

Determinants of Customers' Buying Intention: An Empirical Analysis on Promotion Oriented Factors in Personal Care Products

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Abstract

Purpose: The objective of this study is to empirically examine the determinants or antecedents influencing customers' buying intention specifically the promotion-oriented factors. The findings are supposed to enhance the understanding of consumer behavior and providing useful insights for marketers.

Theoretical Framework: The increasing trend of different personal care products has brought wide marketing opportunities which makes it important for marketers to strengthen their promotion strategies and to what extent its customer base is affected. Recent literature has shown that sales promotion techniques have a significant role in attracting customers in turn increasing the sales. (Kumar, Lakshmi, & Vetrivel, 2023). The theoretical framework for studying buying intention towards personal care products incorporates insights from various studies on advertising appeals, personal selling, public relations, direct marketing, and sales promotion.

Design/Methodology/Approach: The study is conducted using primary source of data from Raipur city. The targeted population were the general customers of personal care products chosen for their alignment with cultural, climatic, sociological, and economic characteristics. Data analysis was conducted using the Multiple Regression Method.

Findings: The study had been hypothesized with five established dimensions viz. Sales Promotion, Advertising, Direct Marketing, Personal selling and Public Relations of promotion for customers' buying intention towards personal care products. It is concluded from the analysis that Sales Promotion, Direct Marketing and Personal Selling are found significant dimensions for customers' buying intentions.

Research, Practical & Social Implications: The expected contribution of the study is to contribute to the marketing policy makers and make a base for strategy formulation to personal care product strategy makers. Also, the findings shall add to the compelling need of the industries to understand the consumer dynamics which needs routine measurement of buying intentions of customers and promotion tools used.

Originality/Value: Further, it may be integrated with the technological advancements that could enhance the promotional efforts taken up by the marketers and its impact on the consumer behaviour. This study might add value as a base for future researches.

Keywords- Buying Intention, Advertising, Promotional factors, buying behaviour

1. Introduction

India's personal care industry holds a significant position within the Indian market, encompassing various segments such as hair care, bath products, skin care, cosmetics, oral care, and men's grooming. The industry's growth is driven by factors like increasing income levels, rapid urbanization, and aggressive promotional activities. Despite the industry's vastness, the buying behaviour of customers within this sector remains somewhat predictable yet subject to variation, contributing to its rapid expansion.

The personal care industry is known to be as wide as any other industry. With increasing competition, sustainability in the market calls for effective marketing strategies. Marketers have to carefully plan these strategies including the promotional activities, taking into consideration the objective of advertising at a given point of time, synergy of advertising with other promotional elements such as sales promotion, point-of-purchase elements, and even personal selling (wherever it is appropriate). As per in-depth analysis of the core country data of personal care industry in India, revenue in the Personal Care segment amounts to US\$ 822m in 2020. Revenue is expected to be evidence for an annual growth rate (CAGR 2020-2024) of 17.0%, consequential in a market volume of US\$1,540m by 2024. User penetration is 25.8% in 2020 and is expected to reach 40.3% by 2024. The average revenue per user (ARPU) amounts to US\$2.31 as per now. Globally, major revenue is generated in China (US\$34,532m in 2020).

The driving factors for this industry includes rising income level of people, rapid urbanization and growth in living standards, changing lifestyle, aspirations among young Indians to look good and handsome, to stay clean and hygienic and finally promotions using a blend of creative factors presents a golden opportunity for the beauty and personal care market to grow exponentially in India.

Specialized categories are set to outpace the growth of generic categories and will hold ~40-45% of the overall market by 2022. Generic categories like bath & shower, hair care and oral care already enjoy a higher penetration and are mature categories. These categories are dominated by multi-national giants like Hindustan Unilever, Proctor & Gamble etc. which have brands that offer functional benefits and value for money products. The personal care products account for about 22% of the country's fast-moving consumer goods (FMCG) industry. FMCG companies are launching variety of products in these categories to suit consumption across difference levels of purchasing power. Major companies in this segment include ITC Limited, Johnson & Johnson, Marico, HUL, L'Oreal, Biotique etc. Considering this scenario, it becomes important to hit the buying intentions of customers, and persuading them by communicating the product information.

Be it Personal Care Industry or any other, competition is growing rapidly everywhere. Raipur being the capital city of Chhattisgarh is still considered to be naïve when it comes to business market especially personal care market. It becomes a common attraction for marketers to establish and extend their market here in Chhattisgarh. We have seen many new brands

coming up with their offline and online stores as well as franchisee like Nykaa, Sugar, Oriflame, Colorbar, L'Oreal, The Body Shop, Biotique etc. For this, they need marketing strategies to face the competition which stands as a strong face in front of all. And one of the key components for attaining a position in the competition is communication of the product or service information through promotional tools. The objective of this study is to assess the impact of promotion-oriented factors on customers' purchase intentions, particularly concerning personal care products. Specifically, the research aims to understand how various promotional strategies, including advertising, sales promotion, point-of-purchase elements, and personal selling, influence consumers' intent to purchase personal care items in the Indian market.

Given the expansive nature of the personal care industry in India and the intensifying competition within this sector, it becomes imperative for marketers to devise effective marketing strategies to ensure sustainability and competitiveness. These strategies must encompass a range of promotional activities tailored to meet specific objectives, while also ensuring synergy among different promotional elements. Understanding the influence of promotion-oriented factors on consumer purchase intentions is crucial for marketers to optimize their promotional efforts and effectively engage with their target audience, thereby maximizing sales and market share in the competitive landscape of the personal care industry. Therefore, this study addresses a critical gap in the existing literature and provides valuable insights for marketers seeking to enhance their promotional strategies within the Indian personal care market.

So far the researches have been using the big data which contains country core data and they have contributed what we can say as implied results in this segment. But in this study, specific data pertaining to Raipur city will be used and, it is considered that it will entail insightful results for the upcoming and existing personal care market which comprises of national and global brands altogether.

2. Theoretical Referential

(Apri Budianto, 2020), concluded that a positive relation is evident between promotion mix and purchase decisions taken up by the customers. The researchers found that promotion helps to communicate information about the products which fosters a great impact on buying intention and actual buying. (Zainuddin, Sudirman, Lasise, & Sanusi, 2023) found in their study that brand awareness and endorsements have a positive impact on consumer buying intention. Also, e- word of mouth has a simultaneous effect on purchase interest and thereby buying decision. (Qi LingA, 2023) concluded that entertainment and social interaction is found to be affect the purchase intent of the consumers. As the consumers are always information seeking and the information exchange is very essential for the consumers to be informed. So, it can be said that the advertisements must be informative and entertaining to persuade a consumer towards their buying decision.

Predrag Jovanovic et al (2016), found in his paper titled "Impact of Advertising Appeal on Purchase Intention" that different advertising appeals have different effects on

consumer attitude and purchase intention; usually in case of women, the emotional appeal has a stronger impact while for men it is the rational appeal. Qian He & Hong jian Qu (2018) explained that advertising appeals have a significant positive impact on clothing consumers' purchase intention in the social media environment. Tashrifa Haider and Shadman Shakib (2017) concluded that familiarity and entertainment factor of an advertisement have the most significant impact on consumer purchase intention or buying behaviour. Samar Fatima and Samreen Lodhi found that advertisements are very useful in creating the awareness among the people when it comes to marketing of cosmetic products.

Anthony Paul C. et al. (2014) found that the quality perception of personal selling contributes to consumer buying intention. Laura (2016) found that personal selling is a strategy that salespeople use to influence customers by providing them with all the necessary information for buying their product. Yousif, Rudaina. (2016) indicates that workers in personal selling work to convince consumers to make a purchase decision and that the personal characteristics of a salesperson are the most important elements for winning consumers.

Samar Rahi (2016) revealed in his study that there is a strong positive significant relationship between Public relations perception and customer loyalty. James et al, suggested that public relations have a positive impact on customer loyalty with a greater awareness, reach and efficiency of PR activities. Jaehan Min et al (2017) revealed in his study that consumers tend to buy and be loyal to products when there is positive publicity for the brand/product.

Simpson & Mortimore (2015) has uncovered in their study that there exists a variety of benefits, perceptions and implications of direct mail on the overall intention to purchase, even when scenario says that online will replace offline. Syed H. Akhter and Srinivas Durvasula (1991) indicated in their study that aggressive direct marketing strategies built on understanding of customer buying behaviour may directly influence customer purchase intention.

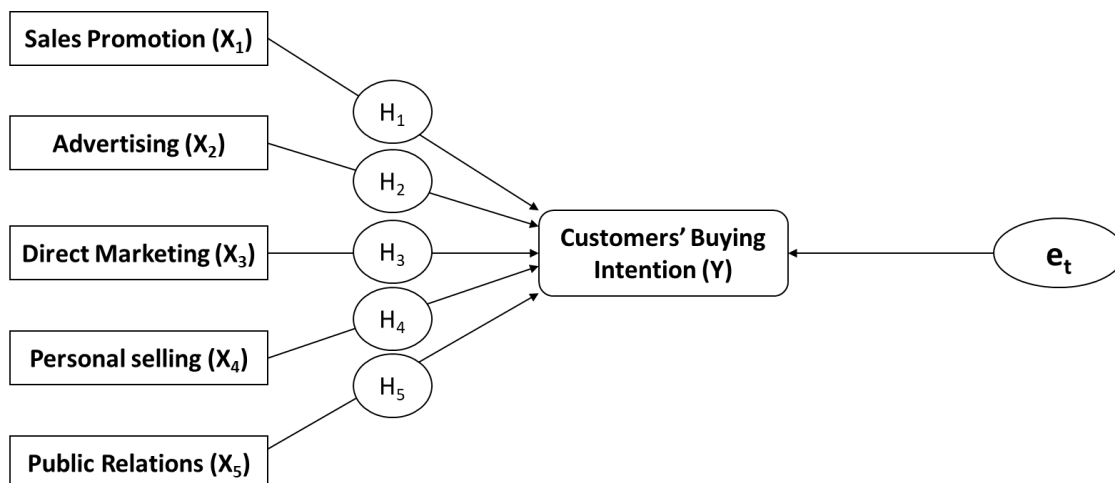
Soni Neha and Verghese Manoj (2013) found that among the various sales promotion tools: offer, premium and contest are the most influencing variables for consumer purchase decision. Angela Ya –Ping Chang (2017) revealed in her study that sales promotion tools bring customer involvement and thereby influence the purchase intention of customers.

So, these factors are considered to conduct a study on buying intention towards personal care products.

3. Methodology

3.1 Conceptual Framework

Sales Promotion (X_1), Advertising (X_2), Direct Marketing (X_3), Personal selling (X_4) and Public Relations (X_5) are taken to be exogenous variables on Customers' Buying Intention (Y) as endogenous variable.



Source: Researcher's Own Construct based on literature

3.2 Mathematical Framework

$$\hat{Y} = \beta_0 + \sum_{i=1}^5 \beta_i X_i + e_t$$

3.3 Hypothesis

- H₁: Sales Promotion has a significant impact on Customers' Buying Behaviour;
- H₂: Advertising has a significant impact on Customers' Buying Behaviour;
- H₃: Direct Marketing has a significant impact on Customers' Buying Behaviour;
- H₄: Personal Selling has a significant impact on Customers' Buying Behaviour;
- and
- H₅: Public Relation has a significant impact on Customers' Buying Behaviour.

3.4 Target Population and Research Method

The target population is general customers of personal care products. The sampling frame is the customers of Raipur City as their profile meets the cultural, climatic, sociological and economic similarities. The study has been conducted through causal model based on primary data collected through structured questionnaires on 7-point Likert's scale. The sample has been determined as 385 through Cochran's Method (1963) for infinite population. The data has been analysed through Multiple Regression Method.

4. Results and Discussion

Multiple Regression has been used to analyse the data.

Table1: Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	0.767	0.589	0.580	0.781

Interpretation

It is evident from the Model Summary (Table 1) that the model explains 59 percent of the variance which is sufficient for a five-variable model.

		Sum of Squares	Df	Mean Square	F	Sig.
Model	Regression	256.252	6	42.709	69.879	0.000
	Residual	179.075	293	0.611		
	Total	435.327	299			

Interpretation

It is evident from the ANOVA (Table 2) that the model is significant at 5 percent level of significance. So, it is a model fit.

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
Model	Constant	1.361	0.424		3.209	0.001
	X ₁	0.225	0.080	0.142	2.824	0.005
	X ₂	0.015	0.084	0.009	0.177	0.860
	X ₃	0.191	0.067	0.145	2.836	0.005
	X ₄	0.257	0.091	0.142	2.815	0.005
	X ₅	0.009	0.059	0.008	0.152	0.879

Interpretation: It is evident from the coefficients (Table 3) that H₁, H₃ and H₄ are accepted while H₂ and H₅ are rejected. It suggests that Sales Promotion, Direct Marketing and Personal Selling are the responsible promotion tools for customers' buying intentions.

5. Conclusion

The study was structured around five distinguished dimensions, namely Sales Promotion, Advertising, Direct Marketing, Personal Selling, and Public Relations, to investigate their influence on customers' buying intention towards personal care products. Through rigorous analysis, it was found that Sales Promotion, Direct Marketing, and Personal Selling emerged as significant factors impacting customers' buying intentions. This suggests that promotional strategies focusing on sales promotions, direct marketing initiatives, and

personalized selling techniques play pivotal roles in shaping consumers' purchasing decisions within the realm of personal care products. These factors often work in collaboration when formulating a strategy to increase customer response and thereby sales. This study has also widened the scope for future studies, wherein researchers may try to understand these factors in the realm of technology; how these can further contribute to innovative promotion strategies for staying ahead in this competitive world. Also, the results shall contribute to perceptualize the role of promotion-oriented factors in other segments where customer intent is significant to study.

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