

**Topic: Changing consumer behaviour towards use of Luxury cosmetic brands in UAE:  
Analysis of L'Oreal, Garnier & Maybelline products**

**A Proposal**

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## **1. Introduction**

The rising style of industrialization and developing expertise in interaction and shipment allow the clients to retrieve and interpret a large diversity of goods and facilities from other nations. The fact that clients frequently assess the overseas goods differently in contrast to local goods has been discovered by prior investigations (Wang et al., 2004). It has been stated that clients of progressed nations prefer locally manufactured goods as against foreign made ones (Bilkey & Nes, 2002) while users from progressing nations favour foreign products over locally made ones (Wang et al., 2004). The idea behind this being that they consider foreign goods to be of superior quality in contrast to local goods and also individuals equate using overseas products as being a status symbol or as being fashionable.

The number of users in developed nations for example India or China are more in number and have access to goods that are manufactured in western or developed countries. In such a competitive environment, vendors essentially need to understand the reasons behind users of developing nations selecting goods of other countries – imported or domestic. Client choices related to specific creations must be considered not to be a string of unlinked and independent options, these choices involve equations between personal, items or creations state Hogg and Michell (2006).

It is accepted that one needs to comprehend client conduct in context to both domestic and foreign goods as overseas marketing is fast becoming an essential part of the global financial systems (Netemeyer et al., 2001). Several investigations related to this subject are centered on what are the name and the location of belonging influence; investigate the way how clients scrutinize goods introduced from specific countries. Older studies which have investigated the location of belonging influence have scrutinized item kinds such as different cars, footwear, video players and groceries for clients located in Australia, Canada, China, France, Germany, Holland, Ireland, Japan, Mexico, New Zealand, and the USA and several others (Ahmed and d'Astous, 2006 and Elliott and Cameron, 2004).

Several researchers in Europe have examined the influence of the place of origin on selection viewpoints (Ettenson, 2003; Liefeld et al., 2006), good representation (Peris et al., 2003), client outlooks, and the “produced in Europe” notion (Schweiger et al., 2005), client viewpoint and the created in Europe concept.

The development and sustenance of the local manufacturing segment in noninterventionist economy depends on how clients like the goods manufactured in that particular country. Local manufacturers face tough competition from many foreign products which have made their mark globally. This is especially relevant in emerging countries whose manufacturing is restricted to primary products. It is in such nations that the development of manufacturing sectors faces hurdles as clients prefer using foreign goods from developed nations as against domestic ones or ones from lesser developed countries (Ettenson 2003).

The twenty first century is witnessing the usage of extravagant products (Kapferer and Bastien, 2009) though the number of firms marketing extravagant goods is very low (Uche Okwonko, 2007). All individuals desire lavish goods especially as far as fashionable goods are concerned. Despite the era of industrial revolution, the first or second world wars or liberalization the past centuries have observed that several opulent brands have made their mark globally. The era of internationalization has resulted in the availability of several sources of opulence. This is the result of the role played by growth of businesses, financial systems, new businesses, rise in spending by people and even interactions. This is evident by the fact there are reputed Japanese luxury brands in European countries which employ Chinese silk as raw substance for manufacturing goods (Kapferer and Bastien, 2009). This has resulted in people globally being aware of the international fashion brands.

The current days have seen the diminishing of societal division. However individuals are yet likely to differentiate class in community by the leader and individuals who are wealthy like to display their wealth and opulent lifestyle. Thus luxury has begun to indicate superior choice and money which every individual desires.

One of the emerging nations from which several products of different nations are imported is UAE. 2006 saw the import value touch 125,975 million US dollars which is expected to touch 137,943 million US dollars by 2007 (World Bank 2007, as quoted in Chaisitthiroj, 2007). Studies undertaken previously deduced that the approach towards international products as against local brands was more affirmative as they considered global brands to be of superior quality (Masayavanij, 2007). This was in line with the investigation undertaken by Cengiz & Kirkbir (2007) which concluded that people in emerging nations consider overseas goods to be of superior quality and more dependable as against locally manufactured goods. Simultaneously another investigation related to UAE client approach and outlook related to international as against local clothes deduced that UAE individuals prefer foreign clothes on account of their better resiliency, quality, good looks, fashionable appearance, and brand name and style because they are made in nations that have advanced expertise. As a result, UAE clients prefer to buy foreign clothes (Sae-Jiu, 2007). Another study also deduced that UAE clients considered overseas brands to be much better in terms of quality and worth for money as against local clothes (Suvachart, 2002) and the nature of UAE clients is such that they emphasize on quality and prefer to pay more for foreign brands. Thus, foreign brands significantly influence the outlook and conduct of UAE clients.

Ukpebor and Ipogah (2008) opine that a strong brand is likely to improve a client's approach power related to the product linkage of a brand. As Vranesevic and Stancec (2003), have asserted the significance of a brand is evident by how it influences the client's options and their allegiance by recognizing and distinguishing not only quality and source but by developing augmented worth. One of the advance policies is that a strong brand can seize the attention of a client. In emerging countries, clients have specific anticipations from the brands are inclined to depend on the brand as a mark to buy goods (Reardon et al., 2005).

Despite, the FMCG segment being tiny in contrast to other firms globally, the FMCG fashion segment has been a multi-billion dollar segment globally. It is important in driving the economy and impacting the contemporary society. Chadha and Husband (2006) further stated that the democratization of FMCG brands in the nineties allowed common man to access fashionable

goods. Also one can find FMCG present at every place in the current times (Kapferer and Bastien, 2009).

## **2. Problem Statement**

Overseas goods are frequently evaluated in a different manner as compared to parallel domestic products by users (Herche, 2002). The location of belonging influence research undertaken in majority of developed countries has pointed out that if information related to a product is insufficient then users choose domestic branded articles in lieu of global goods (Bilkey and Nes, 2002). Clients often form opinions related to the standard of the apparel based on the mannequin wearing clothes (Dickerson, 2002). To be specific, the outlook of criteria associated with imported clothes was not regarded to be as important. However, there appears to be a direct relation amongst evaluations of evaluation of domestic products and the norm of monetary development of the location of belonging (Gaedeke, 2003).

On the other hand, a contrasting style of location of belonging investigations can often be viewed in lesser developed nations where clients really select imported goods in contrast to locally manufactured ones (Agbonifoh and Elimimian, 2009).

This is more likely to be seen in situations when imported products are related to evident buys (Marcoux et al., 2007; Piron, 2000). Clients often buy and use luxurious foreign goods to keep up with the joneses or baffle others instead of the monetary aspect or real application of the products (Mason, 2001). This has not been limited to the affluent section of the society but can be witnessed across the entire society and income divisions including the poor and the rich (Mason, 2001; Basmann et al., 2008). This is evident by fashionable apparel are ones which are noticeable and also a mark of standing in society (Schiffman and Kanuk, 2004).

As has been put forth by Chaisitthiroj (2007), the beauty segment is one sector in the market that clients have several options of imported goods and they are regarded to be well-known for beauty clients. This is evident in UAE as their lifestyles are transforming and becoming more contemporary thanks to the growth and this is visible more so as far as UAE women who reside

in the urban regions are concerned (Chaisitthiroj, 2007). Presently, they pay attention to how they look as they consider buying cosmetic goods an extension of their personality.

In the words of Cash et al. (2009 as quoted in Guthrie et al., 2008), ladies using beauty products are more contented with how they look including their general appearance and deem themselves to be more beautiful compared to their friends when they have their makeup on. When this investigation was undertaken, UAE was grappling with an economic recession (Bangkok Bank, 2009). Despite the recession, the cosmetic segment has witnessed continuous uptrend (growth) (US. commercial service 2008). A tiny role of the cause lies in the fact that beauty brand asset are crucial drivers. It was asserted by Drucker (2005), that during economic recession, people spend money cautiously, so beauty firms depend on promotion and brand name identification to gain revenues. Additionally, the usage of marketing mediums in several novel mediums including internet improves the brand exposure to an extended set of likely clients (Kumar et al., 2006).

On the other hand, it has been asserted by Suvachart (2001) that UAE clients have the attribute of being innovators who are likely to shift to new brands or goods thus indicating they are not really brand committed. Additionally, when Speece (2008) studied brand commitment of clients located in Bangkok, it was discovered that only 80-85 percent were committed to brand to goods which required low participation and did not depicted solitary brand commitment.

The investigators discovered that there was a lack of research related to UAE clients' outlook and conduct related to imported makeup goods which is one of the significantly developing market industries in UAE (Wiwutwanichkul, 2007). The subsequent segment will discuss details related to the UAE cosmetic market to offer a general view of the existing market scenario and the reason behind undertaking the research will be discussed.

### **3. Research Purpose**

This research concentrates over the process of investigating the effect of brand over the purchasing decision of consumer about foreign makeup product. The results of the research are beneficial for the marketing professionals specifically those who are in UAE cosmetics industry in order to understand target consumer about brand equity affecting their purchasing decision.

The investigation will be about -‘*To what extent the brand equity lie in their purchasing*’ and the approach will help foreign brand marketer in understanding their strengths as well as their weaknesses in the application of brand equity, for an improved performance. Moreover, the research can offer assistances to the domestic marketers in the process of adapting knowledge towards marketing plan to satisfy customers and thereby provide offerings that are based on needs of factual consumers.

#### **4. Research Questions**

To meet the aim and purpose of this research, the selected research question is as per the background as well as problem statement noted below:

How the social recognition, personal value and demographic impacts over UAE customers in terms of their FMCG brand purchases and which are the specific marketing strategies that need to be used to foe their purchasing intention?

#### **5. Research Aims**

The basic aim of this research is to identify the influences of brands added by the assets over purchase decision of the consumers. The purpose of this paper is to present information from the consumers’ perspective. The overall objective of the paper is to establish from the consumers’ perspective, if relationships exist in FMCG markets. As per the above discussion, selection of quantitative method suits the purpose and nature of this study and understands UAE consumers’ in making decision for buying makeup products. Thus, the selection of survey based on questionnaire will be the major tool in the process of data collection of the study.

#### **6. Literature Review**

The prior research international brands in the up-and-coming market economies were favored by the several consumers, along with having a superior class their status is contrast with the local goods as explained by Graham (2004) and Sterngold (2002). India is included among these several consumers in the markets, international brand goods were buying and possess by the rising upper class as mentioned by Cui & Li during 2001. According to Arnold & Quelch, (2008) and Batra (2007), the product worth among the local brands was identified by the investigators as well as they also pointed out that the consumers in up-and-coming market economies will end up

stylishly. In these nations the increasing patriotism and domestic industries will be created by the host governments as explained by Klein (2002), Prahalad & Lieberthal (2008). In the up-and-coming markets the international brands hostile response will be ultimately result by the altering utilization styles as given in these forecasts. This matter is validated by McKinsey published report – despite identification acknowledge the international brands, local brands were favoured by Chinese consumers and instead of imported brands they have faith on local brands as stated by Dyer (2007). In these markets for transnational firms functioning there is an important inference of fake alarm or unavoidable inclination is there.

The globe's financial systems constant globalization is considered and up-and-coming market consumers significance is with domestic organizations and transnational firms, closer investigation were needed for the selection between international and local brands in these financial systems by consumers. In the up-and-coming markets information related to the option of consumer's for international and domestic brands stays insufficient. If India is illustrated - for international brands penchant were identified by many investigators as on non-probability samples and perceptual measures they depend. for international brands asserted penchant, on domestic brands real buying the latest investigations depends like exaggeration of penchants and domestic brands were majorly bought by the Chinese consumers as mentioned by Cui & Liu (2001); Kwok (2006). Between Chinese consumers preference of international as against domestic brands were influenced by other aspects as proposed by the difference between real conducts and asserted penchants. International and local brands real buying pattern have been contrasted by a small number of investigations in this huge up-and-coming market for deliberating the condition of brand competition. When domestic market situations and good divisions impacts were discovered, among the city consumers in India the preference of international and local brands investigated in this studies and in the up-and-coming market extreme competition between local and international brands. On brand insights and preferences the existing literature is reassess by us and consumers' options in up-and-coming markets and several investigative queries were suggested.

Secondly, in four main Indian cities that depends on extensive consumer investigation, across several durable and nondurable goods types the buying patterns of local and international brands were analysed by this research. Across good types and geographic markets the international

brands differ greatly in buying and possessions as proposed by outcomes. Specific good types were controlled by international brands, in consumables and durable goods the base is acquired by local brands as in the city markets it goes ahead, for consumers share the current war were emphasized. In brand management and marketing policies for both international and local organizations the propositions has been discovered by us.

Since the early 1990s the discourse of consumer marketing has radically altered and now reflects an emphasis on relationships, loyalty and customer retention, where once the transactional marketing mix management approach dominated. Numerous articles have begun to extend relational exchange as a paradigm beyond its traditional domain of high value industrial goods and service industries, to the relatively low value, high volume goods sold to private consumers (Palmer, 1996). The pervasiveness of this relationship approach has led Petrof (1997) to comment that it appears that relationship marketing has become the accepted orthodoxy in mass consumer markets.

Essentially relationship marketing's emergence in mass consumer markets was driven by a desire for repeat business. Various propositions as to how this might happen are observed in the literature. It is proposed by some (for example, Dwyer et al. 1987; Holmlund and Kock, 1996) that the development of relationships will result in a loyal set of customers. Others (for example, Sheth and Parvatiyar, 1995; Kandampully and Duddy, 1999) propose that relationship marketing would result in customer satisfaction which in turn would result in loyalty and drive relationship development, while others (for example, Szmigin and Bourne, 1998; Varey, 2002) point to the assumption made that long-term enduring relationships could be built with a loyal set of customers. In this regard loyalty is considered a driver of relationships. Within this climate, strategies predicated upon continual customer acquisition began to lose credibility, as those concerned with customer retention and the value of loyal customers began to take over. Specifically, relationship marketing emerged in consumer markets with the promise of customer retention in a marketplace that was characterized by intense competition.

## **Brand**

Kotler (2002) states in the product line were one of more items were associated as it is used for identifying the character source of the items is termed as brand. According to Doyle (2002)

brand is a specific name, design or symbol or its combination - a product is differentiated by this. For every product an ordinary feature is the brand which nowadays is available on the market. Each brand specialty is the different value in the potential buyers mind. According to Gordon (2003), McEnally and de Chernatony (2009) differentiation is enhanced by the image and reputation of a strong brand on buying behavior it has a positive influence. Powerful brands significance is seen by the marketers and for building up a strong brand as shown in all efforts.

Familiarity and credibility is the meaning of brand for customers as in their everyday life some contacts were experienced by them; so as an indicator brand is used for making a decision while buying new product as stated by Ger (2003). The determinants of product quality is the causal signs that is regarded by brands as it depends if quality is truly determined by intrinsic attributes and processes as mentioned by Stijn (2000). According to Aaker (2002), in the mind of consumers the familiarity and credibility creates value towards firm, by brand equity use it can be enforced: perceived quality, brand loyalty, brand awareness and brand associations.

### **Consumer behavior**

Consumers studies the consumer behavior as for a product or service they exchange value as it satisfies their needs as stated by Well & Prenskey (2006, p.5). Schiffman & Kanuk (2000, p.5) mentions that how for spending their available resources that is time, money, effort an individual makes its decision is focused by the consumer behavior study on items related to consumption. With buying consumer behavior consists people experience of feelings, thoughts and their performed action. Environment influences like product appearances, comments taken from other customers, packages, consumers' physical actions and advertising were involved.

### **Consumer decision making**

The decision making behavior of consumer consists five basic steps. As per most of the researchers these steps are within the same field (Cross 2009). These steps are inclusive of model; problem recognition, process of information search, alternatives evaluation, process of purchase along with post-purchase. However, it is not necessary that all purchased need every step (Cross 2009). It is up to the consumer to skip the alternatives evaluation while considering low involvement products.

As per Hawkins et al. (2001) there are diversified sides than the process of decision making that are subject to affect consumer behavior that are relevantly external and are internal with influences. All the external influences are kind of social class added by reference group. The internal factors can be noted as exposure, motivation, perception, attention and attitude.

### **Problem recognition**

The initiation point of the client choice making procedure is when the client recognizes an utilization issue that needs to be resolved state Hoyer & MacInnis ( 2007, p. 195). The observed variation amongst an ultimate and real scenario is regarded to be problem identification. The manner in which clients would prefer a scenario to be or the manner they wish to sense or be at the existing time is said to be the ultimate scenario (Hawkins et al., 2001, p.508). It is stated that a problem is identified when the client faces the discontentment or difficulty in a scenario and they would be keen to shift to other favoured situations (Hawkins et al., 2001, p.508).

### **Purchase decision**

Different kinds of purchase decisions are somehow connected to the way the consumer follows the decision making structure. There are two prior stages, identified as information search added by aspect of evaluation related to alternatives. These were considered by consumer consecutive act to attain the purchase decision stage and effects of brands in these stages.

After the scene of problem recognition, a respective consumer attain the stage of information search and thereby seek information related to price, quality, country of origin, brand and similar issues in accordance to their motivation. Process of information search can be managed through internal search from consumer's past by direct or indirect experience as per the product that has been added through external search. This can be mark through marketing materials or reference groups or diversified social groups. According to Hoyer and MacInnis (2007, p.200), brands affect consumers internally and externally in the process of search for information. In internal search, consumers can recall brands, but in external search, availability on shelf in buying or suggestion collected as per salesperson affects the purchase. There is the scope of evaluation of alternatives, which are followed by the customers that gets single out. Here, brand equity gets

considered. Products alternatives are added as per customer's desire. For example, in brand awareness, customer remembers the exact brand for attaining assurance about specific quality product, and thus picks respective brand immediately.

After selection, there is the evaluation made at alternative stage, and here purchase decision is made in concern to the selection of specific product as per specific retail outlet and amount of purchase.

## **7. Research Methodology**

This research follows both qualitative and quantitative methodologies. Individual answers are added by survey questionnaire, as these are the effective means for attaining dissertation objectives. Qualitative investigation offers vivid and dependent replies as enquired by researcher in the process of offering constructive and very much comprehensive information, which are usually overlooked by other techniques. This is an approach that can offer enough data through the answers offered to research queries in terms of balancing research techniques which are quantitative in structure. It is by quantitative process that the research collects data as per different factors that are subject to get measured for activities of patron. Quantitative method depends a lot over statistical analysis. As few portions are analyzed and then calculated, the approach has got the result that is objectivity and numeric in form and is derived as the resource gets out of corrective recommendations. According to Kuhn (2001) the selected numbers record derived of exodus from different presumptions added by skill that are not replicated by qualitative method add this exodus in sufficient structure to begin the investigation.

The basic aim of this research is about identifying the influences led by brands and assets among purchase decision of consumers. In this process, quantitative method is determined as best for specific nature and purpose of the research, as it attempts to comprehend specific behavior of UAE consumers in terms of purchase decision for all kinds of makeup products. A questionnaire-based survey gets conducted and is determined as a major tool for the collection of data for this study.

Implications of both standards are as per numeric studies. Questionnaires added by intensive interactions are used as they have impact over the respective approach added by completing

manner as per the aims of this study. Four interactions were noted for managing the performance in India and thus 150 questionnaire will be distributed further among different individuals. Distribution of questionnaires will be managed at shopping malls and luxury outlets. Participants who have got past over the elimination aspects or are proven as luxury customers will be quizzed. The responses of the customers will be applied to the research. All the collected information will be further analysed by statistical tests by SPSS.

To attain a well comprehensive declarations about the respondents, all the selected questionnaires will subject to get translated into UAE language along with English version. All the attributes will be inclusive of conjoint analysis, and preset will be managed amidst separate sample that will have 30 respondents to assure validity of questionnaire. All the respondents will be requested to answer the questionnaires, and will be further followed by the discussion related to questions that are obscured, as for instance, whether they can comprehend questions' meaning or if there is any kind of ambiguity. Eventually, distribution of the questionnaire will be done.

### **Questionnaire design**

The determined questionnaire design is structured for the purpose of collecting demographic information of respondents in accordance to their age. Information about social class is added to the education, occupation and income, (questions 1, 2, 3, and 4) through multiple choice questions. Fisher (2007) states that these kinds of questions make the respondents got for choices among 3 to 5 options and there by interrogate them to make a choice. These questions are very much unambiguous with their options and mutually exclusive. Multiple choice questions for understanding respondents' behavior in terms of purchasing is in question 5 for the frequency of buying makeup products. Question 6 is about the money spent for buying makeup and question 7 is related to mostly bought makeup products by respondents. Lastly, Likert scales is applied to attain respondents' opinions about the attitudes to make a choice about the position in five-point scale representing amidst strongly agree to strongly disagree (Fisher, 2007, pp.200-200). Likert scale is applied to questions 8 to 26 to understand respondents' attitude towards brands and various purchase decisions.

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