

PARADIGM SHIFT IN CHOICE OF ORGANIC COSMETICS: A CASE STUDY ON PROMINENT FACTORS

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Abstract—Organic products are those products which grown and produced within the natural environment without chemical interference such as fertilization or pest control. The USDA states that the goal of organic foods and organic farming is to "integrate cultural, biological, and mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity. The global organic personal care products market witnessed steady growth in recent years due to increasing consumer concerns regarding personal health and hygiene. This paper focuses on paradigm shift in buying behaviour of consumers towards organic cosmetics products. Descriptive research is used for the study. Close ended questionnaires was prepared for data collection, which was filled by 159 respondents at the source. Various variable were generated for the study of factors affecting the choice of consumers. A hypothesis is proved to find out the correlation among the variable for this KMO and Spirtlett test are done as well various other techniques like factor loading and Rotated Component Matrix is done to find number of factors and impact of variables on those factors. The study has found out that there are five main factors responsible for paradigm shift these are- Health, Environment Friendly, Controlled Processes, Prestige Buying, Quality. The organizations dealing with organic cosmetic products should focus on these factors especially on health and environmental issues.

Keywords: Organic, Cosmetic products, Factors.

1. INTRODUCTION

(India) has emerged as one of the largest potential markets for organic cosmetics consumption globally, owing to the fact that organic cosmetic products are healthy, contain no chemicals or preservatives, and are completely natural. With growing awareness towards healthy cosmetics, surging income levels, and shifts in consumer behaviour, the country's nascent organic cosmetics market is fast transforming into the world's fastest growing organic cosmetics market. the global demand for organic personal care products was over \$7.6 billion in 2012 is expected to reach \$13.2 billion by 2018, growing at a CAGR of 9.6% from 2012 to 2018. **Exact data is not available in India about the size of the organic and natural cosmetic products. But it is less than 5 percent (of the total cosmetic market of India).** The total Indian beauty and cosmetic market size currently stands at US\$950 million and

showing growth between 15-20% per annum. According to Indian Cosmetic Sector Analysis (2009-2012), the Indian cosmetics industry is expected to witness fast growth rate in the coming years on the back of an increase in the consumption of beauty products. Owing to growing disposable income of the middle class households and changing lifestyle, it is expected that the cosmetics industry will grow at a CAGR of around 17% during 2010-2013. Presently, surmounted growth is being witnessed from new demand pockets, arising from the Tier-I and Tier-II cities, thus, signalling huge acceptance among the masses. Tier-I cities are Hyderabad, Delhi, Mumbai, Kolkata, Bangalore, Chennai, and Tier-II cities are Aurangabad, Pune, Indore, Amritsar, Jaipur, Faridabad, Patna, Guwahati, Raipur etc.

Trends in the Industry:

- Organic Cosmetics Stores
- New Varieties of product
- Marketing Techniques

There has been a major shift in organic cosmetic products, especially face and hair care products in the metropolitan cities as many people are now a day's prefer buying organic products. While organic cosmetics is certainly perceived as a healthy option for skincare. Considering the perceived health benefit, consumers are currently in a confused state of mind about the actual meaning and implication of "organic". They are also not clear about the difference offered by products labelled 'organic' or 'natural'. While a select few understand the 'organic' category in terms of factors related to its production, farming, packaging etc., overall there is a huge blank in consumers' minds about the same. This gap is even wider for non-users of organic cosmetics, i.e. people who have never bought any kind of organic cosmetics product till date.

This paper sets out to explore the way certain variables like skin consciousness, concern over cosmetics safety, importance of status, values, price premium and others affect the behavioural intentions of organic cosmetics shoppers.

2. RESEARCH METHODOLOGY

The study was conducted through descriptive research. A close ended questionnaire was developed and administered to respondents at various stores where organic products are available like body shop, Amway, organic India. The questionnaire was distributed among consumers in Delhi and Noida region. These respondents were selected through random sampling. Responses of 159 candidates were recorded and used for analysis, Out of which 25 were male and remaining 134 were female. The sample size was further divided into five age groups. There were 20 respondents below 20 years of age, 39 were between 20 to 30 years, 35 respondents were between 30-40 years of age, 46 were between 40 to 50 years and 19 respondents were above the age of 50 years. The data obtained is first subjected to factor analysis to identify the factors that affect the buying intention of consumers. Data Collection is done through primary sources that is through structured questionnaire. The questionnaire was distributed offline. 19 variables were identified based on which factor analysis and factor loading was done. These variables were as follows- organic products helps in sustaining biodiversity, they does not use chemicals, prevents contamination of soil, helps in creating eco-friendly products, production processes controlled, no use of chemical fertilizers, use of necessary limited substances, buy as it makes me feel good about myself, all my friends and colleagues buy, buy it as it more expensive than others, low ammonia content, high on natural SPS content, boosts immunity, high nutrient content, good for skin and hair, people notice when buying expensive products, superior quality, less associate with unhealthy risk, product is a status symbol

3. OBJECTIVE

The objective of the research was to identify the various factors on which the consumers prefers organic cosmetics products and to analyse how these factors affect the buying behaviour of the consumers. Factor analysis of each variable is done, it consists of two components factor loading and factor matrix. Factor loadings are simple correlations between the variables and the factors. And factor matrix contains the factor loadings of all the variables on all the factors extracted. KMO and Bartlett's test have also been used. KMO test measures the sampling adequacy that is it checks the relevancy of the data.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.737
Bartlett's Test of Sphericity	Approx. Chi-Square	1739.499
	df	171
	Sig.	.000

The KMO value in the analysis is 0.737 which is above 0.5 hence factor analysis can be carried out on this sample. While Bartlett's Test of Sphericity, is a test statistic used to examine the hypothesis that the variables are uncorrelated in the population. Here the significance value of 0.000 which is

below 0.05 hence it passes the test of sphericity and shows that the variables are correlated.

The Null Hypothesis of the research study is that the Variables are uncorrelated and Alternative Hypothesis is Variables are correlated. The value of Chi Square is 1739.499 and significant at 0.000, thus null hypothesis is rejected and variables are correlated

4. ANALYSIS AND RESULTS

With the help of Rotated Component Matrix, we have been able to find the weightage of each variable for the factor associated to it. On the basis of highest weightaged variable, factor name has been given. Hence following factors have been identified:

Rotated Component Matrix					
	Component				
	1	2	3	4	5
organic cosmetics helps in sustaining biodiversity			.552		
Organic farming does not use synthetic pesticides and herbicides			.699		
organic farming prevents the contamination of soil, air and water			.772		
organic product helps in producing eco-friendly product			.814		
production and processing of organic cosmetics is strictly controlled					.817
organic cosmetics are produced without any use of chemical fertilizers					.820
uses limited number of approved substances which are necessary in processing of organic cosmetics					.722
buying an organic cosmetics makes me feel good about myself				.603	
I buy organic cosmetics because all my friends /colleagues buy them				.834	
I buy organic cosmetics because they are expensive than others				.682	
organic cosmetics have low ammonia content which help in keeping skin healthy		.522			
organic cosmetics products are high on natural SPS content		.759			
organic cosmetics boosts immunity		.760			
organic cosmetics have high nutrient content		.817			
i buy organic cosmetics because its good for my skin					

People notice when you buy the most expensive brand of organic product					
organic cosmetics products have superior quality	.851				
organic products are of better value and less associate with health risk	.868				
organic cosmetics testing does not use	.853				

Health Under Health factor, the set of consumer are more conscious about health benefit provided by the organic cosmetics and are concerned about the amount of nutrition content of the cosmetic intake. The weightage of nutrition content value is .817, hence the factor is named as HEALTH. The consumers prefer to buy organic cosmetics as it boots immunity of the skin. Another reason for preference of these products is high on natural SPS content.

Environment Friendly Nowadays consumer have become very conscious about safety of the environment, they are concerned about the impact of products on the environment. Therefore consumers are now more aware about organic farming ways and knows that harmful substance like synthetic pesticides and herbicides are not used while cultivating the products which prevents damage to environment as well human beings. Moreover organic farming prevents contamination of soil, water and air. Consumers now know that organic products helps in producing eco-friendly products and hence is weighted as .814 in rotated component matrix.

Controlled Processes The consumers are ready to pay premium prices because they are aware of the production and processing of organic products are strictly controlled and are produced without the use of chemical fertilizers. Since the weightage of this variable is the highest that is .820. Only limited number of approved substance which are necessary in processing of organic cosmetics.

Prestige Buying Buying organic products has nowadays becoming a status symbol. Usually consumers buy it because their family members as well as friends and colleagues, the rotated component value of this variable is .834 hence the factor is named as prestige buying. Consumers buy organic products because they are expensive than others thus is a symbol of prestige. Buying organic products makes consumer feel good about themselves.

Quality Organic cosmetics are of superior quality as well the products are of better value and less associated with health risk. They make our skin look fresh and young. The superior quality variable is rated the highest in rotated component matrix that is .868 therefore the factor is named as quality.

5. CONCLUSIONS

The consumers buying organic products belongs to different groups with different reasons for choosing organic products.

Hence the Companies like Organic India, Geo-fresh organic, Unique Organic Ltd, etc should target them accordingly through their marketing campaigns. Marketers should position the products in the minds of the consumers by highlighting the health and environmental benefits of using organic products as people are now very concern about the impact of product manufacturing and processing on the environment and human health. More awareness programs should be launched as consumers are purely buying them on interest basis. And as our honorable Prime Minister Shri Narendra Modi has said we should encourage organic products. As all of the consumers are choosing to go towards organic cosmetics because of the health aspect, companies can tie up with various doctors, nutrition experts, to refer use of organic products. The study also conquers with the same as the factor loading is maximum for Health aspects.

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