DECODING CONSUMER PERCEPTIONS: A COMPREHENSIVE ANALYSIS OF HEAD AND SHOULDERS SHAMPOO IN THE DYNAMIC INDIAN MARKET

B Sai Bhavishya Reddy

MBA,

PES University

saibhavishya02@gmail.com

Abstract:

Shampoo use has increased noticeably as people try to grow out healthier hair due to the increasing focus on personal grooming among both urban populations and the rural population. A number of factors, including the reach of the media, changing habits in rural regions, rising disposable incomes, increased understanding of hair care, and the aggressive marketing strategies used by shampoo corporations, all contribute to the extensive use of these products. This study tries to understand how consumers feel about the Head & Shoulders brand when making purchases. Through the use of an empirical research approach, the study aims to identify important aspects of consumer preferences and attitudes towards the brand. Overall, the paper offers a thorough factor analysis that reveals customer views on Head and Shoulders, their buying habits, how often they make purchases, and other relevant characteristics.

Introduction:

In the present scenario a potential customer is offered a wide variety of products to choose in the market, the customer is the king, it is he who determines the growth, prosperity and even existence of a business enterprises. A standard model of consumer buyer behavior can be somewhat problematic. While the inputs and the outputs of consumer purchase decision-making can be readily identified and measured, the intangible element which concerns buyer characteristics and choice determinants is often more closure. At best, it can be an imperfect science, but some simple models have been created to assist marketers in gaining a deeper understanding of consumers in order that

their custom can be both acquired and retained.

Consumer behavior may be defined as "the decision process and physical activities individuals engage in when evaluating, acquiring, using or disposing of goods and services". The more complex and expensive decisions are likely to involve greater buyer deliberations. In fact, consumer decision process becomes more complicated along with the durability and complexity of a product or service. In a competitive economy, it is the customer who decides the success or failure of the business. Therefore, every business is directed towards the satisfaction of consumer needs. At present consumers are well informed and they have a wide knowledge of product available, their quality and performance. They are provided with a wider choice of goods and are at a liberty to choose from product alternatives. The customer is thus placed in advantageous position.

Consumers means any person who buys any goods for a consideration which has been paid or promised or partly paid and partly promised or under any system of deferred payment and includes any user of such goods but does not include a person who obtains such goods for resale of for any commercial purpose. According to Walters and Paul, "Consumer behavior is the process whereby individuals decide whether, what, when where and how and from whom to purchase goods and services. Thus, consumers' behavior and preferences are important limb of marketing.

Consumer Behavior: An Overview

Consumer behavior refers to the decision-making process and physical activities individuals engage in when evaluating, acquiring, using, or disposing of goods and services. The complexity of this process amplifies with the durability and complexity of a product or service. In a competitive economy, the satisfaction of consumer needs is the linchpin of success for businesses. The evolution of consumer behavior in the contemporary era, where consumers are well-informed and have a plethora of choices, presents both challenges and opportunities for marketers.

III. The Shampoo Market in India

III.1 Characteristics and Usage Patterns

The Indian shampoo market exhibits distinct characteristics compared to its Western counterparts. Notably, there is a lower frequency of shampoo usage among average Indians, with most using shampoo once or twice a week, as opposed to daily use in Western countries. Shampoo serves various purposes, addressing hair problems like dandruff and hair fall or fulfilling cosmetic desires for glamour. Consumer expectations from shampoo consumption include attributes like shine, cleanliness, hygiene, and moisturizing.

III.2 Market Trends and Dynamics

Despite a growing industry, brand loyalty in the Indian shampoo market is relatively low, particularly in terms of fragrance preferences. Urban India is experiencing a shift in shampoo consumption patterns from a 'one shampoo per family' model to 'one shampoo per family member.' Regional variations are observed, with sachets dominating the market in Southern India, while bottles are more popular in the North. The penetration level of shampoos in rural India stands at approximately 42%, with sachets contributing significantly to the total shampoo sales.

III.3 Market Players and Challenges

Hindustan Unilever Ltd. (HUL) dominates the Indian shampoo market with a 47% market share, followed by Procter & Gamble (P&G) at 23%. However, the industry faces challenges due to increasing competition and decreasing prices. A deeper exploration of the market dynamics provides valuable insights into the competitive landscape and the strategies adopted by key players to navigate challenges.

IV. Truth about Shampoos: Formulation and Consumer Perception

IV.1 Shampoo Composition and Formulation

Shampoos, despite the multitude of brands and formulations, share commonalities in their composition. They are primarily composed of water, detergents, foaming agents, fragrance, and preservatives. The differentiation between high-end and cost-effective brands is often challenging, as the fundamental components remain consistent across the spectrum. Surfactants, such as anionic, cationic, nonionic, and amphoteric, play a crucial role in the formulation of shampoos.

IV.2 Consumer Perception and Decision-Making

Consumer perceptions and decision-making regarding shampoos are influenced by various factors. Cost, fragrance, and foaming capacity are primary considerations for consumers. However, excessive foam production can lead to wastage. Distinguishing between a good and poor shampoo becomes challenging for consumers, as the only regulated part of the shampoo label is the list of ingredients. A critical examination of consumer behavior in relation to shampoo purchases unveils intriguing insights into the factors that drive purchasing decisions.

Literature Review

In 2007, (Dr. R. Vijay Kumar, 2007) in their research paper attempted to measure the satisfaction derived by the users of a shampoo brand and concluded that the satisfaction level of shampoo brands is contingent upon factors like variations, sex groups, age, period of usage, price, quality, and product attributes. (Guru Ragavendran, 2009) concluded in their research in understanding the consumer perception on shampoo brand awareness and relative market position of different brands, that Quality, benefits offered, and packaging appeared to be top three influencers of shampoo brand selection. In recent study by (Himani Sharma, 2012) found that Males are less frequent user of shampoo than females and cleaning instead of healthier and stronger hair is the sole reason for using shampoo. In the same year another research by (Prashant B. Kadam, 2012) on consumer preferences towards shampoo in Pandharpur city observed that the youths are more inclined to the usage of shampoo as influenced by TV advertising compared to other media.

Rahman K. M. et al. (2012) concluded in their study that the Indian shampoo market is dominated by Hindustan Unilever Ltd. followed by Procter and Gamble. In (Thapa, 2012) study on brand switching behavior of shampoos among the girl hostellers of Jammu University, it was observed that girl students are frequent users of shampoo and Price, availability and packaging play a pivotal role in purchasing shampoo. (Irabatti, 2013) conducted research on the satisfaction level derived by Pantene shampoo users in Western Maharashtra. The satisfaction level of Pantene shampoo is derived against different elements such as sex group, age group, price, quality, lather, fragrance, packing and ability to prevent hair fall.

Research Methodology:

The main aim of the study is to know the factors influencing the consumer preference towards the shampoo product Head and Shoulders. This study was carried out by using . The objective of the study is mainly concerned with consumer preference towards the shampoo product. So, the necessary data for analysis are collected from primary data as well as secondary data. For the survey data is gathered by a questionnaire. Sample Size: A total of 101 respondents from various backgrounds were sampled based on their availability and willingness to respond.

Interpretation:

Factor Analysis is conducted on the data that has been gathered. Further a

regression is conducted on the factor loadings. In order to conduct the factor analysis Principal Component Analysis is used. The value of Eigen Value is set to be 1 or more than 1 for extracting the factors for the given variables.

Factor Analysis

Descriptive Statistics

	Mean	Std. Deviation	Analysis N
Frequency	2.35	.932	101
Packaging format do you prefer?	5.70	3.523	101
Packaging style	3.80	1.123	101
Availability	4.24	.991	101
Fragrance	3.88	1.052	101
Chemicals used	3.57	1.236	101
Value for Money	4.00	1.140	101
Change in Price	3.77	1.094	101
Ingredients used	3.58	1.107	101
Product variety for different needs	3.85	1.144	101
Promotional activities	4.02	1.113	101
Advertisement campaigns	4.03	1.034	101
Social media presence	3.93	1.079	101
Online reviews	3.87	1.101	101
Instore displays	4.18	1.062	101
On a scale of 1-10, how are you with Head and Shoulders shampoo?	7.22	2.261	101

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.913
Bartlett's Test of Sphericity	Approx. Chi-Square	1389.039
	df	120
	Sig.	.000

Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy:

- The KMO measure assesses the adequacy of your data for factor analysis. It ranges from 0 to 1, and higher values indicate better suitability for factor analysis.

- In this case, the KMO value is 0.913, which is considered very good. Generally, a KMO value above 0.6 is acceptable, and above 0.8 is considered very good.

- 0.913 indicates that the data is highly suitable for factor analysis. This suggests that the variables are likely to share enough common variance to extract factors.
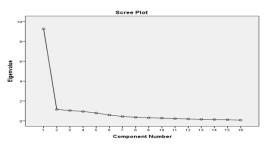
Bartlett's Test of Sphericity:

- Bartlett's Test assesses whether or not the correlation matrix is an identity matrix, which would mean that variables are uncorrelated and therefore unsuitable for factor analysis.

- The test statistic is a chi-square value with degrees of freedom and a significance level.

- The approximate chi-square value is 1389.039 with 120 degrees of freedom, and the p-value is very close to zero (0.000). This indicates that the correlation matrix is not an

identity matrix, and there are significant correlations between variables.

Therefore, you can reject the null hypothesis that the variables are uncorrelated, supporting the use of factor analysis

Communalities

	Extraction
Frequency	.325
Packaging format do you prefer?	.438
Packaging style	.689
Availability	.768
Fragrance	.698
Chemicals used	.832
Value for Money	.718
Change in Price	.764
Ingredients used	.740
Product variety for different needs	.752
Promotional activities	.826
Advertisement campaigns	.759
Social media presence	.752
Online reviews	.816
Instore displays	.744
On a scale of 1-10, how 4 are you with Head and Shoulders shampoo?	.830

Extraction Method: Principal Component Analysis.

Scree Plot :

Since the value of the Eigen value is considered to be 1 any components more than 1 indicate a factor. We can further see the same in the component matrix as we can see that there are 3 components that are further used for the regression.

Component Matrix[a]

	Component		
	1	2	3
Frequency	.334	.298	.353
Packaging format do you prefer?	.440	-.090	-.487
Packaging style	.789	.162	.201
Availability	.810	-.165	.292
Fragrance	.819	.162	.033
Chemicals used	.827	.199	-.330
Value for Money	.822	.038	.204
Change in Price	.866	-.115	-.026
Ingredients used	.782	.093	-.345
Product variety for different needs	.844	.035	-.196
Promotional activities	.865	-.131	.247
Advertisement campaigns	.843	-.142	.170
Social media presence	.867	-.024	-.008
Online reviews	.842	.006	-.327
Instore displays	.814	-.202	.199
On a scale of 1-10, how 4 are you with Head and Shoulders shampoo?	.032	.909	.059

Extraction Method: Principal Component Analysis.
a. 3 components extracted.

Total Variance Explained

Component	Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.271	57.944	57.944	6.075	37.968	37.968
2	1.145	7.156	65.101	4.177	26.104	64.072
3	1.037	6.478	71.579	1.201	7.507	71.579

Extraction Method: Principal Component Analysis.

It is observed that a cumulative percentage of 71.579% can be explained with the help of all these 3 components.

Rotated Component Matrix[a]

	Component		
	1	2	3
Frequency	.422	-.046	.381
Packaging format do you prefer?	.067	.645	-.133
Packaging style	.710	.343	.260
Availability	.836	.258	-.043
Fragrance	.632	.493	.234
Chemicals used	.415	.785	.210
Value for Money	.758	.351	.142
Change in Price	.681	.546	-.044
Ingredients used	.389	.761	.100
Product variety for different needs	.537	.677	.073
Promotional activities	.847	.331	-.014
Advertisement campaigns	.785	.376	-.039
Social media presence	.678	.539	.049
Online reviews	.462	.776	.023
Instore displays	.791	.331	-.095
On a scale of 1-10, how 4 are you with Head and Shoulders shampoo?	-.095	.047	.905

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 5 iterations.

Component Transformation Matrix

Component	1	2	3
1	.782	.617	.085
2	-.171	.081	.982
3	.599	-.782	.168

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

Regression

Descriptive Statistics

	Mean	Std. Deviation	N
On a scale of 1-10, how 4 are you with Head and Shoulders shampoo?	7.22	2.261	101
REGR factor score 1 for analysis 1	0E-7	1.00000000	101
REGR factor score 2 for analysis 1	0E-7	1.00000000	101
REGR factor score 3 for analysis 1	0E-7	1.00000000	101

Correlations

		On a scale of 1-10, how 4 are you with Head and Shoulders shampoo?	REGR factor score 1 for analysis 1	REGR factor score 2 for analysis 1	REGR factor score 3 for analysis 1
Pearson Correlation	On a scale of 1-10, how 4 are you with Head and Shoulders shampoo?	1.000	-.095	.047	
	REGR factor score 1 for analysis 1	-.095	1.000	.000	
	REGR factor score 2 for analysis 1	.047	.000	1.000	
	REGR factor score 3 for analysis 1	.905	.000	.000	1
Sig. (1-tailed)	On a scale of 1-10, how 4 are you with Head and Shoulders shampoo?		.172	.322	
	REGR factor score 1 for analysis 1	.172		.500	
	REGR factor score 2 for analysis 1	.322	.500		
	REGR factor score 3 for analysis 1	.000	.500	.500	
N	On a scale of 1-10, how 4 are you with Head and Shoulders shampoo?	101	101	101	
	REGR factor score 1 for analysis 1	101	101	101	
	REGR factor score 2 for analysis 1	101	101	101	
	REGR factor score 3 for analysis 1	101	101	101	

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	REGR factor score 3 for analysis 1, REGR factor score 2 for analysis 1, REGR factor score 1 for analysis 1[b]	.	Enter

a. Dependent Variable: On a scale of 1-10, how 4 are you with Head and Shoulders shampoo?
b. All requested variables entered.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.911[a]	.830	.825	.946	.830	158.237	3	97	.000	1.884

a. Predictors: (Constant), REGR factor score 3 for analysis 1, REGR factor score 2 for analysis 1, REGR factor score 1 for analysis 1
b. Dependent Variable: On a scale of 1-10, how 4 are you with Head and Shoulders shampoo?

- A Durbin-Watson value of 2 indicates no autocorrelation, meaning the error terms in your regression are independent across observations.

- Values less than 2 suggest positive autocorrelation, where errors in consecutive periods tend to be similar (think positive serial correlation).

- Values greater than 2 hint at negative autocorrelation, where errors tend to alternate between positive and negative (think negative serial correlation).

Since the value is below 2, the value suggests positive autocorrelation.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	424.473	3	141.491	158.237	.000[b]
	Residual	86.735	97	.894		
	Total	511.208	100			

a. Dependent Variable: On a scale of 1-10, how 4 are you with Head and Shoulders shampoo?
b. Predictors: (Constant), REGR factor score 3 for analysis 1, REGR factor score 2 for analysis 1, REGR factor score 1 for analysis 1

Conclusion:

The research on consumer purchasing perception of Head and Shoulders shampoo offers valuable insights into the dynamic and complex nature of the Indian shampoo market. The study, employing an empirical approach and factor analysis, identifies key factors influencing consumer preferences for the brand, including packaging, fragrance, availability, and promotional activities.

The findings emphasize the evolving consumption patterns in urban India and highlight the challenges consumers face in discerning product quality in a market flooded with various formulations. The literature review complements the empirical findings, drawing on prior research to underscore the importance of factors like variations, age, sex, and product attributes in shaping consumer satisfaction and brand awareness. The research methodology, with a sample size of 101 respondents, demonstrates a robust analytical approach. The Kaiser-Meyer-Olkin Measure of Sampling Adequacy and Bartlett's Test of Sphericity affirm the suitability of the data for factor analysis, reinforcing the credibility of the study.

Ultimately, the study contributes to a deeper understanding of consumer behavior in the shampoo market, particularly in the context of Head and Shoulders. The insights garnered can inform marketing strategies for brands in the competitive landscape of hair care products, facilitating better alignment with consumer expectations and enhancing overall customer satisfaction.

References:

Bibliography

Dr. R. Vijay Kumar, N. R. (2007). Satisfaction derived by the Users of Clinic plus Shampoo in Coimbatore. *Indian Journal of Marketing,*.

Guru Ragavendran, P. D. (2009). A Study on Brand Awareness of Shampoo Products for Cavin Kare Pvt. Ltd.

Himani Sharma, S. M. (2012). ustomer attitude towards the use of shampoos : A case study of Sirsa city. *International Journal of Research in Finance & Marketing*.

Prashant B. Kadam, Y. C. (2012). To study the consumer preferences towards shampoo with special reference to Pandharpur city, Golden Research Thoughts.

Thapa, A. (2012). Consumer switching behaviour: A study of shampoo brands", Abhinav National Monthly Journal of research in Commerce and Management.

Irabatti, P. a. (2013). Study on satisfaction level derived by the users of Pantene shampoo in western Maharashtra.