A STUDY OF IMPACT OF SOCIAL MEDIA ON COSMETICS INDUSTRY IN INDIA: A BRANDING AND CONSUMER BUYING BEHAVIOUR PERSPECTIVE

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Abstract

Cosmetics Industry is the most dynamic industry. The products change very fast according to the need and fashion. A product may be best selling today and may become out of fashion tomorrow. The dynamic nature of need and preferences in cosmetic industry not only affects the product but it also affects marketing and branding efforts too. The branding of cosmetic products need high information input in terms of consumers preference, consumer feedback and consumer expectation. In such an environment social media is playing great role. Although in current scenario most of the companies of several different industries are present on social media to communicate about their brand but it is completely different in case of cosmetic industry. In cosmetic industry the presence on social media is not only required but the promptness in reply to user generated content (UGC) is also required. The present research paper is an effort to estimate the impact of social media on consumers buying behavior and barding aspects of cosmetic products. The present study shows that Social media impact is highly correlated with female buying behaviour, brand affect and brand trust. Yet social media has much more to do to create brand loyalty.

Keywords – Cosmetics Industry, Social Media, Branding

I.   INTRODUCTION

In the present era when social media is used most frequently than ever and content clutter on internet, marketers face increasing challenges in maximising the ROI of social activities, as well as understanding consumer preferences in a fast-changing industry. With an immense volume of content being posted online around makeup brands every day, how can cosmetics marketers be strategic in monitoring and engaging consumers online?

Digimind (a Social media and competitive Intelligence company) conducted a study in Australia, Hong Kong, Indonesia, Malaysia, Singapore, and Philippines from 13 January to 6 March 2018, in English, Mandarin, Malay, and Tagalog. They found that looking at brand-related posts by customers on social media, 56.7% of discussions were on Instagram, making it a treasure trove of user generated content (UGC), where makeup fans shared various looks, makeovers, and product hauls. The customer discussion was all different on other media i.e. twitter and facebook. The study shows that the social media is no more remained a common

term. People interaction on instagram is all different in comparison with other media. So the social media companies must actively differentiate their content and communication pattern on each media.

In another issue related to cosmetic product branding, a cosmetics giant Maybelline has posted on Twitter on 22 Feb 2018 that whether they should remain on Snapchat or not. Actually Maybelline found that their Snapchat account have less response than others. They put an excuse that the cost and efforts of being on Snapchat is not resulting worthy for them. This post created a huge buzz and very soon realizing the importance of being on each social media Maybelline removed their tweet.

This raised a big question in the mind of marketer that the social media is actually affecting the cosmetic industry or it is only a deception. The issue of returns on investment (ROI) makes the present study important. In the present study researcher has tried to explore the same issue of impact of social media on consumers buying behaviour and brand related aspects.

II.   RESEARCH HYPOTHESIS

To understand the impact of social media on consumers buying behaviour and brand related aspects following hypotheses are formed:

Hypothesis-1:

Null Hypothesis (Ho): Social Media has no impact on buying decision of female cosmetic users

Alternate Hypothesis (Ha): Social Media has an impact on buying decision of female cosmetic users

Hypothesis-2:

Null Hypothesis (Ho):   Role of Social media have no impact on cosmetic products' brand affect.

Alternate Hypothesis (Ha): Role of Social media have a significant impact on cosmetic products' brand affect.

Hypothesis-3:

Null Hypothesis (Ho):   Role of Social media have no impact on cosmetic products' brand trust.

Alternate Hypothesis (Ha): Role of Social media have a significant impact on cosmetic products' brand trust.

Hypothesis-4:

Null Hypothesis (Ho): Role of Social media have no impact on cosmetic products' brand loyalty.

Alternate Hypothesis (Ha): Role of Social media have a significant impact on cosmetic products' brand loyalty.

III. METHOD OF STUDY

For the research purpose a questionnaire with 25 questions is used. The questionnaire is used for female customers of cosmetic products. Sample size for the research is 500 respondents affected by social media in cosmetics industry. The questionnaire has been developed by with the help of 160 sample data. The tool statistics is as follows:

Scale Statistics				
Mean	Variance	Std. Deviation	N of Items	Cronbach's Alpha
93.9250	192.334	13.86845	25	0.841

IV. FINDING OF STUDY

$_1H^{0}$ - Null Hypothesis: Social Media has no impact on buying decision of female cosmetic users

Correlations		Social Media Impact	Female Buying Behaviour
Social Media Impact	Pearson Correlation	1	.709**
	Sig. (2-tailed)		.000
	N	500	500
Female Buying Behaviour	Pearson Correlation	.709**	1
	Sig. (2-tailed)	.000	
	N	500	500
**. Correlation is significant at the 0.01 level (2-tailed).			

Table: 1 –Correlation Calculation for hypothesis 01

The correlations between Social Media Impact with Female Buying are very high. Pearson Correlation value is positive 0.709 which is good and correlation is significant at the 0.01 level. So it can be said that null hypothesis is rejected. So it can be said that, "Social Media has an impact on buying decision of female cosmetic users".

$_2H^{0}$): Role of Social media have no impact on cosmetic brand affect.

Correlations		Social Media Impact	Brand Affect
Social Media Impact	Pearson Correlation	1	.565[**]
	Sig. (2-tailed)		.000
	N	500	500
Brand Affect	Pearson Correlation	.565[**]	1
	Sig. (2-tailed)	.000	
	N	500	500
**. Correlation is significant at the 0.01 level (2-tailed).			

Table: 2 – Correlation Calculation for hypothesis 02

The correlations between Social Media Impact with Brand Affect are high. Pearson Correlation value is positive 0.565 which is good and correlation is significant at the 0.01 level. So it can be said that null hypothesis is rejected. So it can be said that, "Role of Social media have a significant impact on cosmetic products' brand affect."

$_3H^{0-}$ Role of Social media have no impact on cosmetic brand trust.

Correlations		Social Media Impact	Brand Trust
Social Media Impact	Pearson Correlation	1	.659[**]
	Sig. (2-tailed)		.000
	N	500	500
Brand Trust	Pearson Correlation	.659[**]	1
	Sig. (2-tailed)	.000	
	N	500	500
**. Correlation is significant at the 0.01 level (2-tailed).			

Table: 3 – Correlation Calculation for hypothesis 03

The correlations between Social Media Impact with Brand Trust are high. Pearson Correlation value is positive 0.565 which is good and correlation is significant at the 0.01 level. So it can be said that null hypothesis is rejected. So it can be said that, "Role of Social media have a significant impact on cosmetic products' brand trust."

$_4H^{0-}$ Role of Social media have no impact on cosmetic brand loyalty

Correlations		Social Media Impact	Brand Loyalty
Social Media Impact	Pearson Correlation	1	.118[**]
	Sig. (2-tailed)		.008
	N	500	500
Brand Loyalty	Pearson Correlation	.118[**]	1
	Sig. (2-tailed)	.008	
	N	500	500
**. Correlation is significant at the 0.01 level (2-tailed).			

Table: 4 – Correlation Calculation for hypothesis 04

The correlations between Social Media Impact with Brand Loyalty are low but are positive. Pearson Correlation value is positive 0.118 which is low and yet correlation is significant at the 0.01 level. So it can be said that null hypothesis is rejected. So it can be said that, "Role of Social media have a significant impact on cosmetic products' brand Loyalty." The low correlation shows that the brand loyalty is generated by many other factors and social media is only a small part contributing to all factors.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.835[a]	.698	.696	2.44939

a. Predictors: (Constant), Brand Loyalty, Brand Trust, Female Buying Behaviour, Brand Affect

Table – 5 Multiple correlation calculation

The adjusted R^2 value shows that Brand Loyalty, Brand Trust, Female Buying Behaviour and Brand Affect well explains the impact of social media. The value .698 shows that factors explain 69% of the model. There are also other factors which are involved in the domain of effect of social media.

Conclusion:

Social media has transformed the approach of cosmetic companies to connect and communicate with customers worldwide. The influence of the social media can persuade Cosmetic Industry in the following ways:

High Customer Involvement and Engagement:

Social media is a two-way communication between target audience and the cosmetic companies. Social media provides high customer commitment and improve the communication with their customers. The cosmetic companies are able to generate customer feedbacks via different online presences. Additionally, cosmetic companies are able to use social media to better target and approach their own customers and listen to different voices from them.

Effect on Brand:

Social Media has been successfully used by beauty and cosmetic industries. The present research shows that it affects the Brand Loyalty, Brand Trust, and Brand Affect.

Generate Sales:

Social media is transforming the way that cosmetic companies generate the sales. Cosmetic companies use the power of world-of-mouth on social media to double their sales.

In the after math of Maybelline's post on Twitter about snapchat it was found that they also accepted the fact and importance of being on snapchat and removed their post from twitter. So at the end it could be concluded that the social media is effective in the branding of cosmetic products.

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