

# **CHAPTER I**

## *INTRODUCTION*

# BUSINESS BUILDERS

## IN COSMETICS



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## **INTRODUCTION TO MARKETING:**

Man is a social animal. He has many desires, needs and wants. All his actions and Activities are directed towards one ultimate purpose as objectives i.e. the satisfaction of these wants. Wants are satisfied by the use of goods and services. Hence goods and services must be moved from producers and brought into the hands of ultimate consumers; otherwise, production of goods and services has no meaning. This movement of journey of goods involves lot of hurdles like lack of advertisements, finance problems. In short we can say that all the activities, which are involved in the physical transfer and ownership of goods, form part and heart of marketing.

## **MARKET**

The term 'market' is derived from a Latin word 'MARCATUS' meaning 'to trade'. In common parlance 'Market' means a place or locality where things are bought and sold, where buyers and sellers personally meet to affect these purchases and sales.

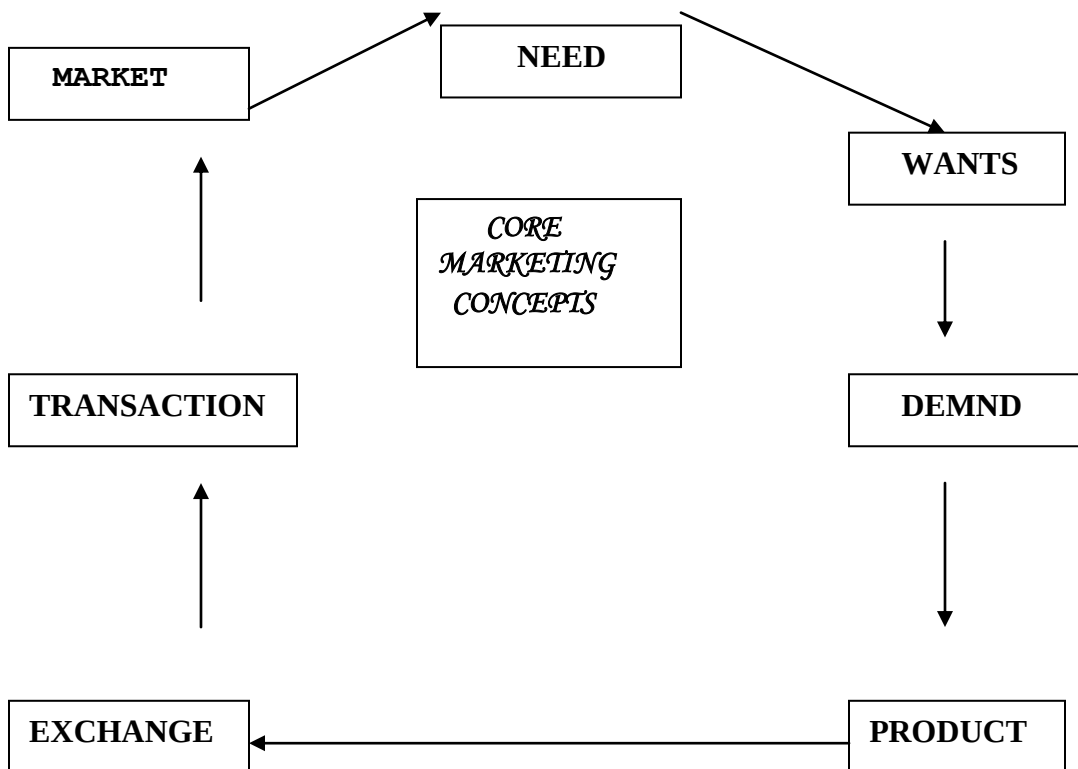
However for the students of marketing it means much more. In a broader sense, it is the whole of any region in which the buyers and the sellers are brought into contact With one another and by means of which the prices of the goods tend to be equalized easily and quickly.

Hence market can be defined as the atmosphere or a region in which forces of demand and supply operate directly or by means of any kind of communication to bring about transfer in title of goods. 'Market' is an arrangement providing an opportunity to exchange goods.

## **MARKETING**

MARKETING is defined as” the process of discovering and translating consumer needs and wants into product and services specification and in turn helping to make it possible for more and more consumers to enjoy more and more of these products and services.

In the definition below, terms such needs, wants, demands, products, exchange, transaction and markets are emphasized



## **NEEDS**

A human need is a state of felt deprivation. When a need is not satisfied a person will do one of two things, look for an object that will satisfy it or try to reduce the need.

## **WANTS**

Wants are described in terms of objects that will satisfy needs. It is the form taken by human needs as they are shared by cultural and individual personality.

## **DEMAND**

Wants are unlimited. People choose products that provide the most satisfaction for their money. Wants backed by buying power becomes demands.

## **PRODUCTS**

A product is anything that can be offered to a market for attention, acquisition, use or consumption and that might satisfy a need or want. The concept of product is not limited to physical objects. Anything capable of satisfying a need can be called a product. In addition to goods and services, products include persons, places, organizations, activities and ideas. A consumer decides what entertains to watch on television, which place to go on vacation, which idea to support. To a consumer, these are all products, if at times the substitute terms as “satisfy”, “resource”, or “offer”. All describe something of value to someone.

## **EXCHANGE, TRANSACTIONS AND RELATIONSHIPS**

Exchange under marketing is said to be an act of obtaining a desired object from someone by offering something in return. People don't have to prey on others or depend on donations, nor must the possess skills to produce every necessity to them. They can concentrate on making things that they are good at making and trade them for needed items made by others.

A transaction consists of a tradeoff values between two parties. It is the basic unit of exchange, whereas exchange is a process. Marketing transactions consists of actions taken to obtain a desired response from a target audience towards some product, service idea or other object.

Relationship marketing is a process of creating, maintaining and enhancing strong value-laden relationship with customers.

### **VALUE, COST AND SATISFACTION**

When a consumer wants to buy a product for satisfying his needs he assesses various products and forms and estimate of the capacity of each product to satisfy his set of needs. Therefore value is the consumer's estimate of the products overall capacity to satisfy his needs.

Cost is an important factor, which comes into picture when the consumer has made his product choice depending upon which product satisfies his need the most. After choosing the ideal product he has to determine whether the satisfaction he derives from the product is worth. There the definition supporting the above view is as follows,

“Marketing is a total system of interacting business activities designed to plan, price, promote and distribute want satisfying products and services to present potential customers”.

-WILLIAM J STATON

## **DEFINATION OF BRAND**

A brand is a name, term, symbol or design or a combination of them intended to identify the goods or services of one seller or group of seller and differentiate them from those of competitors.

## **CHARACTERISTICS OF BRAND**

1. It should suggest some thing about the products benefits.
2. It should suggest products qualities such as actions or colour.
3. It should be easy to pronounce and remember.
4. It should be distinctive.
5. It should not carry poor meaning in other countries and languages.

## **MARKETING RESEARCH**

Market research involves perdition of the unknown market circumstances with numerous variables (controllable variables such as over all services, speed of processing EMI, LTV and uncontrollable variables such as client perception, client satisfaction, and market potential economy of the country Government regulation etc...) that guide the company towards the path of success with out coming across any unforeseen calamity. In order to measure these factors, marketing research involves collecting relevant information to a specific marketing problem facing the company; towards this end any company involved in marketing needs has attached to its market function a market research department.

Market research in company involves four steps

1. The researcher with the help of marketing manager carefully defining the problem and setting the research objectives.
2. Developing the research plan for collecting the data from
  - Primary sources
  - Secondary sources
3. Implementation of the market research plan by collecting, processing and analyzing information obtained as above.
4. Interpretation and reporting the cue finding with the help of statistics and operational methods.

‘Marketing research is a systematic design, collection, analysis and reporting of data and findings relevant to a specific marketing situation.’

Basically, research is search of facts, therefore marketing research is said to be moving “away from simple surveys to action oriented, design oriented, problem solving research”. Reflecting this change in orientation, marketing research may be defined as the scientific and controlled process of gathering non-routine marketing information helping management to some marketing problems. Marketing research is concerned with all the factors, which have a direct impact upon the marketing of products and services i.e., problems relating to product, price promotion and distribution of the 4 P’s of marketing mix. It is the study of any part of the total marketing process. It concentrates on the study of product planning and development, pricing policies, effectiveness of personal selling, advertisement strategies, market competition and the entire area of buyer behavior and attitudes in the market place.

Marketing research is “the beginning and the end” of marketing management, in a dynamic economy. Marketing research is a tool for planning control cycle and acts as the investigate arm of marketing manager.

Marketing research covers

1. Market research
2. Sales research
3. Product research
4. Advertising and promotion research
5. Research on sale methods and policies
6. Distribution research including the dealer research

Marketing concept emphasizes on customer orientation, marketing plans are integrated and programs built around customer needs and desires and designated to produce customer orientation. It also emphasizes the role of accomplishing the twin objective of customer satisfaction and profitability. Thus, marketing research has grown along with the expanded role of marketing of business decision-making.

## CONSUMER BEHAVIOUR

The term consumer behavior refers to the behavior that consumer's display in searching for purchasing; using, evaluating and disposing of products and services that they expect will satisfy their needs. It is the study of how individuals make decisions to spend their available resources (time, money and effort) on consumption related items. The role of the consumers has undergone a severe change from the days when the consumer had to accept whatever the producer produces. Consumer purchases a commodity as dictated by their mental and economic forces. So now a day the producer has to consider these two forces before manufacturing the product.

## FACTORS INFLUENCING CONSUMER BEHAVIOUR

### 1. CULTURAL FACTORS

- a) CULTURE: culture is a society's personality. It exists to satisfy the needs of the people within a society. It offers order, direction, and guidance in all places by providing "tried and true" methods.
- b) SUB CULTURE: It is defined as a distinct cultural group that exists as an identifiable segment within a larger, more complex society. Each culture consists of smaller sub cultures that promise specific identification and socialization for its members. The four sub cultures are:

- Nationality group like India, Pakistan etc
- Religion group like Hindu, Muslim, Christian etc
- Racial group like blacks, whites, etc
- Geographical area such as Orissa, Punjab, etc

c) **SOCIAL CLASS:** Social class is defined as the division of members of a society into hierarchy of distinct status, class, etc so that the member of each class have relatively same status and members of all other classes have either more or less status.

## 2. **SOCIAL FACTORS**

- REFERENCE GROUPS:** A person's reference group consists of all the groups that have a direct or indirect influence on his attitudes and behavior. Groups, which have a direct influence on the person, are the primary groups. Which include his family, friends, neighbors, etc, and secondary groups include factors such as religion, profession, etc. then there is aspirations groups in which the person does not belong but aspires to join.
- ROLES AND STATUS:** A person participates in many groups throughout his life. Like family, clubs, organizations, etc. a person's position in these groups can be defined in terms of roles and status. A role consists of the activities a person is expected to perform according to the people around him or her.
- FAMILY:** a family can exert considerable influence in shaping the pattern of consumption and indicating decision-making roles. The members of the family play different roles such as influencers, deciders, gatekeepers and users in the buying process.

### 3. PERSONAL FACTORS

A buyer's decision is also influenced by his or her personal characteristics, notably the buyer's age, occupation, lifestyle, personality and self-concept.

- a) AGE: people change the goods and services they buy over their lifetime as their tastes change according to their age.
- b) OCCUPATION: A consumer's consumption pattern is also influenced by his or her occupation. Marketers try to identify the occupational groups and specialize in produce products needed by a particular occupational group.
- c) LIFE STYLE: life style portrays the whole person interacting with his or her environment. It specifies factors such as shared benefits, attitudes, activities and behaviors that tend to distinguish the members of each class from the members of all other social class.
- d) PERSONALITY AND SELF CONCEPT: people's economic condition consists of their disposable income, savings and assets, borrowing power and attitudes towards spending versus saving. Therefore marketers of costly goods pay serious attention towards trends in personal income, saving and interest rates

#### **4. PSYCHOLOGICAL FACTORS**

- a) **MOTIVATION:** a person has many needs at a time, some needs are bioorganic and some are psychogenic. Bioorganic are recognition, esteem or belongingness and love. Most of the needs are intense enough to motivate the person to act immediately. A need becomes a motive or drive when it is aroused to sufficient level of intensity, a motive or drive is a need that is sufficiently pressing to drive the person to act. Satisfying the need reduces the felt tension.
  
- b) **PERCEPTION:** A motivated person is always ready to act. Now the motivated persons act is influenced by his perception of the situation. Two persons in the same motivated state and objective act differently because they perceive the situation differently. Therefore perception can be defined as the process by which an individual selects, organizes and interprets information input to create a meaningful picture of the world.
  
- c) **LEARNING:** people learn what they act. Most human behavior is learned. Learning theory says that a persons learning is produced through the interplay of drive, stimuli, cues responses and reinforcement. The practical importance of learning theory for marketers is that a new company can enter the market by appealing to the sense drive that competitors appeal to and providing similar eve configuration because buyers are more likely to transfer loyalty to similar brands than to dissimilar brands.

d) **BELIEFS AND ATTITUDES:** people acquire the beliefs and attitudes through acting and learning. These in turn influence in their buying behaviors. A belief is a disciplined thought that a person holds about something. These beliefs make up products and brand images and people act on their images. An attitude describes a person's enduring favorable feeling and action tendencies towards some object or idea. Attitudes are very difficult to change and a company would be well advised to fit its products into existing attitudes rather than to try to change them.

### **BUYER BEHAVIOUR**

Buyer behavior has been defined as an all psychological, social and physical behavior of potential customers as being aware of, evaluate, purchase and tell others about products and services. It is therefore, the act of individuals directly involved in obtaining and using products and services and sequences of decisions process that precedes their acts.

### **BUYER DECISION PROCESS**

A buyer is the one who buys the products. A decision process of a buyer is the selection of an action from two or more alternative choices.

The marketers have gone beyond the various influences on buyers and develop an understanding of how consumers actually make their buying decisions.

## **THE BUYING ROLES**

- 1) INITIATOR: is a person who first suggests the idea of buying a particular product or services.
- 2) INFLUENCER: is a person whose views or advice carries weight in making the final decision.
- 3) DECIDER: is a person who ultimately determines the buying decision.
- 4) BUYER: is a person who makes the actual purchase of a product or service.
- 5) USER: is a person who consumes or uses the purchased product or service.

## **TYPES OF BUYING BEHAVIOUR**

There are various types of buying behaviors. They are classified under 4 heads.

- 1) COMPLEX BUYING BEHAVIOUR: consumer goes through complex buying behavior when they are aware of the significant differences existing among various brands. Consumer becomes highly involved in a purchase when it is expensive and bought infrequently, risky and highly self-expressive.
- 2) DISSONANCE BUYING BEHAVIOUR: In this type of buying behavior the consumer is highly involved in a purchase but sees some little difference in the various brands. The high involvement is again based on the fact that the purchase is expensive, infrequent and risky. In this case, the buyer will shop around to learn what is available but will fairly quick brand differences be not pronounced.

3) HABITUAL BUYING BEHAVIOUR: many products are under the condition of low consumer involvement and the absence of few brand differences.

4) VARIETY SEEKING BUYING BEHAVIOUR: some buying situations are not characterized by low consumer involvement but significant brand differences. Here consumers are often observed to do a lot of brand switching.

The consumers have some belief, they choose brand without much evaluation and evaluate it during consumption but the next time the consumer may search for another brand or wish for the sake of variety rather than dissatisfaction.

## **INTRODUCTION TO COSMETICS:**

From queen Nefertiti of Egypt to Hollywood's Marilyn Monroe, women have used cosmetics to protect their skin and to enhance or alter their appearances. The beauty secrets they shared with one another eventually evolved into an industry that today commands billions of dollars.

Throughout history, some people believed that the use of cosmetics empowered women, while others condemned it for demeaning them. Cosmetics can mask or diminish imperfection and allow women to express themselves, feel more beautiful, and be self confident. On the other hand, some people believe that cosmetic use places too much importance on a women's physical appearance, and make her feel inadequate by setting unattainable standards. Some women went to great lengths to hide the fact that they used cosmetics, while others proudly flaunted their use. For some, purchasing expensive brands allowed them the fancy of being a part of an exclusive level of society; whether perceived as good or bad, from the first time people added paint or colour to their bodies, cosmetics have affected world cultures on numerous levels.

## **COSMETICS IN THE BEGINNING:**

Our early ancestors believed they could make themselves more terrifying and protect themselves from evil forces by drawing scary designs on their faces. Paint was also used to frighten human enemies. In Africa and South America, various tribes painted their bodies when they went hunting or on war expeditions. When Europeans first traveled to Africa and the new world, they found groups of people who painted themselves in bright and distinctive designs- A practice that explorers found unusual. The Europeans associated these customs with savagery and set about "civilizing" and "savages" by teaching them to stop using body paint and to start wearing European style clothing.

Body paint was also used to protect the skin. The ancient Egyptians were devoted users of cosmetics. Their dramatic style of make up included a preference for richly coloured eyelids and thick, black eye-liner. The cosmetic practices of the Egyptians may have made their appearances pleasing, but one of the primary reasons they used such thick paint on their eyes was for protecting against the glaring Egyptian sun.

Some scholars believe Chinese women were the first to wear cosmetics for the sole purpose of making themselves more beautiful. In the thirteenth century in the southern regions of China, near Hangzhou, women used a white powder called Meenfung on their faces. They also used carmine, a bright red dye, on their cheeks, lips, and even inside their nostrils. They carefully plucked their eyebrows and redrew them with a pencil or a piece of charcoal. Once the makeup was applied, they dusted their faces with rice powder to set it and soften the overall look.

### *TRENDSETTER QUEEN ELIZABETH 1:*

During the time queen Elizabeth 1 ruled England in the late 1500s, the use of cosmetics became very common. The queen set the standard, and women of the court followed her lead: dying their hair, plucking their eyebrows, and painting their faces. Some of the creams and lotions available to sixteenth century women were actually harmful. A product called Soliman's water, intended to remove freckles and warts, was made from mercury and was extremely poisonous. Women who used solimen's water regularly ruined both their skin and their health.

Women had traditionally passed on their knowledge of herbs and roots by word of mouth, but by the seventeenth century, some of those who write were recording their secrets. They documented information about favourite recipes, cures for various illnesses, and preparation for clearing up the complexion. Eventually there were books available with information and ingredients for products such as tooth powder and cold cream.

Women whose mothers or sisters had not passed on family formulas could now use these books to make their own products.

### *THE NEW WORLD:*

The practice of using makeup for beauty may have begun in China, but it also existed across ocean. Gradually the importance of cosmetics has increased so much that now; it has become an essential part of our lives and also a booming industry for business. Now we have hundreds of cosmetic products which can be used regularly.

# **CHAPTER II**

*DESIGN*

*OF THE*

*STUDY*

### **STATEMENT OF THE PROBLEM:**

In this highly competitive scenario, consumer's choice and preferences are highly unstable. What a consumer may choose today may not be chosen by him tomorrow. In addition to this the various emerging brands of products attract consumers to switch their brand. Many factors like non-availability of the brand, discount offered by the other brands, arrival of the same products in other brands, and also due to the influence of reference groups consumers tend to switch their brand. In such a condition it is a must that every company knows where it stands in the market in comparison to its competitors

### **Title:**

A study on consumer switching behaviour regarding cosmetic brands and products with respect to ORIFLAME INDIA PVT LTD

### **OBJECTIVES OF THE STUDY:**

1. To know the reasons and intensions for switching the brand to brand
2. To know the most satisfactory attribute among the consumers for brand switching.
3. To know how often consumers switch the brand.
4. To know the factors that motivates the consumers to switch the brand.
5. To know how advertising helps to switch the brand.

### **SCOPE of THE STUDY:**

The study includes women of all age range. They are students, business women, professionals, employees and home makers who use cosmetics products. The study is confined to the city of Bangalore.

### **METHODOLOGY OF THE STUDY**

Keeping in view the objectives of the study a conventional marketing research program was adopted and the procedure of the study consisted the following

Data was collected using questionnaires administered to various consumers of ORIFLAME and the consumers of other brands to extract the required data for the preparation of the project.

### **INFORMATION COLLECTED**

Information was collected using questionnaires, which was designed to tap the information from the users and non users of ORIFLAME to find the consumer brand switching behaviour regarding cosmetic brands and products with respect to ORIFLAME India pvt ltd.

### **SAMPLE SIZES**

The study was conducted on 100 respondents through questions to accomplish the objectives; these were both users and non-users of ORIFLAME and other brands available in market.

### **SAMPLING PROCEDURE AND TOOLS OF ANALYSIS:**

Convenient sampling was done for this study. It involved fieldwork for primary data and secondary data. Questionnaires were distributed to a sample of 100 respondents and the data that was received was analysed using percentages and graphs

### **PRIMARY DATA**

It is original data gathered specifically for the project in hand. In this project survey method is used. Survey method is conducted by gathering data by limited number of consumers (sample selected from a large group).

Survey has the advantage of getting to the original source of information.

The data collection involved collecting information from the company, distributing questionnaires to consumers at colleges, offices, beauty saloons, shopping malls, etc.

### **SECONDARY DATA**

The data was collected through Internet and by getting in touch with the officials of the company who were all very co-operative.

### **PLAN OF ANALYSIS:**

The information obtained through the questionnaires was classified, tallied, tabulated and statistical tools like percentages and graphs have been used to analyze the information.

### *LIMITATIONS OF THE PROJECT REPORT*

- Information may or may not be true, because in some cases the respondents may be biased.
- The information is subject to change because the views expressed by the consumers are not permanent.
- The market forces can bring about abrupt changes, which may lead to deterioration of the surveyed report.
- Consumer preferences and tastes fluctuate due to circumstances, which can invalidate the report.
- There was some language problem while interviewing the respondents; this also can be a limitation to this project.

These aspects have to be borne in mind while implementing the findings. In spite of the above-mentioned limitations all possible care has been taken to collect the information from the original sources to make the project report as authentic as possible.

## **Chapter Scheme**

The project report will be presented in seven chapters

### **CHAPTER –I**

INTRODUCTION

### **CHAPTER-II**

COMPANY PROFILE

### **CHAPTER-III**

TITLE & OBJECTIVE

DESIGN OF THE STUDY

### **CHAPTER –IV**

DATA ANALYSIS AND INTERPRETATION

### **CHAPTER-V**

SUMMARY OF FINDINGS

### **CHAPTER –VI**

RECOMMENDATIONS

### **CHAPTER-VII**

LIMITATION OF PROJECT REPORT

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**CHAPTER III**  
*COMPANY*  
*PROFILE*

## **Company overview**

Oriflame is a cosmetics company that sells high-quality natural vegetarian skincare and cosmetic products through an independent sales force, outside the traditional retail environment. Direct sales allow customers to get advice and inspiration from people they know and trust. Buying direct is reliable and convenient.

Being an Oriflame Sales Consultant means unlimited income and career opportunities, personal development and a sense of belonging to a friendly global community.

Oriflame is a company characterized by a can-do spirit, a decentralized management and a young and entrepreneurial atmosphere.

Oriflame Cosmetics is today one of the world's fastest-growing cosmetics companies. Oriflame is present in 57 countries and is one of the market leaders in 30 countries. A sales force of more than 1.5 million independent Sales Consultants market a complete range of high quality skincare, fragrances and cosmetics.

Although the company has grown rapidly it never lost sight of its original business concept - Natural Swedish Cosmetics from friend to friend.

Oriflame has:

- About 652 million Euros in annual sales
- 1.5 million Sales Consultants
- 4,600 employees
- 550 products
- Over 64 million catalogues in 35 languages

## **THE COMPANY VISSION**

The vision is to be the #1 Beauty Company Selling Direct

## **THE COMPANY MISSION**

The mission is to fulfill dreams

### **Togetherness**

People who work together and share the same goals achieve greater results. They motivate each other and know that pulling together is more rewarding than going it alone.

### **Spirit**

People with can-do spirit have a winning attitude and never give up. They are prepared and committed to do what it takes to succeed.

### **Passion**

Passionate people have the power to change the world. They love what they do, they believe in it. They know deep down that they can make a difference.

## **How it all began**

The year was 1967 and two brothers, Jonas and Robert AF Jochnick, had decided to start their own business. They were young, ambitious and entrepreneurial – and they had a powerful vision. They wanted to create a cosmetics company that offered a kind of skincare that was different from what was available at the time: one that was based on natural ingredients. They also wanted to introduce a new and innovative method of distributing the products directly to everyone's home.

Knowing that Swedish women were renowned throughout the world for their natural beauty, the founders thought: “What if we could bottle that?” So they set out to formulate skincare products based on natural ingredients from Scandinavia, like cloudberry, birch bark and many others. They developed the formulations to be safe, effective and low in fragrance. Oriflame’s Swedish Care skincare line was soon born. Today, it is used by millions of women around the world. From the early years, Oriflame was also a pioneer against animal testing, long before it became industry practice.

In parallel, the af Jochnicks developed and introduced a unique method of direct selling where trained sales consultants would bring the products directly to the homes of their customers. People were happy to buy natural beauty products that were shown to them by a friend they knew and trusted. The consultants would offer advice and a chance to test the products before purchasing them. If a customer was not satisfied, Oriflame offered a full money back guarantee. Working as an Oriflame Sales Consultant provided an opportunity to build a career and to earn a good income, but it also allowed people to develop themselves, professionally and personally. Furthermore, Oriflame came to play an important social function, creating a community in which people would get together and have fun. With orders pouring in, it became clear that Oriflame was on the right track. However, those early years were not without sacrifice and hard work – the products were packaged on a ping-pong table and the founders often had to sleep in the warehouse. Eventually, though, their efforts would pay off. The company continued to grow, proving the fundamental strength of the original vision.

Oriflame’s business idea, based on the three pillars of natural cosmetics, personal buying and an independent sales force, still remains the same today, almost 40 years after the company was founded.

Geographic expansion was a natural consequence of the success in Sweden. Within two years, the company had moved into Finland, Denmark and Norway, and by the mid-80s, women in countries as far away as Indonesia used natural Swedish cosmetics. To meet the growing demand, Oriflame's first factory was built in Dublin in 1978. This allowed the company to focus even more on developing skincare and cosmetics formulations with proven effectiveness and safe, natural ingredients. A few years later, in 1982, Oriflame was listed on the London Stock Exchange.

By 1990, the opening up of the Eastern European countries offered a great opportunity for Oriflame. While conditions were still unstable and infrastructure was poor, Oriflame quickly set about entering those countries. With the ingenuity of its products and distribution method, Oriflame was perfectly positioned to capitalize on the growing demand for cosmetics. This, coupled with affordable prices, made Oriflame the leader in most of these new markets, and its direct sales plan provided thousands of people with rewarding work. Business grew dramatically, and in 1995 a second factory was built in Warsaw to accommodate the demand.

Oriflame's business logic has since proven to be successful all over the world. Today, the company operates on five continents and in almost 60 countries – from Peru to Vietnam, from Russia to Morocco. The aggressive geographic expansion initiated in the early 90s made the company grow to eight times its size in just over ten years.

Market conditions are constantly changing, but Oriflame is well prepared for any future challenges. The company's unique business idea is supported by thousands of committed employees, an ever-growing sales force and a strong and vital corporate culture. All this creates a solid foundation for sustainable, long-term growth.

## *Oriflame milestones*

### **The 1960's**

Oriflame is founded in Sweden by the brothers Jonas and Robert af Jochnick and their friend Bengt Hellsten in 1967. The business expands to Denmark during the very first year of operation. One year later, Oriflame is introduced into Finland. In 1969 Oriflame products make their debut in Norway.

### **The 1970's**

One of the founders, Bengt Hellsten leaves the company in 1970 and the two brothers af Jochnick continues on their own. In 1970 Oriflame is also launched in the United Kingdom. Two years later, the company puts down roots in the Netherlands. The parent company Oriflame International SA is formed the same year. In 1977 Oriflame celebrates its 10th anniversary. A year later, Oriflame is introduced into Spain.

### **The 1980's**

The decades opens with the building of our first production plant built in Dublin, Ireland in 1980. The following year, Oriflame is introduced into the USA. In 1982 Oriflame is listed on the London Stock Exchange. In 1985 Oriflame family embraces Portugal, Singapore and Malaysia, followed a year later by Indonesia. In 1987 Oriflame celebrate its 20th anniversary, as well as acquiring to two Swedish jewellery companies, Guldfynd and Hallbergs. Two years later Oriflame is launched in Chile; Guldfynd, acquired in 1987, is sold. In 1989 Oriflame Sweden inaugurates its new office building in Hyllie, Malmö.

## **The 1990's**

Oriflame is introduced in Czechoslovakia in 1990; at the same time, Oriflame Eastern Europe SA (ORESAs) is established to facilitate operations in the emerging markets in Eastern Europe. Oriflame takes a 26 percent stake in ORESA, which is licensed to sell Oriflame products in Eastern Europe as well as other markets. The expansion continues and, in 1991, Oriflame is launched in Poland, Hungary and Mexico. A year later, Oriflame is launched in Russia, Turkey and Latvia. In 1992, Oriflame acquires ACO Hud AB, Sweden's leading maker of skin care products, sold exclusively by state pharmacies. In 1993 the Oriflame message of opportunity reaches Ukraine, Slovakia and Greece, and in Bulgaria a year later.

The Swedish jewellery company Hallbergs, which was acquired 1987, is sold. In 1995 Oriflame expands into Lithuania, Peru, India and Romania; and a second manufacturing plant is established in Warsaw, Poland. In a development crucial for the business, an in-house desktop publishing department for catalogue production is established in Malmo, Sweden.

The following year, Oriflame branches out into Macedonia, Ecuador and Croatia, which are joined in 1997 by Estonia, Morocco, Egypt, Slovenia and Sri Lanka. Oriflame and ORESA (Oriflame Eastern Europe SA) undergo a successful merger; the newly united company celebrates its 30th anniversary.

In 1998 Oriflame takes Azerbaijan, Columbia, Bosnia and Belarus into its embrace. A new corporate profile is launched, including a new logotype; Izabella Scorupco becomes the official Oriflame spokesperson. Oriflame operations in Russia are temporarily disrupted as a result of the country's severe economic and financial crisis.

In 1999 Oriflame is de-listed from the London Stock Exchange as the af Jochnick family completes a buy-out of the company in co-operation with the Swedish investment company Industrial Capital

## **2000-07**

Oriflame makes its debut in Kazakhstan, Thailand and the Republic of Georgia in 2000. In the same year, the Oriflame factory in Dublin, Ireland, closes, though our Global Technical Centre is established in the same city. In line with its supply chain strategy, Oriflame acquires a production facility in New Delhi, India, in 2001.

In 2001 Oriflame enters Serbia, and Sven Mattsson is appointed new Chief Executive Officer. During 2002, Oriflame celebrates its 35th anniversary. The company also changes names from "Oriflame International" to "Oriflame Cosmetics". This year Oriflame is launched in Mongolia.

Oriflame opens a Concept Store in Stockholm, Sweden, in December 2002. The Concept Store is primarily designed to support our independent Sales Consultants by exposing the brand to people who are not familiar with the brand today. Welcome to visit the Oriflame Concept Store on Birger Jarlsgatan 14 in Stockholm!

2003, in order to meet an increasing demand, Oriflame Cosmetics starts to build a new factory just outside Moscow, the capital city of Oriflame largest national market. The Russian factory will start producing new, exciting products by the end of 2004. In 2003, Oriflame Cosmetics also acquires the company Nordium AB and its production facility near Stockholm, Sweden. Further more, Oriflame is launched in Armenia, Moldova and Vietnam.

Oriflame Cosmetics was listed on the Stockholm Exchange on 24 March, 2004.

In March 2005, Magnus Brännström was appointed as the new Managing Director and CEO, succeeding Sven Mattsson.

In September 2006, Oriflame Cosmetics was granted a direct sales licence for China. Sales activities begun two months later.

During 2007, Oriflame Cosmetics is celebrating its 40th anniversary with loads of activities around the globe.

It came to India in 1995 and is the 1<sup>st</sup> direct selling company to start its operations

## **THE PRODUCTS:**

Oriflame has 40 years' experience in producing cosmetic products, combining the best natural ingredients with the latest scientific research. Our accumulated knowledge and experience have been gathered into a single, dedicated unit – the Global Technical Centre (GTC) located just outside Dublin, Ireland. About 40 persons are employed at the GTC, most of whom have degrees in chemistry and other scientific disciplines.

### **Product development**

About 600 products are offered at any given time, with 150 new products being introduced each year. Make-up products change twice a year, while skincare and fragrances change less frequently. Average development time for a product is 1.5 years. Each product is extensively tested both at Oriflame laboratories and external ones to ensure maximum safety, efficacy and quality. None of the Oriflame products have been tested on animals, only on human volunteers.

### **Key areas of expertise**

Our core competencies embrace a wide range of foundation technologies and products, with the accent placed squarely on quality assurance and compliance with international regulatory requirements. The GTC also serves as “Guardian of the Oriflame Brand” in all quality and ethical matters.

Having an in-house research centre means that Oriflame does not depend on external laboratories for product development; we decide for ourselves where to go and what to do in line with our Natural Swedish policy.

*THE PRODUCTS RANGES ARE:*

Natural Swedish cosmetics

Skin care

Make up

Fragrances

toiletries

# **CHAPTER IV**

*DATA ANALYSIS*

*&*

*INTERPRETATION*

*TABLE 1*

**TABLE SHOWING CLASSIFICATION OF RESPONDENTS WITH RESPECTS  
TO AGE**

| AGE      | NO OF RESPONDENTS | PERCENTAGE |
|----------|-------------------|------------|
| BELOW 17 | 23                | 23%        |
| 17-25    | 46                | 46%        |
| 25-40    | 24                | 24%        |
| ABOVE 40 | 07                | 07%        |
| TOTAL    | 100               | 100%       |

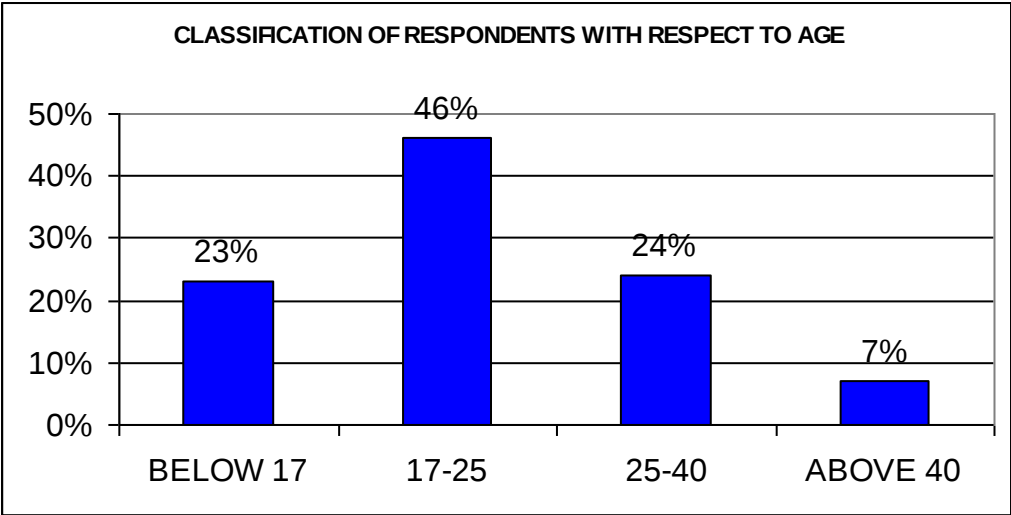
**INTERPRETATION::**

It is clear from the above table that the majority of respondents i.e., 46% of the total number of respondents are of the age group 17-25 years. Next in the list, that is 24% are of the age group 25-40 years, the next, that is 23% are of the age group below 17, and the least number of respondents are of the age group above 40 years.

**INFERENCE:**

The majority of respondents i.e., 46% of the respondents are of the age group 17-25 years.

Graph showing the classification of respondents with respect to age:



*TABLE 2*

**TABLE SHOWING THE OCCUPATIONWISE CLASSIFICATION OF RESPONDENTS**

| OCCUPATION     | NO OF RESPONDENTS | PERCENTAGE |
|----------------|-------------------|------------|
| BUSINESS WOMEN | 13                | 13%        |
| EMPLOYEE       | 12                | 12%        |
| PROFESSIONAL   | 15                | 15%        |
| STUDENTS       | 48                | 48%        |
| HOUSEWIVES     | 12                | 12%        |
| TOTAL          | 100               | 100%       |

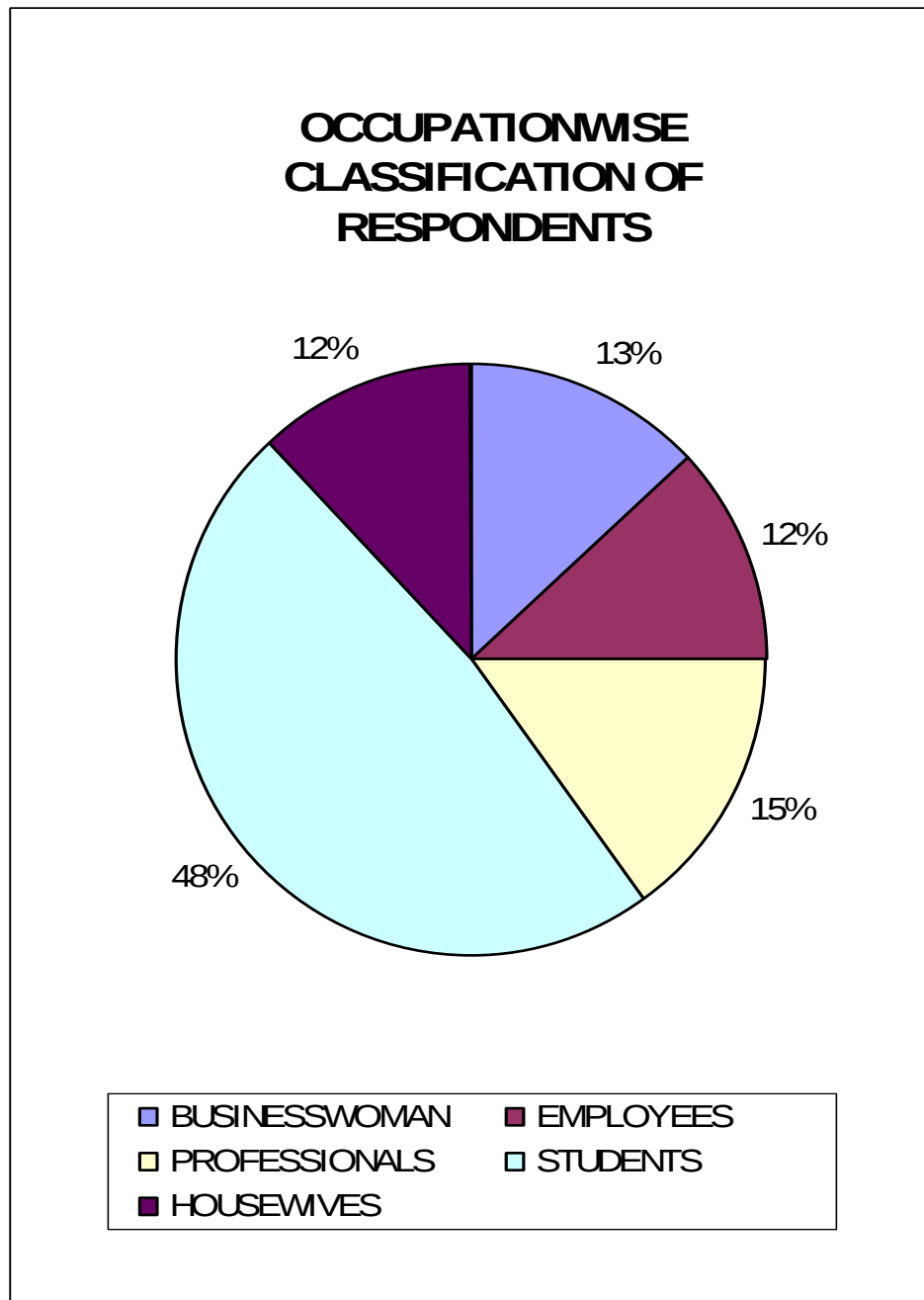
**INTERPRETATION:**

The above table shows that the majority of respondents i.e., 48% are students, 15% are professional, 13% businesswomen, 12% are housewives and the remaining 12% are employees.

**INFERENCE:**

Majority of respondents i.e., 48% of the total numbers of respondents are students.

**GRAPH SHOWING THE OCCUPATIONWISE CLASSIFICATION**  
**OF RESPONDENTS:**



***TABLE 3***

**TABLE SHOWING CONSUMER BRAND AWARENESS**

| BRAND AWARE | NO OF RESPONDENTS | PERCENTAGE |
|-------------|-------------------|------------|
| ORIFLAME    | 52                | 28%        |
| LAKME       | 79                | 42%        |
| REVLON      | 56                | 30%        |
| TOTAL       | 187               | 100%       |

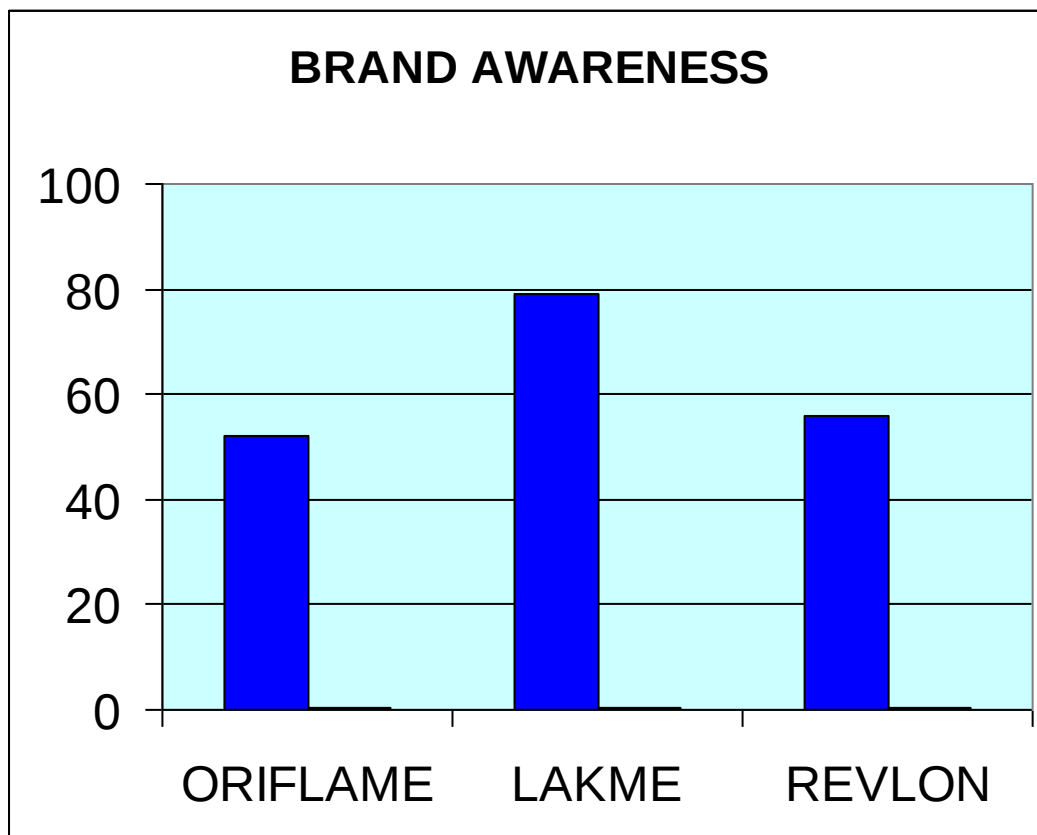
**INTERPRETATION:**

Of the total number of respondents 42% are aware of Lakme, 30% are Revlon and the rest 28% are aware of Oriflame.

**INFERENCE:**

Majority of 42% of the respondents are aware of the brand Lakme.

**GRAPH SHOWING RESPONDENTS BRAND AWARENESS WITH RESPEC TO**  
**ORIFLAME, LAKME & REVLON**



***TABLE 4***

**TABLE SHOWING THE RANKING OF BRANDS BY THE CONSUMERS AS  
THEIR FAVOURITE BRAND**

| FAVOURITE BRAND | NO OF RESPONDENTS | PERCENTAGE |
|-----------------|-------------------|------------|
| ORIFLAME        | 20                | 18%        |
| LAKME           | 64                | 58%        |
| REVLON          | 26                | 24%        |
| TOTAL           | 110               | 100%       |

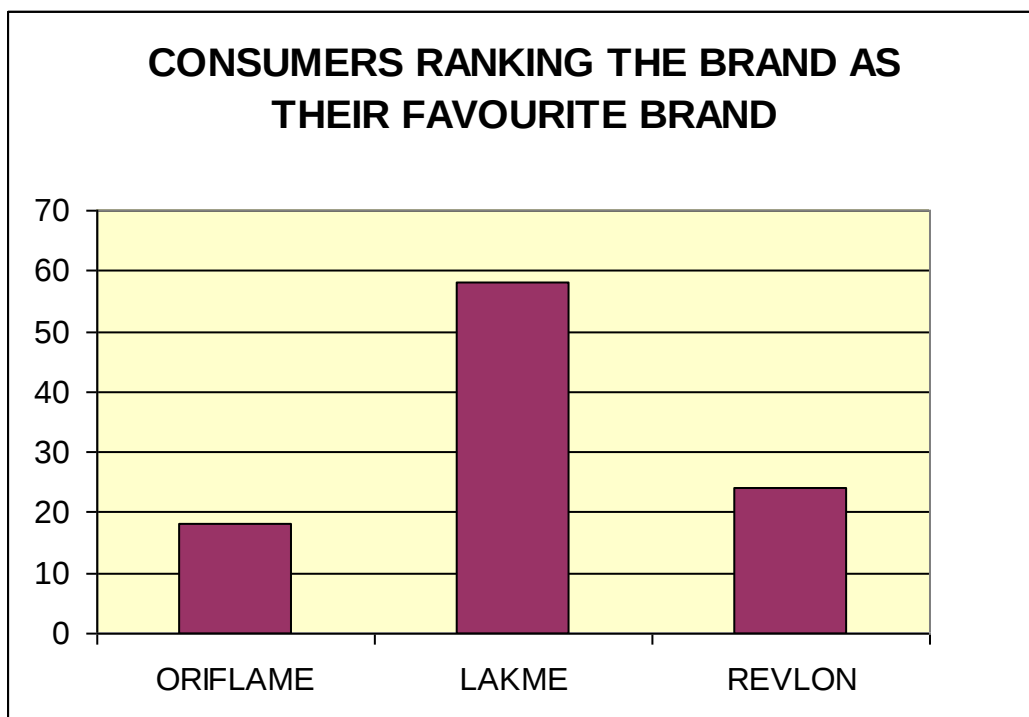
**INTERPRETATION:**

A majority of respondents i.e., 58% rank Lakme as their favourite brand, 24% rank Revlon as their favorite brand and the rest i.e., 18% rank Oriflame as their favorite brand.

**INFERENCE:**

Majority of 58% of the respondents rank Lakme as their favourite brand.

**GRAPH SHOWING THE RANKING GIVEN BY CONSUMERS FOR THEIR FAVOURITE BRAND**



***TABLE 5***

**TABLE SHOWING REASONS TO EVALUATE A BRAND AS FAVOURITE**

| REASON       | NO OF RESPONDENTS | PERCENTAGE |
|--------------|-------------------|------------|
| REPUTATION   | 15                | 8.5%       |
| BRAND IMAGE  | 26                | 15%        |
| FAMOUS       | 17                | 9.5%       |
| QUALITY      | 50                | 28.5%      |
| SATISFACTION | 26                | 15%        |
| PRICE        | 20                | 11%        |
| PERFORMANCE  | 22                | 12.5%      |
| TOTAL        | 176               | 100%       |

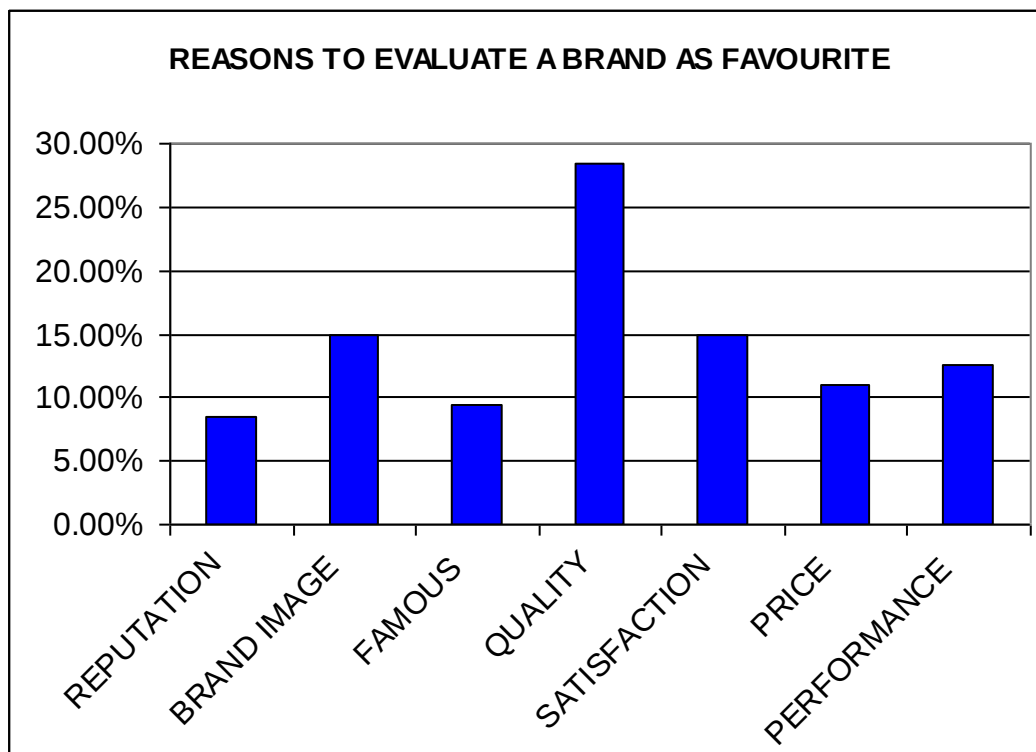
**INTERPRETATION:**

28.5% of the total number of respondents ranks a brand as favorite brand because of quality, 15% because of brand image, 15% because of satisfaction, 12.5% because of performance, 11% because of price, 9.5% because the brand is famous/well known and the rest 8.5% because of reputation.

**INFERENCE:**

Majority of 28.5% of respondents evaluate a brand as their favourite primarily due to product quality.

**GRAPH SHOWING THE VARIOUS REASONS FOR EVALUATING A BRAND  
AS CONSUMER FAVOURITE BRAND:**



***TABLE 6***

**TABLE SHOWING THE REASON TO SHIFT THE BRAND**

| REASON TO SHIFT                         | NO OF RESPONDENTS | PERCENTAGE |
|-----------------------------------------|-------------------|------------|
| BRAND NOT AVAILABLE                     | 37                | 37%        |
| DISCOUNT                                | 21                | 21%        |
| FRIENDS RECOMMENDATIONS                 | 22                | 22%        |
| ARIVAL OF SAME PRODUCTS IN OTHER BRANDS | 20                | 20%        |
| TOTAL                                   | 100               | 100%       |

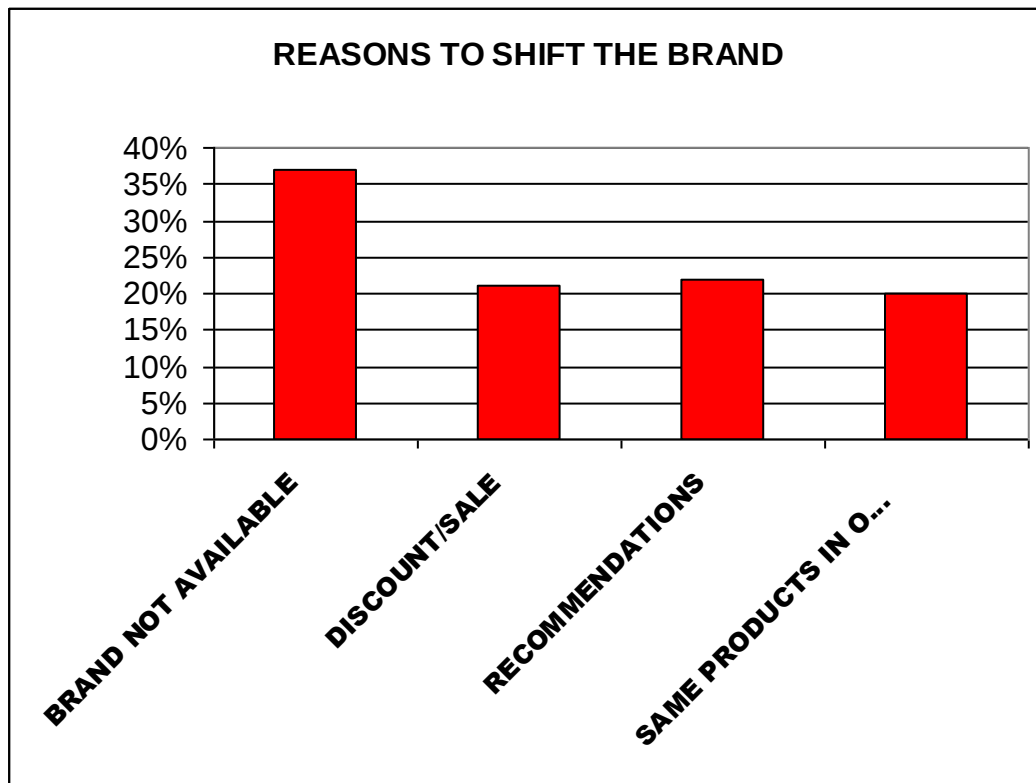
**INTERPRETATION:**

37% of the total number of respondents shifts their brand for the reason that the brand is not available in the market, 21% because of sale/discount provided by the other brands, 22% because of the recommendation made by friends or relatives, and the rest 20% because of the arrival of same products in other brands

**INFERENCE:**

Majority of 37% of the total number of respondents shift their brand primarily due to the non availability of the brand.

**GRAPH SHOWING THE REASONS TO SHIFT THE BRAND:**



***TABLE 7***

**TABLE SHOWING SATISFACTORY ATTRIBUTES ABOUT THE BRAND**

| <b>SATISFACTORY<br/>ATTRIBUTES</b> | <b>NO OF RESPONDENTS</b> | <b>PERCENTAGE</b> |
|------------------------------------|--------------------------|-------------------|
| <b>PRICE</b>                       | <b>26</b>                | <b>16%</b>        |
| <b>QUALITY</b>                     | <b>57</b>                | <b>34%</b>        |
| <b>PACKAGING</b>                   | <b>15</b>                | <b>09%</b>        |
| <b>PERFORMANCE</b>                 | <b>29</b>                | <b>17.5%</b>      |
| <b>BRAND IMAGE</b>                 | <b>19</b>                | <b>11.5%</b>      |
| <b>REPUTATION</b>                  | <b>20</b>                | <b>12%</b>        |
| <b>TOTAL</b>                       | <b>166</b>               | <b>100%</b>       |

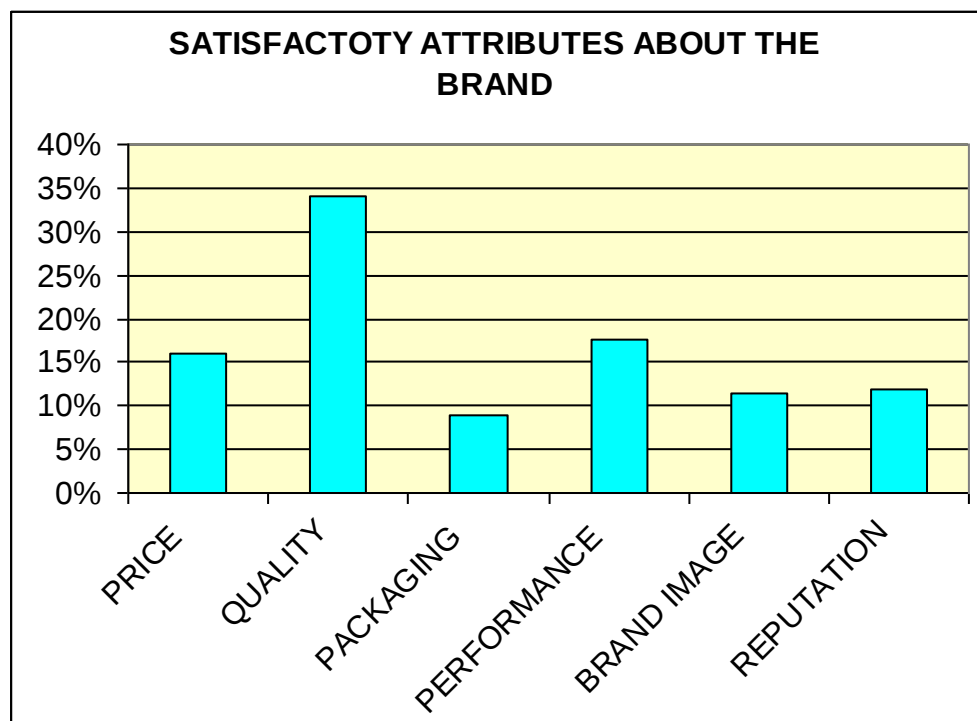
**INTERPRETATION:**

Out of the total number of respondents 34% find quality the most satisfactory attribute about the product, 16% find price as the most satisfactory attribute, 9% find packaging, 17.5% find performance as the most satisfactory attribute, 11.5% for brand image, and 12% find reputation as satisfactory attribute.

**INFERENCE:**

Majority of the total number of respondents i.e., 34% find quality the most satisfactory attribute about the brand.

**GRAPH SHOWING THE MOST SATISFACTORY ATTRIBUTES ABOUT THE BRAND:**



***TABLE 8***

**TABLE SHOWING PERCENTAGE OF *RESPONDENTS WHO CHANGE THE BRAND***

| CHANGE BRAND | NO OF RESPONDENTS | PERCENTAGE |
|--------------|-------------------|------------|
|              |                   |            |
| YES          | 68                | 68%        |
| NO           | 32                | 32%        |
| TOTAL        | 100               | 100%       |

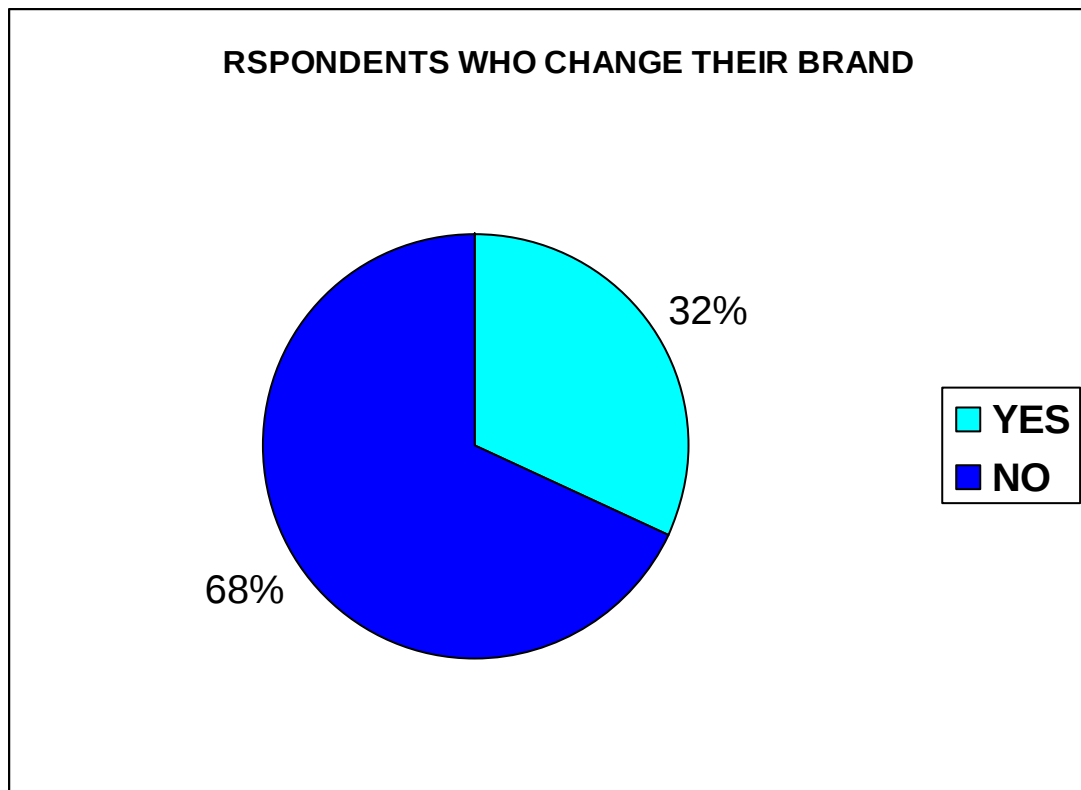
**INTERPRETATION:**

68% of the total numbers of respondents change their brand and the remaining 32% do not.

**INFERENCE:**

Majority of 68% of the total number of respondents do not change their brand.

**GRAPH SHOWING THE THE PERCENTAGE OF RESPONDENTS WHO  
CHANGE THE BRAND:**



***TABLE 9***

TABLE SHOWING THE FREQUENCY IN WHICH *CONSUMERS*  
*CHANGE THEIR BRAND*

| HOW OFTEN          | NO OF RESPONDENTS | PERCENTAGE |
|--------------------|-------------------|------------|
| OCCASIONALLY       | 14                | 33.5%      |
| DURING FESTIVALS   | 09                | 21.5%      |
| NORMALLY           | 06                | 14%        |
| JUST LIKETO CHANGE | 13                | 31%        |
| TOTAL              | 42                | 100%       |

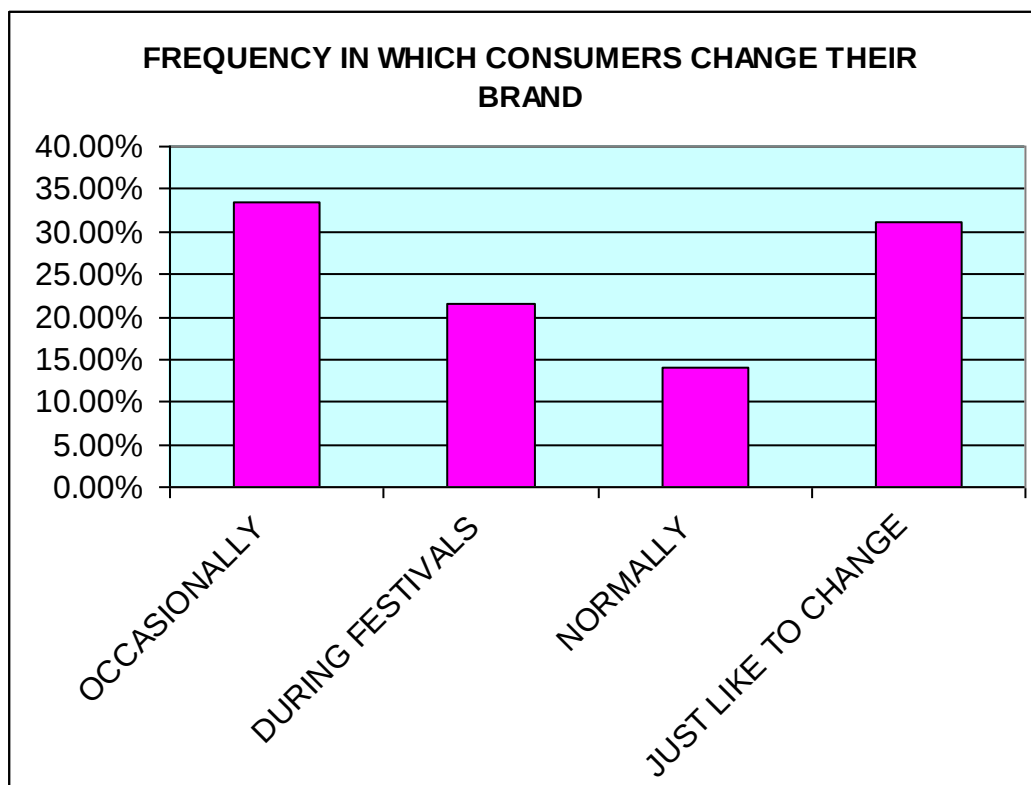
**INTERPRETATION:**

33.5% of the total number of respondents changes their brand occasionally, 21.5% of the total number of respondents changes their brand during festivals, 14% of the total respondents change normally, and the remaining 31% of the total respondents just like to change.

**INFERENCE:**

Majority of 33.5% of the total number respondents change their brand occasionally.

**GRAPH SHOWING THE FREQUENCY IN WHICH CONSUMERS CHANGE THE BRAND:**



***TABLE 10***

**TABLE SHOWING THE FACTORS THAT MOTIVATE CONSUMERS TO SWITCH THE BRAND**

| MOTIVATING FACTOR | NO OF RESPONDENTS | PERCENTAGE |
|-------------------|-------------------|------------|
| QUALITY           | 49                | 35%        |
| AVAILABILITY      | 18                | 13%        |
| PRICE             | 27                | 19%        |
| PERFORMANCE       | 27                | 19%        |
| RELIABILITY       | 20                | 14%        |
| TOTAL             | 141               | 100%       |

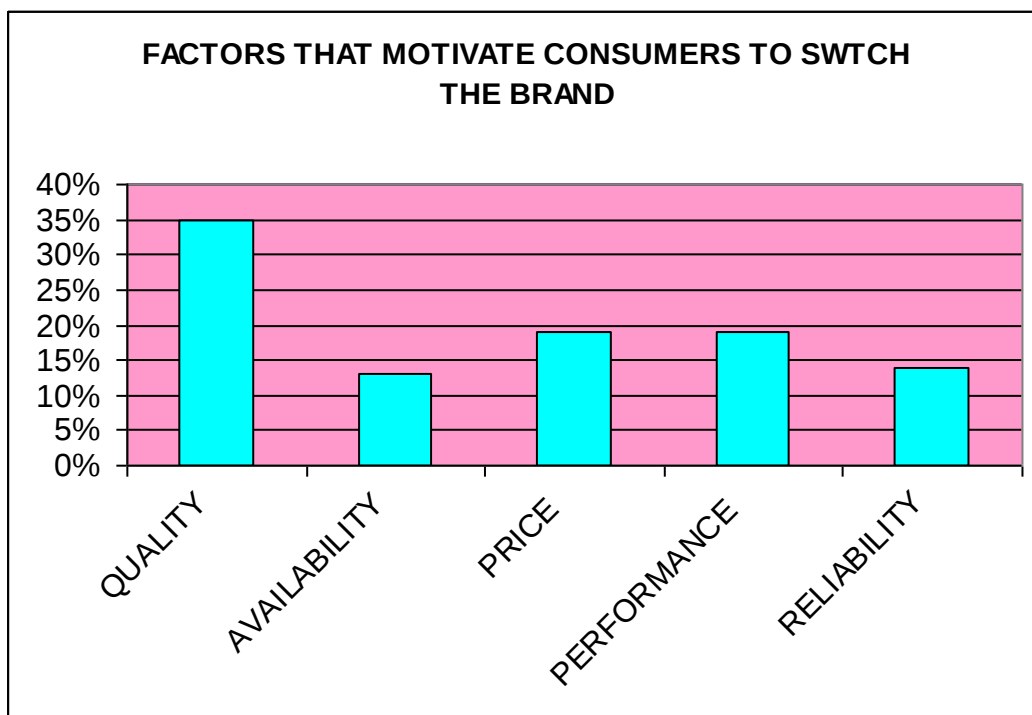
**INTERPRETATION:**

Out of the total number of respondents 35% finds quality as the most satisfactory attribute of the brand, followed by availability, price, performance, & reliability.

**INFERENCE:**

The major factor that motivates respondents to switch a particular brand is quality.

**GRAPH SHOWING THE FACTORS THAT MOTIVATE CONSUMERS TO SWITCH THE BRAND:**



***TABLE 11***

**TABLE SHOWING WHETHER ADVERTISEMENT HELP THE  
CONSUMER TO SWITCH THE BRAND**

| DOES AD HELP | NO OF RESPONDENTS | PERCENTAGE |
|--------------|-------------------|------------|
| YES          | 56                | 56%        |
| NO           | 44                | 44%        |
| TOTAL        | 100               | 100%       |

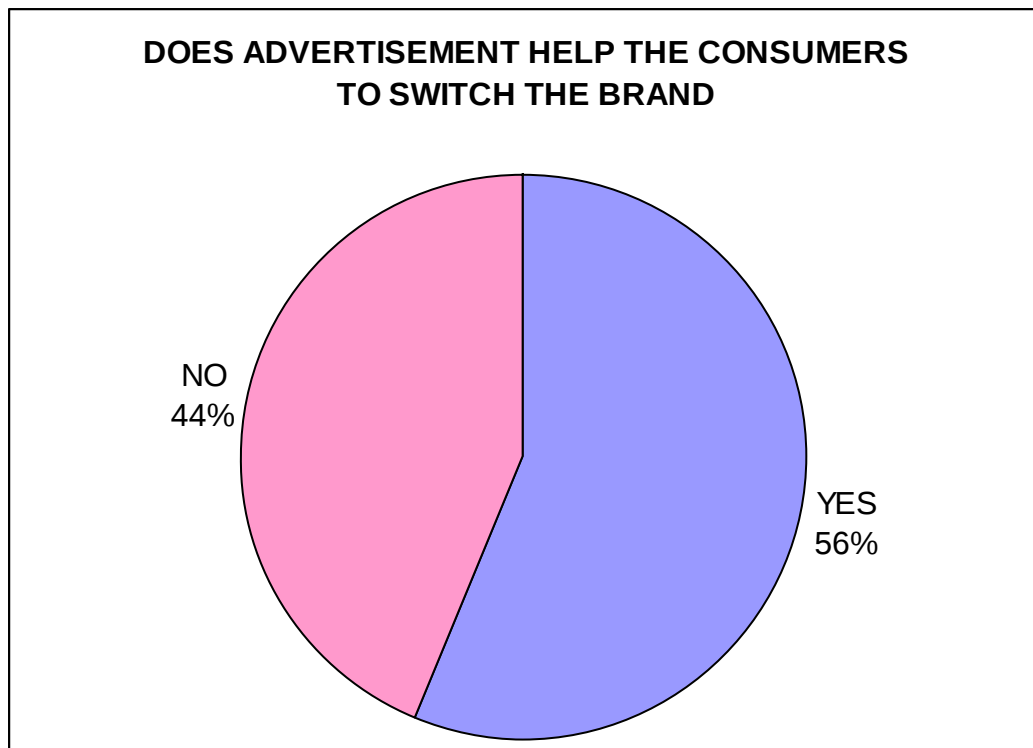
**INTERPRETATION:**

56% of the total number of respondents finds advertising helpful to switch a particular brand and the remaining 44% do not find it helpful.

**INFERENCE:**

56% of the total number of respondents find advertisement helpful to switch the brand.

**GRAPH SHOWING WHETHER ADVERTISING HELPS CONSUMERS TO SWITCH THE BRAND:**



***TABLE 12***

***TABLE SHOWING THE REASON THAT MAKES ADS HELPFUL***

| REASON                                     | NO OF RESPONDENTS | PERCENTAGE |
|--------------------------------------------|-------------------|------------|
| PROVIDES<br>INFORMATION ABOUT<br>THE BRAND | 27                | 47.5%      |
| JUST INTERESTING                           | 12                | 21%        |
| PERSONALITIES                              | 08                | 14%        |
| FAVOURITE PERSON<br>IN THE AD              | 10                | 17.5%      |
| TOTAL                                      | 57                | 100%       |

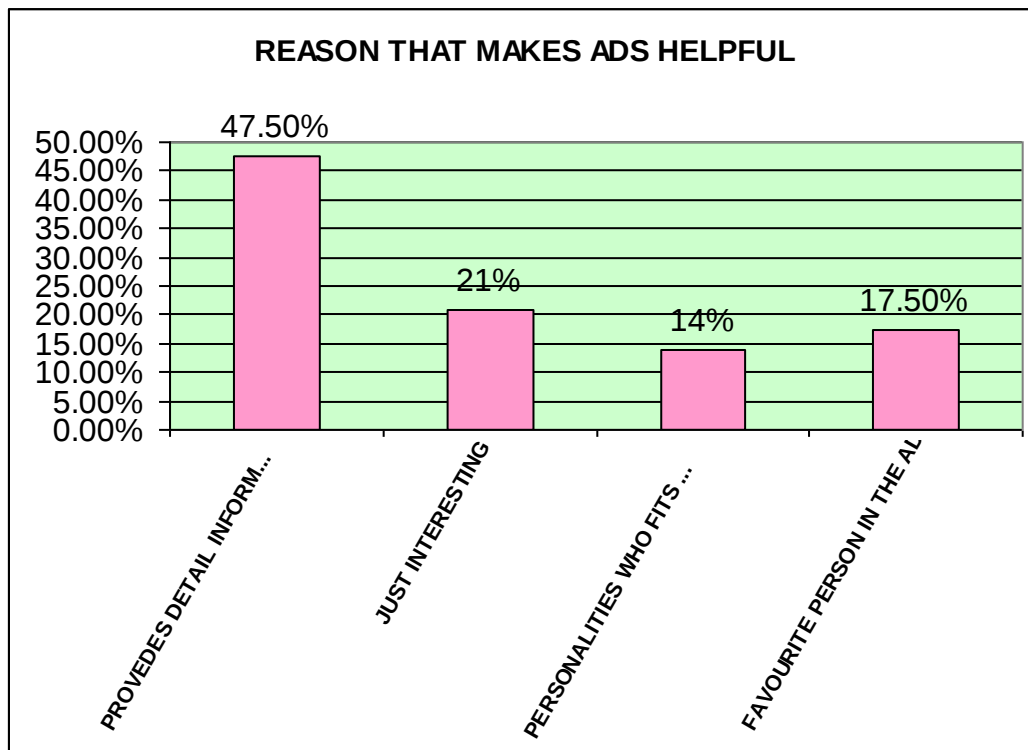
**INTERPRETATION:**

47.5% of the total number of respondents find advertisements helpful because it provides detail information about the product, 21% because it's just interesting, 14% because of the personalities who fit them and the remaining 17.5% because of their favorite person in the ad.

**INFERENCE:**

Majority of 47.5% of the total number of respondents who say yes to advertisements is because of the reason that it provides detailed information about the product.

**GRAPH SHOWING THE REASONS THAT MAKE ADVERTISEMENTS**  
**HELPFUL:**



***TABLE 13***

**TABLE SHOWING CONSUMER BRAND LOYALTY RELATED TO THE  
PRODUCT- LIPSTICK**

| PRODUCT-LIPSTICK | NO OF RESPONDENTS | PERCENTAGE |
|------------------|-------------------|------------|
| ORIFLAME         | 31                | 29.5%      |
| LAKME            | 51                | 48.5%      |
| REVLON           | 23                | 22%        |
| TOTAL            | 105               | 100%       |

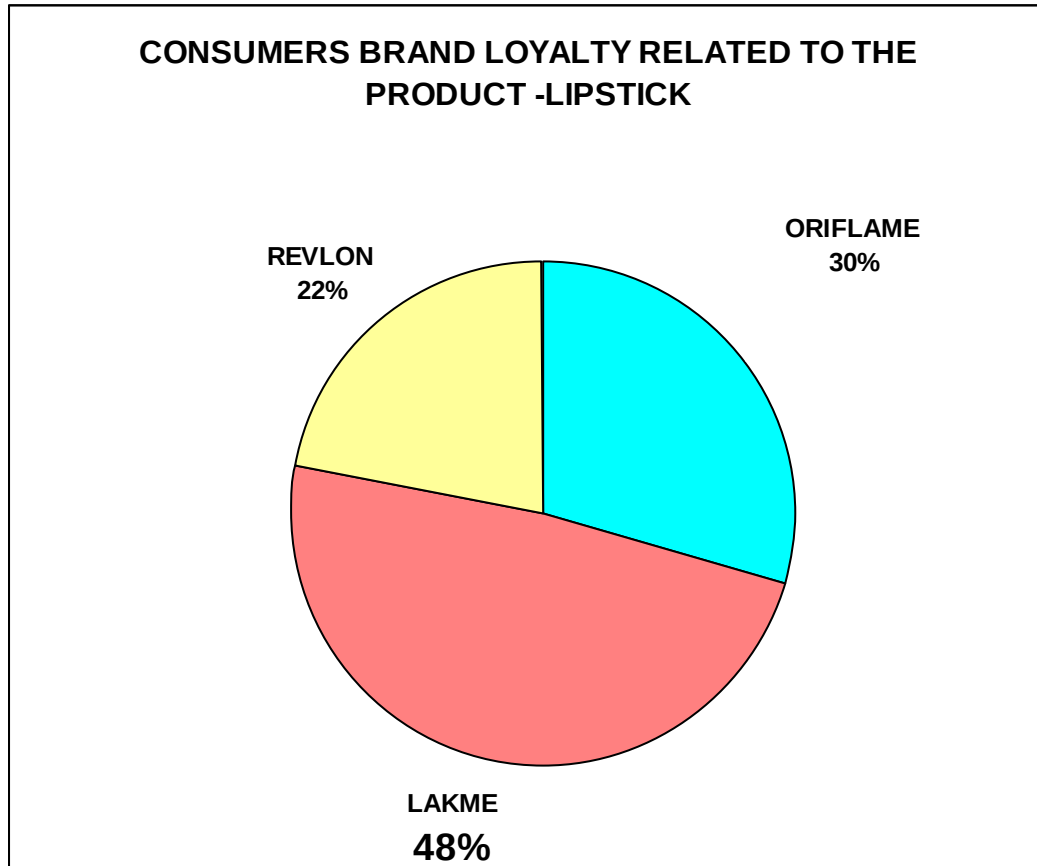
**INTERPRETATION:**

With respect to the product LIPSTICK 29.5% are loyal to the brand oriflame, 22% are loyal to Lame and the remaining 23% are loyal to Revlon.

**INFERENCE:**

With respect to consumers brand loyalty related to the product lipstick, Lakme stands first with 48.5% of the total number of respondents.

**GRAPH SHOWING CONSUMER BRAND LOYALTY RELATED TO THE  
PRODUCT- LIPSTICK:**



***TABLE 14***

**TABLE SHOWING CONSUMERS BRAND LOYALTY RELATED TO THE  
PRODUCT EYELINER**

| PRODUCT-EYE LINER | NO OF RESPONDENTS | PERCENTAGE |
|-------------------|-------------------|------------|
| ORIFLAME          | 16                | 16%        |
| LAKME             | 54                | 54%        |
| REVLON            | 30                | 30%        |
| TOTAL             | 100               | 100%       |

**INTERPRETATION:**

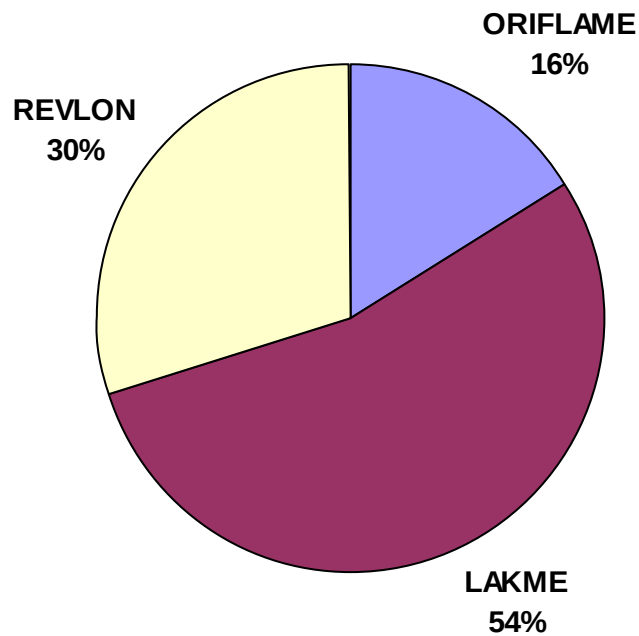
With respect to with respect to the product EYE LINER 16% are loyal to the brand Oriflame, 30% are loyal to Lakme and the remaining 54% are loyal to Revlon.

**INFERENCE:**

With respect to consumers brand loyalty related to the product eye-liner, Lakme stands first with 54% of the total number of respondents.

**GRAPH SHOWING CONSUMER BRAND LOYALTY RELATED TO THE  
PRODUCT- EYE LINER:**

**CONSUMERS BRAND LOYALTY  
RELATED TO THE PRODUCT - EYE-  
LINER**



*TABLE 15*

**TABLE SHOWING CONSUMERS BRAND LOYALTY RELATED TO  
THE PRODUCT -COMPACT POWDER**

| <b>PRODUCT-COMPACT<br/>POWDER</b> | <b>NO OF RESPONDENTS</b> | <b>PERCENTAGE</b> |
|-----------------------------------|--------------------------|-------------------|
| <b>ORIFLAME</b>                   | 23                       | 24%               |
| <b>LAKME</b>                      | 49                       | 52%               |
| <b>REVLON</b>                     | 23                       | 24%               |
| <b>TOTAL</b>                      | 95                       | 100%              |

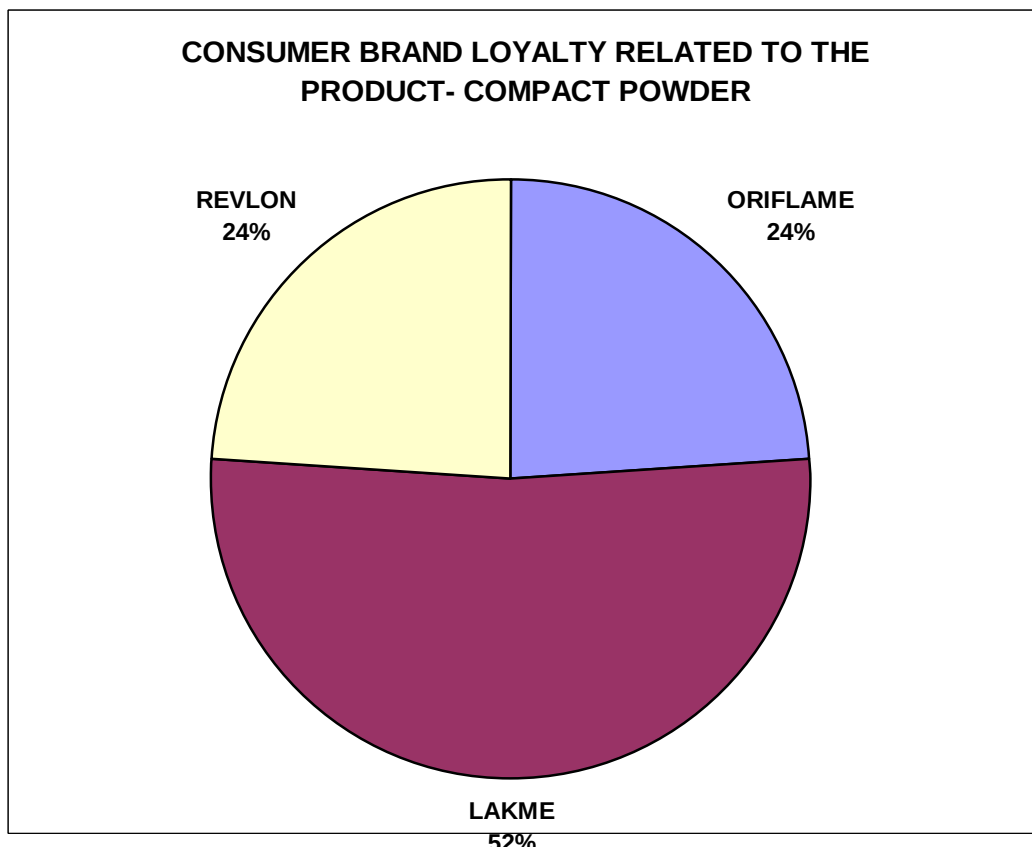
**INTERPRETATION:**

With respect to the product COMPACT POWDER 24% are loyal to the brand oriflamme, 52% are loyal to Lame and the remaining 24% are loyal to Revlon.

**INFERENCE:**

With respect to consumers brand loyalty with respect to the product compact-powder, Lakme stands first with 52% of the total number of respondents.

**GRAPH SHOWING CONSUMER BRAND LOYALTY RELATED TO THE  
PRODUCT- COMPACT POWDER:**



***TABLE 16***

**TABLE SHOWING PERCENTAGE OF RESPONDENTS WHO USE  
ORIFLAME**

| <b>USERS OF ORIFLAME</b> | <b>NO OF RESPONDENTS</b> | <b>PERCENTAGE</b> |
|--------------------------|--------------------------|-------------------|
| <b>YES</b>               | <b>49</b>                | <b>49%</b>        |
| <b>NO</b>                | <b>51</b>                | <b>51%</b>        |
| <b>TOTAL</b>             | <b>100</b>               | <b>100%</b>       |

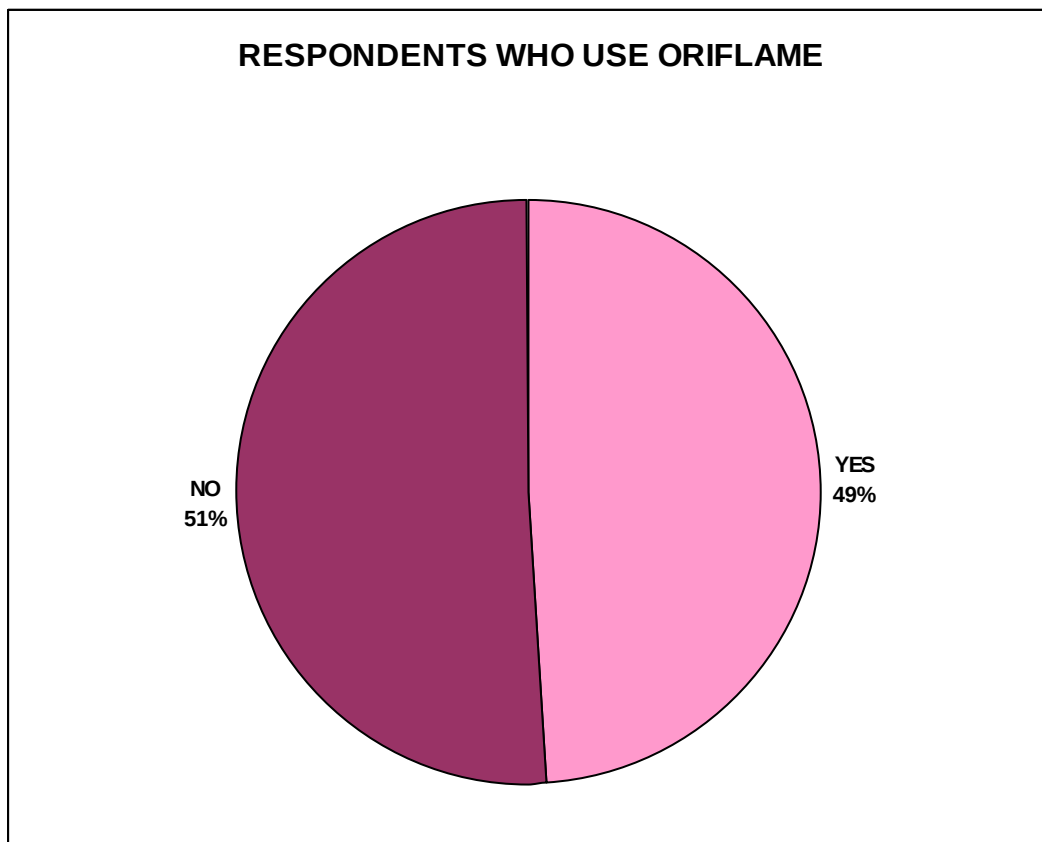
**INTERPRETATION:**

49% of the total numbers of respondents are the users of oriflamme and the remaining 51% are not.

**INFERENCE:**

The majority of 51% of the total number of respondents do not use Oriflame.

**GRAPH SHOWING THE PERCENTAGE OF RESPONDENTS WHO USE**  
**ORIFLAME:**



***TABLE 17***

**TABLE SHOWING CONSUMER PERCEPTION TOWARDS ORIFLAME  
WITH OTHER BRANDS**

| PERCEPTION | NO OF RESPONDENTS | PERCENTAGE |
|------------|-------------------|------------|
| GOOD       | 19                | 31%        |
| VERY GOOD  | 15                | 24%        |
| EXCELLENT  | 21                | 34%        |
| CANT SAY   | 07                | 11%        |
| TOTAL      | 62                | 100%       |

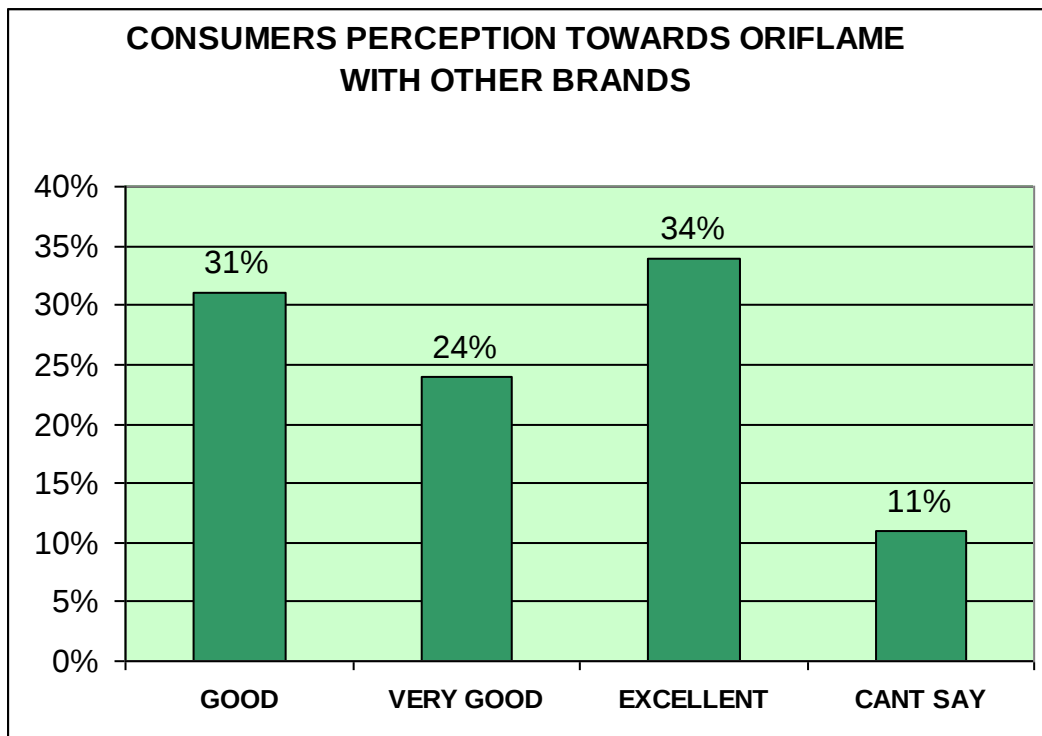
**INTERPRETATION:**

31% of the users of oriflamme find oriflame good compared to the other brand, 24% find it comparatively very good, 34% find it excellent compared to the other brand and the remaining 11% have no idea about it.

**INFERENCE:**

Majority of 34% of the total number of the respondents perceive Oriflame as excellent compared to the other brands.

**GRAPH SHOWING CONSUMER PERCEPTION TOWARDS ORIFLAME  
WITH OTHER BRANDS:**



***TABLE 18***

**TABLE SHOWING CONSUMERS OPINION TOWARDS THE  
AVAILABILITY OF ORIFLAME**

| <b>AVAILABILITY OF<br/>ORIFLAME</b> | <b>NO OF RESPONDENTS</b> | <b>PERCENTAGE</b> |
|-------------------------------------|--------------------------|-------------------|
| <b>EASILY</b>                       | <b>35</b>                | <b>41%</b>        |
| <b>NOT EASILY</b>                   | <b>51</b>                | <b>59%</b>        |
| <b>TOTAL</b>                        | <b>86</b>                | <b>100%</b>       |

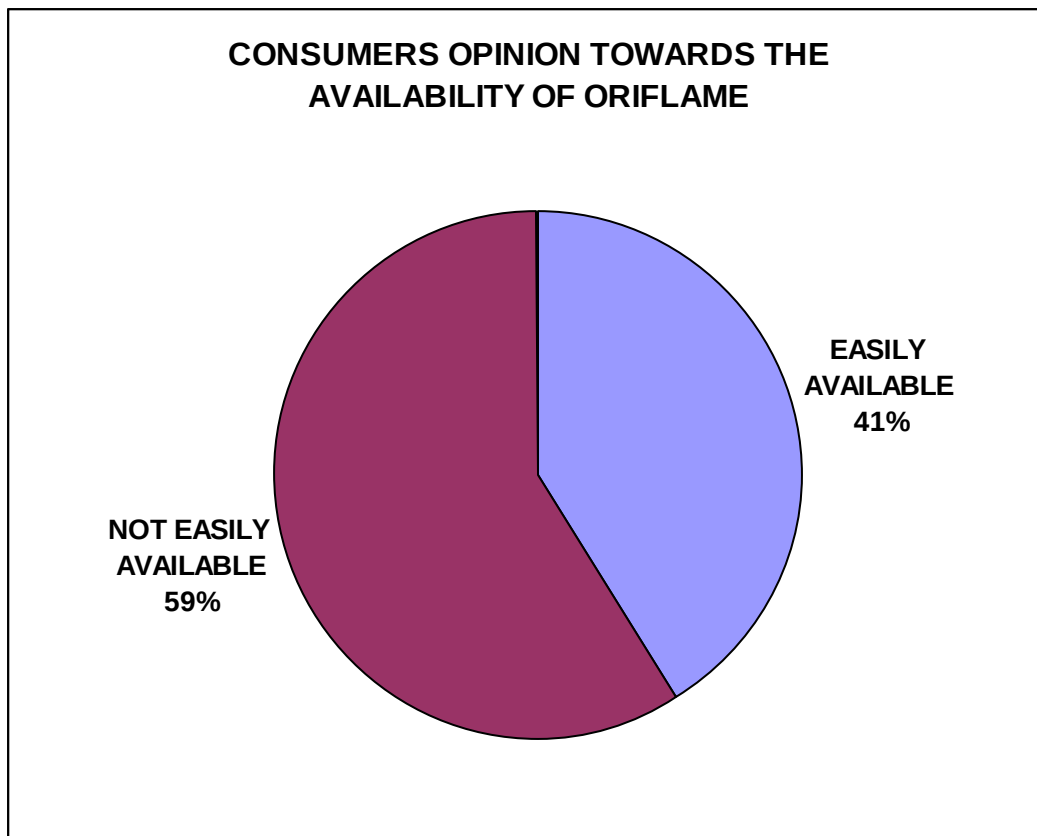
**INTERPRETATION:**

41% of the total number of respondents finds oriflamme easily available and the remaining 59% do not find it easily available in the market.

**INFERENCE:**

Majority of the respondents i.e., 59% find Oriflame not easily available.

**GRAPH SHOWING CONSUMER OPINION TOWARDS THE AVAILABILITY  
OF ORIFLAME:**



**TABLE 19**

**TABLE SHOWING COSUMERS OPINION ABOUT THE BRAND AND  
HOW IT SHOULD BE**

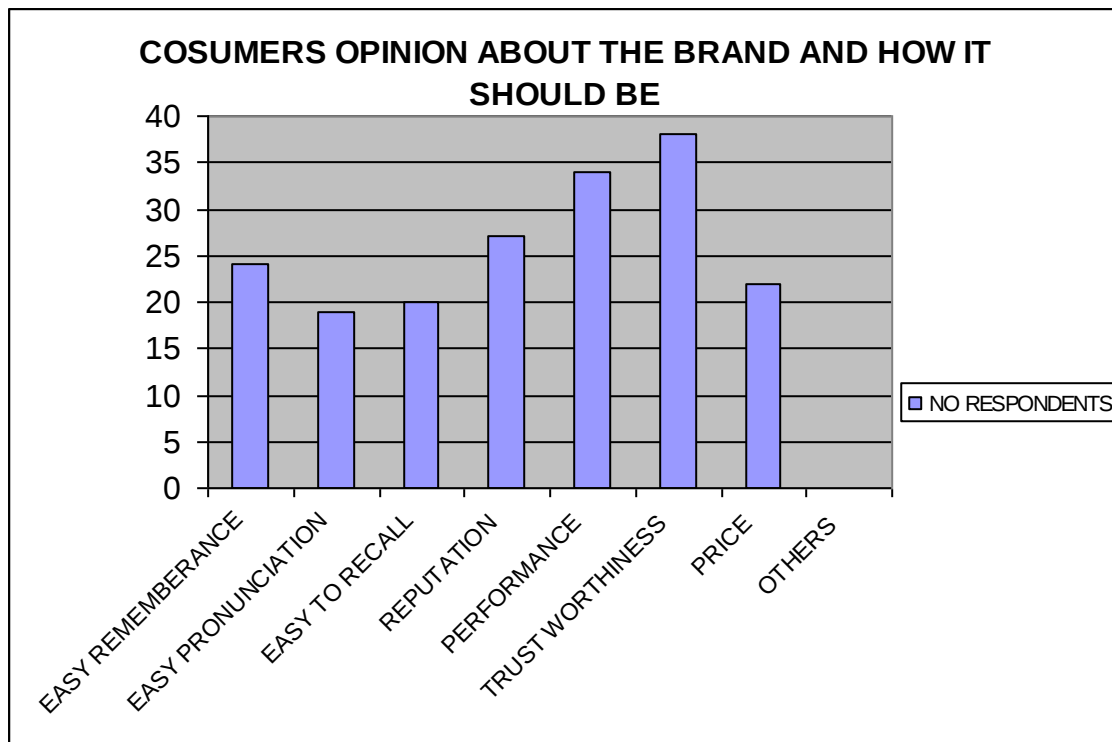
| OPINION               | NO RESPONDENTS | PERCENTAGE |
|-----------------------|----------------|------------|
| EASY<br>REMEMBERANCE  | 24             | 13.04      |
| EASY<br>PRONUNCIATION | 19             | 10.32      |
| EASY TO RECALL        | 20             | 10.86      |
| REPUTATION            | 27             | 14.67      |
| PERFORMANCE           | 34             | 18.47      |
| TRUST WORTHINESS      | 38             | 20.65      |
| PRICE                 | 22             | 11.95      |
| OTHERS                | 0              | 0          |
| TOTAL                 | 184            | 100%       |

**INTERPRETATION:**

Of the total number of respondents 13.04% want the brand to be such that it is easy to remember, 10.32% want the brand name to be easy pronounceable, 10.86% want it to be easy to recall, 14.67% want it to express reputation, 18.47% for performance, 20.65% for trustworthiness, and the 11.95% for price.

**INFERENCE:**The majority of 20.65% of the total number of respondents want the brand to be such that it is easy to pronounce

**GRAPH SHOWING CONSUMER OPINION ABOUT THE BRAND AND HOW IT SHOULD BE:**



# **CHAPTER V**

## *SUMMARY OF FINDINGS & RECOMMENDATIONS*

## *FINDINGS*

TABLE # 1 show that the majority of respondents i.e., 46% of the respondents are of the age group 17-25 years and the least number of the respondents are of the age group above 40 years.

TABLE # 2 shows that majority of respondents i.e., 48% of the total numbers of respondents are students followed by professionals, businesswomen, and the least are housewives and employees.

TABLE # 3 shows that majority of 42% of the respondents are aware of Lakme and the least i.e., 28% of the respondents are aware of Revlon.

TABLE # 4 shows that the majority of 58% of the respondents rank Lakme as their favorite brand, followed by Revlon and the least no of respondents i.e., 18% rank oriflame as their favorite brand.

TABLE # 5 Shows that the majority of 28.5% of the number of respondents evaluate a brand as their favourite due to product quality, followed by performance, brand image, price, famous/well known and the least number of 8.5% due to brand reputation.

TABLE # 6 Shows that the majority of 37% of the total number of respondents shift their brand due to the non availability of the brand, 22% due to the recommendations made by friends and relatives and the least i.e., 21% of the total number of respondents due to discount /sale provided by the other brands and the arrival of same products in the other brands.

TABLE # 7 shows that a majority of 34% of the total number of respondents find quality the most satisfactory attribute about the brand, followed by performance, price, brand reputation, brand image, and the number of respondents find packaging as the most satisfactory attribute.

TABLE # 8 shows that the majority of 68% of the total number of respondents do not change their brand and the remaining 32% change.

TABLE # 9 shows that the majority of 33.5% of the total number respondents change their brand occasionally and the least number of respondents change the brand normally.

TABLE # 10 shows that in the list of factors that motivate respondents to switch a particular brand, quality stands first with 35% of the total number of respondents followed by price, performance, reliability and the least number of respondents switch the brand due to availability.

TABLE # 11 shows that 56% of the total number of respondents find advertisement helpful to switch the brand.

TABLE # 12 shows that the majority of 47.5% of the total number of respondents who say yes to advertisements is because of the reason that it provides detail information about the product, 21% of the total number of respondents find advertisements just interesting, 17.5% of the total number of respondents say yes to it because it displays their favourite person in the ad and the rest 14% because of the personalities who fit them.

TABLE # 13 shows that with respect to consumers brand loyalty related to the product lipstick, Lakme stands first with 48.5% of the total number of respondents Oriflame stands next with 29.5% of the number of respondents and Revlon stands last with 22% of the respondents.

TABLE # 14 shows that with respect to consumers brand loyalty related to the product eye-liner, Lakme stands first with 54% of the total number of respondents, Revlon stands next with 30% of the total number of respondents and oriflame stands last with 16% of the total number of respondents.

TABLE # 15 shows that with respect to consumers brand loyalty with respect to the product compact-powder, Lakme stands first with 52% of the total number of respondents, Revlon and oriflame both stand next with equal number of respondents i.e., 24% each.

TABLE # 16 shows that the majority of 51% of the total number of respondents do not use oriflame and the rest 41% use the products of oriflame.

TABLE # 17 shows that out of the people who use oriflame the majority of 34% of the total number of the respondents perceive it as excellent compared to the other brands, 31% perceive it as good compared to the other brands, 24% perceive it as comparatively very good and the least number of respondents i.e., 11% don't have any idea about it.

TABLE # 18 shows that of all the respondents 59% find oriflame not easily available and the rest 41% find it easily available.

TABLE # 19 shows that the majority of 20.5 % of the total number of respondents want the brand to be such that it is easy to pronounce and the least number of respondents want it to ensure performance.

## RECOMMENDATIONS FOR 'ORIFLAME INDIA PVT LTD'.

1) The products must be made easily available. Since 59% of the total number of respondents find ORIFLAME not easily available in the market and the majority of consumers shift their brand due to the non-availability of the products. It is therefore very important that ORIFLAME makes its products easily available.

2) Oriflame has to REDUCE PRICE of the products

The majority of consumers of cosmetics are students; they constitute 48% of the total number of respondents. Students cannot afford to purchase products that cost more than their pocket money. So they go for products that are of low price. The majority of consumers find the price of Oriflame too high. Therefore ORIFLAME has to reduce the price of the products.

The company has a wide range of products. The company can focus on the reduction of price and the availability of those products that have a high demand in the market.

Oriflame offer to its customers a very sophisticated packaging of the products.

Oriflame could rather reduce the cost of packaging the products and there by reduce the price of the products

3) It has to make efforts to become 'consumer favourite brand'

Lakme is ranked as consumer favorite brand and the reason is that, it provides better quality, satisfaction and brand image. Oriflame also provides better quality, good brand image and satisfaction; nevertheless it is not universally accepted as the consumer favorite brand mainly because, quality, performance and price are the most satisfactory attributes of the products.

Although Oriflame provides better quality and better performance, it becomes unaffordable when it comes to price of its products.

Oriflame offers a very sophisticated packaging of its products to its customers. It is recommended that the company can reduce the cost of packaging and thereby enable itself to offer the products at a low price.

#### 4) It must increase the brand awareness

To increase the brand awareness, Oriflame can go for advertisements. Since 56% of the total number of respondents find advertisement helpful to switch the brand. The advertisement can be on television, radio, magazines, newspapers and Internet. The advertisement must contain detail information about the products.

Ad can be used to build up a long-term image for the product. The company must develop a global pool of ads, from which each product selects the most appropriate one.

#### 5) Strive against COMPETITION:

Oriflame has a very tough competition with companies such as Lakme and Revlon.

The company has to find out what the competing companies are seeking in the market place. What drives each competitor's behaviour. One useful initial assumption is that competitor's strive to maximize profits. An alternative assumption is that Lakme and Revlon pursue some mix of objectives; current profitability, market share, growth, cash flow, innovative leadership, service leadership. Knowing how a competitor weighs each objective will help the company anticipate its reactions. Finally Oriflame has to monitor its competitor's expansion plans.

6) The marketers of the company must adopt sales-promotion techniques to different markets. Direct mails and other sales promotion campaigns must be encouraged.

7) A majority of consumers do not use Oriflame. Thus the brand loyalty gained by Oriflame also remains less compared to the competitors. Therefore it is extremely important that it maintains the loyalty of the existing customers.

8) A number of consumers who use Oriflame find it excellent compared to the other brands. So it has to maintain the product quality and performance.

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