and awareness of ingredients, performance and health benefits are changing the personal – care and cosmetic industry. The trend is veering away from products that superficially enhance beauty but have no biological effect to ‘therapeutic’ products so called cosmeceuticals that might for eg. repair damaged tissues, smoothen the skin, protect from the sun and moisturize.

This has led to increased use of new active ingredients including natural products with defined constituents and specific biological effect. Aromatherapy, spa inspiration and traditional recipes of historical significance (like Ayurveda) are important segments of the cosmeceutical market.

Forecasts for cosmeceuticals are positive. An increased study about botanicals in skin care, clinical studies, lifestyles, shopping trends, general public knowledge and extensive
R&D budgets from mass manufacturers will positively affect cosmeceuticals. As a result of ageing EU population, the personal care and cosmetics industry is focused on a greater range of products for this population. However, not only the older consumers are demanding multifunctional, therapeutic products that moisturize, provide UV protection and are mild, the baby-boom generation’s demand for hair colour to hide grey hair for eg. has resulted in rapid growth in this segment. Another recent development is the larger number of men using facial preparations and hand & body moisturizers.

**B. Industry level**

Large multinational companies have recently entered the natural personal care and cosmetic segment that was long dominated by small alternative manufacturing and marketing companies. Mass and prestige marketing companies and their large advertising budgets have entered the natural segment. Although many a times such products contain small and insignificant amounts of natural ingredients, the message to consumers that ‘natural is better’ is gaining ground. The number of small and large companies entering the market of natural products is on the rise and during the last few years there has been a massive entry into this arena by the large mainstream manufacturers. Growth in the natural personal care and cosmetics market is global.

**C. Research and Product level**

The research trend for skin care products is moving toward the development of highly refined raw materials of natural origin with defined constituents imparting a specific biological effect to benefit healthy skin. Significant new growth ingredients include enzymes, antioxidants, vitamins A, C, E, marine organisms and botanicals. Food is also an important source of raw materials and ideas for the personal care industry. A number of the new botanical ingredients in personal care and cosmetic products are drawn from their traditional use as medicines and subsequent incorporation into the botanical medicine industry. Plant extracts are now increasingly used in cosmetic products.

3.5 **DEMAND: PAST, PRESENT, FUTURE**

Cosmetic Industry in India has enormous potential. There are over 300 million consumers in India compared to 31 million in Korea, 17 million in Taiwan and 65 million in Indonesia. The urban markets have been relatively stagnant but the rural markets have
shown healthy growth. This has been on account of better market penetration, rising income levels.

Indian Cosmetic and Toiletry products are reaching over 115 countries of the world in which U.A.E, U.S.A, Russia, Bangladesh, France, Netherlands, UK, Singapore, Saudi Arabia, Japan, Malaysia, Sri Lanka, Spain, Nepal and Oman are the top 15 countries. The growth rate of cosmetics and toiletries market in India is expected to be around 15%. There is faster growth in -

- Specialty products
- Reduced perfume incorporation
- Reduced use of preservatives
- Increased percentage of special / sophisticated ingredients
- Sun protection segment
- Skin firming/toning/contouring segment
- Market polarization into western and traditional and designer brands at much higher price

As the cosmetic and toiletries industry makes a wide range of products, together the products can be categorized under Health Care Industry that has a market of about Rs. 8000 crores in the country. In the twentieth century the use of cosmetics has increased tremendously. The Rs. 5,500 crores personal products industry in India has been witnessing remarkable growth of about 15% from past few years; the growth rate now is 19%. The total turnover of Indian herbal medicine industry during 1997 is estimated to be Rs.2300 Crores as –

- OTC products (including cosmetics) - Rs 1200 crores
- Ayurvedic ethical formulations - Rs 650 crores
- Ayurvedic classical formulations - Rs 450 crores

The projected turnover in 2001 grew to Rs.4000 crores. The demand pattern from the past years to the forthcoming years is depicted in Table No. 4, the market structure and further product wise segregation is depicted in Table No. 5 and the Market growth rates in the past and future are depicted in Table No. 6.
### Table No. 4: Demand - Past and Future

<table>
<thead>
<tr>
<th>Year</th>
<th>Rs bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990-91</td>
<td>6.37</td>
</tr>
<tr>
<td>1991-92</td>
<td>6.98</td>
</tr>
<tr>
<td>1992-93</td>
<td>7.60</td>
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<td>1993-94</td>
<td>7.33</td>
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<td>21.30</td>
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<td>2002-03</td>
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<td>2003-04</td>
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<td>2004-05</td>
<td>28.80</td>
</tr>
<tr>
<td>2005-06</td>
<td>32.00</td>
</tr>
<tr>
<td>2006-07</td>
<td>35.50</td>
</tr>
<tr>
<td>2007-12</td>
<td>60.00</td>
</tr>
</tbody>
</table>

### Table No. 5: Market Structure and Further Segregation

<table>
<thead>
<tr>
<th>Market Structure</th>
<th>Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment</td>
<td></td>
</tr>
<tr>
<td>Organised</td>
<td>70</td>
</tr>
<tr>
<td>Informal</td>
<td>30</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Further Segregation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deodorants</td>
<td>11</td>
</tr>
<tr>
<td>Herbals</td>
<td>22</td>
</tr>
<tr>
<td>Creams, toners, moisturizers</td>
<td>34</td>
</tr>
<tr>
<td>Colour cosmetics</td>
<td>19</td>
</tr>
</tbody>
</table>
### Table No. 6: Market Growth Rates

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990-91 - 1996-97</td>
<td>11.5</td>
</tr>
<tr>
<td>1996-97 - 2001-02</td>
<td>11.5</td>
</tr>
<tr>
<td>2001-02 - 2006-07</td>
<td>11.0</td>
</tr>
<tr>
<td>2006-07 - 2011-12</td>
<td>11.0</td>
</tr>
<tr>
<td><strong>Sensitivity coefficient</strong></td>
<td><strong>- 5.8%</strong></td>
</tr>
</tbody>
</table>

### 3.6 COSMECEUTICAL GLOBAL TRENDS¹⁶,¹⁷

The global trend in the cosmetic industry towards developing ‘medicinally’ active cosmetics, and in the pharmaceutical industry towards ‘cosmetically’ oriented medicinal products as part of a current ‘life-style’ ideology.

1. The future promises increasingly sophisticated formulations for cosmetics and skin care products specifically anti-aging products, which reverse / prevent visible signs of aging, wrinkles being the foremost.

2. New challenges will also be presented to government regulatory agencies as more chemicals with true biological activity are invented and tested.

3. The new vehicles and delivery systems combined with established ingredients will alter percutaneous absorption requiring re-evaluation of substances with an assumed good safety profile.

4. Biotechnology will also compete directly with the pharmaceuticals and cosmetic businesses. The most influential angle over the coming 5 years will be the links between internal health, beauty and anti-aging.

5. The next big beauty trend will include skinestibles that will promote beauty from inside out, borrowing of pharmaceutical terms for cosmetic applications.

6. The trend towards therapeutic cosmetics is sure to result in the need to obtain a better understanding of modern ingredients and assessment techniques.
CHAPTER 4

RESULTS AND ANALYSIS
4.0 RESULTS AND ANALYSIS

4.1 Market Survey Analysis

The anti-aging product details obtained by market survey are tabulated in Annexure No.2. The collected anti-aging products from the market are represented in Photograph No. 1.1 and 1.2.

Photograph No. 1.1: Anti-aging Products (with outer package) Collected from the Market

Photograph No. 1.2: Anti-aging Products (inner package) Collected from the Market
4.1.1 Popular brands of anti-aging products

In the anti-aging product range there is a huge abundance of Indian and Overseas brands in the market. The most popular brands with the claim of anti-aging properties; sold in the Indian market includes Lakme, Ponds, Lotus Herbals, Biotique, Shahnaz Husain, Himalaya, Elizabeth Arden, Artistry, Clinique, Neutrogena, St Ives, Garnier Synergie, Yves Saint Laurent, Christian Dior, Nina Ricci, L’Oreal, La Prairie, Blossom Kocchar, Fair and Lovely, Aviance, Janet Ayurveda, The Body Shop etc. Both Indian and overseas brands (USA, France, UK, Switzerland) were found to be almost equally popular in the market yet the Indian brands were more widely sold because of the price difference between the Indian and overseas brands.

4.1.2 Price range of the anti-aging products

In the price range of Indian brands and overseas brands there was a substantial difference.

The price range for Indian brands varied between INR 0.80 – 8.50 / unit weight of the product (gm or ml) whereas for overseas brands the range varied between INR 10.50 - 298.00 / unit weight of the product (gm or ml).

4.1.3 Category of anti-aging products predominant

Out of the three categories of products (fully synthetic, fully herbal, semi-herbal) the anti-aging products that are popularly sold in the market belongs mainly to the semi-herbal category wherein the active ingredients are either of herbal origin or naturally derived.

4.1.4 Type and Form of the products

Various forms of the anti-aging products available in the market included creams, lotions, gels, thin liquids and packs. Amongst these creams were available in various viscosities ranging from low to medium to high to very high viscosity; lotions and gels were mainly medium viscosity; liquids in very low viscosity and packs were thick and high viscosity. Amongst all the forms the most common form was cream followed by lotions, gels, thin liquids and packs. Colour of the anti-aging products varied from colorless to white, off white, pale white, light yellow, peach, light pink,
light brown, beige, light green, light blue etc. The most common hues were off white, light yellow, peach and beige.

### 4.1.5 Most commonly used package type for the anti-aging products

**Outer Package**  
Majority of the products had an outer package i.e. a Carton, which contained the inner package.

**Inner Package**  
Amongst the various inner package i.e. tubes, jars, bottles, bottles with pump assembly and other unique containers the most popular ones were tubes and jars.

**Tubes**  
- Translucent/Opaque Flexi tube (capacity 15ml) with screw on cap.
- Translucent/Opaque Flexi tube (capacity 150 gms) with flip top standi cap.
- Collapsible tube (capacity 30 gms) with screw on cap.
- Lami tube (capacity 40 gms) with screw on cap.

**Jars**  
- Translucent/Opaque Plastic jar (capacity 50 gms, 40 gms, 30 gms, 25 gms, 16 gms, 50 ml, 15 ml) with inner plastic lid and screw on opaque cap and inner wad.
- Transparent /Translucent / Opaque / Frosted Glass jar (capacity 50 ml, 40 ml, 15 ml) with screw on plastic cap with inner wad.

**Bottles with pump assembly**  
- Transparent/Opaque Glass bottle (capacity 30ml, 50ml) with pump assembly and cap.
- Translucent/Opaque Plastic bottle (capacity 50ml, 15ml) with pump assembly and cap.

**Bottles**  
- Opaque / Transparent / Amber coloured Plastic bottle (capacity 125ml, 120 ml, 25 ml) with screw on cap and inner lid.
- Amber coloured Glass bottle (capacity 25 ml) screw on cap and inner lid.

**Unique Containers**  
A unique tottle that delivers two creams together with a flip top cap.
### 4.1.6 Category of the actives used in anti-aging products available in the market

**Table No. 7: Actives commonly used in Anti-aging Cosmeceutical Products from Market**

<table>
<thead>
<tr>
<th>S.N</th>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Vitamins and their derivatives</td>
<td>Vit A (Retinol, Retinyl linoleate, Retinyl palmitate, Retinyl acetate, Pro-retinol A), Vit E (Tocopherol, Tocopheryl acetate), Vit B (Vit B3, Panthenol- Pro Vitamin B5), Vit C (Tetrahexyldecyl ascorbate, Magnesium ascorbyl phosphate, Ascorbyl palmitate)</td>
</tr>
<tr>
<td>2.</td>
<td>Fatty acids and lipids</td>
<td>Sphingolipids, Cholesterol, Squalene, Phospholipids, Lecithin, Hydrogenated Lecithin, Linoleic acid, Lauric acid, Hydrogenated Vegetable oils, Caprylic / capric triglycerides,</td>
</tr>
<tr>
<td>5.</td>
<td>Enzymes</td>
<td>Superoxide dismutase, Micro-coccus lysate, Co-enzyme Q 10</td>
</tr>
<tr>
<td>6.</td>
<td>AHAs and their derivatives</td>
<td>Citric acid, Lactic acid, Sodium lactate</td>
</tr>
<tr>
<td>7.</td>
<td>Others</td>
<td>Sodium hyaluronate, Proline, Ubiquinone, Bioflavonoids, Arginine, Yeast extract, Caffeine, Algae extract, Betaglucan, Tyrosine, Sea lichen Glycosaminoglycans.</td>
</tr>
</tbody>
</table>

### 4.1.7 Popular Label claims for anti-aging products

The most common label claims, which appeared, on most of the anti-aging products are – Smoothen and softens the skin, Helps to improve skin tone and skin health, Dermatologically tested, Non – comedogenic, Fragrance free, Hypo Allergenic, Fights premature skin aging and gives a youthful appearance. Improves skin elasticity and tone, revitalizes and regenerates the skin. Slows down the aging process, delays and reduces the appearance of wrinkles, fine lines and crow's feet marks, puffiness, dark circles. Lightens pigmentation marks, blemishes, discolorations, dry and flaky skin, reconstitutes skin's moisture reserves. Prevents the appearance of new wrinkles. Shows visible results after 4-6 weeks.
4.2 Analysis of Response to Questionnaire

The results of the response to the questionnaire are tabulated in Annexure No. 3. Mixed population of both sexes with at least 40% (minimum level) of either sex was considered, most consumers were either graduates or post graduates, among all the age groups, the age group of 18-25 years mainly comprised of students in other age groups they were commonly professionals and working population whose monthly income range was INR 10,000-25,000.

4.2.1 Importance of appearance

4.2.1.1 Most of the people, in both the sexes (about 93% and above in all age groups from 18 to 56 years and above) agreed that appearance constitutes an important part of a person’s personality and the highest percentage being 98% in the age group of 46-55 years that agreed with this view, followed by 96% in 18-25 years and 56 & above age group, 95% in 26-35 years age group and 93% in 36-45 years age group.

4.2.1.2 About 60% of the people in the age group of 18-25 and 46-55 years preferred to look younger than their actual age as their chronological age increases; in contrast to the age group of 26-35 years in which about 59% preferred to look as their actual age. In the age group of 36-45 and 56 & above there was mixed response with almost equal percentage of people who preferred to look younger than their actual age and who preferred to look as their actual age.

4.2.1.3 Most of the people (about 88% and above in every age group) agreed that good appearance, young and healthy looks give a boost to self-esteem and self-confidence. The highest percentage being 96% in 46-55 years age group, this was closely followed by 95% in 36-45; 94% in 18-25; 89% in 56 & above and lastly 88% in 26-35 years age group; presented in Figure No. 2.
Figure No. 2: Importance of Appearance

- People who agree that appearance constitutes an important part of a persons' personality.
- People who prefer to look younger than their actual chronological age.
- People who agree that healthy and youthful looks give a boost to self-esteem and self-confidence.
4.2.1 Awareness about visible signs of aging

4.2.1.1 About 95% and above in every age group ranging from 18 years to 56 years & above were aware of the fact that skin wrinkling occurs as one ages.

4.2.2 Amongst all the visible signs of aging majority percentage of the people in all age groups were mainly worried about wrinkles followed by hair fall, grey hair and skin pigmentation. The highest percentage of people being 55% in age group 46-55 years followed by 26-35, 56 & above age group and 18-25, 36-45 age group; all of which were at par; presented in Figure No. 3.

4.2.3 About 78% and above in every age group agreed that appearance of wrinkles spoils the beauty and reduces the attractiveness of a person. The highest percentage being 94% in 46-55 age group closely followed by 36-45, 18-25, 56 & above and 26-35 years age group.

4.2.4 Majority of the people (94-95% in all age groups ranging from 18-55 years and 88% in 56 years & above) were aware of premature aging with almost equal awareness in all sexes and all age groups.

4.2.5 People in the age range of 36 years and above felt that to delay the appearance of wrinkles one should start taking care of the skin from the age of 35 yrs whereas those in the age group of 26-35 and 18-25 felt it should be from the age of 25 yrs and 18 yrs respectively.

4.2.6 The area for which most people were worried about the appearance of wrinkles was under and around eyes compared to any other part viz. forehead, neck, hands & feet. The highest percentage being 60% in the age group of 36-45 yrs closely followed by other age groups.
Figure No. 3: Awareness About Visible Signs of Aging

<table>
<thead>
<tr>
<th>Visible Signs of Aging Which People Are Most Worried About</th>
<th>18-25 yrs</th>
<th>26-35 yrs</th>
<th>36-45 yrs</th>
<th>46-55 yrs</th>
<th>56 yrs &amp; Above</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wrinkles</td>
<td>41</td>
<td>41</td>
<td>53</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grey Hair</td>
<td>12</td>
<td>17</td>
<td>19</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Skin Pigmentation</td>
<td></td>
<td>07</td>
<td>05</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Hair Fall</td>
<td>29</td>
<td>23</td>
<td>20</td>
<td>13</td>
<td>14</td>
</tr>
</tbody>
</table>
4.2.2 Awareness about various anti-aging remedies

4.2.3.1 For seeking help for prevention of appearance of wrinkles the age group 18-25 gave almost equal preference to dermatologist and cosmetologist whereas age group 26-35 gave almost equal preference to dermatologist, cosmetologist and usage of some home remedy. Most people in the age group of 36-45 gave preference to beautician over anything else whereas people in the age range of 46 to 56 & above gave maximum preference to usage of some home remedy. The percentage of people who opted for self-selection of some anti-wrinkle product from the market was very low.

4.2.3.2 Ayurveda was the most preferred line of treatment over any other line (naturopathy, homeopathy, aromatherapy, yoga, modern day treatments) by all age groups (about 32% and above in every age group) except 26-35 age group, which preferred (about 30%) any line of treatment which gives the best result closely followed by (about 26%) the preference to Ayurveda; presented in Figure No. 4.

4.2.3.3 The form in which most people (more than 50% in every age group) preferred to take treatment was creams and lotions followed by the choice of combination of creams/lotions with tablets/capsules than any other form viz injections, surgery, only tablets and capsules; presented in Figure No. 5.

4.2.3.4 People (about 54% and above in all age groups) were well aware about the existence of various anti-aging cosmetics in the market.

4.2.3.5 When asked about the brand names of the anti-aging cosmetics in the market either the people didn’t recollect the names or the most common reply was Garnier Synergie.
Figure No. 4: Awareness About Various Anti-Aging Remedies

<table>
<thead>
<tr>
<th>Various Lines of Treatment Preferred by People to Prevent Skin Aging and Look Young</th>
<th>18-25 yrs</th>
<th>26-35 yrs</th>
<th>36-45 yrs</th>
<th>46-55 yrs</th>
<th>56 yrs &amp; Above</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ayurveda</td>
<td>38</td>
<td>26</td>
<td>32</td>
<td>33</td>
<td>35</td>
</tr>
<tr>
<td>Naturopathy</td>
<td>6</td>
<td>9</td>
<td>14</td>
<td>12</td>
<td>18</td>
</tr>
<tr>
<td>Homeopathy</td>
<td>5</td>
<td>3</td>
<td>6</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Aromatherapy</td>
<td>3</td>
<td>6</td>
<td>4</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Yoga</td>
<td>18</td>
<td>13</td>
<td>11</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
<td>Modern day treatments</td>
<td>8</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Any treatment</td>
<td>21</td>
<td>30</td>
<td>24</td>
<td>19</td>
<td>12</td>
</tr>
</tbody>
</table>
Figure No. 5: Forms In Which People Prefer To Take The Anti-Aging Treatment

<table>
<thead>
<tr>
<th>Various Forms in Which Anti-Aging Treatments are Given</th>
<th>18-25 yrs</th>
<th>26-35 yrs</th>
<th>36-45 yrs</th>
<th>46-55 yrs</th>
<th>56 yrs &amp; Above</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surgery</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Injections</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Tablets/Capsules</td>
<td>15</td>
<td>5</td>
<td>4</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Creams/Lotions</td>
<td>54</td>
<td>50</td>
<td>66</td>
<td>60</td>
<td>51</td>
</tr>
<tr>
<td>Combination of Tablets/Capsules &amp; Creams/Lotions</td>
<td>22</td>
<td>31</td>
<td>24</td>
<td>21</td>
<td>12</td>
</tr>
</tbody>
</table>
4.2.4 Perception about anti-aging cosmeceuticals

4.2.4.1 In all age groups many people (about 27% and above) felt that generally after using an anti-aging product the effects seen are all of the following functions i.e. Softness of skin, Reduction in fine lines, Fairness of complexion; at the same time there was an almost equal population of people (about 21% and above) which felt that the main effect of using these products is only softness to the skin.

4.2.4.2 Many people felt that most of the times costly anti-aging product are better in quality and are more effective than cheaper products. A similar percentage of people in all groups felt that this is only sometimes true hence giving a mixed response about the co-relation between the price tag and efficacy of the products.

4.2.4.3 When asked whether people have ever used any anti-aging product majority of the people said no whereas about 20% in the age range of 26 to 55 said yes. In the age group 18-25 and 56 & above the usage was found to be least.

4.2.4.4 Majority of the people who used the anti-aging products gave a positive response about the positive effects seen after usage of the products where as others were not sure of the response or gave a negative response.

4.2.4.5 Amongst the people who used the anti-aging products majority of them witnessed the positive effects by self-visualization in the mirror hence evaluated the product for its efficacy by self-judgement.

4.2.4.6 After the usage of an anti-aging product the effects were seen in 4 weeks by most except 26-35 age group which said it was seen in less than 2 weeks.
4.2.5 Influences on buying process

4.2.5.1 Foreign brands were more preferred than national brands in the age range of 18 to 35 years where as those above 35 years preferred national brands over off shore brands.

4.2.5.2 The buying decision of majority of people depended mainly on their personal choice and sometimes influenced by TV and friends.

4.2.5.3 Most consumers in all age groups and all professions preferred to buy anti-aging products from a chemist’s shop rather than a general store (48% and above). The highest percentage being 82% in the 18-25 years age group.

4.2.5.4 The maximum amount which people in the age range of 36 years and above were willing to spend on anti-aging treatments irrespective of their income and profession was up to INR 100 except for the age group of 18-25 in which almost equal number of people were ready to spend INR 100 and INR 100-500 whereas in the age group of 26-35 people, irrespective of their income and profession are willing to spend INR 100-500; presented in Figure No. 6

4.2.5.5 Anti-aging products in all age groups are mostly selected based on brand name followed by price tag in the 18-25 age group and in all other age groups its followed by sometimes brand name and some times price tag.
Figure No. 6: Maximum Price (In INR) Per Month Which People Are Willing To Pay For Anti-Aging Treatment

18-25 yrs

26-35 yrs

36-45 yrs

46-55 yrs

56 Yrs & Above

Legend:
- **Up to INR 100**
- **INR 101-500**
- **INR 501-1000**
- **More than 1000**
- **No Response**
4.2.6 Expectations from anti-aging cosmeceuticals

4.2.6.1 Majority of the people (about 46% and above) in all age groups expect that an anti-aging product should serve all the functions viz., prevent the appearance of new wrinkles, reduce already existing wrinkles, make the skin softer and smoother, make the skin fairer; presented in Figure No. 7

4.2.6.2 The order of preference of the form in which consumers expected the anti-aging products was creams, lotions, gels, face pack, oils, with majority preferring cream over any other form (about 54% and above in every age group).

4.2.6.3 Consumers of all age groups, profession, qualification and income group preferred herbal products (about 65% and above in all age groups) to synthetics. The age group of 18-25 years showed more inclination to herbal products closely followed by 46-55 years.

4.2.6.4 Most people (75% and above in every group) expected an anti-aging product to serve all the functions of treating, protecting and nourishing the skin.

Figure No. 7: Expectations from Anti-Aging Cosmeceuticals

<table>
<thead>
<tr>
<th>Functions that an Anti-Aging Product is Expected to Serve</th>
<th>18-25 yrs</th>
<th>26-35 yrs</th>
<th>36-45 yrs</th>
<th>46-55 yrs</th>
<th>56 yrs &amp; Above</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prevent Appearance of Wrinkles</td>
<td>36</td>
<td>42</td>
<td>43</td>
<td>33</td>
<td>34</td>
</tr>
<tr>
<td>Reduce Already Existing Wrinkles</td>
<td>21</td>
<td>24</td>
<td>28</td>
<td>25</td>
<td>22</td>
</tr>
<tr>
<td>Make Skin Softer &amp; Smoother</td>
<td>24</td>
<td>28</td>
<td>37</td>
<td>28</td>
<td>24</td>
</tr>
<tr>
<td>Makes Complexion Fairer</td>
<td>10</td>
<td>11</td>
<td>8</td>
<td>12</td>
<td>18</td>
</tr>
<tr>
<td>All of These</td>
<td>46</td>
<td>53</td>
<td>53</td>
<td>49</td>
<td>55</td>
</tr>
</tbody>
</table>
5.0 Hypothesis Testing

5.1 The concern for aging is on the rise in all age groups and gender – Positive
Referring to section 3.1, 4.2.1 and 4.2.2 it’s clearly depicted that today’s older consumers have a greater interest in personal appearance than their predecessors. People consider that appearance constitutes an important part of a person’s personality and youthful looks gives a boost to self-esteem and self-confidence. People have a desire to look younger than their actual age. They are well aware that appearance of wrinkles spoils once beauty and reduces the attractiveness and hence are inclined to take the due care to delay the appearance of wrinkles as they age.

5.2 Consumers are well aware about aging, premature aging, visible signs of aging and remedial steps for that – Positive
Referring to section 4.2.2 and 4.2.3 its evident that consumers of all age groups, sex and profession are aware about aging, premature aging, visible signs of aging and various anti-aging remedies, various lines of treatment, various forms of anti-aging cosmeceuticals in the market and feel that proper skin care regimen should start from young age so as to delay the appearance of wrinkles.

5.3 The market for anti-aging products is on the rise – Positive
Referring to section 3.1, 4.2.3 and 4.2.4 it’s observed that in the Cosmetic and Toiletries market the most dynamic segment going forward is the anti-aging segment. Skin care has emerged as a dynamic sector over the 1997-2001 review period mainly driven by anti-aging properties and other cosmeceutical benefits intended to help maintain a healthy, youthful appearance. Consumers are increasingly witnessing the positive effects of anti-aging products on usage hence leading to greater demands and more usage.

5.4 Ayurvedic line of treatment is preferred over other lines of treatment and herbal/natural products are more in demand than synthetics – Positive
Referring to section 3.1, 4.1.3 and 4.2.3.2 it’s observed that Ayurveda is the most preferred line of treatment over any other line (naturopathy, homeopathy, aromatherapy, yoga, modern day treatments) by all age groups and sexes. Traditional recipes of historical significance (like Ayurveda) are important segments of the cosmeceutical market. In the cosmetics market valued at about Rs. 25 bn, Ayurvedic or herbal-based
products have begun to enjoy a significant share of Rs 5 bn. The market for “green”
cosmetic is growing very fast, average growth in the natural segment of the market is
estimated at 8-10% annually. The number of small and large companies entering the
market of natural products is on the rise and during the last few years there has been a
massive entry into this arena by the large mainstream manufacturers. Growth in the
natural personal care and cosmetics market is global. The herbal segment is growing at
very fast pace. Mass and prestige marketing companies and their large advertising
budgets have entered the natural segment. The message to consumers that ‘natural is
better’ is gaining ground. Plant extracts are now increasingly used in cosmetic products.
Growth in the natural /herbal segment in Indian market is estimated to be 25-30%.

5.5 Overseas brands are more popular than Indian brands – Negative/Positive
Referring to Section 3.1, 4.1.1, and 4.2.5 it is observed that there is a huge abundance of
Indian and overseas brands in the market, both are found to be equally popular yet
because of the wide price difference between the Indian and overseas brands, Indian
brands sell more. Foreign brands are more preferred than national brands in the age range
of 18 to 35 yrs i.e. the younger age group mainly because of the culture becoming west
and inclination towards other brands than the indigenous and hence the hypothesis tested
is positive where as it is negative as the other age group i.e. those above 35 years
preferred national brands over foreign brand mainly because of the cost factor and herbal
nature.

5.6 Consumers expect miracles from anti-aging products – Positive
Referring to section 4.2.6.1 and 4.2.6.4 it’s clear that people expect anti-aging products to
serve various functions of treating, protecting and nourishing the skin viz. prevent the
appearance of new wrinkles, reduce already existing wrinkles, make the skin softer and
smoother, make the skin fairer; in short expect miraculous results from anti-aging
products.
6.0 Recommendations

6.1 Target Market Definition

6.1.1 Geographically

While considering the estimated growth rates in urban and rural market, it is seen that urban market is at 6% in contrast to rural market which is at 15% yet the organized personal care market which puts the anti-aging products as premium range products mainly caters to the urban higher middle class people. Thus geographically defining the target market for anti-aging products is the urban population all over the country and worldwide.

6.1.2 Demographically

As per the findings of consumer research all age groups 18–56 years and above irrespective of the sex, profession and income have almost equal desire to look young and attractive, all have similar awareness about aging, visible signs of aging and premature aging, the desire to stave off the first signs of aging in younger adults and graying senior adults is similar. Yet the age group that most had the desire to look younger than the actual age with chronologically advancing age existed most in 46-55 and 18-25 years; amongst all visible signs of aging the most worrisome for all age groups were wrinkles but amongst all age groups the age group which was most concerned was 46-55 years followed by 26-35 and 56 & above followed by 18-25 and 36-45 years being at par. 36-56 & above age group showed the interest in skin care for wrinkle prevention from the age of 35 years whereas 18-35 years age group considered it to start early from 18 to 25 years. When asked about the usage of anti-aging products 26-55 years age group people had used some or other anti-aging products but 18-25 and 56 & above age group had hardly used it. About the amount which people were willing to spend per month on anti-aging products irrespective of their income, education and profession was INR 100 in 36 to 56 & above years age group, in 18-25 years age group there were equal number of people who were willing to spend INR 100 and 100-500; in 26-35 age group it was INR 100 – 500.
Thus demographically defining the target market for anti-aging products covers all the age groups from 18 to 56 & above yet further classifying the age group 18-35 years should be the target market for ‘anti-premature aging’ or ‘total skin care for wrinkle prevention’ or ‘complete skin care to combat aging’ or ‘youth maintenance’ type of products also the high ranged products ranging between INR 100-500 can be targeted to this group; the similar category of skin care products for wrinkle prevention but with a lesser cost of approximately INR 100 could be targeted to 35-56 & above age group; amongst all the groups 46-55 years should be the main target age group for anti-aging products.

6.2 Product Differentiation

6.2.1 Number of products

As per the consumer research and market survey findings the most common form in which the anti-aging products are accepted are creams (all viscosities ranging from low to medium to high are acceptable); lotions, gels, thin liquids and packs followed this. Lighter hues like white, off-white, light yellow, peach and beige are most preferred and acceptable. A combination of creams/lotions with tablets/capsules are also widely popular as it thrives on the fact that creams/lotions gives external protection and nourishment to skin whereas tablets/capsules rectifies internal deficiencies and gives nourishment to the body. Such combination products are taken more seriously than single products by the consumer considering them to be therapeutic with greater health benefits.

6.2.2 Packaging

In the outer package the most common are cartons containing the inner package. In the inner package though many forms are there viz. tubes, jars, bottles with screw on cap, bottles with pump assembly and some unique containers like tottle that delivers two products together but the most popular are tubes and jars. Amongst tubes various types viz. translucent / opaque flexitubes with either screw on cap or flip top standi cap, collapsible tubes and lami tubes with screw on cap are most common, the capacity can vary from 15 gms to 150 gms. Amongst jars translucent/opaque plastic jars with inner
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plastic lid, screw on cap and inner wad; transparent/ translucent / opaque / frosted glass jars with screw on cap and inner wad; the capacity can vary from 15 gms to 50 gms.

6.3 Pricing

6.3.1 Differential Pricing (price range)

In the organized personal care market anti-aging products are always categorised as premium range products still it is seen that there is a wide price range that is acceptable by the consumers. The market survey findings point to a range of INR 0.80-8.50 / unit weight of the product (gm/ml) for Indian brands whereas for overseas brands the range is very high i.e INR 10.50-298.00/unit weight of the product (gm/ml). Also the consumer research shows that the younger consumers in the age group of 18-35 years are comfortable spending INR 100-500.00 on anti-aging products whereas those in the age group of 36-56 & above are willing to spend only INR 100.00 thus the lower priced anti-aging products could be targeted to this section of consumers and a higher priced to the former section of consumers.

6.3.2 Packaging

The standard regular product with lower price targeted to the masses can be introduced in simpler package like plastic jars or bottles whereas the premium range products with higher price can be introduced in more sophisticated packages like glass jars or bottles with pump assembly.

6.4 Advertising, Publicity and Sales Promotion

The findings show that the buying decision of the consumers irrespective of the demographic segregation depends mainly on their personal choice and at times influenced by TV and friends. But above all these, consumers prefer to use the products, which are prescribed by a dermatologist, or a cosmetologist and some prefer to choose the products that are recommended by a beautician. Hence for advertising the TV and print media can be used, at the point purchase displays, danglers, stickers can be used. The best mode of publicity and sales promotion is through dermalogists, cosmetologists.
and beauticians, who can be frequently visited and apprised with the novelties of the anti-
aging product and its free samples for trials.

6.5 **Sales Force**

Sales force should be directed towards paying visit to retailers, dermatologists, cosmetologists, beauty parlours and beauty clinics etc. Also the preferred point of purchase chosen by the consumers is chemists’ shop rather than general stores hence the chemists’ shop should mainly be covered apart from the general stores.

6.6 **Positioning**

There are six methods of positioning the product viz. product formulation, product benefit assured, target group, usage occasion, against competing brand and repositioning (change of image). But the most recommended method of positioning for anti-aging products is ‘Positioning with respect to benefits assured’ as the consumers expect anti-aging product to serve many functions like treating, protecting, nourishing etc, and want to see the results in terms of reduction of existing wrinkles, prevention of the appearance of new wrinkles, making the skin softer, smoother, firmer and fairer in a span of 2-4 weeks.

6.7 **Market Intelligence**

A regular compilation of data on similar and substitute products from local and overseas manufacturers is necessary; in the anti-aging category apart from the products which combat wrinkles other products such as sunscreens, fairness products and gathering information about the strategies of the competitors is necessary. In the anti-aging category along with the regular cosmeceutical manufacturers the pharmaceutical companies are also venturing in the therapeutic range or prescription products, it can be exemplified with combination of tablets/capsules along with creams/lotions for external application. Environmental factors that will affect sales like in winters the dryness and roughness of the skin becomes more prominent than any other season and hence is the right time to market the concept of proper skin care and anti-aging products similarly in
summers the exposure to scorch sunlight aggravates premature aging hence is the right time to market the concept of anti-premature aging.

6.8 Marketing Innovation

This includes continuous improvements in Product and Packaging, New formulation development etc. In anti-aging product segment the inclination from the regular synthetic line is shifting towards the herbal, green products based on the traditional recipes of Ayurveda, also the use of newer active ingredients from the natural sources are in vogue. The trend for hypoallergenic, fragrance free, non-comedogenic products with lower concentration of preservatives is also fast gaining grounds hence calling for continuous formulation improvements. The packaging of these products has taken a transition from the regular conventional bottles and jars to more attractive and sophisticated bottles and jars, many a times with pump assembly to deliver metered volume of the product. Also, the consumers are now aware of the quality of the material used for packaging and environmental friendly and virgin packaging material is more preferred over others. New formulation development are now paying emphasis on combining the benefits of sunscreen and anti-wrinkle together or fairness and anti-wrinkle together i.e. in order to meet the expectations of the consumers the newer anti-aging products are combining the benefits of 2 or 3 different products in a single product. The future for 100% natural products and Organic products (products having ingredients from Organic sources) is very bright.

6.9 Marketing Budgeting

Marketing budget has to be planned to include the expenses on market research, marketing communication, field selling, marketing logistics, administration, analysing the data from other cosmetic companies, 30-35% of the income is spend on marketing and a large part is spent on advertising.