

## “A STUDY ON INFLUENCE OF VIRTUAL MARKETPLACE PERCEPTION ON CONSUMER BUYING BEHAVIOUR IN COSMETICS”

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### ABSTRACT

In the contemporary digital marketplace, the impact of virtual market perception on consumer purchasing patterns in the cosmetics industry has emerged as a focal point of scholarly investigation. This study endeavors to elucidate the intricate interplay between virtual market perception and consumer buying behavior within this sector. Utilizing established theoretical frameworks such as the Technology Acceptance Model and the Elaboration Likelihood Model, the research adopts a quantitative methodology, employing surveys to amass pertinent data. The analysis uncovers a noteworthy association between favorable virtual market perception, epitomized by factors such as user testimonials, brand eminence, and website usability, and consumer purchasing decisions in the cosmetics domain. These findings underscore the pivotal role of virtual market perception in molding consumer confidence, interaction, and decision-making processes. The study concludes by delineating practical implications for cosmetics enterprises, emphasizing the imperative of cultivating an affirmative virtual market perception to nurture customer loyalty and augment sales within the digital milieu.

### 1. INTRODUCTION

The cosmetics industry is undergoing a profound metamorphosis catalyzed by digital advancements. The confluence of online market perception and consumer purchasing behavior has emerged as a pivotal focus for both academic research and industry analysis. Empowered by a plethora of digital platforms offering comprehensive product information, critiques, and brand engagement opportunities, consumers now possess unprecedented access to make informed decisions, irrespective of geographical constraints. Online market perception encapsulates a myriad of factors, including website functionality, user-generated content, and brand visibility, collectively shaping consumer trust and emotional bonds. Within this context, understanding consumer behavior in the cosmetics sector, particularly within the online realm, is of paramount significance. Theoretical constructs such as the Technology Acceptance Model (TAM) and the Elaboration Likelihood Model (ELM) elucidate the cognitive and affective drivers that influence consumer responses to digital stimuli. This study endeavors to unravel the intricate relationship between online market perception and consumer purchasing behavior in the cosmetics industry.

### 2. METHODOLOGY

#### STATEMENT OF THE PROBLEM

The principal conundrum entails apprehending "The Influence of Online Market Perception on Consumer Purchasing Behavior in the Cosmetics Industry." The mercurial nature of consumer expectations accentuates the exigency of fulfilling their requisites, especially within the cosmetics domain. Excelling in this competitive arena necessitates online platforms to decrypt consumer comportment, procurement tendencies, decision-making paradigms, and predilections. Significantly, consumer behaviors exhibit heterogeneity influenced by cultural paradigms, socioeconomic stratifications, income echelons, age demographics, and gender dynamics, particularly when contrasting diverse consumer segments across various nations.

### 3. OBJECTIVES

1. Scrutinize consumer demographics within the cosmetics industry.
2. Investigate the predominant cosmetic product categories favoured by consumers.
3. Appraise the influence of online market dynamics on consumer comportment.
4. Dissect consumer perceptions and purchasing proclivities.

#### SCOPE OF THE STUDY

- Advancements in Cosmetology: Innovations Driving the Development of Beauty Products
- Formulation Synergies: Key Ingredients and Compound Interactions

- Cosmetic Research: Fundamental and Applied Studies
- Manufacturing Insights: Empirical Investigations in Cosmetic Production Facilities
- Dermatological and Trichological Assessments: Analytical and Testing Methods
- Therapeutic Interventions: Treatments for Skin, Hair, and Body Disorders

#### LIMITATION

The principal constraint is the confinement of respondents solely to the Tumkur district.

### 4. LITERATURE REVIEW

#### 1. Constantinides

Virtual marketplace perception pertains to consumers' evaluative and interpretative frameworks regarding online shopping platforms. This perception is influenced by a multitude of factors, encompassing website aesthetics, navigational simplicity, detailed product information, and robust security protocols. He postulates that a meticulously designed website that facilitates seamless navigation and provides exhaustive product details can substantially augment consumer perception and sway their purchasing decisions. Furthermore, security protocols such as SSL certificates and secure payment mechanisms are imperative in cultivating consumer trust within virtual marketplaces .

#### 2. Rajeshwari

In 1982, Rajeshwari conducted an inquiry in Vishakhapatnam that delved into consumer behavior within the ambit of goods and services marketing. The report elucidated noteworthy discoveries regarding consumer procurement patterns and the distinct roles assumed by different categories of retail establishments. Remarkably, the study unveiled a substantial preference among respondents for patronizing private retail outlets, closely followed by super bazaars and consumer cooperative stores. Additionally, the research underscored the influential role of housewives in shaping these purchasing preferences.

### 5. RESEARCH DESIGN

- **Sample size:** 60 respondents
- **Instruments for Data Collection:** Primary data was amassed via a questionnaire, complemented by secondary data sourced from diverse scholarly articles, journals, and reports.

### 6. DATA ANALYSIS, INTERPRETATION AND SUGGESTION

- **Female Respondents :** 55%
- **Male Respondents :** 45%
- A significant 66.7 percent of the respondents fall within the 18-24 age demographic, while 20 percent belong to the 25-34 age group.
- Pertaining to income strata, 50 percent of the respondents report earnings below 20,000, 25 percent possess incomes in the 20,000 to 50,000 range, and 15 percent earn between 75,000 and 100,000. Occupational data discloses a predominant representation of students, accounting for 55 percent of respondents, followed by 35 percent who are employed, 8.3 percent self-employed, and 1.7 percent unemployed.
- **Frequency of Cosmetic Product Usage**

The data reveals that a substantial 36.7% of respondents incorporate cosmetic products into their regular routines, indicating a significant interest among consumers in cosmetics for daily use. This underscores the significance of cosmetics in everyday personal grooming, suggesting opportunities for cosmetic companies to refine their products and marketing strategies to better align with consumers' daily beauty rituals.

Skincare emerges as the most favoured category among respondents, with 70% expressing preference for it. Following closely behind is hair care, selected by 45% of respondents, while fragrances and makeup have comparatively lower percentages at 35% and 30%, respectively. In summary, skincare and hair care appear to be the primary areas of focus for the majority of respondents, emphasizing the importance of these segments within the cosmetics industry.

- **Monthly Expenditure on Cosmetic Products**

The data indicates how respondents allocate their budgets for cosmetic products: 46.7% spend less than 500, while 21.7% allocate between 500 and 1000. Furthermore, 15% budget between 1000 and 1500, and 16.7% spend over 2000.

The predominant trend shows that 46.7% of customers purchase cosmetic products under 500, likely reflecting a tendency towards price sensitivity.

➤ **Factors contribute to trust in a cosmetic brand**

- Ingredient Transparency - 30%
- Positive Customer Reviews - 40%
- Influencer Endorsements - 19%
- Social Responsibility Initiatives - 11%

The study shows that four main factors i.e Positive customer reviews are the most important, making up 40% of the trust. Ingredient transparency follows at 30%, as people want to know what's in the products they use. Influencer endorsements account for 19%, showing that social media personalities have some impact. Social responsibility initiatives contribute 11%, meaning ethical practices also matter but less so. These factors highlight what consumers value when trusting a cosmetic brand online.

**HYPOTHESIS**

**H0: People rarely purchase cosmetics online.**

**H1: People frequently purchase cosmetics online.**

Sl. No.	Particulars	Number of Respondents	O-E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
1	Always	11	-19	361	12.03
2	Frequently	21	-9	81	2.7
3	Occasionally	11	-19	361	12.03
4	Rarely	15	-15	225	7.5
5	Never	2	-28	784	26.13
<b>Total</b>		<b>60</b>			<b>60.39</b>

$$E=60/2 = 30$$

$$\text{Degree of freedom} = [n - 1]$$

$$[5 - 1] = 4$$

Critical values of the Chi-square distribution with $d$ degrees of freedom							
Probability of exceeding the critical value							
$d$	0.05	0.01	0.001	$d$	0.05	0.01	0.001
1	3.841	6.635	10.828	11	19.675	24.725	31.264
2	5.991	9.210	13.816	12	21.026	26.217	32.910
3	7.815	11.345	16.266	13	22.362	27.688	34.528
4	9.488	13.277	18.467	14	23.685	29.141	36.123
5	11.070	15.086	20.515	15	24.996	30.578	37.697
6	12.592	16.812	22.458	16	26.296	32.000	39.252
7	14.067	18.475	24.322	17	27.587	33.409	40.790
8	15.507	20.090	26.125	18	28.869	34.805	42.312
9	16.919	21.666	27.877	19	30.144	36.191	43.820
10	18.307	23.209	29.588	20	31.410	37.566	45.315

For 4% degree of freedom, the value from the table at degree of freedom 4 is 13.277 and the value calculated is 60.39. Here calculated value is greater than the table value. Hence the null hypothesis formulated is rejected

## 7. SUGGESTIONS

Based on the findings of this study, it is advised that cosmetic brands augment their digital presence by emphasizing favorable customer testimonials and ensuring ingredient transparency. Encouraging gratified customers to leave reviews can substantially enhance trust. Furthermore, providing clear and detailed ingredient lists is imperative to satisfy consumer demand for transparency. Leveraging influencer endorsements and exemplifying social responsibility through ethical practices can further elevate brand perception. By concentrating on these aspects, cosmetic companies can cultivate stronger relationships with their clientele, leading to heightened loyalty and sales.

## 8. SUMMARY

This inquiry elucidates the consequential interplay between virtual marketplace perception and consumer purchasing behavior within the cosmetics sector, situated in the modern digital epoch. The study operationalizes established theoretical paradigms, namely the Technology Acceptance Model (TAM) and the Elaboration Likelihood Model (ELM), to methodically scrutinize the cognitive and affective determinants underpinning consumer responses to

digital stimuli. Utilizing a quantitative research design, primary data were procured through structured surveys administered to a demographically diverse cohort, while secondary data were extrapolated from a compendium of scholarly articles and industry reports.

## 9. CONCLUSION

The study substantiates the pivotal role of virtual marketplace perception in shaping consumer comportment within the cosmetics industry. The intricate relationship between online market dynamics and consumer behavior necessitates that cosmetic enterprises meticulously cultivate a favorable virtual market perception to bolster consumer trust, enhance engagement, and drive purchasing decisions. The imperative to prioritize positive customer reviews and ensure ingredient transparency is accentuated, alongside leveraging influencer endorsements and ethical practices to augment brand perception. Consequently, the findings delineate actionable insights for cosmetics enterprises: fortifying an affirmative digital presence is paramount to fostering consumer loyalty and augmenting sales within the competitive digital marketplace. By aligning marketing strategies with consumer predilections, particularly emphasizing transparency, positive endorsements, and ethical initiatives, cosmetic companies can efficaciously navigate the evolving digital landscape and secure a competitive advantage.

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