NAVIGATING THE BEAUTY LANDSCAPE: A STUDY ON QUALITY PERCEPTIONS AND CONSUMER EVALUATIONS OF SKINCARE PRODUCTS

Project Report

Submitted By:

NAMITHA FELIX (Reg.No: SB21BMS023)

Under the guidance of

Dr. Sunitha T. R.

In partial fulfilment of the requirements for the award of the degree of

Bachelor of Management Studies (International Business)

ST. TERESA'S COLLEGE (AUTONOMOUS), ERNAKULAM

COLLEGE WITH POTENTIAL FOR EXCELLENCE

Nationally Re-Accredited at 'A++' Level (Fourth Cycle)

March 2024

ST. TERESA'S COLLEGE (AUTONOMOUS), ERNAKULAM, KOCHI – 682021

CERTIFICATE

This is to certify that the project entitled "Navigating the Beauty Landscape: A Study on Quality Perceptions and Consumer Evaluations of Skincare Products", is a bonafide record by **Ms. Namitha Felix**, Reg. No. SB21BMS023, in partial fulfilment of the requirements for the award of the Degree of Bachelor of Management Studies in International Business during the academic years 2021-2024.

Date: 22-04-2024

Dr. Alphonsa Vijaya Joseph

PRINCIPAL

ST. TERESA'S COLLEGE (AUTONOMOUS), ERNAKULAM, KOCHI – 682021

CERTIFICATE

This is to certify that the project entitled *"Navigating the Beauty Landscape: A Study on Quality Perceptions and Consumer Evaluations of Skincare Products"*, has been successfully completed by Ms. Namitha Felix, Reg. No. SB21BMS023 in partial fulfilment of the requirements for the award of the Degree of Bachelor of Management Studies in International Business under my guidance during the academic years 2021-2024.

Date: 22/4/2024

Dr. Sunitha T.R.

INTERNAL FACULTY GUIDE

DECLARATION

I, Namitha Felix, Reg.No. SB21BMS023, hereby declare that this project work entitled "Navigating the Beauty Landscape: A Study on Quality Perceptions and Consumer Evaluations of Skincare Products" is my original work.

I further declare that this report is based on the information collected by me and has not previously been submitted to any other university or academic body.

Date: 22-04-2024

NAMITHA FELIX
Reg.No. SB21BMS023

TABLE OF CONTENTS

ACKNOWLEDGEMENT

First and foremost, I would like to thank God Almighty for giving me the strength, knowledge, ability, and opportunity to complete this project work successfully.

I extend my sincere gratitude to the Director of the college, Rev. Dr Sr. Vinitha (CSST), the principal of the college, Dr Alphonsa Vijaya Joseph, and all the faculty members of the Department of Management Studies for their overall guidance, inspiration and suggestions throughout my project work.

I wish to express my heartfelt gratitude to Dr. Sunitha T.R., my project guide for her persistent help, guidance and encouragement. Her valuable comments and insights have greatly benefitted me and helped me complete the project successfully.

My acknowledgment would be incomplete without thanking my parents, friends and everyone who has directly or indirectly helped me to complete the project in time and thereby make it a success.

NAMITHA FELIX

EXECUTIVE SUMMARY

Skincare refers to the systematic practice and steps involved in maintaining the overall health and appearance of the skin. This is done through various routines, products, and treatments that range from basic cleansing and moisturizing to specialized treatments targeting specific skin concerns like anti-aging, pigmentation, dullness, etc.

The skincare industry is one of the most powerful and fastest-growing billion-dollar global markets which consists of a wide range of specialized products and services aimed at improving skin health and maintaining its overall well-being. It offers a diverse array of products ranging from basic cleansers and moisturizers to specialized serums and facial mask treatments addressing specific skin concerns. Rising demand among consumers, consistent technological advancements, and emerging beauty trends have contributed to the ongoing evolution of the skincare sector.

India, being the 4th largest skincare market in the world has experienced tremendous growth due to factors such as a growing rate of disposable income, urbanization, and changing lifestyle patterns. The need for a wide range of cutting-edge is increasing, as Indian consumers have become more selective and daring in their skincare choices. While organic formulations and traditional home remedies are still prevailing, interest in international brands and preference towards advanced product formulations and products with scientific validity is also expanding. This research focuses on the interplay of various factors, i.e., quality perceptions, brand image and beauty influencer credibility in shaping consumer evaluations and their willingness to pay (WTP) for skincare products. For the study, the data was collected using primary data collection tools like circulating questionnaires and secondary data collection tools like internet articles, research paper publications and other news articles during the period of 10th January to 15th February 2024. The sampling methods used for the study are convenience sampling and snowball sampling for collecting data within the time limit and to avoid a low response rate. A total of 77 responses was collected through social media platforms like Instagram, WhatsApp and LinkedIn. Data analysis was done using SPSS software and tools used are percentage analysis, Linear Regression analysis and ANOVA.

It was discovered that there's a significant relationship between quality perceptions and brand image since a solid brand image is built through trust, credibility, and positive messages delivered by it, which in turn enhances consumers' quality perceptions. The study also shows

the impact of beauty influencer credibility and brand image in forming consumers' purchase intention and willingness to pay. The study examines how consumers perceive the quality of skin care products, what factors they consider before making a purchase and how they evaluate them.

The complex factors driving customer behavior in the skincare industry have been addressed through this study. Upon conducting a comprehensive analysis, it is evident that these elements significantly influence consumers' impressions and intentions to purchase.

LIST OF TABLES AND FIGURES

CHAPTER – 1
INTRODUCTION

1.1 INTRODUCTION TO THE STUDY

The term skincare is denoted as an act of enhancing and maintaining the overall health and appearance of the skin. It involves a systematic series of steps and practices that promote skin health, address specific skin concerns, and protect it from damages caused by external factors. Due to the increasing awareness about self-care and well-being among individuals, the beauty industry in India has witnessed massive growth for the past few decades. Consumers have begun looking out for various personal care products which cater to their needs and desires, provide them with personalized solutions as well as maximize their psychological satisfaction. India is the 4th largest beauty market in the world and is expected to grow 40% by 2026. As of 2023, the market size of the Indian beauty and cosmetics industry is estimated at $1.35 billion. The increased awareness about Western trends, the growing rate of disposable incomes, dynamic lifestyle patterns as well as more emphasis on personal grooming and well-being have contributed to the boom of the skincare industry in India.

In recent years, the majority of customers have looked out for products that address their respective skin concerns, providing them with a personalized experience. The Indian beauty industry has experienced the emergence of various domestic and international brands that provide customers with a diverse range of products with advanced ingredients, specialized treatments, and innovative formulations to resolve their relevant skin concerns. A few of the prominent skincare brands in India include Lotus Herbals, Cetaphil, Himalaya, Forest Essentials, Vaseline etc.

Now that we have understood the growing importance of skincare and personal wellness among Indian consumers, it is important to study their purchase behaviour as well as their attitude towards these products.

Consumers always look for the top-notch when it comes to skincare. They always try their best to maximise their experience and choose skincare brands that provide them with effective and consistent results. These brands range from well-established giants with years of experience in research and development to innovative newcomers who utilize the latest technology and natural ingredients to cater to diverse skin types. Consumers are more likely to choose skincare products from well-established brands, as these are perceived as high-quality products, due to expectations of better and consistent results and its safety aspects. When brands succeed in consistently delivering positive results, they earn the trust from the consumers, fostering brand loyalty.

Investing in high-quality skincare products helps individuals to maintain healthy skin, boost their self-confidence and promote a sense of self-care and self-esteem. **CONNOR (1986)** defines Quality as "the degree to which a product or service meets the requirements and expectations of its consumers." When consumers perceive skincare products of superior quality, they're likely to spend more to acquire them. Quality perceptions are shaped by a combination of factors including product efficacy, reliability and safety.

Furthermore, we have witnessed the emergence of beauty influencers across diverse social media and digital platforms who engage with a wider audience and share their feedback & opinions about various skincare products. These influencers collaborate with numerous beauty brands and showcase their products to their followers. Naturally, the followers are influenced by their recommendations, leading to an increased chance of product purchase and usage. Influencers utilize their credibility, expertise in the field, and authenticity to actively engage with the audience and persuade them to purchase the products.

The objective of this study is to critically examine several factors that shape consumers' purchase intentions and their willingness to pay for diverse skincare products available in the market. Additionally, the study seeks to comprehensively analyze the interplay of brand image, quality perceptions, and beauty influencer credibility in shaping consumers' purchase intention and willingness to pay.

1.2 STATEMENT OF PROBLEM

Consumers often associate the price of the skincare product with its quality. There exists a misconception that the higher the price, the higher the quality. In addition to this, consumers tend to evaluate the skincare product quality based on its packaging, presentation, scent, and other physical attributes, rather than the actual benefits it offers. Furthermore, brand image and its reputation in the market play a crucial role in determining product quality and developing a positive perception among consumers. Consumers often get misled by the brand's popularity and end up purchasing the wrong ones which leads to adverse dissatisfaction and brand disloyalty. Moreover, the increased use of social media platforms has given consumers a greater exposure to beauty content and tutorials which encourage them to impulsively purchase skincare products endorsed by their favourite beauty influencers. The researcher aims to understand the impact of quality perceptions, brand image, and beauty influencer credibility on

consumers' purchase intentions and their willingness to pay, as well as identify whether there exists a relationship between brand image and perceived quality.

1.3 LITERATURE REVIEW

The beauty industry in India is flourishing day by day. Due to changes in lifestyle and other demographic factors, the majority of consumers are conscious about their skin and enjoy nurturing it**. Malhotra (2003)** states that "the main reason for the boom in the beauty industry as increasing fashion and beauty consciousness coupled with rising incomes and focus on health and fitness."

India is the 4th largest beauty market in the world and is expected to grow 40% by 2026. A few of the key factors for this drastic growth include changes in the socioeconomic conditions of the citizens, an increased standard of living as well a growing rate of disposable income. The use of skin care products is viewed as a tool to elevate lifestyles and increase the standard of living. **Briney(2004a)** suggests that the "use of international skincare brands is commonly associated with upper-class and sophisticated image among female consumers." In addition to this, **Isrya Kireine (2021)** declares that "awareness of the importance of taking care of skin, especially the face has begun to emerge for both men and women. Not only keeping the skin healthy, routinely using skincare can also be a form of loving and appreciating yourself. "

There are a huge number of skincare brands emerging around us each day, addressing all skin concerns and coming up with efficient solutions. **Kotler (2001)** defines a brand as "a name, term, sign, symbol or design or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of the competitor." A few of the prominent skincare brands in India include Himalaya, Mama Earth, Plum, Cetaphil, Lotus Herbals, and many more. These skincare brands utilize multiple strategies to establish themselves in the market to meet the needs and desires of the consumers. Some of these brands have successfully engaged consumers by offering personalized solutions, tailoring to individual skin types and concerns. Now personalization stands as the foundation of their success**. Chaubey (2015)** states that "consumers always look for personalized and specialized skincare products." **Kuick Research (2013)** has found that "few women customers are willing to pay more to maximize their experience."

As today's world is getting more digitalized, businesses are presented with ample growth opportunities to expand their market beyond national borders and effectively utilize digital

platforms and channels to connect with a larger number of audiences, ultimately encouraging product purchases. **Tajuddin et al., (2017)** suggest that **"globalization and new technologies have increased opportunities for businesses and also encourage competition."**

Beauty influencers across various social media platforms play a prominent role in shaping consumer purchase decisions for skincare products. They create beauty content, actively engage with their audience, and share their experiences and suggestions, thereby persuading them to make a purchase. **Han Le (2020)** concluded that "influencers are seen to be more credible and authentic compared to paid advertisements. As a result, more and more brands are seeking an efficient influencer marketing strategy to spread their products and brand awareness."

In short, brand image, quality perception, and beauty influencer credibility are interconnected elements that significantly influence consumers' purchase intentions and willingness to pay for skincare products. Brands that successfully establish a positive image, deliver high-quality products as promised, and leverage partnerships with beauty influencers and other popular figures on social media are more likely to capture a greater market share in this competitive and dynamic skincare industry.

1.3.1 PERCEIVED QUALITY

Perceived quality is the term that as the consumer's impression of the quality of a product regarding its value proposition or predominance compared to other products. As **Zeithaml (1988)** said perceived quality is "the consumer's judgment about a product's overall excellence or superiority". It also includes customer expectations and perceptions regarding the performance of the products, their features, packaging and aesthetics, ingredients used, etc. Quality perceptions form a critical aspect in influencing consumer behavior and enhancing brand image in the skincare industry. Customers also look for all the tangible and intangible elements offered by the products to determine their quality. They often associate the quality of skincare products with the ingredients used, their texture and formulation as well as positive results delivered. Perceived quality of skincare products is subjective, as it is influenced by a mixture of factors including ingredients used, brand image, product texture, packaging, word-of-mouth, brand transparency, etc.

1.3.2 BRAND IMAGE

Kotler (2001) defined brand image as "a set of beliefs, ideas, and impressions that a person holds regarding an object." On the other hand, **Keller (1993)** states brand image as "a set of perceptions about a brand on consumer's memory." Brand image is not merely about the product or service, but it involves other psychological elements such as feelings, perceptions, values, and experiences it induces in the minds of the consumers. It plays a key role in determining consumer behavior, purchase intention, willingness to pay and maintaining brand loyalty.

A strong and positive brand image is essential for skincare products as it impacts purchase intention and brand loyalty. When it comes to skincare, customers always look for consistent delivery of quality products, maintaining the brand values and how effectively each of their skin concerns are resolved. Skincare brands that prioritize these factors are more likely to enhance consumer trust and confidence in their products. **Rodriguez (2019)** suggests that "in this highly competitive industry, brands that offer sensory experience beyond basic skincare features are more likely to succeed."

1.3.3 INFLUENCER CREDIBILITY

In this digital era, we have witnessed the rapid growth of 'influencers' across various social media platforms who actively interact and engage with their audience and build a lasting impression in their minds.

According to **Adibin (2015)**, influencers are "young people that monetize their lives, someone that often is an ordinary internet user but has a relatively high number of followers on social media. Influencers show their lives and lifestyles together with highly personal promotions of products and services, for a fee." The content, reviews, and product recommendations put forward by the beauty influencers have a significant impact on consumer/ follower's purchase decisions and their willingness to pay a premium price.

1.3.4 WILLINGNESS TO PAY (WTP)

Willingness to pay (WTP) is a concept used to determine the maximum price a consumer is ready to pay, or willing to spend on a particular commodity or service. **Varian (1992)** defines WTP *as "the maximum amount a consumer is willing to give up in terms of other goods or services to acquire an additional unit of a good."*

It is a subjective concept as it differs from person to person. The factors contributing to the willingness to pay include personal tastes and preferences, perceived quality, level of disposable income etc. Consumers assess the perceived benefits of the skincare product and the brand image so they are willing to pay an extra sum of money to maximize their experience. Brands that actively cater to consumer needs and offer them personalized solutions, communicate their values, and differentiate themselves from their competitors can demand higher prices and earn consumers' trust.

1.4 SIGNIFICANCE OF THE STUDY

Skincare, being one of the fastest growing and dynamic industries, this study will help various skincare brands and their marketers to understand consumer attitudes and purchase intention towards their products. Companies can gain clear insights regarding how consumers perceive their brand image, product quality, and influencer endorsements, which helps them formulate marketing strategies and other promotional tactics accordingly. The study also focuses on consumers' willingness to pay and emphasizes what factors they consider before making a purchase, to formulate effective pricing policies.

1.5 SCOPE OF THE STUDY

The primary goal of this study is to understand the impact of brand image in building quality perceptions of skin care products among consumers and study the specific attributes they evaluate before making a purchase. The study delves deep into the factors that encourage consumers' willingness to pay for different skincare products and examines the role of beauty influencers in shaping consumers' purchase decisions and product evaluations. The study was undertaken to investigate consumer perceptions and evaluations from consumers of skin care products within Ernakulam city.

1.6 OBJECTIVES OF THE STUDY

    i.   To understand the influence of demographic factors such as age and employment status in shaping consumers' willingness to pay for skin care products.

    ii.   To identify the relationship between quality perceptions of skin care products and consumers' willingness to pay.

    iii.   To study the influence of brand image in shaping quality perceptions of skincare products

    iv.   To understand how beauty influencer credibility affects consumers' willingness to pay.

    v.   To determine the impact of brand image in fostering consumer purchase decisions.

1.7 RESEARCH HYPOTHESIS

H1: Age and Employment status of the consumers influence their WTP for skincare products.

Age plays a significant role in determining the purchase intention and consumer willingness to pay for different products and services in the market. Different age groups have different sets of priorities, preferences, and financial constraints that affect their purchase behaviour. Younger consumers, such as Millenials and Gen Z are often ready to pay more for products that align with their preferences, current market trends, and value derived from the products. **Slabá (2019)** states that "age is one of the factors influencing consumer buying behaviour and attitude of the customer to price". Few of the youngsters tend to buy beauty products impulsively due to the influence of social media or peer groups while others find joy in spending money for materialistic possessions. Individuals belonging to Gen X and Gen Y prioritize reliability, durability and brand familiarity while making purchase decisions. As consumers age, their skincare concerns evolve accordingly. It slowly leads them to seek products that address specific skin concerns like anti-aging, fine lines, and wrinkles, uneven skin tones, etc.

Another important demographic factor that determines consumer willingness to pay is their employment status. Consumers with stable earnings and a higher rate of disposable income are

more likely to spend for products that deliver effective results and improve their overall skin health. These consumers view skincare as an act of self-care and self-maintenance and always prioritize high-quality products over lower-priced alternatives. On the other hand, consumers facing financial constraints and low-income jobs are more likely to be price-sensitive and budget-conscious. They often prefer affordable skincare products over expensive ones. These consumers often rely on basic, multi-purpose products to maintain their skin rather than opting for products from well-established skincare giants. As a result, their WTP is typically lower as compared to consumers with higher income levels. **Whitehead & Haab (2023)** declared that "Individuals' demographic characteristics and, most importantly, age, gender, education level, and income status exert a significant influence on WTP. In terms of income, high-income earners were found to be more willing to pay compared to those with lower income who were less willing to pay**.**

H2: There is a positive relationship between quality perception & consumer WTP for skincare products.

Quality perceptions play a crucial role in shaping consumer willingness to pay for skincare products. The perceived quality of a product helps in measuring the value consumers associate with the products. Quality perceptions are shaped by numerous factors such as brand image, product packaging, its features, durability and other intangible aspects it offers. **Fan et al (2019)** concluded that **"**as the quality perception increases, consumer WTP increases as a result." When consumers perceive any product of higher quality, they're willing to pay a premium price to acquire them, as they believe they're getting superior value in return. Similarly, if the perceived value is low, consumers tend to be reluctant to pay a premium price which also affects the brand's reputation too.

When it comes to skincare, consumers always prefer to use top-quality products due to personal and safety concerns. Consumers often equate higher quality with products that can address their skin concerns as well as provide them with personalized solutions. The sensory experience including product texture, package aesthetics, and scent also plays a crucial role in building quality perceptions and influencing their willingness to pay more.

H3: Brand image positively influences quality perceptions among consumers towards skincare products.

Quality perception and brand image are interlinked with each other when it comes to skincare. Consumers often form quality perceptions based on their brand reputation, image, and the values communicated. A solid brand image is built through trust, credibility, and positive messages delivered by it, which in turn enhances consumers' quality perceptions. **Ahmadian et al (2023)** stated that "perceived customer value denotes the satisfaction derived from fulfilling a potential customer's needs through a product or service. The study demonstrated a significant relationship between perceived quality and perceived value, indicating that the perceived excellence of the products strongly influences how consumers assess the brand's worth."

Brand image influences consumers' expectations regarding the performance of a product, its reliability and safety. Commonly, skincare brands that uses natural or organic ingredients are perceived as safe to use and of superior quality. Brands that use cutting-edge product formulations are viewed as innovative and capable to solve specific skin concerns. Therefore consistent marketing efforts and after-sales consumer guidance is crucial for brands to build trust among consumers, foster brand image and encourage repurchases.

H4: Beauty influencer credibility positively influences consumer willingness to pay for skincare products.

Due to the increased usage and exposure to social media platforms, there has been a tremendous growth of various influencers across various digital platforms. Beauty influencers, often considered as beauty experts among their followers have a strong influence on determining their purchase behaviour. **Hudders and Veirman (2021)** concluded that "social media influencer advertising is a prominent and promising marketing method, where the media personae represent an undoubtful interesting asset from a marketing standpoint".

When an influencer with a strong reputation and a larger number of followers endorses a skincare product, their content has an increased chance of building positive quality perceptions among the consumers. Consumers tend to believe in the content created by beauty influencers when they're presented appealingly and persuasively, which naturally encourages the consumers to make a purchase. On the other hand, if influencers are endorsing a beauty brand solely with the purpose of financial gain and wider reach to the audience without emphasizing

the actual benefits and quality of the products, they may lose the credibility and trust they hold over their audience, who are potential consumers of skincare products. **Vettese(2019)** stated that "transparency and honesty foster the relationship between the influencer and his/her followers, and the reputation for the influencer increases among others."

Thus, to maintain credibility and foster favourable quality perceptions among the audience, skincare brands collaborating with beauty influencers must ensure that influencers' principles, audience demographics and product characteristics must go hand in hand and develop positive quality perceptions among the consumers.

H5: The brand image of skincare products significantly influences customers' willingness to pay.

A brand image consists of attitudes, beliefs, perceptions and ideas that consumers associate with a brand. A positive and solid brand image is built based on various factors like product quality, innovative formulations, trustworthiness and consumer satisfaction, which in turn influences the consumers' willingness to pay. **Budi & Harsono (2018)** discovered in their research that there was a significant correlation between brand image and willingness to pay. Brands with a strong reputation and positive image often demand higher prices, as consumers are willing to pay a premium price for their perceived value and credibility. A reputed brand instills confidence in consumers' minds regarding its quality, safety and overall results. This perception often leads to an increased chance of purchase intention and WTP.

Consumers are often willing to pay a premium for skincare brands with superior brand image as they believe it delivers excellent results and benefits as compared to cheaper alternatives. Also, a positive brand image can create emotional connections with their customers, encouraging them to repeat purchases and build loyalty. **TEKİN & YILTAY (2016)** concluded that "Brand image has a significant power of creating a product or wiping it from the consumer market."

1.8 CONCEPTUAL FRAMEWORK

Figure 1.8 Conceptual Model of the Study
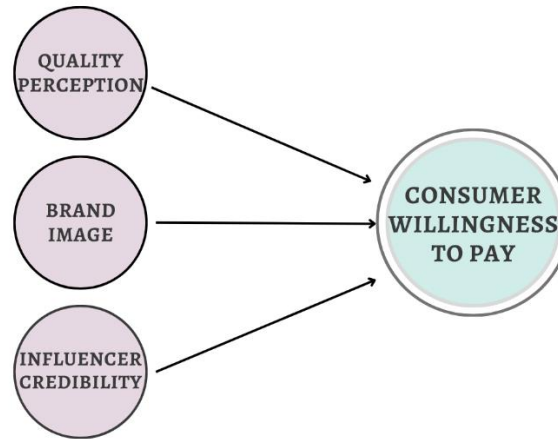
1.9 RESEARCH METHODOLOGY

1.9.1 DATA COLLECTION

Data collection or data gathering is the process of gathering and measuring information on targeted variables in an established system, which then enables one to answer relevant questions and evaluate outcomes. The process of data collection typically involves defining the research question or problem, selecting the appropriate data sources and methods, designing the data collection instruments, collecting the data, and organizing and analysing the data. Effective data collection requires careful planning, attention to detail, and a clear understanding of the research objectives. It is important to ensure that the data collected is accurate, reliable, and relevant to the research question. Additionally, it is essential to follow ethical guidelines for data collection, such as obtaining informed consent from research participants and protecting their privacy and confidentiality.

When it comes to data collection, two methods are commonly used by researchers. These methods are classified as primary data collection methods and secondary data collection methods. Data collection methods for primary data include observation, interviews, questionnaires, case studies, projective techniques, and schedules. Secondary data is data that

already exists and can be acquired through published or unpublished sources. Published sources include government publications, public records, bank records, and so on. Unpublished data sources encompass letters, diaries, unpublished biographies and work, and so on.

The tool used by the researcher to study the interplay of quality perceptions, brand image and beauty influencer credibility in shaping consumer evaluations and WTP for skincare products was through questionnaires.

Secondary data in research was used to find about the industry profile. It was also used for the introduction of the study and literature review. All secondary data-related information has been collected from previously done research papers, and credible internet websites.

1.9.2 SAMPLING

1.9.2.1 Population

A population is a group of elements that share some or all of their characteristics. The population size is determined by the number of elements in the population. In this survey, the population comprises customers who are active skincare users or have previously purchased at least one skincare product available in the market.

1.9.2.2 Sample Size

Given the constraints of time and resources, the sample size chosen is 77 respondents. Questionnaires were distributed to respondents via social media platforms such as WhatsApp, Instagram, and LinkedIn, and enough time was allowed for them to complete them to reduce sampling errors.

1.9.2.3 Sampling Techniques

There are two types of sampling techniques: probability sampling techniques and non-probability sampling techniques. Randomization is used in probability sampling techniques to ensure that every element of the population has an equal chance of being represented in the selected sample. Probability sampling techniques include simple random, systematic, stratified random, cluster, and multi-stage sampling. The non-probability sampling technique is more dependent on the researcher's ability to select sample elements. The results of this type of sampling may be accused of bias, and extrapolation to the population may be extremely difficult. Non-probability sampling techniques include convenience, purposive, quota, and

snowball sampling. The researcher has used convenience sampling and snowball sampling techniques to collect data on time and to avoid low response rate.

The researcher has used a convenience sampling technique to collect data on time and to avoid a low response rate. Convenience sampling is defined as a method adopted by researchers where they collect market research data from a conveniently available pool of respondents. The respondents of the study were expected to be people who buy skin care products in Ernakulam district and those who make careful considerations while purchasing them.

1.9.3 TOOLS USED FOR DATA COLLECTION

To meet the research objectives, the questionnaire was carefully designed. Among the questions in the questionnaire were those related to demographic information about respondents, as well as questions about their skincare usage, frequency of purchasing various skincare products, customer knowledge, quality perceptions, purchase intentions, and willingness to pay. The majority of the questions are categorized into the Likert scale, which belongs to the non-comparative scaling technique, ranging from 5-strongly agree; 4-strongly agree; 3-neutral; 2-disagree; and 1-strongly disagree.

1.9.4 DATA ANALYSIS TECHNIQUES

The entire data has been analyzed using the SPSS software package. The tools used in the analysis of the SPSS are as follows:

- Linear Regression
- ANOVA

1.10 LIMITATIONS OF THE STUDY

- The first limitation would be the sample size. The data was collected from 77 respondents, out of which only 63 participants were active skincare users. The inclusion of more active skincare users would have been beneficial in deriving clear insights regarding their purchase intention and willingness to pay for the products.
- Being the part of academic research, the researcher faced time constraints.

- The number of male respondents was very low compared to females. The inclusion of male respondents is recommended for further studies to understand their quality perceptions and how they evaluate skincare products before making a purchase.
- Another major limitation was the findings of the survey were based on the assumption that the respondents had given correct information.

CHAPTER – 2
INDUSTRY, COMPANY AND PRODUCT PROFILE

2.1 INDUSTRY PROFILE

The term skincare refers to a set of practices and usage of specialized products, to maintain the overall health and radiance of the skin. It involves a systematic series of steps, techniques, and products that are designed to cleanse, moisturize, protect, and treat specific skin concerns.

The skincare industry is the commercial sector engaged in large-scale manufacturing, production, distribution, and trade of products specialized for the nourishment and well-being of the skin. The skincare industry involves a huge product line, ranging from cleansers, moisturizers, serums, sunscreens, and other specialized products that target specific concerns like acne, pigmentation, anti-aging, dryness, etc. The skincare market also addresses the needs and requirements of consumers belonging to all age groups, genders, and skin types.

Over the past few years, extensive research and development is taking place to create innovative formulations to cater to emerging consumer needs and preferences. Additionally, technological advancements, changes in consumer lifestyles, and growing awareness regarding the importance of skincare have contributed to this vibrant and dynamic industry.

2.1.1 Global Skincare Market

The beauty, wellness, and personal care industry is going through tremendous growth in emerging markets at a global level, as consumers are now willing to spend more for products that benefit and improve their health, appearance, well-being, fitness, etc.

The global skincare market was valued at USD 164.78 billion in 2023 (Beauty and Wellness Products Market Size | Growth [2030], n.d.) and is expected to grow up to USD 244.48 billion by 2028, with a CAGR of 8.21% from 2023 to 2028. According to Statista, in comparison with the 26 selected regions regarding the revenue in the 'Skin Care' segment of the beauty & personal care market, the United States is leading the ranking (USD 23.6 billion) and is followed by Japan with USD 21.8 billion.

The growing influence of social media, changing lifestyles as well as beauty trends have strongly affected the skincare industry. Beauty perceptions keep evolving over the years, such as looking healthy and building self-confidence have been reinforced among consumers.

During the COVID-19 pandemic, by spending most of their time at home, consumers started taking care of their health and well-being, thereby increasing the demand for nutritious food, hair care and skincare products, and other fitness products. In addition to this, the evolution of technology, increased influence of social media, and rising B2C websites have given consumers more accessibility to these products, leading to market expansion.
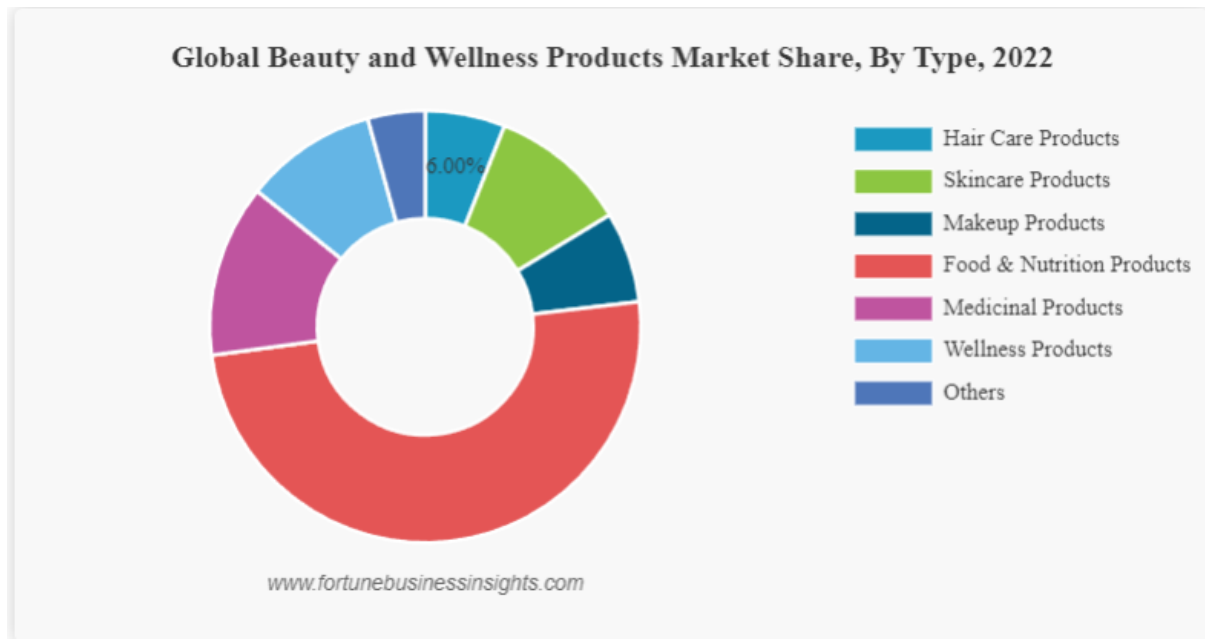
Figure 2.1 Global beauty products market share by type as of 2022

Source: fortunebusinessinsights.com
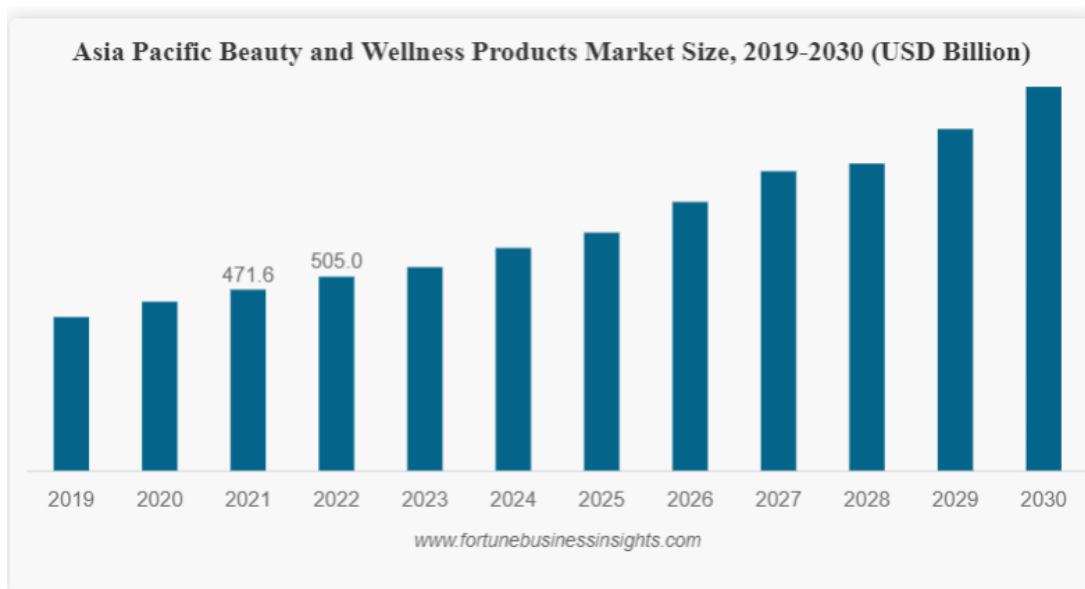
Figure 2.2 Asia- Pacific Beauty Products market size, 2019-2030 Source: fortunebusinessinsights.com

2.1.2 History of the Skincare Industry

The human desire for healthy, beautiful skin has a long and fascinating history, stretching back thousands of years. During 4000 BC, the Ancient Egyptians were known as pioneers of beauty practices, and used natural ingredients like oils, kohls, crushed flowers, and other medicinal plants for skincare and makeup.

The Indian and Chinese cultures boasted rich traditions of herbal remedies and organic ingredients like turmeric, sandalwood, rice water, etc. The influence of other cultures too began to increase rapidly and the aesthetics of beauty changed drastically.

During the Medieval and Renaissance Eras, along with the popularity of cosmetics, there remained an emphasis on maintaining healthy and natural skin. The goal was to maintain radiant and blemish-free skin.

The Modern Era (19th and 20th Centuries) has witnessed the establishment of several beauty and wellness brands all across the globe, carrying out large-scale production of several beauty products. A few of the prominent brands include Ponds, Loreal, Estee Lauder, and others. The Modern era has also experienced the emergence of several women entrepreneurs like Helena Rubinstein, Elizabeth Arden, and Madam C.J Walker who were passionate beauty enthusiasts offering a wide range of cosmetic and skincare products.

Here, in this 21st century, the skincare industry is now focusing on meeting diverse skin concerns and offering customized solutions. Now social media and other online platforms play an important role in reaching a wider audience and promoting products.

2.1.3 Skincare Market in India

The Indian skincare and beauty market has witnessed impressive growth over recent years. India ranks 4th globally in terms of revenue generated from the sale of beauty and skincare products. Also, India's beauty and personal care sector is growing at 11% and is currently a USD 18 billion market. The growing rate of disposable income, increasing awareness regarding beauty & wellness, and the boom of digital social media platforms have contributed to this drastic growth in the Indian market.
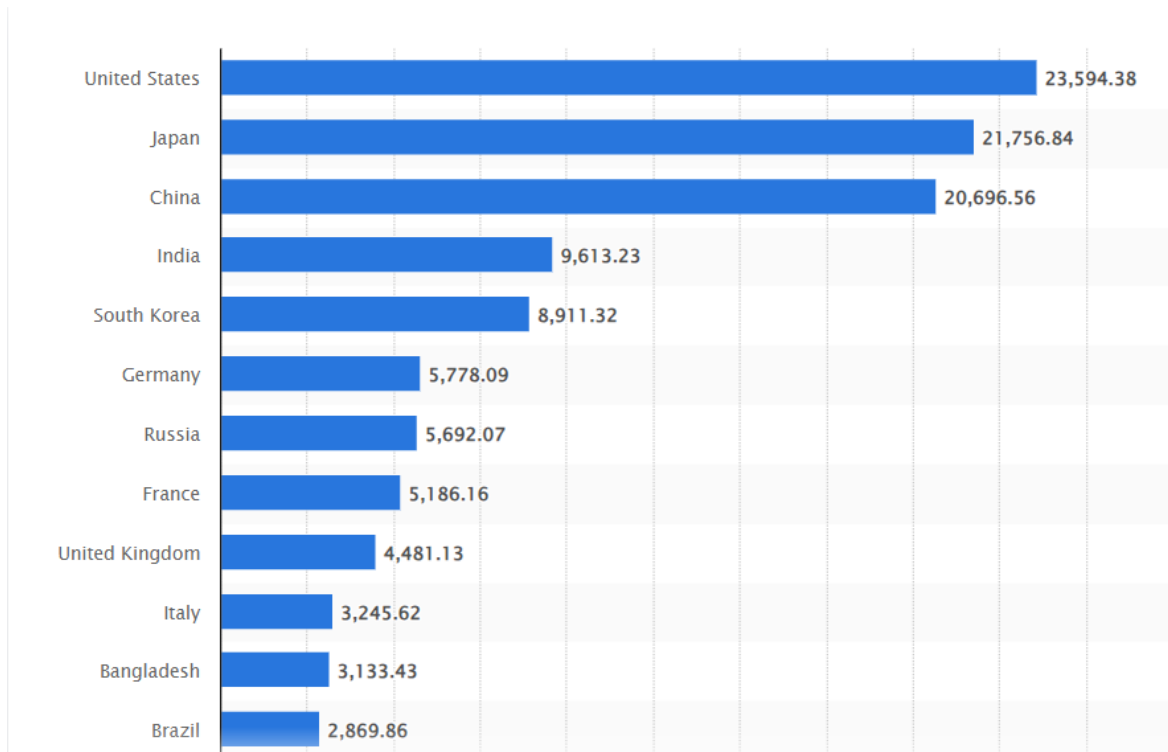
Figure 2.3 Worldwide revenue of the Skincare Market by countries in 2023 (in million U.S. dollars) Source: Statista.com

Due to greater exposure to global beauty brands and beauty trends via social media, there has been a cultural shift toward a focus on stylized grooming and aesthetics. In today's scenario, consumers are now inclined towards goods that cater to their unique needs and requirements. Examples of such products include skincare products formulated for various skin types and treating specific skin concerns like fine lines & wrinkles, dullness, acne, pigmentation etc. There has also been an increased inclination towards eco-friendly and cruelty-free products. In addition to this, a strong influencer culture has emerged as a major force in affecting consumer preferences and choices. Products with natural ingredients, free of harmful chemicals, and manufactured using ethical and sustainable practices are in demand due to the concerns regarding the possibility of negative side effects from synthetic substances and the need for environment-friendly solutions.

Figure 2.4 Indian Skincare Market Size, 2019-2029
Source: TechSciResearch.com

2.1.4 Factors contributed to the growth of the Skincare Market in India

Increased usage of social media platforms has given consumers access to a diverse range of skincare products and information regarding them.

Newly established skincare brands use social media platforms to gain popularity among consumers and keep interacting with them, often encouraging them to make a purchase.

Brands use influencer marketing tactics to promote their products among their target audience and collaborate with popular media figures, who present the information in a persuading manner.

The increase in the number of women in the workplace has also contributed to the tremendous growth of the skincare industry. Working women are now willing to pay more for skincare products to improve their appearance and solve their specific skin concerns.

The introduction of an innovative and organic line of women's skincare products has inspired consumers to buy more of them.
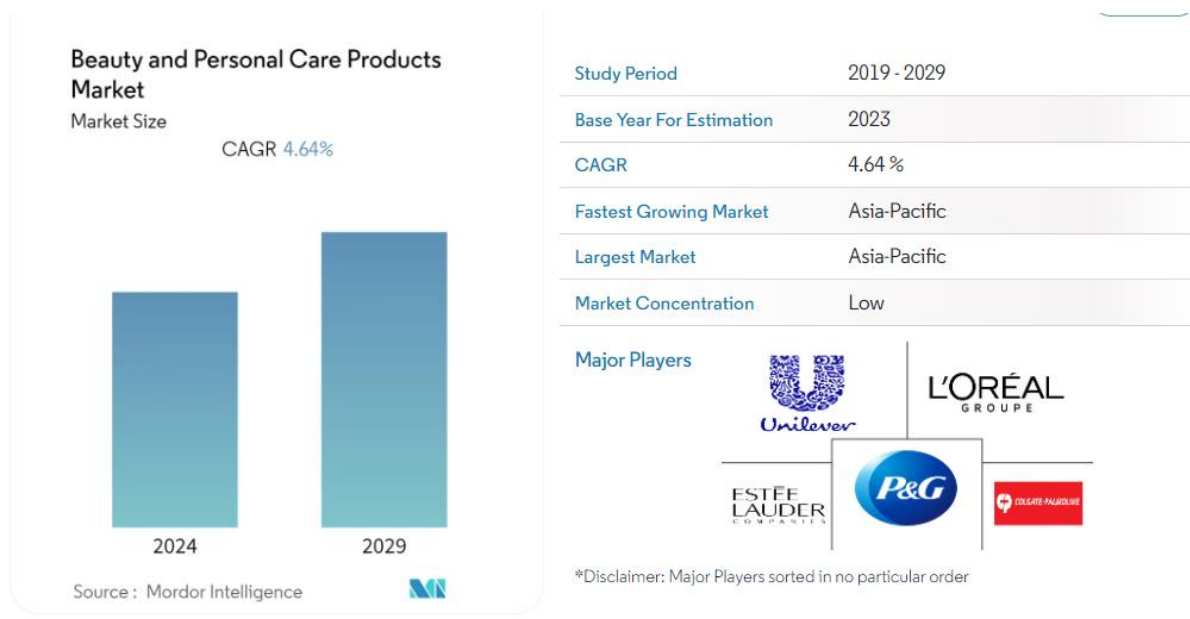
Fig 2.5 Indian Beauty and Personal Care Products Market Size Comparison
Source: MordorIntelligence.com

2.1.5 Top 10 Skincare Brands in India (as of 2023)

2.1.5.1 Lotus Herbals

Lotus Herbals is an Indian personal and skincare brand founded in the year 1993. They're known for their natural and herbal formulations, catering to various skincare and haircare needs. Lotus Herbals emphasizes more on delivering products that are made using natural ingredients and botanical extracts. Their products are widely available in India at very affordable rates.

2.1.5.2 Biotique

Biotique is an Indian skincare brand founded in the year 1992. The brand is known for its skincare and haircare products made from natural ingredients and Ayurvedic product formulations. Its product line ranges from skincare products, haircare, and body care products, made with natural ingredients like fruits, herbs, and flowers. The brand uses recycled packaging and sources its ingredients from sustainable materials.

2.1.5.3 MamaEarth

MamaEarth is an Indian beauty and personal care company founded in the year 2016 by Varun Gupta and Ghazal Aggarwal. The company was started to provide toxins-free products to babies and mothers but slowly expanded its product lines to cater to the needs of wider consumers, facing different skin concerns. They have a wide range of product categories, i.e., skincare, makeup, haircare, and baby care products.

2.1.5.4 Cetaphil

Cetaphil is a dermatologist-recommended skincare brand in India that offers a wide array of products for all skin types, especially for those with sensitive skin. Their products are formulated to be gentle and non-irritating, making them a good choice for people with conditions like eczema, psoriasis and rosacea. Their cleansers are known for being gentle and effective at removing dirt, oil and makeup without stripping the skin from its natural oils.

2.1.5.5 Kama Ayurveda

Kama Ayurveda is a high-end skincare brand that combines the ancient wisdom of Ayurveda with modern techniques to provide premium quality skincare products. The brand uses pure and natural ingredients to create their formulations, ensuring that their products are effective while being gentle on the skin. The brand's product range includes facial care, body care, hair care, and wellness products, each formulated to address specific skincare concerns. All their products are free from harmful chemicals such as parabens, sulfates, and mineral oils, making them ideal for sensitive skin.

2.1.5.6 Forest Essentials

Forest Essentials is a luxury skincare brand that combines traditional Ayurvedic beauty rituals with modern-day techniques. The brand has a strong focus on natural and pure ingredients, and its products are made using traditional recipes and methods, ensuring that they retain their natural goodness and effectiveness. Each product is made with natural and pure ingredients

that are sourced locally, and the brand places great emphasis on using sustainable and ethical practices throughout their supply chain.

2.1.5.7 Plum

Plum is a vegan skincare brand that is committed to creating affordable and effective skincare products that are free from harmful chemicals. The brand's products are made with natural and organic ingredients and are free from parabens, phthalates, and SLS, making them safe and gentle for all skin types. Plum is a brand that prioritizes sustainability and is committed to reducing its environmental footprint. Their products are packaged in eco-friendly materials, and the brand uses recycled paper for their packaging and labels.

2.1.5.8 Himalaya Herbals

Himalaya Herbals is a trusted brand that has been offering natural and effective skincare solutions for over 80 years. The brand is well-known for their use of ayurvedic ingredients in their products, which are safe and gentle on the skin. Their skincare range include products for all skin types, including cleansers, toners, moisturizers, and face masks. Himalaya Herbals' products are formulated with a combination of natural ingredients like neem, turmeric, aloe vera, and saffron.

2.1.5.9 VLCC

VLCC is an Indian skincare brand that offers a wide range of beauty and wellness products, including a comprehensive skincare line. They position themselves as an expert in skincare, formulating their products with a blend of Ayurvedic ingredients and scientific research. VLCC have been successful in combining traditional wisdom with modern scientific research to create effective skincare and beauty products.

2.1.5.10 Minimalist

Minimalist is a skincare brand that offers a curated range of high-performance, science-backed skincare products formulated with active ingredients to target specific skin concerns. Their philosophy revolves around minimalism, offering effective products without unnecessary frills. They offer high-quality skincare products at competitive prices, making them a good option for those looking for effective, yet budget-friendly skincare.

2.1.6 Trends in the Skincare Industry

- Indian consumers now view skincare as a "mandatory ritual" in their day-to-day lives and for their general well-being. Consumers always opt for the best when it comes to skincare, so the majority of the skincare giants have launched products with innovative formulations that suit almost every skin type and address every skin concern.

- Consumers are increasingly seeking skincare products formulated with organic and clean ingredients, free from potentially harmful chemicals and other toxins. There's a growing importance of sustainability with customers shifting towards eco-friendly practices, cruelty-free products and brands committing to reduce carbon footprints.

- Sunscreens are no longer used just as cream. In 2022, mCaffeine launched Coffee Powder Sunscreen, which is India's first powdered sunscreen. The sunscreen offers the benefits of coffee and caffeine, and they provide 8 hours of protection from harmful UVA & UVB rays.

- As a result of increased usage of digital gadgets for remote work, online classes, virtual meetings, and other increased exposure to lengthy screen time, there has been a rising concern about the possible side effects of blue-light exposure on skin health. To address this, skincare brands have come up with products that are rich in antioxidants and blue-light-blocking compounds.

- Demand for skincare products and brands that promote a variety of skin tones, races, and ethnicity is developing. These skincare brands are often expected to celebrate and support diversity and inclusivity. For this purpose, brands have started expanding their shade ranges

to suit every skin tone, launch inclusive marketing campaigns and encouraging diversity in their product lines.

- The influence and popularity of skincare products and ideologies that originated in South Korea, also known as K-beauty has been increasingly prominent worldwide, capturing the attention of consumers with its innovative formulas and product textures, unique ingredients and multi-step skincare routines.

- Millennials and Gen Z are taking a preventive approach to aging. There has been a rising demand for anti-aging products in the market and brands have started to prioritize ingredients like retinol and peptides in all their products for anti-aging treatments to reduce early signs of aging.

- Personalized skincare solutions based on each person's tastes, concerns, and skin type are becoming more and more common. Skincare brands are using AI-automated algorithms to provide personalized skincare regimens and product recommendations based on environmental factors, lifestyle choices and skin types.

2.1 .7   Challenges faced by the Skincare Industry in India

- Price sensitivity among Indian consumers can be a hindrance to the adoption of high-quality skincare products. Many consumers prioritize affordability and value for money when purchasing a skincare product, making it difficult for the brands to charge more for superior formulations or imported products.
- The skincare market is highly competitive due to the growth of several domestic and international brands. As new competitors enter into the market, the competition heats up, triggering price wars, promotions and aggressive marketing strategies.
- For authentic brands, the existence of fraudulent skincare products in the market is a serious challenge. Not only the counterfeit products damage consumer confidence, but they also it affect the brand's revenue growth and reputation. To protect their rights to intellectual property and assure the authenticity of products, skincare brands must imply strong anti-counterfeiting operations.

- Another noteworthy issue in India is the lack of knowledge and awareness on skincare procedures and the actual benefits of these skincare products. Majority of these consumers may not be aware of their skin types, their skin concerns, or how important it is to use the right products and follow the right routines.

- Cultural norms and preferences influence skincare trends and product preferences in India. Factors such as traditional beauty rituals, Ayurvedic skincare practices, and regional variations in skincare habits can impact consumer behavior and product acceptance. Skincare companies need to adapt their marketing strategies and product offerings to align with cultural preferences and sensitivities.

2.2 COMPANY PROFILE

2.2.1 MAJOR PLAYERS IN THE INDIAN SKINCARE MARKET

2.2.1.1 Hindustan Unilever Ltd.

Hindustan Unilever Limited (HUL) is a British-owned Indian goods company headquartered in Mumbai. It is a subsidiary of the British company Unilever. Its products include foods, beverages, cleaning agents, personal care products, water purifiers, and other fast-moving consumer goods (FMCGs). A few of the prominent skincare brands under HUL include Lakme, Dove, Pond's, Glow & Lovely, etc. HUL is constantly innovating its skincare products to meet the evolving demands of Indian consumers. They've also started shifting their focus to digital marketing and e-commerce channels to reach their wider customers. In 2023, HUL's Beauty and Personal Care (BPC) segment witnessed double-digit competitive growth. Two of HUL's skincare brands, Lux and Pond's crossed the Rs.2000 crore turnover in FY'23.

2.2.1.2 L'Oreal India Pvt Ltd.

L'Oreal India Pvt Ltd is a subsidiary of L'Oreal SA, the world's largest cosmetics and beauty manufacturer and retailer. Founded in the year 1909, L'Oreal SA has a long history of innovation and leadership in the beauty industry. The company entered in the Indian market in the 1990s and has since become one of the key players in the Indian skincare segment. Few of the brands under them include L'Oreal Paris, Garnier, Maybelline New York, and L'Oreal

Professional. L'Oreal has a strong marketing and distribution network, reaching its huge customer base through both online and offline channels. The company's total revenue from the operations stood at Rs 4952.5 crore in the fiscal 2023 as compared to Rs 3717.1 crore in the previous fiscal. Meanwhile, the net profit of the company grew by 16.79% to Rs 488.3 crore in FY23 against Rs 418.1 crore in the previous fiscal.

2.2.1.3 Johnson & Johnson Pvt Ltd.

Johnson & Johnson Pvt Ltd is the Indian subsidiary of Johnson & Johnson Consumer Health, a global leader in consumer wellness products. While J&J is known for its pharmaceutical and medical device businesses, the Consumer Health segment holds a significant position with its skincare offerings. A few of the prominent skincare brands under J&J include Neutrogena, Clean & Clear, Lubriderm, etc. These skincare brands focus on specific skin concerns, offering targeted product lines for issues like acne, hydration, and sun protection. All the J&J skincare products are widely available in the Indian market through pharmacies, specialty stores, supermarkets, and online retailers. Johnson & Johnson's operating revenues range is Over INR 500 cr for the financial year ending on 31 March 2023. Its EBITDA has increased by 17.18 % over the previous year.

2.2.1.4 Emami Ltd

Founded in 1984, Emami Ltd is an Indian FMCG company with a robust skincare segment. Emami's skincare segment boasts several popular brands, each catering to specific needs and demographics. A few of the brands include Fair & Handsome which focuses on men's skincare, BoroPlus to treat various skin concerns like dryness and irritation, Navratna Cool which is body cooling powder brand and lastly Ameteiz, which offers anti-aging serums and creams. Emami's skincare segment prioritizes affordability and accessibility, making its products suitable for a wide range of consumers in India. The revenue generated by Emami Ltd in FY'23 was approximately 34 billion INR.

2.2.1.5 Himalaya Wellness Company Pvt Ltd

Himalaya Wellness Company is an Indian multinational personal care and pharmaceutical company based in Banglore. It produces personal care and health products with herbal ingredients. It was originally established by Muhammed Manal in Dehradun in 1930. They

offer a diverse range of skincare products that address specific skin concerns like acne, pigmentation, dull spots, etc. Their products are available in over 100 countries, making them a familiar brand for international consumers seeking natural skincare options. Himalaya utilizes a mix of marketing strategies, including TV commercials, print advertising, and digital marketing campaigns. They have generated an overall revenue of 40.2 billion INR in FY'23.
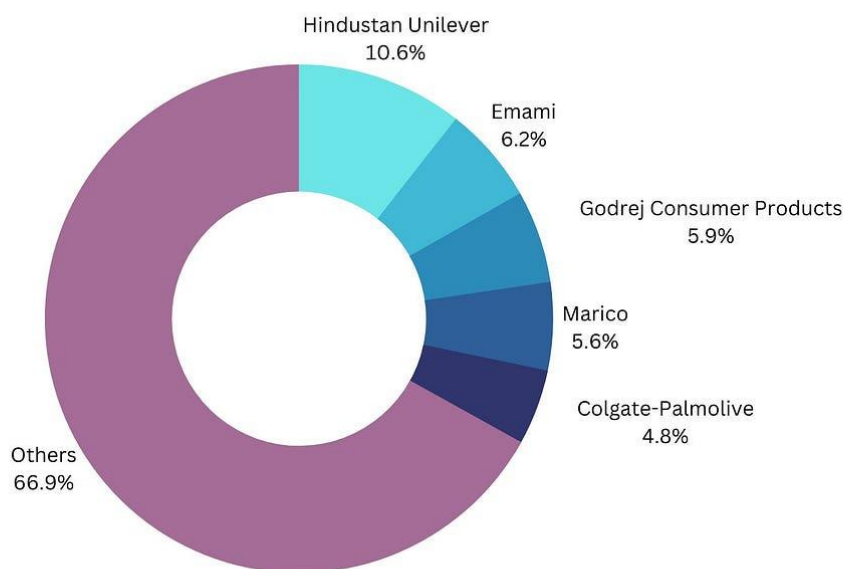
Figure 2.6 Market share of Skincare Industry players in India as of 2023

Source: (Nandankar, 2023)

2.3 PRODUCT PROFILE

The products under skincare are subdivided into several categories like cleansers/face washes, moisturizers, sunscreens, facial serums and more. Few of them are listed below:

2.3.1 Cleansers / Face Washes

Cleansers are products that remove dirt particles, sweat, oil, dead skin cells and other impurities from the skin. They are an essential part of any skincare routine as they help to keep the skin clean and healthy. There are different types of cleansers available in the market that are formulated for a specific skin type. Few of the common types of cleansers include

cream cleansers, foaming cleansers, gel cleansers, micellar water, oil cleansers, etc. Consumers need to choose the right cleanser for their respective skin types. Using cleansers in the daily routine helps the skin to be clean, healthy, and well-maintained.

2.3.2 Moisturizers

Moisturizers are specialized skincare products designed to hydrate and lock the moisture of the skin. They work by addressing the skin's natural moisture barrier, which can get compromised due to various factors. Moisturizers contain ingredients that attract and retain water in the skin's outer layers. This helps to prevent dryness, flakiness, and itchiness. Moisturizers create a protective barrier on the skin's surface which prevents transepidermal water loss(TEWL). It can also soothe irritation, improve skin texture, and target early signs of aging.

2.3.3 Sunscreens

Sunscreens are essential for protecting the skin from the harmful effects of the sun's UV rays. They absorb or reflect UV rays, preventing them from penetrating the skin. Sunscreens are labeled with an SPF(Sun Protection Factor) number that indicates their effectiveness against UV rays. Higher SPF means greater protection. Including sunscreens in the skincare routine helps reduce the risk of sunburn, premature aging, and skin cancer. Sunscreens are available in the form of lotions, gels, creams, sprays, powders, and sunscreen sticks depending on one's skin type and preferences.

2.3.4 Serums

A facial serum is a lightweight, concentrated skincare product designed to deliver a high dose of specific active ingredients to target various skin concerns. Serums have smaller molecules as compared to moisturizers, allowing them to penetrate the skin's layers. Serums address a variety of skin concerns including:

- Hydration (hyaluronic acid)
- Fine lines and wrinkles (retinol, peptides)
- Uneven skin tones (Vitamin C, AHAs)
- Acne (Salicylic acid)

2.3.5 Exfoliators and Masks

Exfoliators are products that help individuals to get rid of dead skin cells from the skin's surface. This helps the skin to improve its texture, brightens the skin, and allows better penetration of other skincare products. Masks are products that deliver a concentrated dose of active skin ingredients to address specific skin concerns. There are several forms of masks available in the market like clay masks, sheet masks, peel-off masks, gel masks, etc.
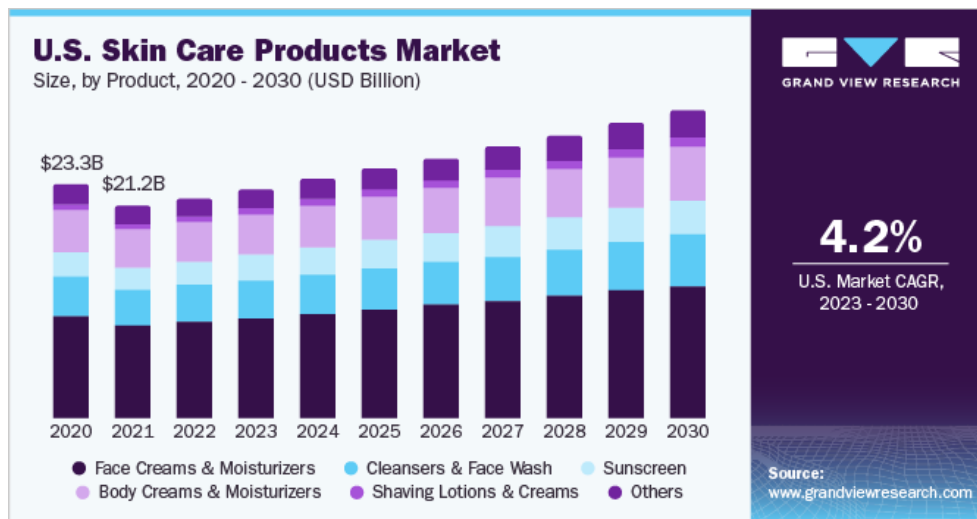
Figure 2.7 Product-wise Skincare Market Share 2020-2030
Source: grandviewreasearch.com

CHAPTER – 3
DATA ANALYSIS AND INTERPRETATION

3.1 DESCRIPTIVE STATISTICS - RESPONDENT'S PROFILE

3.1.1 Demographic details of the respondents

Table 3.1.1 AGE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	17-20 years	18	23.4	23.4	23.4
	21-24 years	33	42.9	42.9	66.2
	25-30 years	13	16.9	16.9	83.1
	Above 30 years	13	16.9	16.9	100.0
	Total	77	100.0	100.0	

3.1.1 Graph (Age of the respondents)
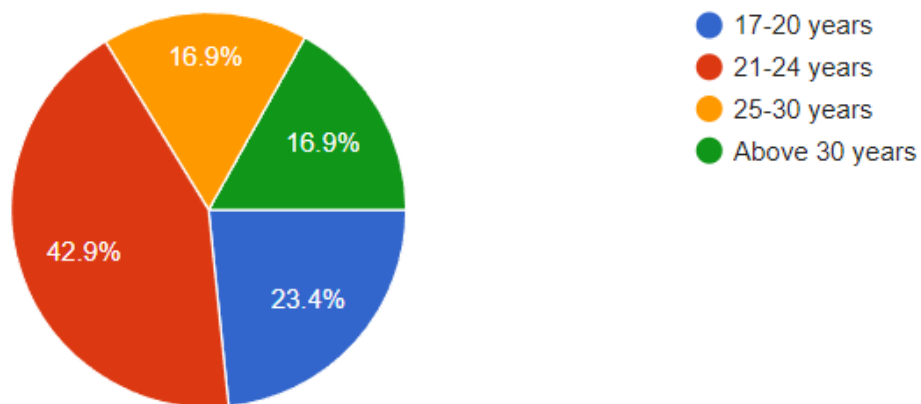
Table 3.1.2 GENDER

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	6	7.8	7.8	7.8
	Female	71	92.2	92.2	100.0
	Total	77	100.0	100.0	

3.1.2 Graph (Gender of the respondents)
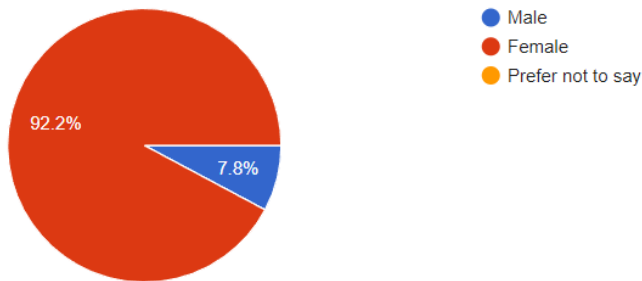
AGE AND GENDER: To understand the demographic details of the respondents, their age group and gender were taken into consideration. From the data obtained, it was evident that females are more inclined towards skincare products and are more active users than males. The percentage shows 92.2% females and 7.8% males.

In the age category, individuals that comes under the category of 21-25 years are the most active skincare users followed by people belonging to the age group of 17-20 years.

Table 3.1.3 EMPLOYMENT STATUS OF THE RESPONDENTS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Student	44	57.1	57.1	57.1
	Working Professional	27	35.1	35.1	92.2
	Freelancer / Self-Employed	2	2.6	2.6	94.8
	Homemaker	3	3.9	3.9	98.7
	Retired	1	1.3	1.3	100.0
	Total	77	100.0	100.0	

3.1.3 Graph (Employment Status of the Respondents)

Legend:
- Student
- Working Professional
- Freelancer / Self-Employed
- Homemaker
- Retired
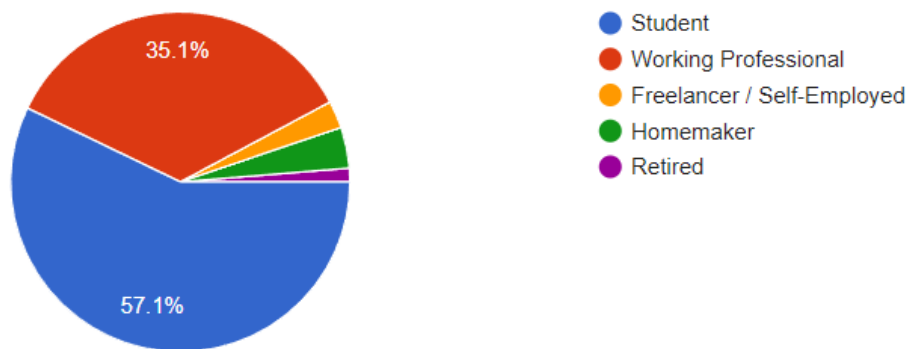
Table 3.1.4 ANNUAL INCOME (IN INR)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 2 lakhs	15	19.5	19.5	19.5
	2-4 lakhs	17	22.1	22.1	41.6
	4-6 lakhs	11	14.3	14.3	55.8
	6-8 lakhs	10	13.0	13.0	68.8
	8-10 lakhs	10	13.0	13.0	81.8
	Above 10 lakhs	14	18.2	18.2	100.0
	Total	77	100.0	100.0	

3.1.4 Graph (Annual Income in INR of the Respondents)

Legend:
- Less than 2 lakhs
- 2-4 lakhs
- 4-6 lakhs
- 6-8 lakhs
- 8-10 lakhs
- Above 10 lakhs
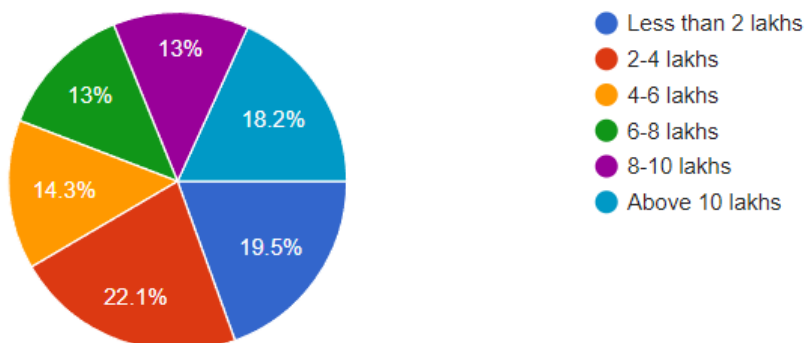
EMPLOYMENT STATUS AND ANNUAL INCOME OF THE RESPONDENTS

To understand the purchase intention and willingness to pay (WTP) for skincare products, the employment status and annual income of the respondents were taken into consideration. Employment status and annual income of an individual are crucial indicators to understand their purchasing power and WTP. It also helps in determining the price sensitivity of individuals towards skincare products, which in turn affects their WTP as well. From the data obtained, it was evident that the majority of the respondents were students (57.1%), followed by working professionals and freelancers.

In the annual income category, respondents with Rs.2-4 LPA are more (22.1%), followed by respondents with less than Rs.2 LPA (19.5%).

3.2 GRAPHICAL REPRESENTATION OF RESPONSES

Figure 3.2.1 – Graph - Average amount spent in a month by respondents for skincare
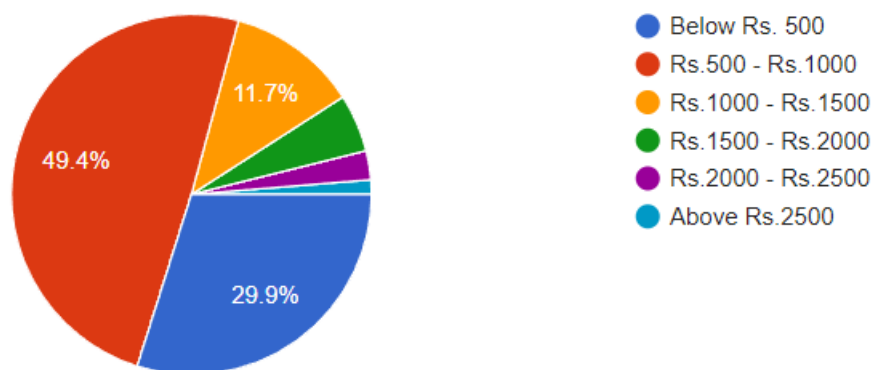
The above figure represents the amount spent by respondents in a month. As shown in the graph, the majority of the respondents (49.4%) spend approximately Rs.500-1000 in a month for purchasing skincare products, followed by respondents who spend below Rs.500 in a month (29.9%).

QUALITY PERCEPTIONS

Table 3.2.1 Responses on Quality Perceptions

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree	
QP_1	0.0%	0	1.3%	1	13.0%	10	41.6%	32	44.2%	34
QP_2	1.3%	1	10.4%	8	18.2%	14	50.6%	39	19.5%	15
QP_3	0.0%	0	5.2%	4	24.7%	19	41.6%	32	28.6%	22
QP_4	0.0%	0	1.3%	1	6.5%	5	42.9%	33	49.4%	38
QP_5	0.0%	0	1.3%	1	7.8%	6	44.2%	34	46.8%	36
QP_6	0.0%	0	5.2%	4	16.9%	13	46.8%	36	31.2%	24

Figure 3.2.2 – Graphical representation of Quality Perceptions among consumers towards Skincare products.
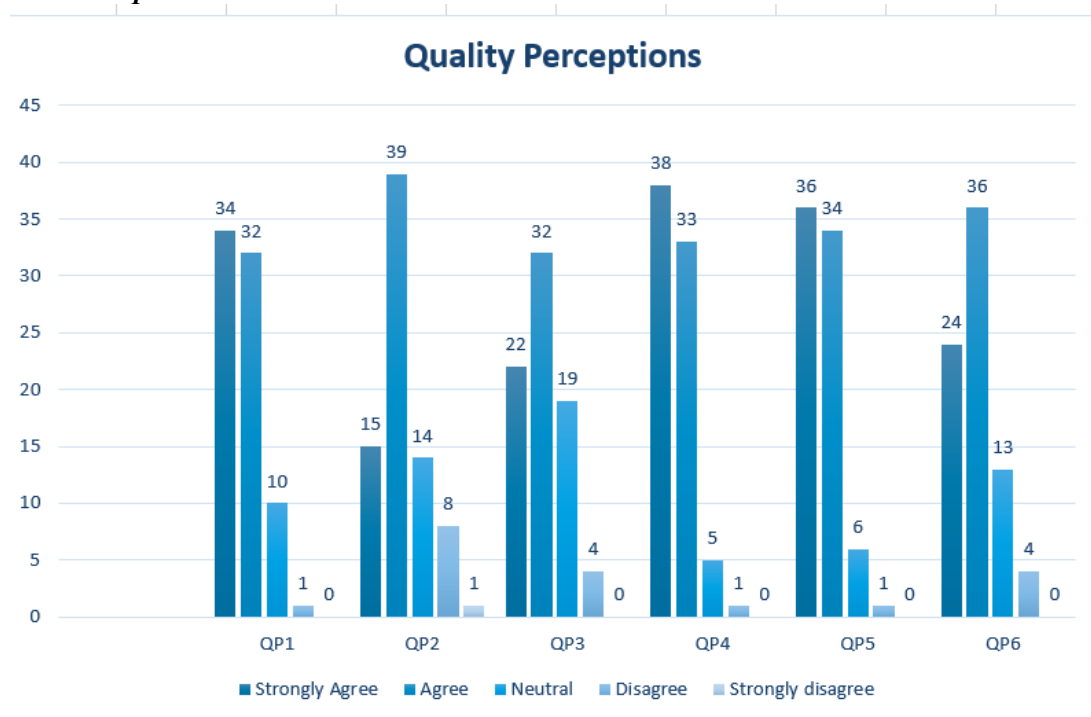
(Where,

QP1 - I make a deliberate effort to buy the best quality skincare products.

QP2- I find the packaging and presentation of skincare products to be important.

QP-3 I prioritize natural/organic ingredients when considering the quality of skincare products.

QP-4 I always rely on personal experiences or recommendations from others when assessing the quality of a skincare product.

QP-5 I find the safety aspects of skincare products to be important. (i.e: paraben-fee, sulphate -free etc)

QP-6 I prioritize on brand reputation to determine the quality of skincare products.)

The above graph represents the quality perceptions of individuals they possess towards skincare products. Here, the respondents have recorded their degree of agreement and disagreement towards the statements related to quality perceptions on a 5-point Likert scale. From the graph, it is evident that consumers prioritize quality, safety aspects (paraben & other toxins-free) and testimonials from other customers over the physical aspects of the products.

BRAND IMAGE

Table 3.2.2 Responses on Brand Image

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree	
BI_1	0	0.0%	1	1.3%	10	13.0%	38	49.4%	28	36.4%
BI_2	0	0.0%	6	7.8%	22	28.6%	32	41.6%	17	22.1%
BI_3	0	0.0%	12	15.6%	25	32.5%	28	36.4%	12	15.6%
BI_4	0	0.0%	0	0.0%	5	6.5%	21	27.3%	51	66.2%
BI_5	0	0.0%	2	2.6%	12	15.6%	32	41.6%	31	40.3%
BI_6	3	3.9%	9	11.7%	31	40.3%	22	28.6%	12	15.6%

Figure 3.2.3 Graphical representation of Consumer's perceptions towards a Skincare brand.
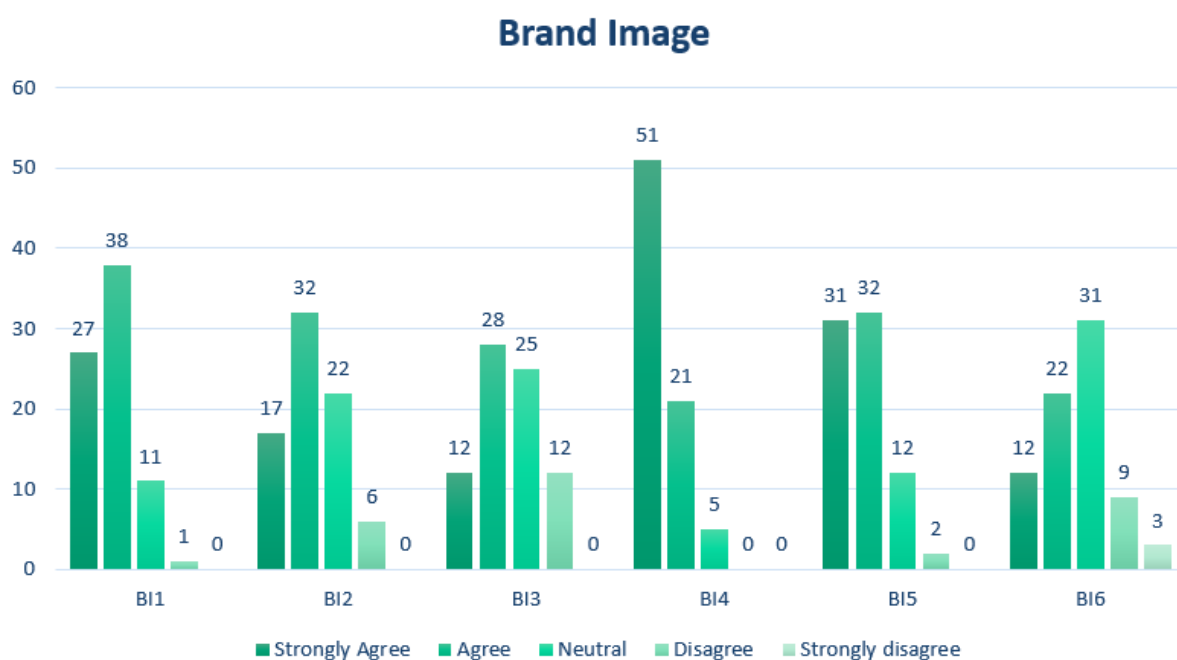
(Where,

BI1 - I always consider the reputation of a skincare brand before purchasing.

BI2- I associate higher quality with skincare products from a well-known brand.

BI3- The brands with positive image make me feel that their prices are justified.

BI4- I strongly believe that it is important for the brands to be transparent about the ingredient list and disclose all relevant information.

BI5- Any negative event or controversy associated with the brand can impact my perception towards it.

BI6- I am willing to pay an extra amount for skincare products from a well-established brand.)

The above graph represents the perceptions of individuals they have towards several skincare brands. Here, the respondents have recorded their degree of agreement and disagreement towards the statements related to brand image on a 5-point Likert scale. It is identified that consumers expect brands to be transparent about all the relevant information about the products, besides their scientific claims and other promotional efforts. Consumers also emphasis on brand reputation to form quality perceptions.

INFLUENCER CREDIBILITY

Table 3.2.3 Responses on Influencer Credibility

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree	
IC_1	3	3.9%	12	15.6%	17	22.1%	32	41.6%	13	16.9%
IC_2	11	14.3%	24	31.2%	29	37.7%	10	13.0%	3	3.9%
IC_3	14	18.2%	20	26.0%	19	24.7%	19	24.7%	5	6.5%
IC_4	14	18.2%	22	28.6%	28	36.4%	13	16.9%	0	0.0%
IC_5	7	9.1%	21	27.3%	23	29.9%	23	29.9%	3	3.9%
IC_6	4	5.2%	5	6.5%	21	27.3%	31	40.3%	16	20.8%
IC_7	2	2.6%	2	2.6%	14	18.2%	18	23.4%	41	53.2%

Figure 3.2.4 – Graphical representation of perceptions among consumers regarding beauty Influencers on social media platforms.
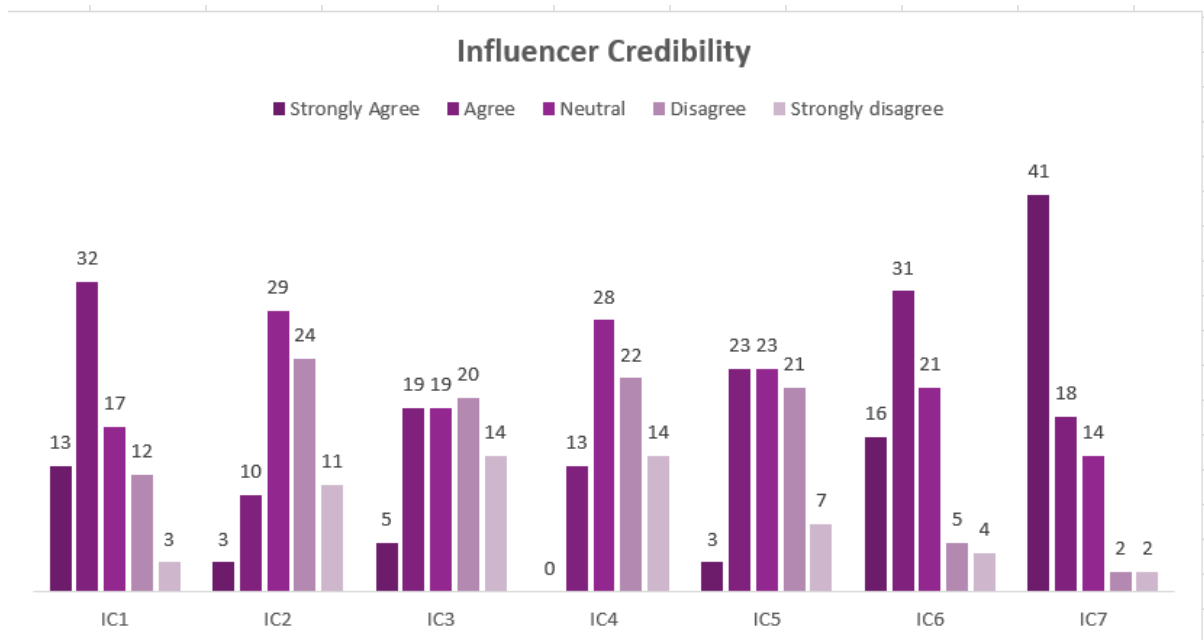
(Where,

IC1- I always come across skincare product recommendations from influencers in various social media platforms.

IC2- I consider beauty influencers with large number of followers to be credible and trustworthy.

IC3- I have purchased skincare products solely based on a beauty influencer's recommendation.

IC4- I find the beauty influencers credible as much as skincare professionals and other beauty experts.

IC5- I perceive the influencer to be trustworthy based on their content quality.

IC6- I find it difficult to distinguish between genuine feedbacks and sponsored content on social media.

IC7- I believe that influencers must be transparent about sponsored contents in building trust with their audience.)

The above graph represents the impression of individuals they have towards beauty influencers on social media. Here, the respondents have recorded their degree of agreement and disagreement towards the corresponding statements on a 5-point Likert scale. It is observed that the majority of consumers are influenced by the beauty content created by social media influencers, and form purchase decisions accordingly. Consumers often expect beauty influencers to maintain transparency to build credibility and trust.

WILLINGNESS TO PAY

Table 3.2.4 Responses on Consumer Willingness to Pay

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree	
WTP_1	0	0.0%	4	5.2%	14	18.2%	41	53.2%	18	23.4%
WTP_2	1	1.3%	2	2.6%	14	18.2%	30	39.0%	30	39.0%
WTP_3	0	0.0%	1	1.3%	16	20.8%	29	37.7%	31	40.3%
WTP_4	10	13.0%	31	40.3%	28	36.4%	8	10.4%	0	0.0%
WTP_5	1	1.3%	3	3.9%	15	19.5%	32	41.6%	26	33.8%
WTP_6	4	5.2%	4	5.2%	28	36.4%	34	44.2%	7	9.1%
WTP_7	0	0.0%	0	0.0%	8	10.4%	18	23.4%	51	66.2%

Figure 3.2.5 Graphical representation of Consumer's overall Willingness to Pay for Skincare products.
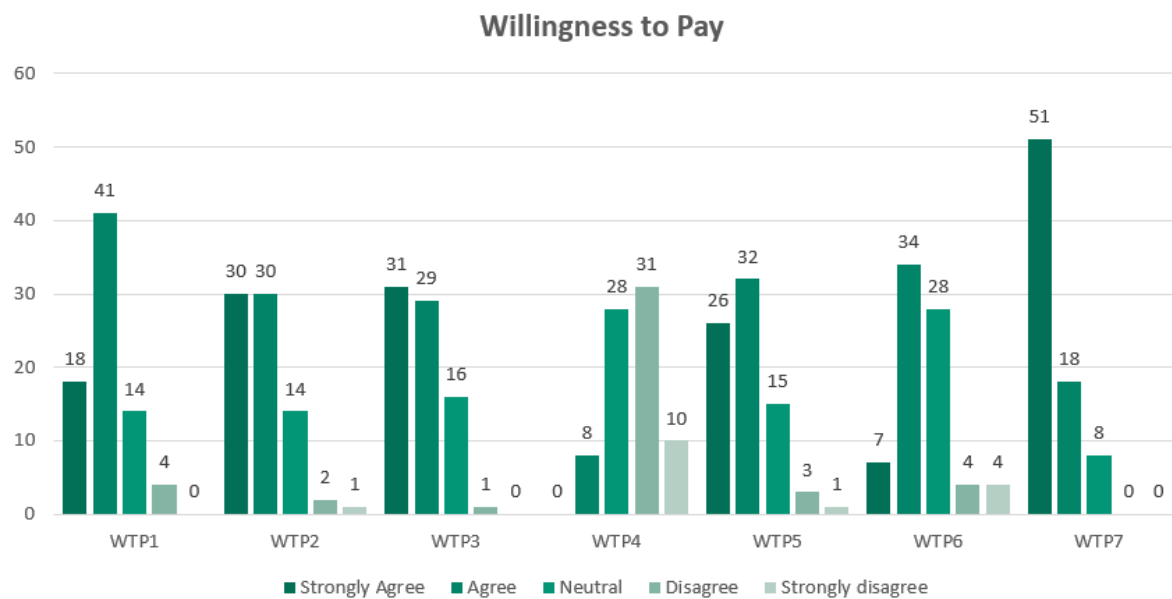
(Where,

WTP1- I am more likely to be price-sensitive while opting for a new/unfamiliar brand.

WTP2- I have delayed/avoided purchasing a skincare product because of its price.

WTP3- I am more likely to purchase skincare products during a sale when prices are lower.

WTP4- I am more likely to purchase a product recommended by beauty influencers even if it's expensive.

WTP5- I am willing to invest more in products tailored to my specific skin concern. (i.e, oily, combination, sensitive etc)

WTP6- The brand reputation affect my willingness to pay a higher price for skincare products.

WTP7- I am willing to re-purchase a skincare product if it consistently delivers positive results.)

The above graph represents the overall WTP of consumers. Here, the respondents have recorded their degree of agreement and disagreement towards the corresponding statements on a 5-point Likert scale. It is observed that the majority of consumers are price-sensitive when it comes to skincare purchases. Instead of making impulsive purchases, they carefully evaluate the products and only opt for the top-notch. Consumers are willing to pay for goods that are of exceptional quality and continuously produce favorable results.

3.3 HYPOTHESIS TESTING

3.1 Influence of Age and Employment Status on Consumer's Willingness to Pay (WTP).

The researcher sees a possibility of age and employment status having an impact on consumer's WTP. Different age groups have different sets of priorities, preferences and financial constraints that affect their purchase behaviour. Consumers with stable earnings and a higher rate of disposable income are more likely to spend on products that deliver effective results and improve their overall skin health. In addition to this, consumers with stable earnings and a higher rate of disposable income are more likely to spend for products that deliver effective results and improve their overall skin health. Hence, a test was done to check if there's an impact of respondents' age and employment status on their WTP. A one-way ANOVA test was conducted to find whether there is statistical evidence exists to prove the given hypothesis. Therefore, the following hypothesis is proposed:

H1: Age and Employment Status of the Consumers have an impact on their Willingness to Pay.

One-way ANOVA ("analysis of variance") compares the means of two or more independent groups to determine whether there is statistical evidence that the associated population means are significantly different. One-way ANOVA is a parametric test. Here, the age group is taken as the independent variable (17-20 years, 21-24 years, 25-30 years and above 30 years) and WTP as the dependent variable. Below are the table results from running an ANOVA using SPSS software.

Table 3.3.1 (a) ANOVA test results showing the Impact of Age of respondents on their WTP.

Descriptives								
WTP								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
17-20 years	18	3.8810	.59054	.13919	3.5873	4.1746	2.57	4.57
21-24 years	33	3.8571	.44464	.07740	3.6995	4.0148	2.86	4.57
25-30 years	13	3.8132	.51304	.14229	3.5032	4.1232	3.00	4.71
Above 30 years	13	3.6374	.30648	.08500	3.4522	3.8226	2.86	4.14
Total	77	3.8182	.47416	.05404	3.7106	3.9258	2.57	4.71

ANOVA					
WTP					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.546	3	.182	.804	.496
Within Groups	16.541	73	.227		
Total	17.087	76			

From table 3.3.1(a), it is found that there is no significant relationship between the age of the respondents and their WTP as the significant value was 0.496, which is greater than the acceptable value 0.05.

Table 3.3.1 (b) ANOVA test results showing the Impact of Employment Status of respondents on their WTP.

Descriptives								
WTP								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Student	44	3.8929	.49786	.07506	3.7415	4.0442	2.57	4.57
Working Professional	27	3.6667	.43222	.08318	3.4957	3.8376	2.86	4.71

Freelancer / Self-Employed	2	4.2143	.30305	.21429	1.4915	6.9370	4.00	4.43
Homemaker	3	3.9524	.21822	.12599	3.4103	4.4945	3.71	4.14
Retired	1	3.4286	.	.	.	.	3.43	3.43
Total	77	3.8182	.47416	.05404	3.7106	3.9258	2.57	4.71

ANOVA					
WTP					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.385	4	.346	1.587	.187
Within Groups	15.702	72	.218		
Total	17.087	76			

From table 3.3.1(b), it is found that there is no significant relationship between the Employment Status of the respondents and their WTP, as the significant value was 0.187, which is greater than the acceptable value 0.05.

Therefore, according to the test, it is proved that there is no significant variation in willingness to pay based on the Age & Employment status of the respondents. Regardless of age and employment status, people are willing to pay for various skincare products that are tailored to their skin concerns and get the desired results.

3.3.2 Association of Quality Perceptions on Consumer's WTP for Skincare products.

Quality perceptions play a crucial role in shaping consumer willingness to pay for skincare products. When it comes to skincare, consumers always prefer to use top-quality products due to personal and safety concerns. Building quality perceptions and influencing their willingness to pay more are mostly dependent on the sensory experience, which includes the texture, appearance, and aroma of the product and the packaging. Hence, a test was done to understand the impact of Quality Perceptions on Consumer WTP. A linear regression analysis was done to find whether there is statistical evidence to prove the given hypothesis. The following hypothesis is being proposed by the researcher:

H2: There is a relationship between quality perception & consumer WTP for skincare products.

A simple linear regression measures the relationship between an independent variable and a dependent variable using one straight line. Regression allows you to estimate how a dependent variable changes as the independent variable(s) change. Here, quality perceptions is taken as an independent variable and the consumer's WTP is the dependent variable. Simple linear regression analysis was conducted to evaluate the extent to which Quality Perceptions could influence consumer's WTP for skincare products.

Table 3.3.2 Linear Regression Test results showing the Impact of Quality Perceptions on consumer WTP.

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.207[a]	.043	.030	.46702	2.319
a. Predictors: (Constant), Quality Perception					
b. Dependent Variable: WTP					

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.729	1	.729	3.342	.072[b]
	Residual	16.358	75	.218		
	Total	17.087	76			
a. Dependent Variable: WTP						
b. Predictors: (Constant), QualityPerception						

Coefficients[a]								
		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B	
Model		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1	(Constant)	2.892	.509		5.680	.000	1.878	3.907
	Quality Perception	.224	.123	.207	1.828	.072	-.020	.468

a. Dependent Variable: WTP

A significant regression was found $F(1, 75) = 3.342$, $p = 0.072$.)

The R^2 was 0.043, indicating that Quality Perceptions explained approximately 4.3% of the variance in WTP.

The regression equation is: [WTP] = 2.892 + 0.224 [Quality Perceptions].

That is, for each one unit of increase in Quality Perceptions, the WTP is increased by approximately .22 on a 5-point scale

Figure 3.3.1 Graph representing linear regression between Quality Perception and WTP.
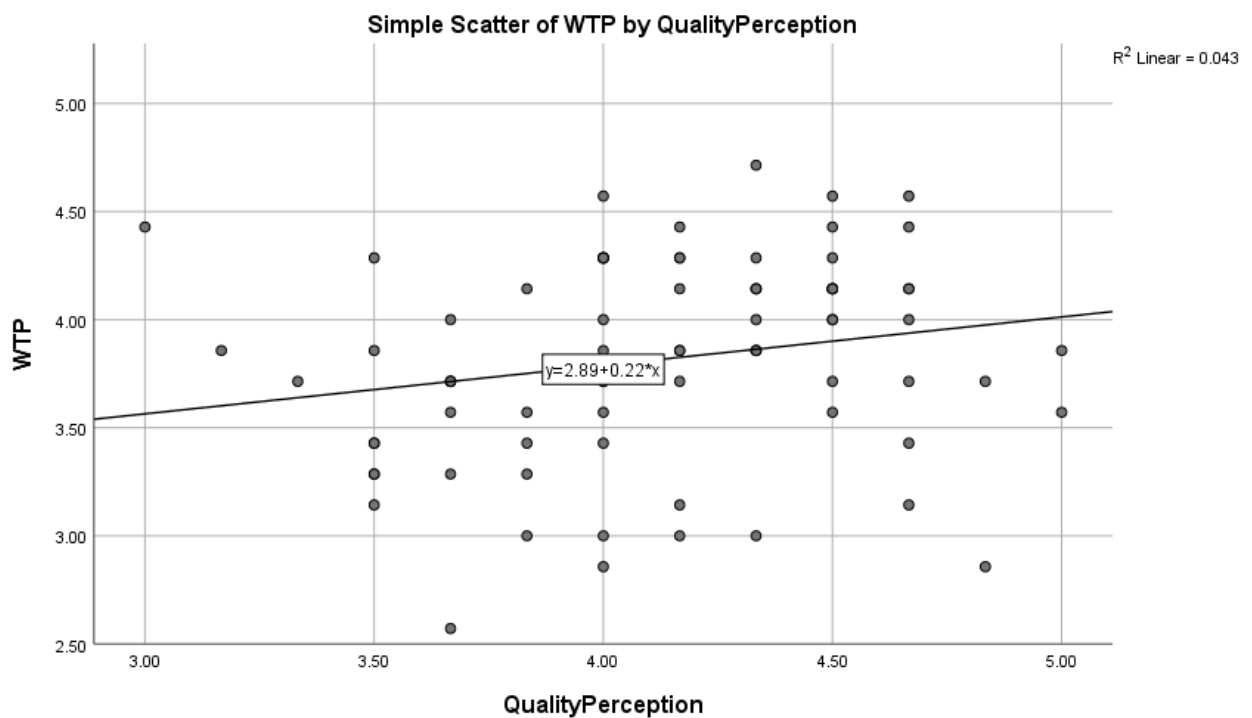
From Table 3.3.2(a), it is found that there is no significant impact of quality perceptions on consumer WTP, as the significance value (p=0.021) is greater than the accepted significance value of 0.05.

Therefore, according to the test, it is proved that there is no significant variation in willingness to pay based on the Quality Perceptions of the respondents, implying that the above hypothesis is rejected. This rejection could imply that factors other than quality perceptions might play an influential role in determining consumer WTP for skincare products. Further study is

recommended to identify the other factors and their impact on consumer WTP in the skincare market.

Hence, we reject the above hypothesis.

3.3.3 Impact of Brand Image on Quality Perceptions towards Skincare products.

The researcher assumes that there is a significant relationship between brand image and quality perception in the skincare industry. Customers frequently base their opinions of quality on a brand's reputation, appearance, and values communicated. Brand image influences consumers' expectations regarding the performance of a product, its reliability, and safety. So, the brands must put in consistent marketing efforts to build trust among consumers, foster brand image, and encourage repurchases. Hence, a test was done to measure the extent to which Brand Image impacts quality perceptions among consumers.

A linear regression analysis was done to find whether there is statistical evidence to prove the given hypothesis. The following hypothesis is being proposed by the researcher:

H3: There is a significant impact of Brand image on Quality perceptions among consumers towards skincare products.

A simple linear regression measures the relationship between an independent variable and a dependent variable using one straight line. Regression allows you to estimate how a dependent variable changes as the independent variable(s) change. Here, brand image is taken as an independent variable and the quality perception is the dependent variable. Simple linear regression analysis was conducted to evaluate the extent to which Brand Image could affect quality perceptions regarding skincare products.

Table 3.3.3 Linear Regression Test results showing the Impact of Brand Image on Quality Perceptions

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.354[a]	.125	.114	.41151

a. Predictors: (Constant), BrndImg

b. Dependent Variable: QualityPerception

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.819	1	1.819	10.739	.002[b]
	Residual	12.700	75	.169		
	Total	14.519	76			

a. Dependent Variable: QualityPerception

b. Predictors: (Constant), BrndImg

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.936	.368		7.979	.000
	BrndImg	.303	.092	.354	3.277	.002

a. Dependent Variable: QualityPerception

A significant regression was found $F(1,75) = 10.739$, $p= 0.002$.

The R^2 was [0.125], indicating that Brand Image explained approximately 12.5% of the variance in Quality Perceptions.

The regression equation is [Quality Perception] = 2.94 + 0.303 [Brand Image].

That is, for each one-unit increase in Brand Image, the Quality Perceptions are increased by approximately .30 on a five point scale.

Confidence intervals indicated that we can be 95% certain that the slope to predict Quality Perceptions from Brand Image is between 0.119 and 0.487.

Figure 3.3.2 Graph representing linear regression between Brand Image and Quality Perception.
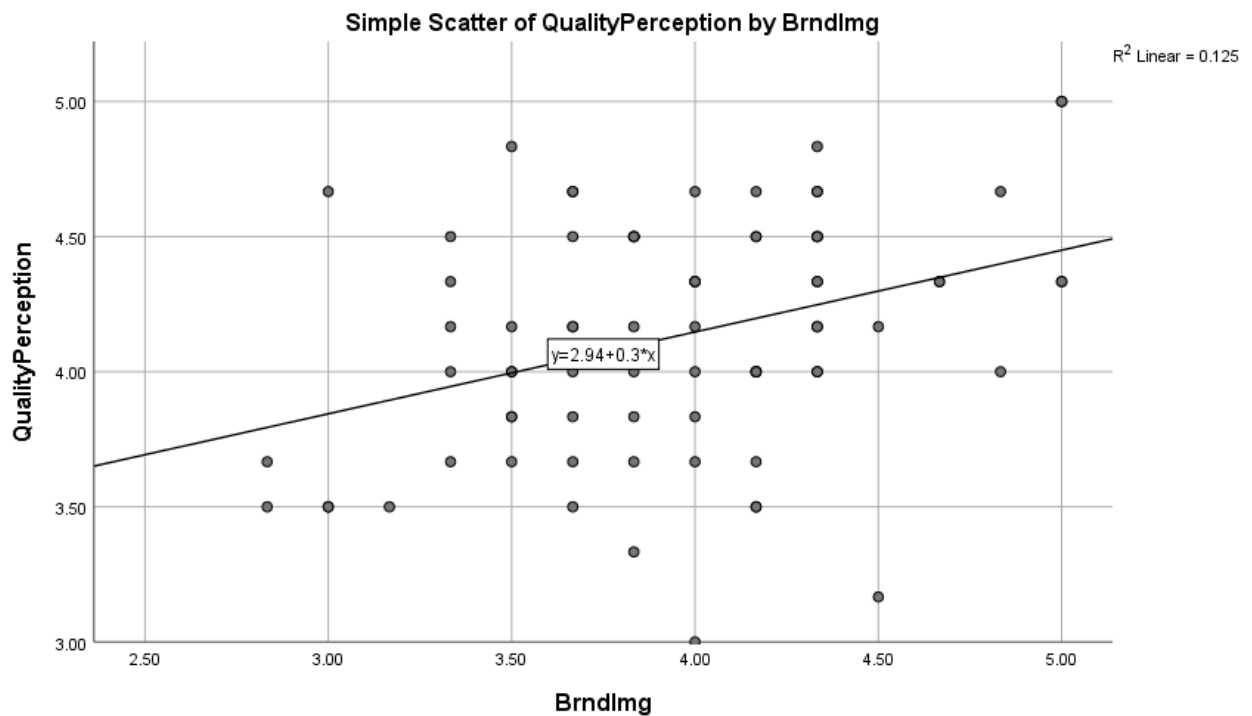
From Table 3.3.3(a), it is found that there is a significant impact of brand image on quality perceptions, as the significance value (p) =0.02, which is less than the accepted significance value of 0.05.

Therefore, according to the test, it is proved that there is a significant variation in Quality Perceptions based on Brand Image among the respondents, implying that the above hypothesis is true. With a 1% increase in the Brand image, the Quality perceptions will increase by 30.3% (B value).

Hence, we accept the above hypothesis.

3.3.4 Impact of Beauty Influencer Credibility on Consumer WTP.

The number of influencers on various social media platforms has expanded dramatically as a result of increasing exposure to and use of these platforms. Beauty influencers have a significant impact on their followers' purchasing behaviour because they are frequently seen as beauty experts by their followers. When beauty influencers deliver their content interestingly and convincingly, customers are more likely to trust it and are consequently more likely to make a buy. Hence, the researcher has proposed the given hypothesis:

H4: Beauty influencer credibility impacts consumer willingness to pay (WTP) for skincare products.

A simple linear regression measures the relationship between an independent variable and a dependent variable using one straight line. Regression allows you to estimate the extent to which an independent variable affects the dependent variable. Here, Influencer Credibility is taken as an independent variable and the consumer's WTP is the dependent variable. Simple linear regression analysis was conducted to evaluate the extent to which Influencer Credibility could influence consumers' WTP for skincare products.

Table 3.3.4 Linear Regression Test results showing the Impact of Influencer Credibility on Consumer WTP.

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.554[a]	.307	.297	.39747	1.914
a. Predictors: (Constant), InflCred					
b. Dependent Variable: WTP					

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.239	1	5.239	33.160	.000[b]
	Residual	11.849	75	.158		
	Total	17.087	76			

a. Dependent Variable: WTP

b. Predictors: (Constant), InflCred

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.680	.203		13.217	.000
	InflCred	.359	.062	.554	5.758	.000

a. Dependent Variable: WTP

A significant regression was found $F(1, 75) = 33.16$, $p = 0.000$).

The R^2 was [0.307], indicating that Influencer credibility explained approximately 31% of the variance in the WTP.

The regression equation is: ([WTP] = 2.68 + 0.36[Influencer credibility])

That is, for each unit of increase in Influencer credibility, the WTP increased approximately by .36 on a five point scale.

Confidence intervals indicated that we can be 95% certain that the slope to predict WTP from Influencer credibility is between 0.235 and 0.483.

Figure 3.3.3 Graph showing the linear regression between Influencer credibility and Consumer WTP.
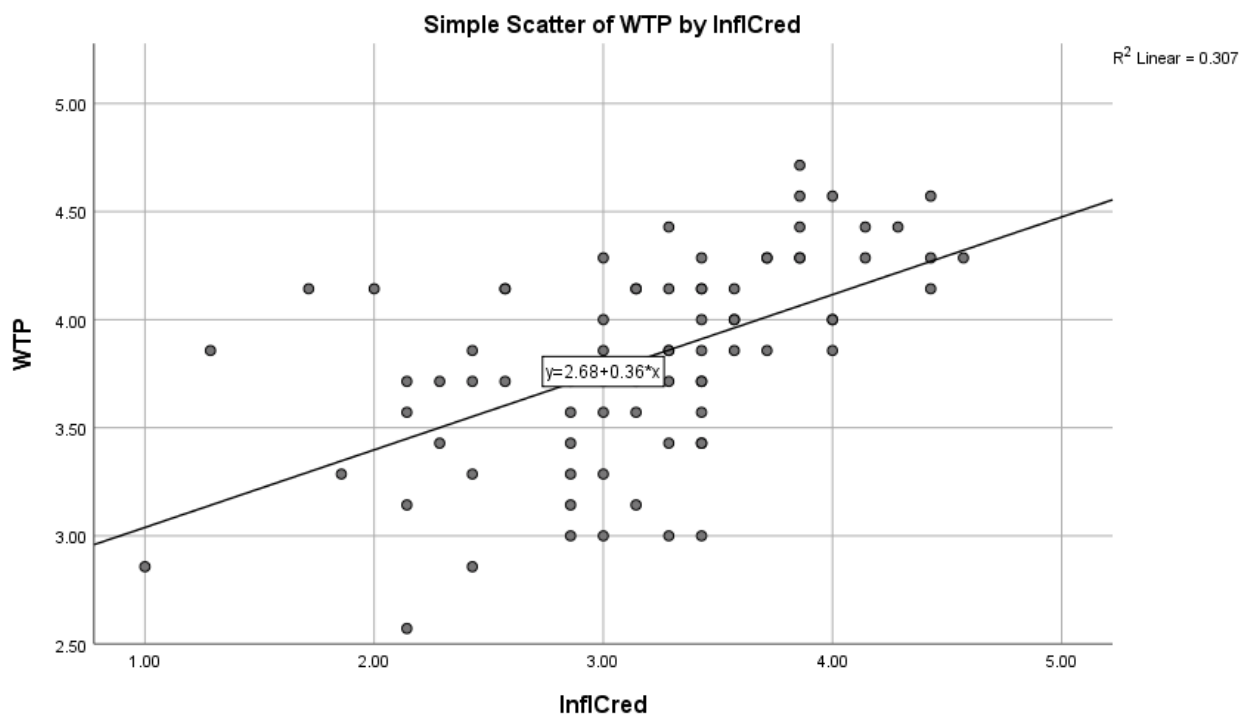
From Table 3.3.4(a), it is found that there is a significant impact of influencer credibility on consumer WTP, as the significance value (p) =0.000, which is lesser than the accepted significance value of 0.05.

Therefore, according to the test, it is proved that there is a significant variation in Consumer WTP, based on Influencer credibility among the respondents, implying that the above hypothesis is true. With a 1% increase in Influencer Credibility, the consumer WTP will increase by 35.9% (B value).

Since credible beauty influencers are recognized as beauty experts, it often boosts the confidence level of the consumers, prompting them to make a purchase.

Hence, we accept the above hypothesis.

3.3.5 Influence of Brand Image on Consumer WTP.

Consumer attitudes, beliefs, perceptions, and ideas associated with a brand comprise its image. Product quality, creative formulas, reliability, and customer satisfaction are just a few of the elements that go into creating a strong and positive brand image, which in turn affects consumers' willingness to pay. Brands with a strong reputation and positive image often demand higher prices, as consumers are willing to pay a premium price for their perceived value and credibility. Based on the above statements, the researcher sees the possibility of brand image having a strong impact on consumer's WTP. Therefore, the given hypothesis is being proposed:

H5: The brand image of skincare products has an impact on customers' willingness to pay.

A simple linear regression measures the relationship between an independent variable and a dependent variable using one straight line. Regression allows you to estimate how a dependent variable changes as the independent variable(s) change. Here, the brand image is taken as an independent variable and the consumer's WTP is the dependent variable. Simple linear regression analysis was conducted to evaluate the extent to which Brand Image could influence consumers' WTP for skincare products.

Table 3.3.5 Linear Regression Test results showing the Impact of Brand Image on Consumer WTP.

Model Summary^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.395^a	.156	.145	.43842

a. Predictors: (Constant), BrndImg

b. Dependent Variable: WTP

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.671	1	2.671	13.897	.000[b]
	Residual	14.416	75	.192		
	Total	17.087	76			

a. Dependent Variable: WTP

b. Predictors: (Constant), BrndImg

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	2.369	.392		6.042	.000	1.588	3.150
	BrndImg	.367	.098	.395	3.728	.000	.171	.563

a. Dependent Variable: WTP

A significant regression was found $F(1,75) = 13.9$, $p = 0.000$. The R^2 was 0.156, indicating that the Brand Image explained approximately 15.6% in the consumer WTP.

The regression equation is ([WTP] = 2.37 + 0.37 [Brand Image]).

That is, for each one-unit increase in Brand Image, the WTP is increased by approximately .37 on a five point scale.

Confidence intervals indicated that we can be 95% certain that the slope to predict WTP from Brand Image is between 0.171 and 0.563.

Figure 3.3.4 Graph showing the linear regression between Brand Image and Consumer WTP.

Simple Scatter of WTP by Brndlmg

R^2 Linear = 0.156

y=2.37+0.37*x
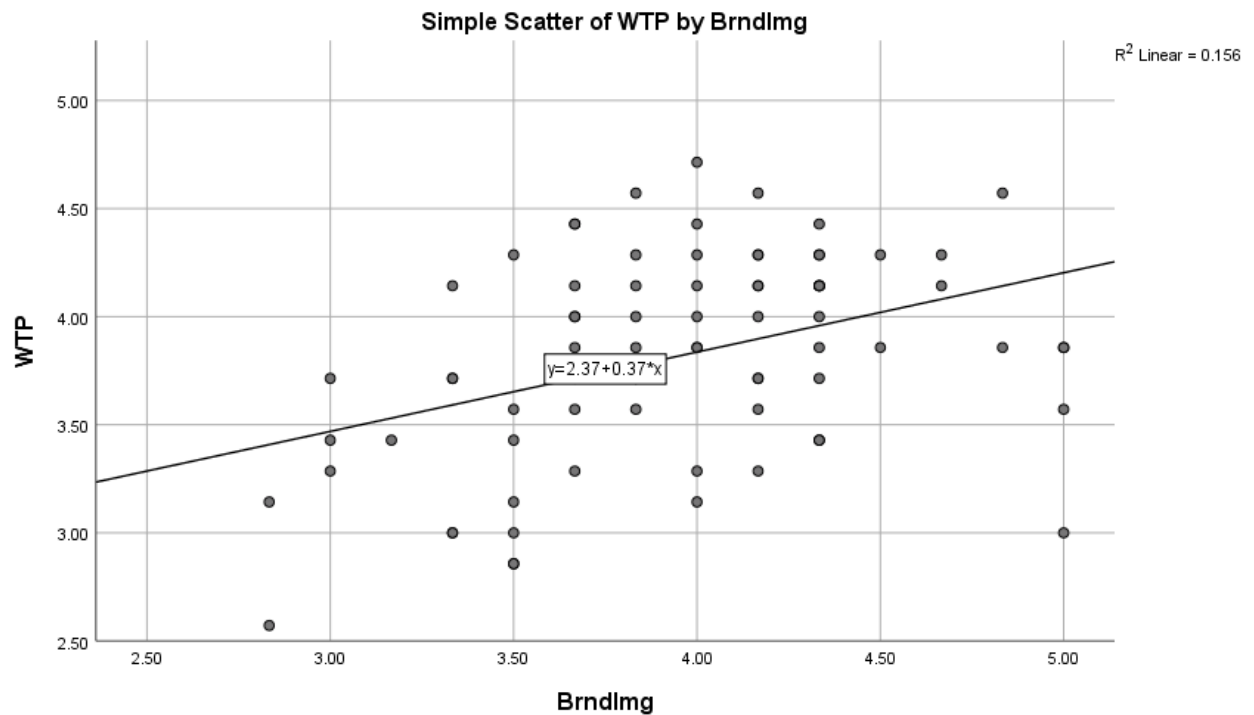
From Table 3.3.5(a), it is found that there is a significant impact of brand image on consumers' WTP, as the significance value (p) =0.000, which is less than the accepted significance value of 0.05.

Therefore, according to the test, it is proved that there is a significant variation in Consumer WTP, based on the Brand Image of the skincare products, among the respondents, implying that the above hypothesis is true. With a 1% increase in Brand Image, the consumer WTP will increase by 36.7% (B value).

Since, a positive brand image can influence consumers' perceptions about a product's value, proposition, credibility, and differentiation, it ultimately impacts their willingness to pay premium prices.

Hence, we accept the above hypothesis.

CHAPTER 4-

SUMMARY OF FINDINGS, SUGGESTIONS

AND CONCLUSION

4.1 LIST OF FINDINGS

i. Tables 3.1.1, 3.1.2, 3.1.3, and 3.1.4 show the demographic details of the consumers. From the tables and graphs, it is evident that most of the respondents are females (92.2%) and belong to the age groups of 21-24 and 25-30 years, who actively use skincare products.

ii. Figure 3.2.1 shows the quality perceptions of consumers regarding skincare products. It is evident that consumers prioritize quality, safety aspects (paraben & other toxins-free), and testimonials from other customers over the physical aspects of the products to form purchase decisions.

iii. Figure 3.2.3 represents the consumers' beliefs and perceptions towards their favorite skincare brands. It is identified that consumers expect brands to be transparent about all the relevant information about the products, besides their scientific claims and other promotional efforts. Consumers also emphasize brand reputation to form quality perceptions.

iv. Figure 3.2.4 depicts the credibility of beauty influencers on various social media platforms and how they impact consumers' purchase intentions. The majority of customers are seen to be persuaded by social media influencers' beauty content when making choices about what to buy. To gain credibility and confidence, consumers frequently anticipate beauty influencers to exhibit transparency.

v. Figure 3.2.5 shows the consumers' overall willingness to pay for skincare products. It is noticed that, when it comes to skincare purchases, most customers appear to be budget-conscious. Rather than buying on the impulse of the moment, they carefully consider the options and only choose the best products. Customers are willing to spend for products that consistently yield positive outcomes and are of exceptional quality.

vi. Table 3.3.1(a) shows the ANOVA test results to investigate whether there's an impact of age of respondents on their willingness to pay. It was found that there was no significant relationship between age of their consumers and their WTP.

Table 3.3.1(b) shows the ANOVA test results to explore whether consumers' WTP differs according to their employment status. It was observed that there is no significant relationship between the employment status of the respondents and their WTP. People are willing to pay for a variety of skin care products that are customized to their skin concerns and produce the desired outcomes, regardless of their age or employment situation.

vii.   From Table 3.3.2, through linear regression analysis, it was found that there was no significant variation in consumers' WTP based on the quality perceptions towards skincare products. It implies that factors other than quality perceptions might play an influential role in determining consumer WTP.

viii.   From Table 3.3.3, through simple linear regression analysis, it is observed that there is a significant variation in Quality Perceptions based on Brand Image among the respondents (p value= 0.02), implying that the above hypothesis is true. With a one-point increase in the Brand image, the Quality perceptions will increase by .30 on a five-point scale

ix.   From Table 3.3.4, through linear regression analysis, it was observed that there is a significant variation in Consumer WTP, based on Influencer credibility among the respondents (p-value =0.000). With a one-point increase in Influencer Credibility, the consumer WTP will increase by .36 on a five-point scale.

x.   Table 3.3.5, shows the linear regression analysis shows the impact of brand image on consumers' WTP. It was found that there is a significant impact of brand image on consumers' WTP, with p-value =0.000, with a one-point increase in brand image, the consumer WTP will increase by .37 on a five point scale.

4.2 SUGGESTIONS

i.   Skincare brands should invest in building a strong and positive brand image through consistent messaging, visual identity, and brand personality to earn customer's trust and shape their purchase intentions.

ii.   All beauty brands must establish rigorous quality control processes and certifications to guarantee product quality and consistency, hence boosting consumers' favorable opinions of the product's quality.

iii.   Skincare brands must prioritize authenticity and openness when working with influencers to retain customer trust; and stay away from content that is unduly promotional or deceptive.

iv.   Skincare brands must collaborate with reputable beauty influencers whose values align with the brand, to effectively convey the advantages of the product and recommend skincare products accordingly.

v.   To improve the general customer experience and satisfaction, customer service representatives of skincare companies should be trained well on how to offer personalized assistance, respond to queries, and quickly address issues.

vi.   To enlighten customers and maintain their perceptions of the product quality, clearly explain the main components found in skincare products as well as their advantages.

vii.   Skincare brands must provide customers with educational content regarding ingredients, formulas, and application methods for skincare products to arm customers with information and foster confidence in the brand's experience.

viii.   Skincare brands must create aesthetically pleasing and useful packaging that communicates to customers the value and quality of the product while also reflecting the brand's identity.

ix.   To boost positive brand perceptions and authenticity, encourage satisfied consumers to share their experiences on social media channels through user-generated content.

x.   Offer skincare products in trial or sample sizes so that customers can experience the results for themselves and become more eager to purchase the full-sized item.

xi.   To encourage a feeling of community and brand advocacy, establish online communities or forums where customers may exchange skincare advice, personal stories, and product recommendations.

xii.   Skincare brands must leverage the impact of visual storytelling using images that serve as more than just product showcases. Brands may tell stories that arouse feelings and convey their principles and the effectiveness of their products by utilizing eye-catching images and videos.

4.3 CONCLUSION

The skincare market in India is growing rapidly. It has now emerged to be one of the most dynamic and competitive industries in the world. The growth of the skincare market in India can be explained by several factors, including increasing purchase power of consumers, dynamic lifestyle patterns, growing knowledge of Western trends, and a greater focus on personal grooming and wellbeing. Consumers now prioritize self-care, personalization, and scientifically-backed ingredients, and skincare brands are expected to cater to these changing needs and preferences. Distribution networks and promotional strategies are constantly changing due to the growth of e-commerce and the increasing influence of social media. Additionally, new developments in product formulations and packaging are being driven by an increasing emphasis on sustainability and clean beauty.

One key factor that emerged was quality perceptions, which show that consumers are prepared to pay more for products they believe to be of superior quality. Another important factor is brand image since consumers tend to identify particular brands with specific attributes and values, which affects their willingness to make purchases. Furthermore, it was discovered that

beauty influencers' trustworthiness played a significant role, emphasizing the significance of genuine and reliable recommendations in influencing customer behavior. Through detailed analysis conducted in the study, it is observed that brand image and influencer credibility play a vital role in shaping consumers' quality perceptions, and thereby encouraging them to make a purchase. Businesses in the beauty sector may effectively position their products and marketing initiatives to connect with customer preferences and increase their willingness to pay by understanding the interplay between quality perceptions, brand image, and credibility of beauty influencers.

This study contributes to the body of knowledge on consumer behavior and offers skincare brands useful insights for enhancing their marketing plans in the fierce and ever-changing beauty industry. Going forward, more study in this field will be necessary to stay ahead of changing market trends and consumer preferences, which will ultimately lead to increased profitability and long-term viability for beauty brands trying to satisfy today's demanding customers.

REFERENCES

1. Ahmed, & Fatawu . (2014, October). An Assessment Of How Branding Influences The Purchase Behaviour Of Female Cosmetic Consumers: A Case Of Career Women In The Wa Municipality, GHANA. *International Journal of Economics, Commerce and Management*, *2*(10).

2. Anute, Deshmukh, & Khandagale. (2015, July). "Consumer Buying Behavior towards Cosmetic Products." *International Journal in Management and Social Science* 3(7). https://www.researchgate.net/publication/338421485_Consumer_Buying_Behavior_towards_Cosmetic_Products

3. Beauty and Wellness Products Market Size | Growth [2030]. (n.d.). https://www.fortunebusinessinsights.com/beauty-and-wellness-products-market-108456

4. Brännström, & Elstig. (2023, March). *Are Influencers The Next Brand-Building Tool* A Qualitative Study on How Influencer Marketing Affects Customer-Based Brand Equity. http://umu.diva-portal.org/smash/record.jsf?pid=diva2%3A1775159

5. Budi, I., & Harsono, S. (2018, January 30). THE EFFECT OF BRAND IMAGE AND PRODUCT ON CUSTOMER SATISFACTION AND WILLINGNESS TO PAY AT COFFEE BEAN SURABAYA. *Russian Journal of Agricultural and Socio-Economic Sciences*, *73*(1), 146–154.

6. Chaubey, D. S., Yadav, L., & Bhatt, H. C. (2013, February 28). CONSUMER SENSITIVITY TOWARDS PRICING OF COSMETIC PRODUCTS: AN EMPIRICAL STUDY. ResearchGate. https://www.researchgate.net/publication/280654546_CONSUMER_SENSITIVITY_TOWARDS_PRICING_OF_COSMETIC_PRODUCTS_AN_EMPIRICAL_STUDY

7. CONNOR, P. (1986, October). Quality, Productivity and Competitive Position, W. Edwards Deming, Massachusetts Institute of Technology. Center for Advanced Engineering Study, 1982. No. of pages: 373. *Quality and Reliability Engineering International*, *2*(4), 274–274. https://doi.org/10.1002/qre.4680020421

8. Fan, X., Gómez, M. I., & Coles, P. S. (2019, October 4). Willingness to Pay, Quality Perception, and Local Foods: The Case of Broccoli. *Agricultural and Resource Economics Review*, *48*(3), 414–432. https://doi.org/10.1017/age.2019.21

9. Goel, S., & Sharma, A. (2020, December 31). CUSTOMER PERCEPTIONS AND PURCHASE INTENTION FOR BRANDED COSMETIC PRODUCTS: AN EMPIRICAL STUDY. *INTERNATIONAL JOURNAL OF MANAGEMENT*, *11*(12). https://doi.org/10.34218/ijm.11.12.2020.185

10. Gunawan Wibowo, Y. (2021, July 13). Impact of Price, Product Quality, and Promotion on Consumer Satisfaction in Cosmetics and Skincare. *Journal of Economics, Finance and Management Studies*, *04*(07).

11. India Skin Care Market 2019-2029 By Size, Share, Trends, Growth, Forecast | TechSci Research. (n.d.). https://www.techsciresearch.com/report/india-skin-care-market/3753.html

12. Jawaharrani, & Lekshmi. (2023). DETERMINANTS OF BRAND LOYALTY AMONG SKIN CARE COSMETIC USERS IN CHENNAI CITY. *Journal of Pharmaceutical Negative Results*, *14*(2). https://doi.org/10.47750/pnr.2023.14.02.375

13. Jyothi, & Venkateswarlu. (2020, July). PRICING STRATEGIES AND CONSUMER PERCEPTIONS – A STUDY OF SKIN CARE PRODUCTS. *International Journal of Management (IJM),* 11(7). https://iaeme.com/MasterAdmin/Journal_uploads/IJM/VOLUME_11_ISSUE_7/IJM_11_07_108.pdf

14. Kotler, P. (2000, January 1). *Marketing Management*. http://books.google.ie/books?id=NLE2XMAQwPYC&dq=philip+kotler&hl=&cd=1&source=gbs_api

15. Mahesh, A., & Dinesh, G. (2014). A Critical Analysis of Women Buying Behaviour regarding Facial Skin Care Products. *Asian Journal of Research in Business Economics and Management*, *4*(10), 42. https://doi.org/10.5958/2249-7307.2014.00945.1

16. Mishra, R. (2023, May 13). Top 10 Skincare Brands in India. https://www.linkedin.com/pulse/top-10-skincare-brands-india-rakesh-mishra

17. Sharma, S., & Singh, M. (2020). Impact of Brand Selection on Brand Loyalty with special reference to Personal Care Products: a Rural-Urban Comparison in India. *International Journal of Indian Culture and Business Management*, 1(1), 1. https://doi.org/10.1504/ijicbm.2020.10034857

18. Tekin, & Yiltay. (2016). The Effect of Brand Image on Consumer Behaviour: Case Study of Louiss Vuitton-Moet Hennessy. *International Journal of Academic Value Studies*, *2*(2), Article

ANNEXURE

This questionnaire is administered as part of the data collection efforts in connection with customer evaluations of skincare products. A total of 16 questions were added to the questionnaire hoping to get accurate responses. 77 responses were collected through this questionnaire.

SECTION I

1. Name

2. Age group
   - i.   17-20 years
   - ii. 21-24 years
   - iii. 25-30 years
   - iv. Above 30 years

3. Gender
   - i.   Male
   - ii. Female
   - iii. Prefer not to say

4. Employment status
   - i.   Student
   - ii. Working Professional
   - iii. Freelancer/Self-employed
   - iv. Homemaker
   - v.   Others

5. Annual Income (in INR)
   - i.   Less than 2 lakhs
   - ii. 2-4 lakhs
   - iii. 4-6 lakhs
   - iv. 6-8 lakhs
   - v.   8-10 lakhs
   - vi. Above 10 lakhs

6. City of residence

SECTION II

7. Are you actively using any skincare products?
   - i. Yes
   - ii. No

8. How often do you follow a skincare routine?
   - i. Daily
   - ii. Twice or thrice a week
   - iii. Weekly
   - iv. Occasionally
   - v. Rarely

9. Which are the skincare products that you actively use? *(select all that apply)*
   - i. Face wash/Cleanser
   - ii. Moisturizer
   - iii. Face serum
   - iv. Sunscreen
   - v. Body lotion
   - vi. Anti-aging products
   - vii. Scrubs and Masks

10. Where do you seek information about skincare products before purchasing? *(select all that apply)*
    - i. Internet articles/blogs
    - ii. Dermatologists or other authorized skincare professionals
    - iii. Beauty influencers on social media
    - iv. Recommendations from friends/family
    - v. Product Labels and advertisements

11. On average, how much amount do you spend in a month on skincare?
    - i. Below Rs. 500
    - ii. Rs.500 - Rs.1000
    - iii. Rs.1000 - Rs.1500
    - iv. Rs.1500 - Rs.2000
    - v. Rs.2000 - Rs.2500
    - vi. Above Rs.2500

12. Assessing your **Quality Perception** towards skincare products, choose the option that best corresponds with how you feel about the statement/question.

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
I make a deliberate effort to buy the best quality skincare products.					
I find the packaging and presentation of skincare products to be important.					
I prioritize natural/organic ingredients when considering the quality of skincare products.					
I always rely on personal experiences or recommendations from others when assessing the quality of a skincare product.					
I find the safety aspects of the skincare products to be important. (i.e: paraben free, sulphate -free etc)					
I prioritize on brand reputation to determine the quality of skincare products.					

13. What specific attributes do you look for in skincare products and determine their quality?

Attributes	Very Important	Important	Neutral	Less Important	Not important at all
Product formulation and texture					
Product packaging and presentation					
Quick and consistent results					
Active ingredients (i.e Vitamin-C, Niacinamide etc)					
Sustainable Sourcing					
Brand Transparency					
FDA Approval/Dermatologists Accredited					
Reviews and Testimonials from other customers					

14. Assessing your **impression of a skincare brand**, choose the option that best corresponds with how you feel about the statement/question.

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
I always consider the reputation of a skincare brand before purchasing.					
I associate higher quality with skincare products from a well-known brand.					
The brands with positive image make me feel that their prices are justified.					
I strongly believe that it is important for the brands to be transparent about the ingredient list and disclose all relevant information.					
Any negative event or controversy associated with the					

brand can impact my perception towards it.					
I am willing to pay an extra amount for skincare products from a well-established brand.					

15. Assessing the **credibility of beauty influencers**, choose the option that best corresponds with how you feel about the statement/question.

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
I always come across skincare product recommendations from influencers in various social media platforms.					
I consider beauty influencers with large number of followers to be credible and trustworthy.					
I have purchased skincare products solely based on a beauty influencer's recommendation.					
I find the beauty influencers credible as much as skincare professionals and other beauty experts.					
I perceive the influencer to be trustworthy based on their content quality.					
I find it difficult to distinguish between genuine feedbacks and sponsored content on social media.					
I believe that influencers must be transparent about sponsored contents in building trust with their audience.					

16. Assessing your overall **Willingness to Pay** for skincare products, choose the option that best corresponds with how you feel about the statement/question.

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
I am more likely to be price-sensitive while opting for a new/unfamiliar brand.					
I have delayed / avoided purchasing a skincare product because of its price.					
I am more likely to purchase skincare products during a sale when prices are lower.					
I am more likely to purchase a product recommended by beauty influencers even if it's expensive.					
I am willing to invest more in products tailored to my specific skin concern. (i.e, oily, combination, sensitive etc)					
The brand reputation affect my willingness to pay a higher price for skincare products.					
I am willing to re-purchase a skincare product if it consistently delivers positive results.					