Chapter 6

Green:
The New Shade of Personal Care Products in India

Gauri Yogesh Joshi
Symbiosis Centre for Management and Human Resource Development, India

Gurudas Nulkar
Symbiosis Centre For Management and Human Resource Development, India

ABSTRACT

The cosmetic and personal care product industry, unlike any other industry, has been ‘recession proof’ in the Asian market. Not only do Asian consumers have a great appetite for innovative products, but they are also demanding in terms of product performance. Traditionally, the Asian consumer has been a fan of Western cosmetics and personal care products. With the changing times, however, there has been a shift in preference from Western cosmetics to “natural” ones. The Asian consumer has started believing in the efficacy of natural ingredients. This chapter determines the extent of environmental concern among female Indian consumers when purchasing personal care products. It also examines the role of consumer willingness to pay for environmentally-friendly products when making green purchases. It also tests if willingness to pay can be predicted based on certain product attributes.

INTRODUCTION

As a well-known saying goes “Beauty lies in the eyes of the beholder.” The zest for maintaining one’s appearance and beauty has been around since the age of Cleopatra. Egyptian history chronicles the usage of personal care products like oils, perfumes, and other cosmetic preparations. The Egyptians believed that makeup had healing powers. One had to take care of their looks not only when alive but also after death (Lichtheim, 1978). These ancient cosmetics continued to evolve in Egypt and other parts of the world, as women colored their faces with crushed minerals and used kohl for the eyes. In the Far East, Chinese women painted their finger nails with gelatin or beeswax, and it slowly became a social statement (ACMA, n.d.). In the nineteenth century, zinc oxide was used as face powder. Through
the ages, however, there was a reduction in the usage of natural ingredients for cosmetic and personal
care products. The shift to natural products has become pervasive, and as a result many companies have
introduced completely natural personal care products and cosmetics. Research by Kantar Worldpanel
revealed that 55% of Asian women preferred natural cosmetic and personal care products compared with
35% of Caucasian women, 42% of Hispanic women, and 46% of African-American women. This chapter
tries to identify if Asian women are indeed concerned about the environment. Are they able to identify
eco-friendly products by the labels on them? Are they willing to pay for these specialty products? Does
the consumer purchase such products for personal benefit or because they have a concern for the envi-
ronment? This chapter delves into these issues and uses empirical data concerning 300 Indian women
working in the information technology sector to substantiate the findings.

BACKGROUND

The birth of the cosmetic industry, as we know it today, happened some time after the Second World War.
This was triggered by excess petroleum used in the production of beautification products (Sutherland,
2017). The growth of the modern cosmetic industry was also aided by the rise in disposable incomes,
urbanization, and changing values. These paved the way for new hygiene practices and beauty ideals
(Jones, 2008).

This new age of cosmetics slowly pushed out the traditional use of natural substances for beautifica-
tion and made way for industrially-produced cosmetics. Thousands of new products could now be made
with new technologies. Cosmetics are defined as substances or preparations intended to be placed in
contact with external parts of the human body or with the teeth and the mucous membranes of the oral
cavity for the purpose of cleansing, perfuming, changing the appearance of, and/or protecting (ASEAN
cosmetic directive, 2008,). The intention behind using cosmetics is to keep the body in good condition,
protect it from the effects of environmental exposure and aging, enhance its appearance, and make it
smell nice (Amasa, Santiago, Mekonen, & Ambelu, 2012). With an average growth of 4.5% per year,
it is one of the industries least impacted by recession, as demand increases year after year (Lopaciuk
& Loboda, 2013). Rising consumer incomes and global beauty trends drive this market. In the last
two decades, there has been a revival in favor of natural and organic beauty products. This has opened
up opportunities for manufacturers to innovate and develop new products to meet changing consumer
preferences. Furthermore, the increased societal awareness of environmental damages brought about by
cosmetics has further increased the demand for natural cosmetics. The natural products which formed
a niche earlier are now more visible as they are distributed through the standard channels (Leonard,
2011). A survey conducted by Kantar Worldpanel revealed that consumers are willing to use natural
personal care products even if they don’t think they lead to better results. In the Indian context, one of
the oldest known personal care products used by Indian women is henna. India has also been known
for itra (perfume) made from various flower essences. The use of kohl or kajal to beautify one’s eyes
has great importance in Hindu culture (Chaudhri & Jain, 2009). The definitive rise of personal care
products in India was seen to coincide with economic liberalization, which happened in 1991. Higher
incomes, growing urbanization, and younger earning ages reflect changes across demographics in terms
of aspirations, lifestyles, and indulgence. These were accelerated by the advent of liberalized television.
The Indian retail beauty and cosmetic industry is currently estimated at US $950 million per year and
is likely to treble to $2.68 billion by 2020. This potential market size has prompted foreign players like