

# Consumer Behavior Towards Cosmetics Products in Kathmandu Valley

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## Abstract

*The article's primary goal is to look at the factors affecting consumers' behavior in buying cosmetics items in Kathmandu Valley. The study examines how one's physical attractiveness might make one feel good about oneself. Most women who use cosmetics are female. In the Kathmandu valley, the demand for cosmetics items is rising quickly. The dependent variable in this study is consumer behavior, and the independent variables are quality, price, personal factors, and loyalty which substantially impact consumer behavior. This study made use of primary data. Using a structured questionnaire and a convenient sampling technique, information was gathered from 189 customers who purchased cosmetics in Kathmandu valley. Valid conclusions were reached using descriptive factor analysis, correlation, and multiple regression analysis. Exploratory factor analysis was done to find the commonalities and composite reliability. The outcome demonstrated that consumer behavior is significantly influenced by product quality, price, and personal characteristics. But it was discovered that loyalty does not significantly influence consumer purchasing behavior toward cosmetic products in the Kathmandu Valley.*

**Keywords:** Loyalty, Personal factors, Price, Quality.

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## Introduction

According to Nair and Pillai (2007), most individuals desire to be attractive, healthy, and well-groomed. The majority of individuals naturally aspire to look like models. Men and women have ideal body shapes and smooth, bright skin for fulfilling lives. Cosmetics are skin and hair care items made with the intention of washing, beautifying, and enhancing attractive traits. Skin care is not now popular. In reality, cosmetics are used by people in every culture to beautify and protect their skin, which naturally leads us to believe that this is a basic human need. The fundamental idea of employing cosmetics to promote the characteristics of good health has not changed, even if cosmetic goods have experienced many changes in modern times. German ladies refused to work when Hitler attempted to outlaw makeup in their country. Roman ladies used to boil leeks and walnuts to color their hair darker. The Greek physician Galen invented the first cold cream. People from all these civilizations employed henna, sage, and chamomile in herbal mixtures to color their hair. Women in Western nations hid their use of makeup until the late eighteenth century because it was thought that only superstars should wear makeup at that time. Early in the 20th century, cosmetics were

publicly offered for sale for the first time. When the Second World War came to an end, and people began to rejoice over the homecoming of their loved ones, there was a noticeable increase in cosmetic sales, which has continued ever since.

Consumer behavior is described as the actions that consumers take to find, acquire, use, assess, and discard goods and services that they believe will meet their requirements. Consumer behavior focuses on how people decide how to spend their available resources (time, money, and effort) on consumption-related items. This includes what people buy, why they buy it, when they buy it, where they buy it, how often they use it, how they evaluate it after the purchase, and how these evaluations affect their purchasing decisions in the future. It also includes how they dispose of it. Consumer behavior is defined as the choice, acquisition, and consumption of goods and services for the fulfillment of one's needs.

According to Kumar et al. (2006), the cosmetics sector is highly lucrative, innovative, and fast-paced; therefore, success depends on being creative. To draw in and meet the needs of the consumer, the assortment of goods and brands in the Thai cosmetic market has been expanding. The fact that foreign brands are more popular is noteworthy, though. This is because consumers frequently assume that imported products are of high quality and have favorable perceptions of them as a whole (Masayavanij, 2007; Sae-jiu, 2007).

Typically, a brush, a makeup sponge, or the user's fingertips are used to apply cosmetics that are intended for use on the face and eye. The area of the body intended for application distinguishes the majority of cosmetics. There are several formulas of primer to accommodate various skin types. The present consumer trend may alter how people buy cosmetics in the future. The investigator is thus observing consumer behavior, which includes information on consumption, customer demand, evaluation, preference, action, etc. In Nepal, a variety of cosmetics goods are offered. They are herbal cosmetics, natural cosmetics, and Ayurvedic medications.

### **The Study's Objectives**

The general objective of the study is to identify the factors affecting consumer buying behavior, and the specific objectives of the study are as follows;

- To examine the influence of quality on consumer buying behavior towards cosmetics products.
- To identify the impact of price on consumer buying behavior towards cosmetics products.
- To examine the influence of personal factors on consumer buying behavior towards cosmetics products.
- To examine the influence of loyalty on consumer buying behavior towards cosmetics products.

### **Theoretical Framework**

There are various factors that influence consumer buying behavior. Among them, price, quality, personal factors, and loyalty are taken as independent variables, and consumer buying behavior is taken as a dependent variable under the investigation. The conceptual framework has been presented below;

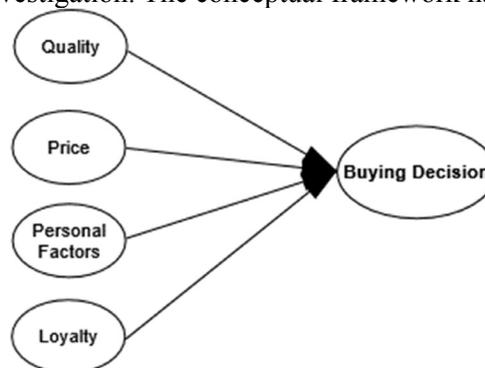


Figure 1: Conceptual Framework

### **Hypotheses**

From the above theoretical framework, the following hypotheses have been developed;

- H1: There is a significant impact of quality on consumer buying behavior towards

- cosmetics products.
- H2: There is a significant impact of price on consumer buying behavior towards cosmetics products.
- H3: There is a significant impact of personal factors on consumer buying behavior towards cosmetics products.
- H4: There is a significant impact of loyalty on consumer buying behavior towards cosmetics products.

## **Literature Review**

Research on the variables influencing customers' brand loyalty toward cosmetic items was conducted by Chan and Mansori in 2016. They discovered that brand loyalty, brand image, perceived value, pricing, and advertising significantly affect how consumers behave toward cosmetics items. Alhedhaif et al. (2016) conducted a study on the subject of brand loyalty and the variables influencing Saudi female consumers' cosmetics purchasing behavior. They discovered that a number of factors, including brand name, product quality, pricing, features, product marketing, service quality, and retail environment, have a substantial impact on customers' purchasing decisions about cosmetics.

Price was shown to be the most important factor in Cadogan and Foster's (2000) study of cosmetics product purchases. It is crucial for those with modest incomes. Customers who are committed to a brand are willing to pay more for cosmetics. Consumers weigh the price they pay against the perceived value of beauty items. They buy cosmetics products if they think the prices of the products are greater. However, devoted customers are willing to pay whatever it takes to have the goods they want since they don't want to take a chance on trying new beauty products (Yoon & Kim, 2003). Since loyalty discourages customers from browsing around and comparing prices with other products, service loyalty creates loyal customers rather than tolerant ones. Consumers are always considering prices (Sproles & Kendall, 1986).

According to Russell and Taylor (2016), a product's usability or compliance with specifications determines its quality. Product quality includes all of a product or service's attributes that have an impact on its capacity to meet explicit or implicit needs. The product quality that consumers want to buy is something they are very conscious of their choice to buy a product may therefore be influenced by the quality of the goods on the market. Depending on the quality of the products they find nearby, people might stick with their preferred brand or swap. Because it determines how a product feels in hand, how it looks, and how it is colored, material plays a significant role in product quality and is directly related to sales. Durability is a crucial factor to take into account when buying cosmetics because these goods are primarily utilized in activities like work, play, and sports that require greater mobility. Quality consciousness was studied by Sproles and Kendall (1986) as an awareness of and demand for high-quality goods. When it comes to quality, it's important to choose wisely rather than picking the first brand or product that you see.

According to Kohli and Thakor (1997), a brand name is the development of a brand identity or an image. It is a costly and drawn-out process. Brand image is a crucial factor in luring customers to buy the goods and affecting their propensity for repeat purchases. Customers are drawn to a specific brand that they enjoy. As a result, they become devoted customers who make repeat purchases. Customers frequently view products from a broad viewpoint. They take a variety of factors into account while making a purchase. As long as people receive what they anticipate from the thing they buy, they are happy.

According to Vigneron and Johnson (1999), people's needs for materialism and outward appearances are growing. Humans wanted to satiate their desire to feel and look nice. The market for cosmetics and toiletries experienced a surge as a result. Indian shoppers emphasize emotional rather than practical considerations while making purchases. Research indicates that people's perceptions of beauty are generally evolving (Sinha, 2003). In 2017, Bhatt and Sankhla conducted research on how Indian consumers choose to purchase cosmetics. They discovered that consumer behavior towards cosmetics items is influenced by brand name, price, quality, celebrity endorsement, and advertising.

One of the topics most frequently discussed concerning ecology and sustainability is the cosmetics sector (Dimitrova et al., 2009; John & Sahasakmontri, 1998). Due to the expansion in reaction to consumer trends

toward healthier lifestyles and requirements for natural cosmetics, the cosmetic business has substantially diversified its management and marketing orientation toward customer requirements during the last few years (Dirnitrova et al., 2009). According to John and Sahasakmontri (1998), numerous domestic and international businesses have launched initiatives to deploy technologies and promote goods that reduce the degree of environmental harm to cosmetics. Women’s views of brand personality in relation to women’s facial appearance and cosmetic use were explored by Guthrie et al. (2008). The goal of the study is to gain a better understanding of the numerous elements that affect how cosmetic brand perceptions are perceived in the EISA. The poll had questions about brand personality, brand attitude, cosmetic usage, and facial image. The study discovered that customer facial perceptions affected the overall amount of cosmetics utilized. The findings also suggest a connection between brand impressions and facial image.

### Sample & Instrumentation

Two hundred fifty consumers who all use cosmetics were given the questionnaires. Only 195 of the 250 consumers contacted returned surveys with the necessary information. One hundred eighty-nine valid questionnaires in total were chosen for data analysis and interpretation. The study’s instruments were divided into two sections: the first component was used to determine the relationships between the variables. Internal consistency was determined using Chronbach’s alpha, and composite reliability and communality were determined using exploratory factor analysis (EFA). 30 items make up the second section variables that were selected for this study in order to gauge the impact of consumer purchasing behavior on the dimension of cosmetics products. A five-point Likert scale with the anchors 5=strongly agree, 4=agree, 3=neutral, 2=Disagree, 1=strongly disagree used to evaluate the dimensions of 30 items.

Table 1  
Reliability and Validity

Variables	Composite Reliability	VIF	Cronbach’s Alpha	Communality
QUA	0.828	2.3320	0.703	0.7251
PRI	0.856	2.4050	0.762	0.7671
PEF	0.879	1.4760	0.864	0.7423
LOY	0.842	2.2370	0.792	0.7295
CBB	0.923	2.5850	0.860	0.7512

A reliability test is displayed in Table 1. Given that the VIF factors are less than 10, there is no multicollinearity among the independent variables. The Cronbach’s alpha values also appeared to be greater than 0.7, suggesting that the data is reliable. Additionally, communality values have been discovered to be higher than 0.7, which is positive for the study. Most measurement specialists concur that a test with strong internal consistency should only display a minor correlation between its items (0.80 to 0.90). To be regarded as an acceptable value, the reliability coefficients for the study’s variables should be more than 0.70 (Nunally, 1978). All the factors in this study have demonstrated an alpha value larger than 0.7, according to the reliability analysis. Thus, it can be said that the information gathered for this study is very trustworthy.

Table 2  
Correlation Matrix between Dependent and Independent Variables

Variables	QUA	PRI	PEF	LOY	CBB
QUA	1.000				
PRI	0.723**	1.000			
PEF	0.450**	0.49**	1.000		
LOY	0.712**	0.682**	0.513**	1.000	
CBB	0.531**	0.357**	0.322**	0.650**	1.000

(\*\*\* = significant at 1 % level of significance), QUA= Quality, PRI = Price, PEF = Personal factor and Loy= Loyalty, CBB=Consumer Buying Behavior)

Table 2 showed that the correlation matrix between variables under investigation. This result showed that there is a positive correlation between quality and consumer buying behavior ( $r = 0.531, p < 0.000$ ), between price and consumer buying behavior ( $0.357, p < 0.000$ ), between personal factor and consumer buying behavior ( $r = 0.322, p < 0.000$ ), between loyalty and consumer buying behavior ( $r = 0.650, p < 0.05$ ) towards cosmetics products in Kathmandu Valley.

Figure 3

Multiple Regression Analysis

Model	Unstandardized Coefficient		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.832	0.335		5.476	0.000
1 QUA	0.231	0.082	0.270	2.817	0.006**
PRI	0.289	0.077	0.379	3.750	0.000**
PEF	0.231	0.059	0.087	3.941	0.000**
LOY	0.133	0.075	0.159	1.765	0.081

$Y = 1.832 + 0.231QUA + 0.289PRI + 0.231 PEF + 0.133LOY$

(\*\*\* = significant at 1 % level of significance), QUA = Quality, PRI = Price, PEF = Personal factor and LOY = Loyalty)

The multiple regression analysis is described in Table 3. Three factors such as quality ( $b = 0.231, p = 0.001$ ), price ( $b = 0.289, p = 0.001$ ), and personal factor ( $b = 0.231, p = 0.01$ ) have a significant impact on consumer’s buying behavior towards cosmetic products. The research’s findings support the three hypotheses, H1, H2, and H3. At the 5% level of significance, loyalty ( $b = 0.133, p > 0.05$ ) has no significant effect on consumer purchasing decisions for cosmetics. But the study’s findings did not support H4.

**Discussions**

The primary goal of the study was to find out how consumer purchasing behavior towards cosmetics in Nepal is influenced by characteristics of the product price, product quality, personal factors, and loyalty. This study made both theoretical and practical contributions.

According to the study’s findings, loyalty has no significant influence on customer purchasing behavior related to cosmetic products. So, the results of several earlier investigations do not support the hypothesis (H4). This result contradicts Chan and Mansori (2016) and Alhedhaif et al. (2016), who found that loyalty had a significant influence on consumers’ purchasing behavior of consumers.

The structural model’s estimation result demonstrated that hypotheses H1, H2, and H3 were supported. The study’s findings demonstrated that consumer purchasing decisions are substantially influenced by product quality, product price, and personal characteristics. This result is in line with Sproles and Kendall (1986), Russell and Taylor (2016), Chan and Mansori (2016), Alhedhaif et al. (2016), Bhatta and Sankhla (2017), and others who have found that product quality, price, and individual aspects have a major impact on consumers’ purchasing decisions.

The research’s conclusions will also offer theoretical advice to scholars and practitioners. The consequences are significant for marketers of cosmetic products as well. The study’s findings offer fresh theoretical perspectives on the influencing elements influencing consumer purchasing decisions. For the marketing manager to develop marketing plans, the study’s findings can be used as a practical marketing tool. Companies that manufacture cosmetics could use it to better their marketing plans and understand how to influence consumer purchasing.

**Conclusions**

The study’s findings indicated that product quality significantly impacts consumers’ buying behavior purchasing cosmetics products. It explains that customers in Kathmandu Valley are aware of the caliber of the goods available. Price has a significant influence on customer purchasing decisions for cosmetics

items as well. Consumers that care about quality are willing to spend more for things; therefore, pricing is an important factor for them. Furthermore, customers have discovered that they are willing to spend more for the products they prefer to purchase and do not enjoy switching due to the danger of new products. According to the report, the market for ayurvedic beauty products is expanding quickly. With branded items in categories including skin care, hair care, soaps, and essential oils, numerous businesses have entered the market. Consumer interest in natural cosmetics has increased as a result of worries about dangerous ingredients in beauty products. Because they want to always appear attractive and want to reduce their chance of developing skin disorders, consumers are turning to herbal products. The market for herbal cosmetics is growing quickly. Herbal cosmetics include benefits including lower prices, no side effects, environmental friendliness, user safety, and more.

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