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Consumer Preferences in Cosmetic Products within the Market's Drugstore Segment

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Abstract

Today's prospects for the development of the pharmaceutical market, as well as the potential for the high competitiveness of Russian products, are largely determined by consumer preferences in curative and curative/preventive cosmetic products. The work's purpose is to analyze present-day consumer preferences in cosmetic products within the drugstore segment of the market in the city of Moscow in Russia. The authors' marketing study was conducted by way of a survey involving 250 respondents. The study employed quota sampling based on gender, age, and cosmetics groups. Its field stage was conducted between January and February 2018, in the city of Moscow via a personal oral survey based on a structured questionnaire. The authors have investigated consumer preferences in three major groups of cosmetic products in the drugstore product range: high-end cosmetics, curative cosmetics, and mass-market cosmetics. The findings from the authors' marketing study indicate that 75% of consumers are satisfied with the quality of cosmetic products they use. The authors have identified a set of factors that shape consumer preferences in cosmetic products within the market's drugstore segment. The decisive factor for over 50% of the respondents in purchasing a cosmetic product is the product's efficiency and quality. It is followed by the absence of side effects (17%), price (15%), composition (7%), the brand's reputation (4%), and other factors. Ranking the factors has helped to compute the weight of these factors. The authors' analysis of consumer preferences in cosmetic products within the drugstore segment of the market in the city of Moscow in Russia may assist one in making timely and adequate decisions in developing a cosmetic product and should provide the grounds for developing a set of strategic activities on the further development of the drugstore segment for cosmetic products and improvement of the competitive advantage of Russian products.

Keywords: consumer preferences, cosmetic products, curative cosmetic products, marketing.

Introduction

Today's economic conditions within the pharmaceutical market in Russia are promoting stiff competition among cosmetic products within the drugstore segment. The development of the present-day Russian market of drugstore cosmetics is largely determined by the condition of the marketing of macro- and microenvironment [1-3]. Its key factors which shape consumer demand for these products are social, economic, cultural, personal, and psychological. According to forecasts, the rate of growth in sales of cosmetic products until 2020 will make up to 3–6% in kind annually [4]. Today's prospects for the development of the pharmaceutical market, as well as the potential for the high competitiveness of Russian products, are largely governed by consumer preferences in curative and curative/preventive cosmetic products.

In conducting marketing research on drugstore cosmetics, scholars normally examine these products in the connection with other groups. The share of curative cosmetic products in the market is 16–36% [5]. Yet, to ensure the successful development of this segment and boost the competitiveness of such products, it may help to focus mainly on meeting the needs of people related to curing and preventing illnesses. This may require conducting research into the latest consumer preferences in curative and curative/preventive cosmetics.

The purpose of this work is to analyze consumer preferences in cosmetic products within the drugstore segment of the market in the city of Moscow in Russia.

Materials And Methods

Among the key sources of information employed by the authors for analyzing the market of cosmetic products in Russia are secondary data from various official statistics databases, periodical publications, research findings, and information from the Internet.

The authors conducted their marketing research on consumer preferences in curative and curative/preventive cosmetics by way of a survey which engaged 250 respondents from the city of Moscow, which is a sufficient number for a pilot study.

The study employed quota sampling based on gender, age, and cosmetics groups. Its field stage was conducted between January and February, 2018, in the city of Moscow via a personal oral survey based on a structured questionnaire comprised of questions dealing with the respondents' characteristics, their consumer preferences, factors that shape their preferences, the characteristics of the use of cosmetic products, and assessments of the degree to which their needs are met.

Results And Discussion

In 2017, drugstores in Russia sold nearly 1,500 various cosmetics brands and over 13,500 items. The recessionary phenomena experienced by the Russian economy starting from the second half of 2014 have had a negative effect on sales of drugstore cosmetics. The decline in people's purchasing power, caused by a decrease in their income, as well as an increase in prices for nearly all cosmetic products, have led to a significant shrinking of the market's drugstore segment. Only in 2016, the sales of these products started to show certain growth, although in comparison to 2013 sales were still 25% down.

To investigate some of the key trends and the behavior of the target market of cosmetic products within the drugstore product range, the authors conducted a survey of consumers within the city of Moscow, Russia. The respondents were aged 21 to 50 years, with females prevailing (84%). Most of the respondents had higher education (72%). By social status, most were office-based employees and manual workers (66%), with 16% of freelancers. By average income per family member, most had a medium income level (58%).

95% of the respondents said they used cosmetic products 1-2 times per day, and 5% – 1-2 times per week.

The question 'What do you pay attention to when selecting a cosmetic product?' elicited the following responses: efficiency and quality – 52%, absence of side effects – 17%, price – 15%, composition – 7%, and the brand's reputation – 4%. This trend may need to be taken into account by cosmetics manufacturers in developing new products and enhancing the existing ones.

When asked about whether or not the respondents were satisfied with the cosmetic products they purchased, 75% said they were.

Note that 50% of the respondents confessed to having had an allergic reaction to cosmetics products, which may signal the need for toughening the requirements for their quality.

Some of the respondents gravitated toward cosmetics for dry skin – 22%, with 15% favoring products intended for dry combination skin, 41% – products intended oily combination skin, 7% – products intended for oily skin, and 15% – products intended for sensitive skin.

An important factor in the choice of cosmetic products is packaging. 66% of the respondents said they preferred using cosmetic products in cosmetic tubes, and 18% – in cosmetic jars.

The question 'Do you stay loyal to a particular trusted cosmetics manufacturer or use cosmetics by various companies?' elicited the following responses: 33% bought from a trusted manufacturer, and 67% bought from various companies. It was revealed, in this regard, that over half of the respondents (55%) knew about this way of preferences distribution.

The authors established several groups of cosmetic products that were in the greatest demand with consumers: 28% of the respondents gravitated toward the cosmetics group 'Mass-Market', 30% – 'Middle-Market', 18% – 'Lux', and 24% – professional cosmetics.

An important factor shaping consumer preferences in cosmetic products is quality. The surveyed consumers judged quality based on their own experience (62%), what they heard from friends (15%), and, lastly, advertising (19%). Most respondents considered the quality of a cosmetic product through the lens of its composition and effect on the skin. They also attached some importance to which country the product was manufactured in (30%). In this respect, inexhaustible loyalty was revealed in relation to France. The price did matter to the respondents, but not decisively (25%). Along with the functional properties of cosmetic products, one's choice of product may also be governed by the emotional aspect. Research reveals that the motives behind consuming cosmetics may vary. 20% said it was their desire to look better, please themselves by making a purchase, gain approval, etc. 10% of the respondents attached some importance to communication with store attendants.

It is known that the key contributor to the increases in sales of cosmetic products observed in the last few years is the increase in the sales of *high-end cosmetics*. To be specific, in 2016 increases in output within this group totaled 36% in rubles and 31% in packages [6]. This led to an increase in the relative share of high-end brands in total sales of cosmetics both in rubles (from 26% in 2013 to 38% in 2016) and in packages (from 5% to 12%, respectively). To a major degree, the dynamics have been provided for by Librederm, which entered the Russian market a few years ago and is now competing successfully with older brands, like Vichy and La Roche-Posay. Note that Librederm is the only Russian brand in this category.

Based on the survey results, the leader in the high-end cosmetics segment is by a small margin, Vichy (31.4%) (Table 1). Vichy is followed by Librederm (29.9%), which owes its popularity mainly to a large-scale expansion of its product range. With that said, the average retail price of the brand's products is 500 rubles and higher. La Roche-Posay (22.8%) is placed 3rd, with the key driver of growth for the brand being face-care products. There was just a slight difference between consumer preferences with regard to Filorga, Klorane, and Topicrem (1.6%, 1.2%, and 0.8%, respectively), which round out the top 10 high-end cosmetics brands.

In 2017, the demand for curative cosmetics grew by 11% in rubles and just 2% in packages in comparison to 2016 [7]. These were the smallest indicators of growth among all the cosmetics groups. Note that this trend is observed for the first time, as earlier sales of curative cosmetics were always greater than those of products within the rest of the groups.

Based on the survey results, the first place within the curative cosmetics segment went to Loshadinaya Sila (32.0%) (Table 2). This may be due to the fact that products of this brand were advertised over the course of several months on Channel One in the 'Good Morning' TV show, which ensured an average coverage of 7 million viewers per day (Poluekhtova, Ivchenko, & Ovchinskaya, 2017). Alerana, which specializes mainly in hair-care products, ranked 2nd (13.2%). The authors believe the brand ended up behind the leader due to rather high prices for its products. The third position went to Lactacyd (12.0%). Emolium (10.8%) was able to receive quite a high ranking owing to its release of certain body-care products, many of which are always in demand. Note the relatively low rank of Mycosan (6.8%). Despite the quality and efficiency of its products, Mycosan must have been less active in its advertising efforts than some of its competitors, like Loceryl, for instance. Besides, today the innovative use of antifungals (e.g., for cosmetic nail lacquer) enables manufacturers to optimize their product-range policy.

Table 1. Results from the Authors' Survey on the Use of Top High-End Cosmetic Products Sold in the Russian Market (some of the respondents named several brands)

Brand	Share of cosmetic products, %	Ranking
Vichy	31.4	1
Librederm	29.9	2
La Roche-Posay	22.8	3
Avene	8.4	4
Bioderma	5.2	5
Uriage	3.3	6
Lierac	2.8	7
Filorga	1.6	8
Klorane	1.2	9
Topicrem	0.8	10

Table 2. Results from the Authors' Survey on the Use of Top Curative Cosmetic Products Sold in the Russian Market (some of the respondents named several brands)

Brand	Share of cosmetic products, %	Ranking
Loshadinaya Sila	32.0	1
Alerana	13.2	2
Lactacyd	12.0	3
Emolium	10.8	4
Dry Dry	10.0	5
Sof'ya	9.6	6
Mycosan	6.8	7
Boro Plus	3.6	8
911	2.8	9
Mustela	2.0	10

One of the indicators demonstrating an upturn within the market of drugstore cosmetics in the last few years is an increase in sales of mass-market cosmetics. Mass-market cosmetic products are sold at a variety of places, which makes it hard for drugstores to compete with hypermarkets and supermarkets, especially price-wise. Sales of mass-market cosmetics in drugstores were far from great in 2016, with declines exceeding 20% in rubles compared to 2015 [9–11]. Therefore, the current positive dynamics of demand for this category of products (an increase of 15%) reveal optimistic prospects for growth within the drugstore segment.

Based on the survey results, the leader among mass-market brands is Johnson's Baby (25.2%) (Table 3). In the authors' view, this may be due to the active expansion of the corporation's product line, as well as a focus on special offers in social drugstores and outlets run by famous retailers. Kora (10.4%; ranked 4th) may have owed its popularity over the last few years to its ability to offer a wide range of cosmetic products, as well as the presence of phytocomponents in them. Mass-market cosmetics feature several brands with intimate hygiene products, including Contex, Sico, and Durex. In the authors' view, the popularity of these brands with the respondents, particularly that of the first two, is associated with a keener focus on online advertising for these products – for instance, in the form of commercials shown before a film on a film website. The relatively low ranking for Nivea (8.8%) may be due to declines in terms of the product's representative qualities. Drugstores are not a major venue for the sale of cosmetics of this brand, for which reason focusing on the sale of products of this specific brand may lead to declines in drugstores' competitiveness. The same applies to Natura Siberica, Bubchen, and Clearasil, the sales share of which dropped.

Table 3. Results from the Authors' Survey on the Use of Top Mass-Market Cosmetic Products in the Drugstore Product Range Sold in the Russian Market (some of the respondents named several brands)

Brand	Share of cosmetic products, %	Ranking
Johnson's Baby	25.2	1
Contex	14.4	2
Sico	14.0	3
Kora	10.4	4
Umnaya Emal'	9.2	5
Nivea	8.8	6
Neutrogena	7.6	7
Durex	6.4	8
Floresan	6.0	9
Moe Solnyshko	5.6	10

In exploring the consumer preferences of Russians, the authors examined their attitude toward nontraditional cosmetic products and the use of folk medicine for personal care purposes.

To be specific, 43% of the respondents admitted using folk medicine recipes, 50% refrain from using this kind of recipes, and 7% use them quite rarely. The question 'Did you know that many cosmetic products contain essential oils?' was answered in affirmatively by 84% of the respondents, with 70% admitting to having used cosmetic products containing essential oils. The question as to the actual purpose of using essential oils drew the following responses: while taking a bath, to aromatize a room, as an ingredient in a face pack, to create natural cosmetics at home (22% each), and to relieve fatigue (11%).

The question 'Where do you normally get information on new cosmetic products?' elicited the following responses: 35% – from the Internet, 25% – from friends, 22% – from TV, and 15% – from specialized advertising.

Based on the survey results, the authors established some of the factors most important to consumers which shape their preferences in cosmetic products and determined the weight of each factor (Table 4).

Despite the fact that today the market is sufficiently filled with various cosmetic products, a significant potential for its further development remains.

To facilitate the further development of the system of promoting cosmetic products in the drugstore product range, considering the findings of the authors' survey, the following potential strategic areas may be proposed:

1) individualization of service provision based on knowledge about target consumers;

2) improvement of the performance of cosmetic products and optimization of the product-range portfolio;

3) development of a set of measures for stimulation of the sale of cosmetic products to particular categories of consumers and employees.

It may help to devote special attention to putting in place a system of managing the relationships with target consumers – in particular, creating and developing an active client base, developing projects on personifying a purchase, issuing press-releases with products' key characteristics, and modernizing the web pages of companies and their branches in social networks. In addition, there is also relevance in activities carried out within the context of socially responsible business, which may include taking part in various social state and federal level programs and charity events and being a member of a fund aiding children, people injured in emergency situations, orphanages, and labor veterans.

CONCLUSION

1. The authors have explored consumer preferences in cosmetic products within the drugstore segment of the market in the city of Moscow in Russia. These findings could assist one in making timely and adequate decisions in developing a cosmetic product.
2. The findings from the authors' marketing study indicate that 75% of consumers are satisfied with the quality of cosmetics they use. The authors have investigated consumer preferences within three major groups of cosmetic products in the drugstore product range: high-end cosmetics, curative cosmetics, and mass-market cosmetics.
3. The authors have identified a set of factors that shape consumer preferences in cosmetic products within the market's drugstore segment. The decisive factor for over 50% of the respondents in purchasing a cosmetic product is the product's efficiency and quality. It is followed by the absence of side effects (17%), price (15%), composition (7%), the brand's reputation (4%), and other factors. Ranking the factors has helped to compute their weight. The resulting data could be used in positioning consumer preferences.

The findings from this study provide the grounds for developing a set of strategic activities on the further development of the drugstore segment for cosmetic products and improvement of the competitive advantage of Russian products.

Table 4. The Weight of Factors that Shape Consumer preferences in cosmetic products in the Drugstore Product Range (based on data from the authors' survey conducted in the city of Moscow)

No.	Factor	Rank (R_i)*	Value of rank (C)**	Weight of factor (W_i)***
1	Effectiveness of the cosmetic product	10	0.0182	0.182
2	Design of the package of the cosmetic product	3		0.055
3	Side effects of the cosmetic product	8		0.145
4	Price of the cosmetic product	7		0.127
5	Quality of the cosmetic product	9		0.164
6	Country where the cosmetic product was manufactured	4		0.073
7	Place where the cosmetic product is sold	2		0.036
8	Composition of the cosmetic product	6		0.109
9	Servicing of the purchase of the cosmetic product	1		0.018
10	Reputation of the trademark associated with the cosmetic product	5		0.091
Note. * – Reverse ranking method. ** – $C = 1 / \sum R_i$. *** – $W_i = C \cdot R_i$.				

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