

GROWTH OF PERSONAL CARE PRODUCT MARKET IN INDIA

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ABSTRACT:

Personal care products are those products which are used in personal hygiene and for beatification. Personal hygiene involves those practices performed by an individual to care for one's bodily health and wellbeing, through cleanliness.

The personal care product market grew in India by 9.2 percent in 2016. The market size of India's beauty, cosmetic and grooming market will touch 20 billion dollars by 2025 from the current level of 6.5 billion dollars. India's personal care industry is composed of Hair care, Skin care, Oral care, Body care and cosmetics. Hair care posted current value growth of 8% in 2016. Oral Care Market is growing with a compound annual growth rate of 11.4% from last five years and is projected to get more than double by the year 2021. The personal care industry has witnessed a remarkable growth because of the various accelerating grow factors such as Consumers Population, Increase in Income, High level of Awareness, Celebrity Endorsement , Use of Internet: On line marketing, Rural Penetration, Infrastructural Improvements, Establishment of Organized Retail and Women as a Prime Driver.

The top personal care product brands in India are Hindustan Unilever Limited, ITC Limited, Colgate Palmolive India Ltd., Procter and Gamble, Johnson and Johnson, Marico Industries and Godrej Consumer Products Limited.

Key Words: Personal Care, Hair care, Oral care, Skin care, Personal hygiene, Cosmetic.

Introduction:

The market size of India's beauty, cosmetic and grooming market will touch 20 billion dollars by 2025 from the current level of 6.5 billion dollars on the back of rise in disposable income of middle class and more and more people aspiring to live good life and look good, industry body ASSOCHAM said. The industry has mainly been driven by improved purchasing power and rising aspiration among the lower strata of the society while and industry players spending are coming out with products and pricing to suit consumes across difference levels of purchasing power. The rural population too is joining the mainstream with improvement in linkages with the cities by roads, telecommunication and the firms reaching out to the people in villages and small towns. (Mr. D S Rawat, ASSOCHAM).

The personal care industry makes up 22 percent of India's market for consumer package goods and experts agree that India is full of opportunities and is a potential gold mine for many beauty and personal care companies. India's personal care industry is composed of Hair care, Skin care, Oral care, Body care and cosmetics. The personal care industry has witnessed a remarkable growth because of the growing hygiene awareness, increasing income level and mass media penetration. In the Hair care category of this industry. A study by Nielsen, a market research firm, determined that shampoo is the most popular personal care product in India. India's most prevalent products are skin creams, lotions, whitening creams, and makeup for Skin care. The organic skin care category grows at over 20 percent annually and is expected to total \$157 million in 2020, according to AzafranInnovacion, an organic skincare group. In Body care soap is a prevalent product found in more than 90% of Indian households. The majority of the demand for cosmetics comes from working men and women. The oral care category is comparatively small category for India. Less than half of Indian consumers utilize western-style products such as toothpaste, mouthwash.

Objectives:

1. To study the growth of Personal care product market in India
2. To study the various factors accelerating growth of Personal care market in India.
3. To study the Top Personal Care Brand in India

Research Methodology:

The study on the present topic is based on growth of personal care industries in India and the various factors responsible for this growth of personal care industries. The contribution of leading personal care industries in this sector also studied. All study is based exclusively on secondary data taken from various publications such as research papers, reports, articles and websites.

The Personal Care Products:

Personal care products are those products which are used in personal hygiene and for beatification. Personal hygiene involves those practices performed by an individual to care for one's bodily health and wellbeing, through cleanliness. Motivations for personal hygiene

practice include reduction of personal illness, healing from personal illness, optimal health and sense of well-being, social acceptance and prevention of spread of illness to others. The beautification is the process of making visual improvements to a person, place, or thing.

According to NSF International foundation definitions of Personal care product is “A non-medicinal consumable product that is intended to be used in the topical care and grooming of the body and hair and that is rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to a body, human or animal, for cleansing, beautifying, promoting attractiveness, or altering the appearance without affecting the body’s structure or functions”. Personal care products are specifically for use in such activities as cleansing, toning, moisturizing, hydrating, exfoliating, conditioning, anointing, massaging, coloring/decorating, soothing, deodorizing, perfuming, and styling.”

Personal Care Product Market in India:

Personal care product in India, being a kind of consumer oriented business, constantly try to cope with the modern and latest requirements of the inhabitants of the country. This industry mainly concentrates on the manufacturing of products related to personal hygiene and beautification. During the past few years, India’s personal care industry has witnessed a remarkable growth because of the growing hygiene awareness, increasing income level and mass media penetration. Being one of the chief FMCG (Fast Moving Consumer Goods) constituents, these products include cosmetics, soaps, hair care products, skin care products, shampoos, perfumes, oral care products and many more. In 2011, the personal care market in India is about \$6.3 billion and is growing at over 13 percent per year. The personal care industry in India is forecast to enjoy healthy growth for the next decade or more. The consumption pattern of cosmetics among teenagers went up substantially between 2005 and 2015 because of increasing awareness and desire to look good as well as over 68 percent of young adults feels that using grooming products boost their confidence.

The personal care product market grew in India by 9.2 percent in 2016. This is a segment that continuous to be dominated by multinational companies. The personal care product market is divided in four product segments, as Hair care, Skin care, Oral care, Body care (Personal hygiene) and Cosmetics.

1. Hair Care:

Hair care products continued to register strong growth in India in 2016. Hair care posted current value growth of 8% in 2016, with sales reaching INR192.8 billion. An increasing focus on beauty and looks by urban Indian consumers propelled growth. Consumers in India are more aware of the harmful effects of chemicals and are willing to spend more on products that they perceive to be made of natural, herbal or Ayurvedic ingredients, which they consider to be better for their hair.

Hair care products are formulated to help nourish and prevent hair damage resulting from dryness, pollution, and other factors. The hair care market is comprised of thousands of products, such as shampoo, conditioners, serums, colorants, sprays, etc., which are composed

of both natural and synthetic ingredients in order to maintain healthy, lustrous and well-groomed hair. In today's culture, healthy hair is a staple that portrays the idea of maintaining a youthful appearance, and this factor strongly influences purchase decisions among consumers.

2. Skin Care:

The Indian Skin care segment is considered as one of the most dynamically growing segments in the country. The market is driven by the demands of a diverse consumer base - youngsters, women & men. They are fuelling the sales of both local brands & international premium brands.

Skin care continued to register double-digit current value growth in 2016. The growth was based on the back of an increasing emphasis on looks and appearance from Indian consumers. Rising consumer image consciousness is boosting demand for skin care products among those who want to look their best at all times. In addition to this the increased exposure to international personal care products and grooming trends is also resulting in more awareness of the benefits of different skin care products. Consumers are showing a willingness to spend on skin care products that they perceive to be of value and that enhance their looks and appearance.

3. Oral Care:

The oral care market is considered as one of the rapidly growing dynamic markets in FMCG sector India. Due to increase standard of living and changing lifestyle, the demand for specialized oral care products like multipurpose toothpaste, prestige toothbrush, mouthwash are increasing greater than ever before. Consumers are providing high momentum to the Indian oral care market. Upper and upper middle class requires the premium and value added oral care products in order to maintain oral hygiene. They are using multipurpose oral care products such as mouthwash, dental floss and other specialized oral care products to keep fresh breath and mouth.

India Oral Care Market is growing with a compound annual growth rate of 11.4% from last five years and is projected to get more than double by the year 2021. This growth is the result of increasing oral care product & brand awareness, increasing disposable income, growing demand in middle class people and affordable price of oral care products. The unorganized market of personal care products converting into organized personal care market. The growing concerns regarding oral hygiene among Indian citizens boost up oral care market continuously. Increasing number of companies is launching various new and innovative products to fulfill demands created from a broad cross-section of consumers. The increased penetration of oral care products in rural areas is anticipated to positively influence the market in India over the next five years. The growing numbers of oral care product manufacturers are concentrating more on marketing activities for increasing their brand promotion and visibility across the country. Factors like growing urbanization, increasing disposable income and strong demand from urban and semi-urban areas of the

country is attracting leading global players, thereby further contributing to the growth of India oral care products market.

4. Body Care (Personal Hygiene):

Personal hygiene in India witnessed strong double-digit growth in 2016 due to increasing consumer disposable income and consumer awareness. With the help of increased advertising and promotional activities by brands, consumers are becoming more aware of hygiene products. Additionally, doctors have also started advising consumers to use hygiene products, which has driven the growth of hygiene products in the country. However, with changing lifestyles, consumers are becoming busier and are looking for products that offer more comfort and higher ease of use which is increasing the use of tissue and personal hygiene products.

In India, the premium product segment of the personal care industry caters primarily to the urban upper class and upper middle class. This segment is more brand-conscious and less price-sensitive. The popular segment caters to mass segments in urban and rural markets. The prices in this segment are about 40% of the premium segment prices. With the increase in rural income and improvement in the physical distribution network, penetration levels are set to increase across all segments of the Indian personal care market.

This growth in the Indian beauty and cosmetic industry is driven by increasing per capita income, by rapid urbanization, and by aspirations among young Indians to look as good as local and global celebrities. India is a growing market for baby products, bath products, eye and facial makeup, fragrances and perfumes for men and women, hair care and color (including shampoo, oil, cream, dry and liquid dyes), oral care, shaving, and skin care.

Factors Accelerating Growth to Personal Care Product Market:

1. Consumer Population - Young India:

India is among the world's youngest nations, as compared to Japan and US. The country's population base of 1.2 billion is estimated to rise to 1.5 billion by the end of 2030. Due to urbanization and increase in education level, Indian consumers have been looking for newer shopping experiences and products. Consumer purchase habits are shifting from traditional purchasing to new generational purchase. The personal care industry is directly aligned to the demographics of the region that it serves. The young generation has been more eager to use the various personal care products and this reason has busted the market of personal care industries.

2. Increase in Income:

An increase in disposable income at the hands of people acts as the primary driving force in the personal care product industries. Growing urbanization and a young working-age population with higher income will result in increased spending, which will be created a consumption boom over the next two decades. Growing income and rising disposable income over the next

two decades will result in the discretionary spending to increase from about 52% in 2005 to about 70% of the customer wallet by 2025, according to MGI. The growing optional spending will result in demand for personal care products and other purchase. The growing middle class and increasing disposable income provides the capacity to spend on personal care products.

3. High Level of Awareness:

Media penetration acts a main stimulant in the process of awareness. It results in heightened awareness among the masses. Awareness of customer for personal care products has been increased through various media such as television, print media and promotional activities conducted by personal care product industries to create visibility and awareness regarding personal care products. The awareness level has been increased by some of the followings.

4. Celebrity Endorsement:

The celebrities not only admired by people but follow as their role models and in turn the celebrities become instrumental to influence their behaviour through endorsement. The unleashing power of the celebrities, television stars, movie actors, and famous sports persons are being widely used in magazine advertisements, radio spots, and television slots and website commercials to endorse personal care products.

5. Use of Internet:

Personal care industries are actively partnering with various media to reach their target audience. Facebook, Instagram, whatsapp, yahoo and google pages of internet are being used to not only talk about the products and launches, but also have an active engagement with the target audience. Social media plays important role in customer awareness. Personal care products sales via internet retailing also became significant with increase in the number of e-tailers and convenience attached to shopping online.

6. On line marketing:

About 62 percent of young consumers in big cities prefer to buy online personal care products whereas, 45 percent of consumers tend to buy products from any shop of their convenience rather than a single shop. Both quality and value for money is being sought by consumers.

7. Rural Penetration:

The rural market offers great scope for the personal care products due to planned rural development. The rural segment has also played an imperative role in the markets growth story. Majority of India's population resides in rural areas and the means to tap this segment assures higher margins. Indian Government has enforced certain regulations that contribute to growth in rural income.

The Indian government has created resources for the agricultural growth. The heavy resources such as improved seeds, fertilizers, pesticides, irrigation facilities, agricultural equipment's with agro processing industry has been made. These facilities brought Green revolution in India and the disposable income of rural people increased. This increased income and saving habits of rural people has contributes in higher purchasing power. All this has been an increase in demand for durables and non-durables products by rural consumers. Hence it provides a ready market for the personal care products producers.

8. Infrastructural Improvements:

An infrastructural facility has been increased considerably in urban as well as rural area boost up the resources creation of disposable income to the consumers. The infrastructural facilities such as banking facilities, electricity, all weather roads etc. has helped in the improvement of the living standard of people. This gives tremendous opportunities for personal care product industries to establish their markets in those areas.

9. Establishment of Organized Retail:

The establishment organized retail has a main motivational driver especially in the urban segment. An organized retail not only provides an opportunity to showcase products, both domestic and international, on a larger platform to the personal care industries, but also provides good environment to motivate consumer of personal care products. Organized retail provides availability of all products and brands under one roof, which increases the convenience of customers.

10. Women as a Prime Driver:

Women consumers' life style is changing with the emergence of more educated women entering the work force, and with more two income households with higher disposable incomes. The rise of working women is a growth accelerator. Women's need for appearances and materialism is increasing. That is women wanted to satisfy the need to look and feel good. This created a boom in the Personal care sector across the world. Today's women are extremely aware of the various brands in the market and are conscious of the products they use or consume. They pick and choose carefully according to their needs, style, preferences, etc. They also exercise a lot of independence in decision making and influence the family buying behaviour.

Top Personal Care Product Brands in India:

Many National and International companies are involved in the manufacturing and marketing of various personal care products. To meet the increased daily requirements of personal care products by the huge population of the country, all these companies compete with each other to provide the best quality products to their customers at an affordable price. Following are some of the top personal care product brands in India.

1. Hindustan Unilever Limited:

Hindustan Unilever Limited is the manufacturer of four product segments, as Hair care, Skin care, Oral care, Body care (Personal hygiene) and Cosmetics. Headquarter of HUL is in the Mumbai city. HUL has wide range of famous personal care brands such as Lifebuoy, Liril, Lux, Pears, Rexona and Breeze in body care; Close Up and Pepsodent toothpaste in oral care; Fair & Lovely, Vaseline, Dove skin cleansing, Axe, Denim in skin care; Brylcreem hair cream & hair gel, Clear anti-dandruff hair products, Clinic Plus & Sunsilk shampoo, and Indulekhaayurvedic hair oil in hair care; Pond's and Lakme cosmetic brands

2. ITC Limited:

This Indian multi business organization has been growing rapidly in the national market of personal care products. It's headquarter is in Kolkata, West Bengal. ITC started manufacturing of varied kinds of personal care goods in July 2005. ITC's Personal Care brands are 'Essenza Di Wills', 'Fiama', 'Vivel', "Engage" and 'Superia'. The name of this company features in the Forbes 2000 list.

3. Colgate Palmolive India:

Colgate Palmolive India personal care brand manufactures products like toothbrushes, toothpastes, tooth whitener, shower gel, fluoride therapy and varied other products for the treatment of skin as well as mouth ulcers. Colgate Palmolive India is based in Mumbai. This has brand name "Colgate" for oral care products such as toothpastes, toothbrushes, toothpowder, whitening power, mouthwash and brand name "Pamolive" for body wash, liquid hand wash, shave preps, skin care & hair care.

4. Procter and Gamble:

This is one of the top most personal care brands in India. With a huge array of personal care goods, Procter and Gamble provides a huge array of personal care goods, among which a customer can easily choose his or her required products. P&G has Gillette, Head & Shoulder, Olay, Oral-B and Pantene shampoo & conditioner. Gillette is one of the well-known brands of this company that has got products like razors.

5. Johnson and Johnson:

Jonson and Jonson is an American company manufacturing different kinds of baby care products. This top most reputed manufacturer of personal care products in the world is famous for manufacturing Skin care, Hair Care, Wound Care and Topical and Oral Health Care powders. This has Jonson baby shampoo, cream, oil; Stayfree personal health and feminine hygiene products - including sanitary napkins, tampons and panty liners; Band-Aid and Listerine are Oral & Wound care products.

6. Marico Industries:

Marico Limited is one of India's leading consumer products companies operating in personal care products. Marico has owned multiple brands in the categories of hair care, skin care and male grooming. This is Mumbai based company. Marico's India business markets personal care brands such as Parachute, Parachute Advansed, Hair & Care, Nihar, Nihar Naturals, Livon, Set Wet, Mediker.

7. Godrej Consumer Products Limited:

Godrej Consumer Products Limited is the largest home-grown home and personal care company in India. It has several types of personal care items like hair color, toilet soaps, liquid detergents etc. Godrej operates mainly from Mumbai. It is rank number 1 in hair colour, household insecticides and liquid detergents and number 2 in soaps. The brands of Godrej are - Good knight, Cinthol, Godrej Expert, Godrej No. 1.

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