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# **A Study on Factors Influencing Purchase Intention of Natural Perfumes: Framework for Designing Promotional Strategies**

**R. Sahana<sup>1\*</sup>, S. Hemalatha<sup>2</sup>, A. Rohini<sup>2</sup> and S. Padma Rani<sup>3</sup>**

<sup>1</sup>Tamil Nadu Agricultural University, Coimbatore-641 003 (Tamil Nadu), India.

<sup>2</sup>Department of Agricultural Rural Management, Tamil Nadu Agricultural University, Coimbatore-641 003 (Tamil Nadu), India.

<sup>3</sup>Department of Agricultural Economics, Tamil Nadu Agricultural University, Coimbatore-641 003 (Tamil Nadu), India.

## **Authors' contributions**

*This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.*

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## **ABSTRACT**

The purpose of this research is to identify the factors influencing purchase intention of natural perfumes and also aims at designing promotional strategies for natural perfumes. This study was examined through an online survey administered to the perfume buyers. Multiple regression was used to analyze the data. Results show that the demographic variables (education and annual family income), scheme characteristics, perceived quality, subjective norms and habit of using perfumes significantly influence and had an impact on purchase intention of natural perfumes. The purchase intention and its relationship with the buying behavior or purchase decision could be examined in the future research.

**Keywords:** *Natural perfumes; scheme characteristics; perceived quality; subjective norms; promotional strategy; regression; purchase intention.*

\*Corresponding author: E-mail: sahanaramgopal@gmail.com;

## 1. INTRODUCTION

Perfume is a blend of odoriferous substances in appropriate proportions which makes this a fragrant product. The Egyptians were said to be the predominant users of natural perfumes. A small town in Uttar Pradesh called Kannauj is strongly associated with perfumery industry and is also known as “the perfume capital of India”. Deodorants are the most popular deodorants in India, however perfumes are gaining popularity [1]. Consumers are always looking for fresh new fragrances. So the industry needs to constantly respond by creating new ways to stir the olfactory nerves. The consumption of local oil-based perfumes remains limited. Oil-based scents, according to traditionalists, function better and last longer in hot tropical temperatures [1]. There is debate as to whether synthetic scents are better or worse than natural aromas, but it lies in the personal preference of the customer. Although, the rising green movement and the shift towards all-things natural has created awareness among people. So people are not hesitating to spend on natural fragrance products [2]. Chemicals used as cosmetics additives can have a variety of negative skin impacts. As a result, increasing customer awareness of potential cosmetic side effects and skin issues is a key factor limiting the market's overall growth [3]. Hence, this leads to the growth of herbal fragrance products companies in India. The Micro, Small and Medium enterprise (MSME) data gives the global fragrance and flavour industry (\$24.1 billion) and India's share (\$500 million). The major fragrance brands operating in the Indian market are Fogg, Nivea, Engage, Park Avenue, Axe, Wild Stone and Denver. In 2019, Fogg held the largest share (~15.8%) of the market, followed by Nivea (~11.6%) and Engage (~10.8%). Major natural fragrance brands operating in the Indian market include Biotique Perfume, Forest Essentials, Kama Ayurveda.

Purchase intention is a decision-making term, which explains the consumers' reason to buy a particular product or brand. [4]. The purchase intention predict the buying behavior of a consumer [5]. Even though every purchase intention does not lead to purchase decision or behavior, the measures of purchase intention have a predictive usefulness [6].

### 1.1 Factors Affecting Purchase Intention of Natural Perfumes

Azeema et al, [7] gave the factors that affect the consumer behavior of perfumes which includes

scheme characteristics, perceived quality, subjective norms and habit of using perfumes. Scheme characteristics can be the depth of the promotions offered. The most important attributes in scheme characteristics of the perfume product are the bottle shape, easy to handle, and eye catching when displayed [8,9]. Perceived quality is the consumers' overall judgment towards a product's excellence [10]. Subjective norms are perceived as friends, relatives, and closed ones' influence on a certain act [11]. It is one of the main factors which influence consumer behavior [12]. Habit can be referred to as the minimal usage of the cognitive effort when performing a particular behavior on a regular basis. It is the best predictor for the future behavior of purchase decisions [13].

### 1.2 Promotional Strategy

The two broad categories of launch decisions are strategic and tactical launch decisions which influence the success of new product in the market [14]. Strategic decisions are taken in the early stages of new product development. Promotional strategy is the marketing strategy that comes under tactical decisions which were taken when the physical and conceptual development of new product is developed. The introductory stage of a product is characterized by heavy promotion which creates the primary demand. The expenditure is large on promotion and advertisement which is common [15].

The objective of this research is to identify the factors which influence purchase intention of natural perfumes. This study also suggests the promotional strategies for natural perfumes.

### 1.3 Research Gap

A research gap exists in this field of consumer awareness related to natural perfumes. The consumer awareness on green, natural, and organic products, purchase intention of natural perfumes is still not well researched upon. Hence this study was undertaken to determine the influence of demographic factors, scheme characteristics, perceived quality, subjective norms and habit of using perfumes on purchase intention and to provide promotional strategies in order to change purchase intention to buying behavior.

## 2. METHODOLOGY

The study was based on the primary data collected in Erode, Tamil Nadu, India through

Google forms. The non probability sampling namely, purposive sampling was used in this study. The data was collected from 120 respondents who purchase perfumes and are considered for the analysis. The multiple regression was carried out for this study. This analysis was used to identify the factors which influence purchase intention. Demographic variables, scheme characteristics, perceived quality, subjective norms and habit of purchase were the factors selected for this study. The data collected from this study were processed and analyzed using Microsoft Excel and IBM SPSS Statistics 26 program to compute the multiple regression analyses.

## 2.1 The Measures

The consumer preference and awareness questionnaires were self developed. The factors influencing purchase intention questionnaires were developed based on the previous research. The independent variables are the demographic variables, scheme characteristics, perceived quality, subjective norms and habit of purchase. The demographic variables are respondents' profile in the first section of the questionnaire. The scheme characteristics was measured using three items on a seven point scale where one of it was adapted from Bitta et al, [16] and two from Azeema et al, [7]. The perceived quality was measured using three items on a seven point scale adapted from Grewal, [17]. The subjective norm was measured using three items on a seven point scale where one of it was adapted from Chaudhary and Bisai, [18] and two from Liang and Lim [19]. The habit of using perfumes was measured using three items on a seven point scale adapted from Klockner and Blobaum, [20]. The dependent variable purchase intention was measured using three items on a five point scale. Two of it was adapted from Poddar et al, [21] and the other one from Bao et al, [22].

## 3. RESULTS AND DISCUSSION

### 3.1 Descriptive Statistics

The descriptive statistics (Table 1) gives the demographic characteristics of the respondents. Female respondents were the majority (52 percent) and followed by male (48 percent). This shows that females are the maximum buyers. Age variable is categorized into generation with reference to Pew research (2019). Generation Y (57 percent) was found to be the maximum followed by of Generation Z (28 percent),

Generation X (15 percent). Hence, 23-40 years of age purchase perfumes more. Unmarried respondents were major (76 percent) followed by married (24 percent). This depicts that the respondents who are single purchase more perfumes and they are not influenced by their partners. Based on the annual income status given by NCAER- CMCR, the sample respondents were categorized into four groups as Deprived (below Rs. 1.5 lakh), Aspirers (Rs. 1.5- 3.4 lakh), Middle class (Rs. 3.4- 17 lakh) and Rich (above 17 lakh). Majority (74 per cent) of the sample respondents are under the middle class level. It is followed by 22 per cent of respondents are rich class, about 3 per cent are aspirers and the least are the deprived respondents which is about 1 per cent. The middle class and rich groups are the maximum two levels. These consumers will be ready to spend for purchasing natural perfumes. Normally the high income group will be having more health consciousness.

The preference towards both natural and synthetic perfumes (57 percent) is higher followed by preference towards synthetic (23 percent) and natural (20 percent). 53 percent of the respondents purchase perfumes based on brand, 30 percent may or may not purchase based on brand and 17 percent does not purchase perfumes based on brand. Majority of the respondents buy perfumes offline (51 percent), followed by purchase through both online and offline (43 percent) and through online (6 percent). 59 percent of the respondents are sometimes influenced by promotions, 29 percent are never influenced and 12 percent are always influenced by promotions. Majority of the respondents regularly use perfumes (40 percent) followed by occasional users (32 percent), used often (15 percent) and rare users (13 percent). 51 percent of the respondents are willing to switch brands, 26 percent did not want to switch brands and 23 percent wanted to switch brands. The maximum mode of awareness among the respondents were friends and family (33 percent) followed by internet and social media (29 percent), television (17 percent), magazine and newspaper (11 percent) and store awareness (10 percent). 60 percent of the respondents spend less than Rs.1000 for a perfume, 36 percent spend Rs.2000 to Rs. Rs.5000 and 4 percent spend more than Rs.5000. 10 percent of the respondents had faced problems of using perfumes due to some reasons like causing headache, not long lasting, creates stains, overpowering fragrance and allergy.

**Table 1. Demographics variables of the sample**

Characteristics		Frequency	Percentage
Gender	Male	57	48
	Female	63	52
Age	Gen X (41-56 years)	18	15
	Gen Y (23-40 years)	69	57
	Gen Z (9-22 years)	33	28
Marital Status	Married	29	24
	Unmarried	91	76
Education	Higher Secondary	6	5
	Diploma	3	2
	UG	67	56
	PG	43	36
	PhD	1	1
Occupation	Business	19	17
	Housewife	8	8
	Student	46	35
	Unemployed	10	3
	Working	37	37
Annual family Income	Deprived	1	1
	Aspirers	4	3
	Middle class	89	74
	Rich	26	22

### 3.2 Multiple Regression Analysis

Multiple regression analysis was used to test if the demographic variables and the factors influencing purchase intention of natural perfumes significantly predicted the purchase intention.

The regression equation is:

$$Y = a + b (x_1, x_2, x_3, x_4, \dots, x_n)$$

where,

Y = Dependent variable (purchase intention)

b = intercept

x = independent variable (x<sub>1</sub>-scheme characteristics, x<sub>2</sub> - perceived brand quality, x<sub>3</sub> - subjective norm, x<sub>4</sub> - habit of using perfumes)

The results from Table 2 indicated the ten predictors gave 75.4% of the variance ( $R^2 = 0.775$ ,  $F(7,775) = 37.466$ ,  $p < 0.01$ ). The purchase intention of natural perfumes were significantly influenced by education ( $\beta = -0.422$ ,  $p < 0.05$ ), annual family income ( $\beta = 0.020$ ,  $p < 0.05$ ), scheme characteristics ( $\beta = 0.129$ ,  $p < 0.05$ ), perceived quality ( $\beta = 0.165$ ,  $p < 0.01$ ), subjective norms ( $\beta = 0.156$ ,  $p < 0.01$ ), habit of

using ( $\beta = 0.216$ ,  $p < 0.01$ ). Based on the SPSS output, the formulated equation is

$$\text{Natural Perfume Purchase Intention} = 0.488 - 0.422(\text{education}) + 0.020(\text{annual family income})$$

$$+ 0.129(\text{scheme characteristics}) + 0.165(\text{perceived quality})$$

$$+ 0.156(\text{subjective norms}) + 0.216(\text{habit of using perfumes})$$

The values of unstandardized beta coefficients show that habit of using perfumes has the highest effect on explaining the purchase intention. The adjusted  $R^2$  value is 0.754 which means that the explained variance is 75.4%. It means that the model explains explained nearly 76% of the variance. The factors influencing the purchase intention shows significance as it positively affects the purchase intention. When those factors are increasing, the resulting purchase intention also increases. This supports Azeema [7] where scheme characteristics and perceived quality found to be significant, Han and Kim (2010) where the subjective norms are found to be significant and Klockner and Blobaum [20] where the habit of purchase is found to be significant.

**Table 2. Regression analysis**

Independent Variable	Dependent Variable	Unstandardized Coefficient B	R <sup>2</sup>
Constant		0.488	
Gender		-0.226	
Age		0.037	
Education		-0.422**	
Marital Status	Purchase	0.602	
Occupation	Intention	-0.120	0.775
Annual Family Income		0.020**	
Scheme Characteristics		0.129**	
Perceived Quality		0.165*	
Subjective Norms		0.156*	
Habit of using perfumes		0.216*	

Note: \* $p < 0.01$ ; \*\* $p < 0.05$

#### 4. CONCLUSION

The growth of natural product markets is accompanied by rising consumer expectations. The study results reveal that there is a positive influence of education, annual family income level and the factors such as scheme characteristics, perceived quality, subjective norms and habit of purchase and also the annual family income on purchase intention by 77 percent. Azeema et al, [7] had given that consumers expect high quality of any perfume but with less price, and also the attractive labeling of the perfume products. Majority of the Erode consumers consider branded perfumes. In order to convert the purchase intention to buying behavior, certain promotional strategies are suggested with the help of the factors influencing purchase intention. Since this a perfume product, appearance and fragrance plays a major role in purchase intention. Attractive bottling of perfumes and providing various fragrance for consumers increase the marketability of natural perfume products. Offers and discounts can be provided in order to create awareness. This would initially create trust among the customers and in turn leads to word of mouth promotions, suggestions by friends and family. The objective of the promotional strategy should include the advertisements which informs the advantages and uses of the product to the customers [23] and could be done for more frequent use and diverse use of the natural perfumes among the current users [24]. The product awareness is built among early adopters and dealers in product introduction stage [15]. New users can be found among the people who are willing to switch brands and are conscious about natural products [24]. Promotional programs such as coupons, sampling and personal selling to reach

consumers, wholesalers and retailers can be conducted. Since the annual family income and education are positively significant, promotion can be done targeting middle class people with income level of Rs. 3.4- 17 lakh, rich category with income level of above 17 lakhs and the respondents who have completed their undergraduate and post graduate. They are the ones who have high purchase intention of natural perfumes.

#### 5. LIMITATIONS AND FUTURE PROSPECTS

The study is limited with the sample size and other variables may be identified to know their influence on purchase intention. Studies with larger sample size could bring out more variables which affect purchase intention. Besides, purchase intention and its relationship with buying behavior or purchase decision could be examined using theory of planned behavior (TPB) model.

#### COMPETING INTERESTS

Authors have declared that no competing interests exist.

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