

# Factors affecting on womens skin care products marketing essay



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Nowadays, with the development of society and innovation of technology, economy and education had provided people to have better standard of living. Alongside with that development, the purchasing power is increasing as well, especially in beauty care industry because most of people would like to be more beautiful and healthy. With the characteristics of the market of this field, not only domestic companies but multinationals also had been attracted to invest in this market. Although some intensive competitions in beauty care market; many companies still pay attention to enter this market to respond for the high demand of people.

According to Alain Khaiat - Vice President of the ASEAN Cosmestic Association, stated in the conference held in Bangkok, Thailand about natural and organic market in Asean on January 17, 2012: " Thailand is the leader in this market with 30%, followed by Singapore with 9 percent while Brunei, Cambodia, Laos and Myanmar are smaller." He also said that: " Although Vietnam just occupies 5 percent of the cosmetic market in Asean region, it has been quietly growing as it was only 3% a few years ago and he expected that Vietnam market has been growing quite fast in the last few years. As the economy continues to grow more people will be able to afford more products "

Besides that, According to Mrs. Nguyễn Hoàng Quỳnh - Director of Retailer Measurement Department of Nielsen Vietnam: " Vietnam is a potential market in cosmetic industry because of the Vietnamese's' average spending in this market Vietnam account for 4 USD per person per year, compared with Thailand is 20 USD per person".

In the report of Euromonitor International (2011) - the world leader in strategy research for consumer markets about skin care product in Vietnam: " Skin care registered strong current value growth of 31%". The reason encourage me to make this study is to invest if there is any internal or external reasons which can be factor affects to women purchasing toward kind of skin care products.

### **Objective of the study**

The research will be conducted to find out women's attitude towards purchasing of cosmetic market focus on skin care products in term of consumer behaviors and market characteristic. Besides that, it also figures out which factors have highly impacts on women's Skin Care Products Purchasing before making decision to use the skin care products or to buy products. This study can permit to understand more the customer's behaviors, market trends and purchasing evaluation in women's skin care market in IU.

This study aims to answer the research question:

What is the factors affect to women's skin care product purchasing?

### **Significant of the study**

Through the findings, The Marketing Managers of cosmetic companies can have more orientation before going to enter the Ho Chi Minh cosmetic market. They would have a better understanding about consumer's perception toward skin care products. From that understanding, they can easy to adapt their marketing strategy accordingly. Furthermore, other

information like the models; analysis method; the conclusion and recommendation would be the useful references for other authors' work concerning the Ho Chi Minh skin care market.

### **Scope and limitation of the study**

Because of the time limitation and point's focusing, this research just focuses on study factors affecting women's skin care products purchasing in Ho Chi Minh City instead of Vietnam. Moreover, In order to have more convenient, accessible and directly to the point, this study will target the women who are live in Ho Chi Minh City, particularly study in IU as the respondents for the questionnaire survey.

### **Structure of the study**

The paper is organized as follows. First, the introduction part includes general background of the research, research objectives, scope of the study and structure of the study. The second section is the literature review which shows up the definition and conceptual framework of the terms used as well as related. Third, research methodology presents an overview of the approach used to conduct the research.

## **CHAPTER II: LITERATURE**

This part will provides the definitions and basic describing some main concepts which are used in this research.

### **Marketing Mix Factors**

In 1964, after Neil H. Borden – Professor emeritus of marketing and advertising at the Harvard Business School – had published his article “ The

Concept of the Marketing Mix”, the term “ marketing mix” became popular. This article explains how he first began using this term after James Culliton described the marketing manager as a “ mix of ingredients” in the late 1940’s. In 1960 Jerome McCarthy presented the 4 Ps which has since been used by marketers throughout the world. According to McCarthy “ The marketers essentially have these four variables which they can use while crafting a marketing strategy and writing a marketing plan. In the long term, all four of the mix variables can be changed, but in the short term it is difficult to modify the product or the distribution channel.” Marketing mix is the combination of the products, the distribution system, the price structure and the promotional activities. With different authors will define the definition of marketing in difference way according to their manner:

According to McCarthy, “ Marketing mix is the pack of four sets of variables namely product, price, promotion and place variables.”

According to R. S. Davar, “ The polices adopted by the manufacture to attain success in the market constitute the marketing mix”.

According to W. J. Stanton, “ Marketing mix is the term used to describe the combination of the four inputs which constitute the core of a company’s marketing system: the product, the price structure, the promotional activities, and the distribution system.”

According to Philip Kotler, “ A Marketing mix is the mixture of controllable marketing variables that the firm uses to pursue the sought level of sales in the target market.” <http://t1.gstatic.com/images?q=tbn:ANd9GcScVEuVH4J0ul4AQjvjL3iPOBh5KxKvdpGYnpI7x-U7Zo3J10MP>

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Therefore, marketing mix has become the core factor of the company's marketing system and has impacts the development of any organization's marketing strategies and tactics.

Related to the skin care products' market, to satisfy the customer's need, the company need to provide the product with the development to content customers, set and sell in the right price, distribute channel should put the right place, and to create the effective way to introduce the product to customer through promotion.

## **Product**

“ The product is the physical product or service offered to the consumer. In the case of physical products, it also refers to any services or conveniences that are part of the offering. Product decisions include aspects such as function, appearance, packaging, service, warranty, etc” (Marketing Mix 2009)

## **Place**

According to Marketing Mix 2009, “ Place (or placement) decisions are those associated with channels of distribution that serve as the means for getting the product to the target customers. The distribution system performs transactional, logistical, and facilitating functions. Distribution decisions include market coverage, channel member selection, logistics, and levels of service”.

In term of skin care market, shop location is important to the cosmetic because it affects directly to the revenue of the company, the sale volume of

product would be higher if the shop is located in the business area, central area or area near public transportation because it is more convenient for consumers to access distribution channel. There are various distribution channels that company can choose to easy bring their product to customers whenever they need such as cosmetic counter, supermarket, drugstore, convenient store or through internet.

## **Price**

According to Marketing Mix 2009, “ Pricing decisions should take into account profit margins and the probable pricing response of competitors. Pricing includes not only the list price, but also discounts, financing, and other options such as leasing.”

The marketing manager may use pricing as a tool for achieving the targeted market share or sales volume. Depending on the different kind of products, the location and many other variables, the price of the product can be change from one location to another. The price of the product is typically determined by the quality of the product and the target consumers.

For intensive distribution, that company can sells product through as many outlets as possible, so that the consumers can buy product wherever they want: supermarkets, drug stores, gas stations, and convenient stores. With this kind of distribution, “ penetration pricing strategy” which price is set as low price for that product to go through the market with distributing the products as many places as possible.

In contrast, for selective distribution which only a few retail outlets cover a specific geographical area. They apply skim pricing strategy which price is set high to people who are less sensitive toward price.

## **Promotion**

“ Promotion decisions are those related to communicating and selling to potential consumers. Since these costs can be large in proportion to the product price, a break-even analysis should be performed when making promotion decisions. It is useful to know the value of a customer in order to determine whether additional customers are worth the cost of acquiring them.” (Marketing Mix 2009). Promotional activities are very necessary to attract customer to buy product, aim at increasing sales in the short term. There are many kind of promotional tools like television, advertising, fashion magazines, newspaper, internet, public relations or sales promotion to help customer know the brand names, give information and guidance to customer.

## **Demographical Factors**

Demographical factors play as important roles to customer’s purchasing behavior when they decision to buy products. Age, occupation, income, living area, reference group, family and celebrity endorsement are the basic factors that directly affect women purchasing behavior toward skin care products. Marketing demographics are groups within a population that are used in target marketing strategies, and may include factors such as gender, age, income, or lifestyle. Various companies will offer goods or services aimed at reaching a specific group, and they will use business demographic analysis to see which groups make up the largest percentage of their

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business. By targeting certain marketing demographics with sales and advertisements, companies can boost sales, brand recognition, and customer base

## **Age**

Age variable is an attribute which has a directly impact on person's attitude towards a brand because it defines the targeted market segment. Different age will have different demand. In term of skin care products, younger generation tend to be more open to cosmetic and like to try new experience while in senior generations with higher purchasing power seek for higher quality products that can lift up both mental and physical aspects.

## **Income**

Consumer economic situation has great influence on his buying behavior. If the income and savings of a customer is high then he will purchase more expensive products. On the other hand, a person with low income and savings will purchase inexpensive products.

## **Occupation**

It might be one factor that affects purchasing behavior because some occupations have to take care and maintain their appearance.

## **Living area**

## **Celebrity Endorsement**

According to Mccracken's (1989), " Celebrity endorser is any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement"

## **Customer decision making**

The buyer decision process consists of five stages: need recognition, information research, evaluation of alternatives, purchase decision and postpurchase behavior. Clearly, Customers have to pass through five stages with every purchasing and consider carefully before the actual purchase occur. Marketers need to focus on the entire buying process rather than on just the purchasing decision.

### **Problem Recognition**

### **Information research**

### **Evaluation of alternatives**

### **Product Choice**

### **Outcome**

Place

Price

Product

Promotion

Marketing Mix factors

## **Customer Decision Making**

Demographical factors

Celebrate Endorsement

Living area

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Occupation

Income

Age

## **CHAPTER III: METHODOLOGY**

This chapter presents the methodology about how we collected and analyzed data to find out the answer for each research question.

### **Research method**

Two basic research types can be named: quantitative and qualitative research. Quantitative analysis research aims to provide numerical information on the subject. When quantitative research deals with numbers, qualitative research deals with meanings. Particularly, both quantitative and qualitative methodologies are utilized to identify the ideas and evaluation from IU students about contributes their ideas business to entrepreneurs.

Both quantitative and qualitative method of data collection will be used to support each other, but qualitative data will be favor since it creates a better and more accurate picture of the research project.

### **Research site**

As I have mentioned in the “ scope of the study” section, this paper will limited number of students in International University – VNUHCMC.

### **Research design**

In order to collect data, we will give out questionnaires (quantitative) to gather statistical data about responses

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## **Research sample**

My target was to get 100 suitable students at least.

## **Data collection Procedure**

Research methodology requires the gathering of data from the specified document and collecting of questionnaires of the selected samples. Data collection includes both primary and secondary data. In this research, questionnaires are conducted to collect all information related to the research which is answered by respondents to give the valuable and essential result. Secondary data is concerned as an important tool for collecting all related data to know and understand the research. It can be previous studies or articles from internet. This data will provide many benefits to this research in saving time and cost with useful data.

## **Research Tools / Instruments**

The questionnaires include 2 parts: personal data and consumption data.

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## **Procedures and method of data analysis**

Data analysis will focus on the search results received from the surveys. Then we must find out how many of them are valid, on other words, useful for our results because not all respondents will complete a questionnaire exactly as we expected. The actual numbers of valid data is clearly lower than the number of surveys that we carry.

After identifying and bringing out all the data is expected, we will enter them into the calculation program (Microsoft Office Excel) to calculate and <https://assignbuster.com/factors-affecting-on-womens-skin-care-products-marketing-essay/>

categorized by aged, their ideas and expectations. Furthermore, we also calculated the mean and standard deviation of the data collected from questions. These calculations will provide the number and percentage of people with their information and how about expectation. We can construct tables and graphs to illustrate and describe the results of our study better.

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### Marketing Mix

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