Segmenting Personal Care Products: Cracking groundbreaking Business Potential

Sulekha

Assistant Professor, R.C. Kharal, BPSM University, Khanpur

ABSTRACT

Indian personal care industry is growing at a very fast pace. But this industry has the widest category of consumers because everyone has unique set of demand due to their unique beauty perception. So segmentation is must in this industry as to serve to all the consumers is not possible for any company. Earlier demographic and some psychographic variables were considered good for segmentation in the personal care industry but now the time has been changed. People are governed neither by demographic nor by psychographic of them but some other social factors are playing big role. The present research paper put stress on the innovative segmentation to unlock the hidden potential of personal care market. Now the segmentation of social requirement as well as personal requirement is necessary to capture a special space in the consumer market of personal care industry in the hub of companies. Companies cannot do anything with the consumer's personal characteristics but they can mould the market mix accordingly. As market mix affect the purchase decision of consumers regarding personal care products.

Keywords: Innovativeness, Segmentation, Market Mix

INTRODUCTION

Consumer behaviour is not only influenced by the demographic and psychographic variable but also market mix plays an important role in the brand preferences for personal care products. As there are lot of choices available for personal care products in the market. Market mix affects the purchase decision for personal care product as they are substitute or very close to each other. The present study analyzes the impact of market mix on the brand preferences. Nowadays except from the four P's of market mix the fifth P as packaging is playing big role as innovative steps to attract consumers. Home and personal care companies, as well as the associated chemical industry are using package innovation as a means of gaining the consumer's attention. Unconventionally-shaped and light-weighted containers replace standard shapes and contours. Sustainability and material reduction, in both initial and secondary packaging, are standardized features of the increasingly green economy. New packaging designs boast high levels of functionality and ergonomic design. However, many of these same package characteristics also make it difficult for home and personal care manufacturers to maintain and improve operational efficiency.

The brand preferences were taken on nominal scale by allowing multiple ticks for brand preferences. A scale consisting 15 statements on likert scale were used to get the responses about market mix. Five factors of market mix were taken into consideration for the present study namely price, promotion, distribution, product and packaging. Each factor is reliable as cronbach α is above 0.7 for every factor.

The study has taken eight brand of personal care industry in total from top companies of FMCG sector in India as HUL and ITC. Three major segments of personal care industry have taken into consideration for the study as hair care, skin care and body wash. Lux, dove From HUL and Vivel and fiamma di wills gel from ITC were taken from segment of body wash. Dove shampoo from HUL and Fiamma di wills shampoo from ITC were taken from hair care segment. Fair and lovely from HUL and Vivel active fair from ITC were taken from skin care segment.

OBJECTIVE

To study the impact of market mix on the brand preferences of personal care products.

HYPOTHESIS

The major hypothesis is specified as:

H0: There is no impact of market mix on the brand preferences of personal care products with respect to psychographic and demographic variables.

RESULT AND DISCUSSION

To analyze the impact of market mix on the brand preferences of personal care products the logistic regression was used because preferences were of nominal type whereas market mix is of interval type.

Analyzethe impact of market mix on brand preferences:

To analyze the impact of market mix on the brand preferences of personal care industry logistic regression was used. Logistic regression is a branch of regression which deals with non metric data. Here in the present study market mix data was of metric in nature but preferences are of nominal type that is why regression cannot be applicable.

Impact of market mix on the preferences for Dove shampoo, brand of HUL

The logistic regression analyzes the impact of five variables of market mix on the preferences of dove and table 1.1 showed the results. Table 1.1 discussed that promotion are significantly affect the preference of dove as p- value for promotion is less than 0.05. But other variables of market are not affecting the purchase preference of the dove shampoo

Table 1.1: Logistic regression to analyze impact of market mix on Dove shampoo preferences

	B	S.E.	Wald	Df	Sig.	Exp(B)
Price	-.064	.089	.509	1	.476	.938
Packaging	.235	.133	3.111	1	.078	1.265
Product	.006	.103	.003	1	.956	1.006
Distribution	.054	.100	.296	1	.586	1.056
Promotion	**.239**	**.107**	**5.035**	**1**	**.025**	**1.270**
Constant	-2.255	.872	6.679	1	.010	.105
Promotion is significantly affect the dove preferences as p-value< 0.05						

Analysis of market mix for Fiamma di wills shampoo brand of ITC

The logistic regression analyzes the impact of five variables of market mix on the preferences of Fiamma di wills and table 1.2 showed the results. Table 1.2 discussed that promotion are significantly affect the preference of dove as p- value for promotion is less than 0.05. But other variables of market are not affecting the purchase preference of the dove shampoo. The reason behind this may be that the other factors of market mix are not as well communicated to the consumers as promotion. The promotion is the way to get information about the products but others variable come into the picture only at the time of purchase. That is why promotion affects the brand preferences.

Table 1.2: Logistic regression to analyze impact of market mix on Fiamma di wills shampoo preferences

	B	S.E.	Wald	Df	Sig.	Exp(B)
Price	.012	.088	.019	1	.889	1.012
Packaging	-.091	.126	.520	1	.471	.913
Product	-.031	.101	.093	1	.760	.970
Distribution	-.083	.098	.717	1	.397	.920
Promotion	**-.275**	**.103**	**7.132**	**1**	**.008**	**.759**
Constant	1.817	.839	4.687	1	.030	6.155
Promotion is significantly affect the dove preferences as p-value< 0.05						

Analysis of market mix for Fair and lovely, skin care brand of HUL

This is the most popular skin care brand of HUL but regression table 1.3 depicted that no market mix variables affect the sale of the given product. The table showed that the five market mixes are not affecting the preferences for fair and lovely. May be some other factor affect the sale of the given brand like peer group liking, availability etc.

Table 1.3: Logistic regression to analyze impact of market mix on preferences of Fair and lovely

		B	S.E.	Wald	Df	Sig.	Exp(B)
	Price	-.148	.088	2.812	1	.094	.862
	Packaging	.131	.125	1.097	1	.295	1.140
	Product	.153	.101	2.300	1	.129	1.166
	Distribution	-.116	.098	1.395	1	.238	.891
	promotion	.054	.100	.295	1	.587	1.056
	Constant	-.470	.826	.324	1	.569	.625

Analysis of market mix for Vivel active fair skin care brand of ITC

Table 1.4 is showing that packaging is the most appealing market mix variables which affect the purchase preferences of vivel active fair but other factor are not contributing positively. The main reason behind this is that ITC is not making regress promotion for the product. Other four important factor of market mix are not significantly affecting the preferences of vivel active fair, it means that company is not differentiating its brand significantly from other company.

Table 1.4: Logistic regression to analyze impact of market mix on preferences of Vivel Active Fair

		B	S.E.	Wald	Df	Sig.	Exp(B)
	Price	.020	.087	.054	1	.817	1.020
	Packaging	**-.265**	**.128**	**4.277**	**1**	**.039**	**.767**
	Product	-.041	.100	.171	1	.680	.959
	Distribution	.041	.098	.176	1	.675	1.042
	Promotion	.021	.100	.043	1	.835	1.021
	Constant	1.050	.831	1.594	1	.207	2.857
Packaging is significantly affecting the preferences of Vivel active fair as p-value< 0.05							

Analysis of market mix for Lux soap by HUL

Table 1.5: Logistic regression to analyze impact of market mix on preferences of Lux Soap of HUL

		B	S.E.	Wald	Df	Sig.	Exp(B)
	Price	-.084	.092	.841	1	.359	.919
	packaking	.091	.134	.465	1	.495	1.096
	product	-.038	.105	.131	1	.717	.963
	Distribution	**.226**	**.101**	**5.026**	**1**	**.025**	**1.254**
	promotion	.097	.107	.825	1	.364	1.102
	Constant	-1.495	.878	2.900	1	.089	.224

Table 1.5 showed that the distribution is the influencing factor for brand preferences of body wash as p- value of logistic regression is less than 0.05. This means that availability of the product make it more popular among market as the other factors of market mix were not found significantly affecting the brand preferences. HUL do regress distribution of its product to make them available to every corner of the country that give them the loyalty of consumers. Lux is popular brand of HUL as table 1.5 indicating the reason of its popularity that is the availability of the product at every stage of distribution channel.

Analysis of market mix for dove soap by HUL

Table 1.6: Logistic regression to analyze impact of market mix on preferences of Dove Soap of HUL

		B	S.E.	Wald	Df	Sig.	Exp(B)
	Price	-.003	.089	.001	1	.974	.997
	Packaging	-.062	.126	.240	1	.624	.940
	Product	-.161	.101	2.553	1	.110	.851
	Distribution	-.011	.099	.012	1	.911	.989
	Promotion	-.018	.101	.030	1	.862	.983
	Constant	.581	.833	.487	1	.485	1.788

Table 1.6 showed that the preferences of dove soap are not affected by any of market mix. It indicates that the brand is hitting the psychographics of consumers being a premium brand but proper market mix is not assigned with the brand. Even B is negative for the factors of market mix. It means that the brand of HUL is not equipped with the market mix which can uplift the value of the brand.

Analysis of market mix for Vivel soap by ITC

Table 1.7: Logistic regression to analyze impact of market mix on preferences of Vivel Soap of ITC

		B	S.E.	Wald	Df	Sig.	Exp(B)
	Price	.039	.088	.197	1	.657	1.040
	Packaging	.004	.126	.001	1	.974	1.004
	Product	.113	.102	1.246	1	.264	1.120
	Distribution	-.083	.098	.715	1	.398	.920
	Promotion	-.053	.100	.280	1	.597	.948
	Constant	-.423	.828	.260	1	.610	.655

Table 1.7 show that vivel soap do no affected by any of the market mix, it means company failed to customize their offering according to the demanded market for the vivel soap. None of the tool of market mix is significant.

Analysis of market mix for Fiamma di wills Gel soap by ITC

Table 1.8: Logistic regression to analyze impact of market mix on preferences of Fiamma di wills gel Soap of ITC

		B	S.E.	Wald	Df	Sig.	Exp(B)
	Price	-.154	.092	2.803	1	**.044**	.857
	Packaging	-.263	.139	3.600	1	**.050**	.768
	Product	.098	.104	.895	1	.344	1.103
	Distribution	-.066	.102	.417	1	.518	.936
	Promotion	-.117	.108	1.181	1	.277	.890
	Constant	2.420	.894	7.320	1	.007	11.244

The above table 1.8 showed that fiamma di wills is significantly affected by price and packaging. As the brand is new in the market still the price is hitting the mind and packaging is hitting the eyes of customers as p values for price and packaging are less than or equal to 0.05 . It is clearly indicated from the above table that the premium brand like fiamma di wills are getting consumer's appeal due to the high price because it is a tendency of thinking that a product with high must be of high quality.

CONCLUSION

The above discussion states that the purchase decision or the brand preferences of personal care products are significantly affected by the market mix. Indian consumers are price conscious, geared through promotion and attracted by packaging and also the easy availability can change their purchase decision for personal care products. It means while choosing the niche for personal care market in India the marketers must think about the basic choices regarding market of the consumers

rather than the complicated demographic and psychographic segmentation. Segmentation can also be done on the bases of the market mix demand related to the key factors of market mix.

REFERENCES

[1]. Amandeepsingh (2010), "market segmentation in FMCG: time to drive new basis for market segmentation", International Journal of Research in Commerce and Management, Vol.1, no. 8. Pages: 140-145.

[2]. Anupam Jain and Meenakshi Sharma (2012), "Brand Awareness and Customer Preferences for FMCG Products in Rural Market: An Empirical Study on the Rural Market of Garhwal Region", VSRD International Journal of Business and Management, Vol. 2, No. 8, Pages: 434-443.

[3]. D.M. Sezhiyan(2010), "Assessing the Stability of Market Segment – A fuzzy Clustering Approach, IIMS Journal of Management Science, Vol. 1, No. 2, Pages:129-137.

[4]. Dolnicar S, Freitag R. and Randle M.(2005), "To Segment or Not to Segment? An   Investigation of Segmentation Strategy Success Under Varying Market Conditions", Australasian Marketing Journal, Vol. 13, No. 1, Pages: 20-35.

[5]. Frank M. Bass, Douglas J. Tigert and Ronald T Lonsdale (1968), "Market segmentation: Group versus Individual behavior", Journal of marketing research, Vol.5, No.3, Pages: 264-270.

[6]. Ian Wilson and Maria Mukhina (2012), "Market segmentation in Russian subsidiaries of FMCG MNEs Practitioner and academic perspectives", Marketing Intelligence & Planning, Vol. 30, No. 1, pages: 53-68

[7]. KC Behura and JK Panda (2012), "Rural Marketing of FMCG Companies in India", VSRD International Journal of Business & Management Research, Vol. 2, No.2, Pages: 66-74.

[8]. Kevin Kuan-Shun Chiu,Ru-Jen Lin,Maxwell K. Hsu and Shih-Chih Chen (2011), "Symbolic and functional brand effects for market segmentation", Australian Journal of Business and Management Research, Vol.1, No.6, Pages: 75-86.

[9]. ValtersKaze, Roberts Skapars(2011), "Paradigm shift in consumer segmentation to gain competitive advantages in post-crisis FMCG markets: lifestyle or social values?", Journal of economics and management, Vol.16, Pages:1266-1273.

[10]. Yu Xia (2011), "Competitive strategies and market segmentation for suppliers with substitutable products", European Journal of Operational Research, Vol.210, Pages: 194-203.