UNIVERSITY OF KWAZULU-NATAL

A Comparison of Luxury Cosmetic Product Purchasing Patterns of Consumers in Africa

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A dissertation submitted in partial fulfilment of the requirements for the degree of Master of Business Administration

College of Law and Management Studies
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2015

Abstract

The focus of this study is on the luxury cosmetic user in Africa. Studies have proven that the once considered dying continent riddled with disease and corruption has reborn into a place of hope and opportunity. The educated emerging middle class is making well informed decisions which have led to untapped markets of expansion for companies wanting to expand their footprint.

An immense amount of research needs to go into which markets within Africa to target in understanding the consumer and tailoring products to suit this aspirational consumer.

This study delves into literature on the luxury cosmetic market and zones in on the African consumer, the limited literature specific to Africa was a gap identified. Four objectives were considered during research: Determining who the luxury cosmetic user is, establishing the usage and consumption patterns, understanding the purchasing frequency and determining factors that affect/influence purchase decisions.

A quantitative study was conducted by the use of a questionnaire handed out across luxury cosmetic stores in Nigeria. The data's was analysed and discussed with recommendations in relation to the buying decision process.

Key Words: Luxury cosmetic consumer, Emerging Markets, African Consumer

Declaration

I Kajal Bechan Registration Number 200309613 hereby declare that this dissertation is my own original work, that all assistance and sources of information have been acknowledged, and that it has not been submitted in part or full for any other degrees or at any other university.

....

Kajal Bechan

Registration Number: 200309613

Dedicated

To

My loving Husband, Jaiveer Vinayak Waghmare

For

His unwavering support, unconditional love and strength during the MBA

&

My family

The Bechan's and Waghmare's

For their encouragement and love always.

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1 INTRODUCTION

Dubbed the next consumer hot spot, sub-Saharan Africa is experiencing the second-fastest economic growth in the world, behind Asia-Pacific, and is home to 821-million consumers. According to Euro monitor International, in 2020, sub-Saharan Africa is expected to be a $2-trillion economy, the same size as Russia today.(Euro Monitor , 2013) Despite some notable challenges within the region, Africa is benefiting from its wealth of natural resources, a new era of stability, inward investment and economic development.

This is laying the foundations for an increasingly important consumer market and, with it, huge opportunities for companies with the right goods and services and an appropriate strategy. Even though the massive population of Africa opens massive opportunity for businesses the African consumer is still severely under served.

Research insights firm Euromonitor has evaluated sales in the beauty segment at $595.8 m in 2011 which is up 36% vs. 2006. By 2016 Nigeria's influential middle class will drive the beauty segment sales up to $620million. (Euro monitor, 2014)

1.1 Motivation of the study

The emerging middle class, aspirational consumer is a segment that brings a great deal of focus for luxury brands expanding into Africa. Large amounts of research is available on the luxury cosmetic market globally but limited research exists currently in relation to Africa. Information has been gathered on Africa in terms of business and strategy to enter the market but limited information exists in terms of understanding the luxury cosmetic user.

The aim of this study is to delve deeper and understand who this consumer is and what influences purchasing decisions.

The findings from this study can be used to compare against consumers in other luxury sub categories for future research as well be used to compare against other continents to analyse consumer purchasing patterns.

1.2 Focus of the study

The study will focus on the luxury cosmetic user that enters the Estee Lauder stores in Nigeria. The study was limited to Nigeria due to budget and time constraints as.

Luxury cosmetics can be broken down into the following sub categories skin/face care, fragrances, make up, body care. For the purpose of this research the researcher focused on skin/face care and make up as these are the two largest categories in the luxury cosmetic segment. These two categories are also showing significant growth and opportunity with my competitors entering the market. Both male and females were considered for the purpose of this research.

1.3 Problem Statement

The changing way of doing business is suited to the changing needs of the consumer. The introduction of the eRetailer in terms of online shopping is on par with the boom in technology across the continent. The tech savvy millennial knows exactly what he/she requires to suit their lifestyle.
Past studies link luxury shopping to Maslow's hierarchy of needs and status. The desire to feel socially accepted. (Ward and Chairi, 2008)

Marketers of today need to understand the buying decision process of luxury cosmetics prior to entry into a Sub Saharan Africa market. Africa is not a copy and paste one size fits all consumer, each market is different and each consumer has different needs.

The literature in chapter two focuses on the global cosmetic user and the African consumer but limited information is available on the Luxury cosmetic user in Africa.

This raises the rationale behind the research topic: *A comparison of luxury cosmetic product purchasing patterns of consumers in Africa*

The study therefore seeks to understand how the luxury cosmetic user purchases his/her products, the frequency and factors that affect/influence purchasing decisions.

1.4 Aim and Objective

To gain an understanding of the subject a full research on current studies was done which proves the gap in literature on consumer patterns in relation to luxury cosmetic goods in Africa. Currently material exists on the opportunities in Sub Sahara Africa and on the Sub Sahara African consumer in general but not in the context of luxury goods.

The objective of this research is to

- Determine who the luxury cosmetic user in Africa is
- Establish the usage and consumption patterns
- Understand the purchasing frequency
- Determine factors that affect/influence purchase decisions

1.5 Research Questions

To understand the objective and an understanding of the subject a full research on current studies was done which proves the gap in literature on consumer patterns in relation to luxury cosmetic goods in Sub Sahara Africa. Currently material exists on the opportunities in Africa and on the African consumer in general but not in the context of luxury goods.

The objective of this research is to

- understand the buying patterns of the African consumer on luxury cosmetics in Nigeria

1.6 Methodology

In order to do that a quantitative study will be done to understand the factors that influence these purchasing behaviours and the impact the 5 Ps of marketing has on the African Luxury Cosmetic user.
A questionnaire will be distributed to 100 consumers per a market in retail stores of luxury cosmetics across Nigeria.

The objective of the questionnaire will cover the following key areas

- Consumer profile –who is the luxury cosmetic user
- Purchasing Behaviours –how often he/she uses the products
- Purchasing frequency – how often he/she purchases her products
- Information and Influence – what influences purchasing decisions (media, beauty advisor etc.)

1.7 Chapter Outline

This section will endeavour to portray the layout of the final report. It is merely a high-level preview of the contents in the document.

1.7.1 Introductory Chapter

This section will briefly describe the background of the investigation, the significance of the research, and outline the research question. The scope and delimitations of the project will also clearly be stipulated.

1.7.2 Literature Review

This section will include the literature search that was bundled during the project proposal phase. The initial facts and theory will help in substantiating the research question, as well as formulation the objectives.

1.7.3 Research Methodology

With the information obtained from the preliminary literature review, the problem objectives will be formulated, and will provide substantial information to support the research topic.

Using this literature review, containing both theoretical and practical information, it will lead into the research question linking to the objectives.

This chapter will unambiguously outline the method that was followed during the investigation. It will provide the methodology applied to the process in achieving the final outcome. Data types, data collection methods, and analysis tools will be mentioned in detail. The questionnaire design and audience participants will be discussed as well.

1.7.4 Data Analysis

This section will look at the results themselves; a sample of how the data was articulated to produce the final product will be provided. Observations from the results will be mentioned. Most importantly interpretations of the results will be conducted. All content under this section will entail the work carried out by the researcher, and not include any discussion from the literature. Trends, patterns and observations from the results will be discussed in great detail. The discussion will also tie up theory from the literature reviews.

1.7.5 Conclusions and Recommendations

This section will summarise the salient finding in the investigation. It will correlate the predetermined objectives and research question to the final outcome.

1.7.6 References

All sources of information will be listed here.

1.7.7 Appendices

All ethical clearance information as well as an example of the questionnaire utilised to gather data will be included.

1.8 Limitations of the study

The limitation to the study is it was confined to Nigeria only and not to the other markets in Sub Sahara Africa. Nigeria is the largest market for luxury goods hence using this market to gather information.

A questionnaires is the instrument utilised to gather information however there are limitations to questionnaire such as respondents potentially lying due to social image and desirability.
Other limitations are time constraints so ticking any answer for the sake of completing the questionnaire, not clear understanding of question hence selecting the incorrect answer (Mcleod, 2014).

1.9 Summary

This chapter covered the introduction into the topic, the structure of the research as well as the method of gathering information. Limitations to the study which is a critical element was also discussed.

2 LITERATURE REVIEW

Over the years the demand for luxury goods has increased steadily. The economic factors driving this trend include urbanization, the emerging middle class, an increasing rate of females in the work force , a substantially lower employment rate and an increase in disposable income which leads to a booming wealthy class in emerging markets (Troung , 2010).

Past studies have explored the relationship between luxury purchases vs the motive but few have examined the purchasing patterns of consumers in Sub Sahara Africa.

The approach adopted during this research was the analysis of consumer purchasing patterns in the cosmetic industry in relation to Sub Sahara Africa - how consumers engage with the product, what they look for, what are they willing to pay, what needs to be done to promote the brand/products, where should they be sold. To establish a bearing on the research question, a thorough understanding of the subject needed to be created. The literature review delves into understanding the African consumer the decision making process when purchasing of the luxury cosmetic products and the impact of the 5Ps of marketing. Due to the limited resources available on this topic the focus will centre on Nigeria a key market in Africa in relation to cosmetics in terms of colour products and skin care but excludes fragrances.

2.1 The Global Luxury Cosmetic Consumer

Globally the market for luxury cosmetics was drastically impacted by the economic downturn however with the economy recovering analysts predict the luxury demand for products will increase significantly as more disposable income becomes available. (Lopaciuk:, 2013)

Cosmetics can be divided into two segments, Mass and Prestige. Mass products are found in local supermarkets and widely distributed at a low price point whilst prestige has limited distribution, targeting specific shoppers and are at high price point. (Euro Monitor: 2013) In the research documents by Aleksandra Lopaciuk and Mirosław

Loboda they had suggested that 72% of cosmetic sales were made up of mass products and the remaining 28% contributed to prestige cosmetics .(Lopaciuk , 2013) North America, Asia Pacific, Latin America and Western Europe were highlighted to have the largest revenue in the cosmetic industry. (Euro Monitor: 2013). However since 2000 the BRIC countries (Brazil, Russia, India and China) have been showing signs of exponential growth. The growth of the beauty market contributed significantly to the Global market, these four countries contributed 21% of the global beauty industry and it's expected that this will grow to 25% of the total market value in 2015. (Leonard: 2011). Hence the increased desire for international cosmetic manufactures wanting to expand their footprint into the emerging markets knowing the demand available, their challenge is making their brands locally relevant to the local customer. (Lopaciuk , 2013)

2.1.1 Market Trends

After intense research the following points stood out as the trends in the market for the Cosmetic Industry:

- "Masstige" – the introduction of mass brands that are perceived to be prestige with innovative packaging and product claims is a trend vastly seen across the globe. This trend is seen in color cosmetics and skincare products whereby consumers are becoming aware of product choices and that potentially the mass products can perform the same benefits as their prestige products at a lower price point. Interesting to note however from research is the point in Lopaciuk's literature is that the innovations are led by the premium brands and thereafter introduced by the mass brands. (Lopaciuk , 2013)
- Product Innovations - due to the changing consumer needs two trends have been identified, time saving and long wearing products. Time saving products are those that save the busy consumer with a quick morning or evening ritual time such as a 3 in one moisturizer (moisturizer, sun protection and anti-aging) whilst a long lasting product which is known to be relatively more expensive as it prolongs use as compared to conventional products (24 hour long wearing foundation or pro long wear lipstick) (Lennard ,2011)

- E-Commerce – shopping online is fast becoming a common trend across all segments. Even cosmetic shoppers that know their specific product would prefer shopping online and having it delivered to their work or home to save time and for pure convenience. Global brands are using innovative means to communicate with their consumers through social means such as bloggers, apps, Facebook etc. (Lopaciuk , 2013)
- Organic Products – this trend is becoming the talking point internationally as consumers make more educated and informed decisions. This is typically a niche market but a growing one as products with natural ingredients are entering channels such as supermarkets and pharmacies. (Lopaciuk ,2013)
- Sustainability – Links to corporate social responsibility whereby manufactures are making a point of mentioning at corporate events and launches that their products were not tested on animals or are harmful to the environment. In some countries law have changed to ensure this practice is introduced into company policies.

2.2 The Sub Sahara African Luxury Cosmetic Consumer

The Sub Sahara African consumer of today has transitioned from the traditional past in terms of usage of cosmetic products. Beauty was natural and natural ingredients were the bases of beauty products. (Sagaci, 2015). The transformation of the African consumers stems from the emerging middle class, the digital era and urbanisation. The modern African consumer today is brand conscious, informed and optimistic. (Deloitte, 2014)

Literature indicates that shopping behaviour is transitioning in Africa; shopping malls are developing rapidly as urbanisation increase in capital cities. Consumers are shifting away from informal shopping (informal shops (kiosks and spaza store formats), mini markets and table tops) into shopping malls and supermarkets were variety is available and informed choices can be made. (Deloitte , 2014)

Sub-Sahara Africa has the youngest population in the world, in 2015 it was recorded that 205 million individuals were between the ages of 15 – 24 years old and its estimated by 2030 this number will grow to 321 million within this age bracket. Based on this data it suggests that a more youthful population would `require a different taste in products, aspirations and preference than older people. (Deloitte, 2014)

2.2.1 Quality and Brand Matter

In a survey conducted by Mckinsey it suggests that organisations expanding into Africa need to enter with strong models to ensure the success of their businesses. As the African consumer is exposed to more choices quality and brand play a significant role in the purchasing decision behaviour. In the report published by Mckinsey it further suggests that quality is critical criterion for products second only to price, Africans worry that they sacrifice quality for low prices. (Mckinsey, 2012)
Brands are also a key element in the purchasing decision making process. For Africans well-known Brands are ultimately associated with quality. They are willing to pay a premium for brands predominately in the clothing, food products and mobile phones sectors. (Mckinsey, 2012)
Research indicates that the African consumer is brand loyal and once settled on a particular brand will stay loyal with hesitance to change or try new things. This is important for organisations expanding into Africa as the marketing and sales implementation tools will need to take the point above into consideration. (Mckinsey, 2012)

2.2.2 Value

Even though quality and brand rank high for the Sub Sahara consumer but it has to be offered to them at the right pricing. Pricing and promotion is a sensitive matter and is to be considered based on the income levels and retail environments. In a report published by Sagatchi consumers indicated that they choose a grocery store based on price point (Sagatchi, 2015).

2.2.3 Modern Tastes and Sophistication

The higher LSM consumer is well travelled and has experience modern shopping formats. He or she is aspirational and is aware of the latest fashion trends and looks by season. The increases in mall development in markets like Nigeria and Kenya have shifted the way consumers shop. There is a hint of convenience settling in which is driving where or when consumers purchase. This has impacted real estate and a challenge for businesses expanding into these markets. (Mckinsey, 2012)

2.2.4 Increasing Digital Era

According to the digital report published by KPMG the literature suggests that more than 50% of urban Africans access the internet within four weeks which indicates that this is on par with markets like Brazil and China. Generally internet penetration levels link back to GDP per capita. In Kenya internet penetration is at 70% which is supported by Government in terms of affordable broadband rates and infrastructure. The introduction of MPESA a mobile money payment system that allows customers to purchase from their mobile account encourages cashless and convenient transactions. In the graph below, adapted from the Mckinsey study shows the increase in internet usage across Africa

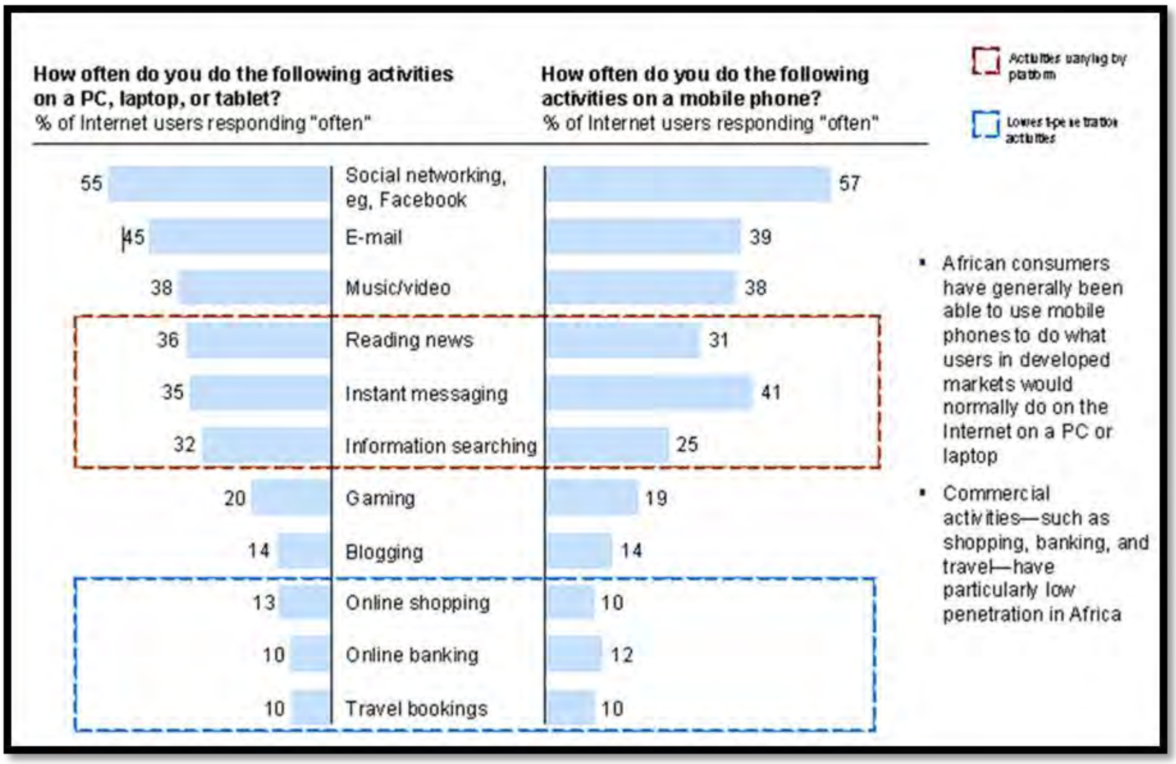


Figure 2-1: The increase in internet usage

Source: the Mckinsey Report, The Rise of the African Consumer 2012

The graph above depicts the internet usage in Sub Sahara Africa which reflects the high usage on social networking, emails and music/video. The information above is vital for marketers as majority of companies in Africa have not utilised the trends above in marketing their products and communicating with customers. This is a growing popularity which is a huge role player when entering a new market. (Mckinsey, 2012)

2.2.5 Traditional Media and Word of Mouth

Television remains frequently used and trusted, print media is also widely distributed but word of mouth is still enormously important. This varies by market in Africa in terms of ranking. (Mckinsey ,2012). Most purchasing decisions are made at point of purchase at the shelf therefore information provided at that point is also important and therefore considered in integrated marketing plans

2.3 The Spending Power in Sub Sahara Africa.

Spending patterns are determined by disposable income per capita, in addition to other factors such as perceptions, ethos, and personal preferences. Despite cultural and regional factors having an impact on consumer spending patterns and trends, one generally finds quite a strong positive relationship between income per person and consumption per capita for various goods irrespective of these other factors. This enables researchers to find a correlations between income and genera spend per capita. (Accenture, 2010)

Lower income brackets tend to focus on basics first and barely have money to spend afterwards, therefore at the lower income brackets consumption is mainly on basic food items whilst some or most are produced on a small plot of land which the family lives on, any excess is sold or traded for clothing or other necessities. (Sagachi, 2015)

The US$1,000 income level has been identified as an important barrier that if reached, allows for an expansion in the amount and type of consumer products that can be afforded.

2.3.1 Local Relevance

There is no single strategy that could be copied and applied to every market in Sub Sahara Africa as each market is unique and the trends differ resulting in a strategy to be tailored to each market. This result in differentiated offerings recommended to their target market. (Accenture, 2010)

2.3.2 Route to Market

Unilever's former CEO and Chairman Niall FitzGerald said "the leading global companies of 2020 will be those that provide goods and services and reach new customers in ways that address the world's major challenges including poverty, climate change, resource depletion, globalization and demographic shifts" (Tschang, 2011).

Knowing your target market and mapping door by door strategies are mentioned and highlighted in literature as a winning strategy for expansion plans into Africa.

2.3.3 Capitalising on the Youth Movement

The incredible growth of this age group (16-24) within Africa clearly indicated the importance of this consumer. The behaviour and buying patterns will shape the products of tomorrow. These consumers are taking ownership and control of their life by saving, educating themselves and zoning in on entrepreneurship. (Mckinsey, 2014)

The youth in Africa are online and tech savvy, very image conscious, places quality first with price second and brand conscious. (Mckinsey, 2014)

2.4 The Luxury Cosmetic Industry in Sub Sahara Africa

In Economics a luxury product is an item that increases demand as income increases as compared to ordinary goods. As people become more wealthy they will desire and purchase more luxury products. (Ward, 2008)

The extent of Africa's middle class has grown three times over the past thirty years. The African Bank suggests that it now stands at an estimated 313 million people whom are influencing the continents cosmetics supply and demand. (Berger, 2012)

In West Africa, Nigeria ranks one of the top ten fastest growing economies. Research insights firm Euro monitor has evaluated sales in the beauty segment at $595.8 m in 2011 which is up 36% vs. 2006. By 2016 Nigeria's influential middle class will drive the beauty segment sales up to $620million. (Euro monitor, 2014)

The educated African consumer has been seeking products specifically for their body and skin type. With regards to skin type they seek darker shades of foundations than traditional offerings. The product needs to suit the humid climates of Africa. (Ward, 2008)

Products needs differ in Africa compared to Western markets, anti-ageing product focus on even skin tone and zoning in on dark spot whilst in Western markets the focus is on anti-wrinkle creams and moisturisers (KPMG, 2012)

Females play a significant role and detail orientated to products that are customised to local markets. This sets out a large objective for Research and Development teams as costs to remain competitive are vital in the sector. (KMPG, 2012)

2.5 The Buying Decision Process

Consumer are unique , every person has his or her own specific need , be it hair care for ethnic hair or an oil controlling moisturiser for oily skin , marketers need to understand how their target market thinks. This ultimately means understanding their decision process. (Jain, 2014). The psychological processes example, learning or memory play a vital role in consumer behaviour and buying decisions (Kotler, 2000).

The diagram below depicts the internal and external factors that a consumer processes internally and externally which impacts their lifestyle which ultimately impacts their decision process. Understanding this model allows marketers to introduce new products in a specific way or target a particular consumer group,

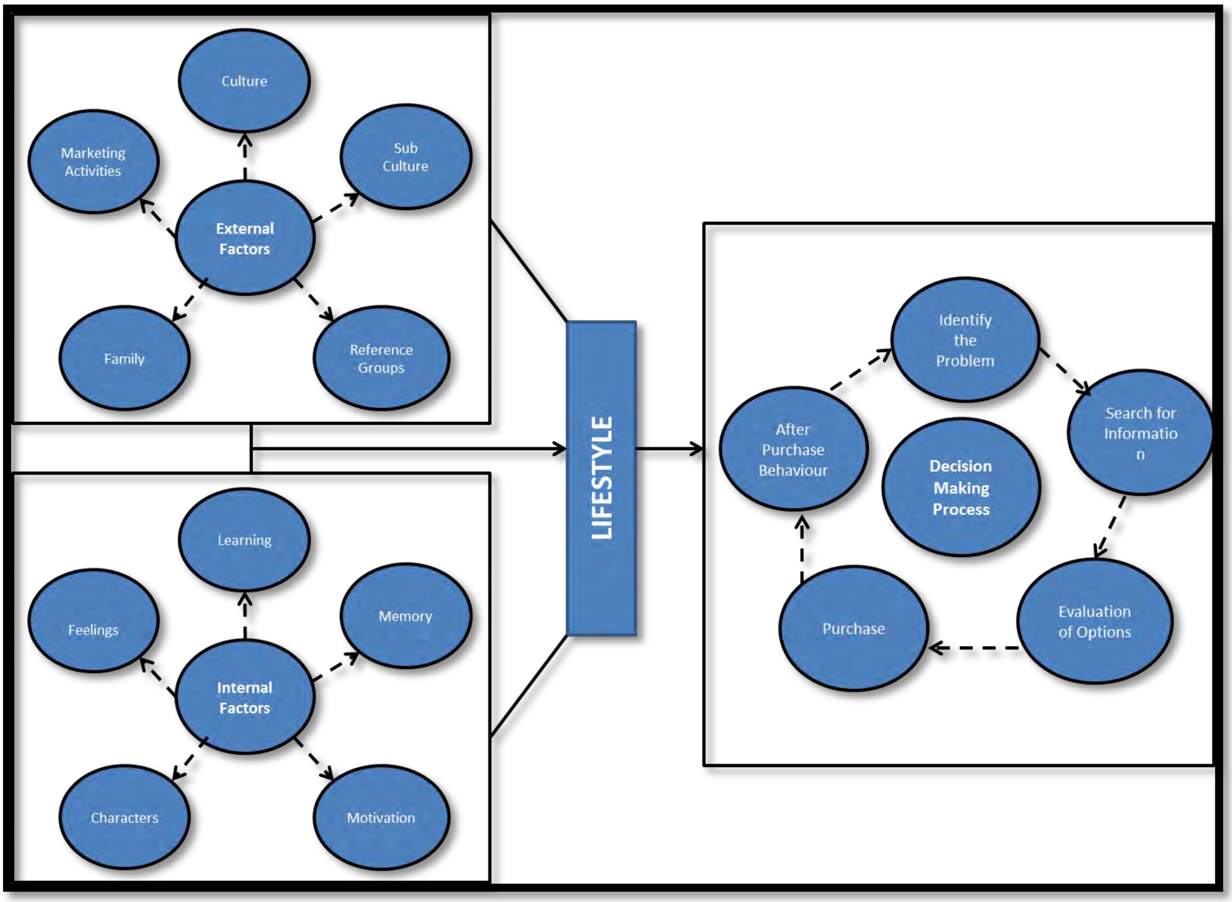


Figure 2-2: The buying decision process

Source: Adapted from Kotler, P, 2000, Marketing management, Millennium edition, U.S.A.: Prentice – Hall, p.161

2.5.1 Identify the Problem

The five stage process commences once the buyer identifies the issue on hand which triggers the thought process resulting in the thoughts about purchase being activated. This thought process can be triggered by marketing stimuli or external stimulus. A need must be activated before it can become recognised; there will be no sale unless there is a need created (Kotler, 2000). There is many a debate in literature as to whether marketing influences this need especially in advertising. However in Chapter 2 of the book written by Kotler the authors establish that Marketing creates a demand for products which justifies satisfying the needs of consumers (Kotler, 2006).

The following elements act as a catalyst for problem recognition: (Kotler, 2006)

- *Product consumption* : when a mother knows she has is nearing the end of the week and needs to top up on groceries
- *The purchase of a product that leads to a purchase of an accompanying product* such a shaver that requires the purchase of a shaving blade or shaving gel. (Sirr, 2015)
- *The aging of a product*, over time it wears out or depreciates in the situation of a car, furthermore this is linked to phases of *life that a consumer's* transition as they get older – tastes and values alter their needs (Phau, 2000).

Marketers are fond of using the marketing mix as a solution to the issues of problem recognition. Kotler stated that an organisation that does not maximise on this will miss favourable business opportunities. One of the best ways to create a need or problem recognition is to remind people that there is a gap or a need. The travel industry is very good at this in terms of the emphasis on relaxation over peak holiday periods (Collins, 2015).

2.5.2 Search for Information

The second step to the five stage model is searching for problem solving information. There are two levels of search that takes place, one is on a lower to medium level whereby the consumer has some information from internal and external stimulus and has some small degree of information on product. This will then progress to medium to high level this will increase when the consumer becomes keener on a particular purchase and will seek further information. (Kotler, 2006). Information will be gathered from the following potential sources:

- Personal – word of mouth via family and friends
- Commercial – sales executives, internet, advertising ,company websites
- Public – celebrities , mass media
- Experience – going into a store to trial a product

The above may or may not influence the purchase decision as it depends on the personality of the consumer as well as the product category (Kotler, 2006).

2.5.3 Evaluation of Options

At this stage the consumer has identified their need and research potential solutions. In the competitive environment business operate in the consumer has many options to choose from across almost every category. When evaluating options the consumer weights up decisions mainly on benefits and can the product deliver against the need identified (Suvattanad, 2014).

Literature on consumer behaviour suggests that attitudes and beliefs also play a critical role in the decision making process at this stage. Attitudes reflect people's feelings and emotions that result in action that influence a customer's beliefs (Kotler, 2006).

2.5.4 Purchase Decision

The nest stage is the purchase decision when the consumer decides whether he or she will purchase the product. There are five sub divisions to this step when executing a purchase intention: (Kotler, 2006)

- Brand
- Supplier
- Quantity
- Timing
- Payment

The above five points could lead a consumer to choosing one brand over the other, today's consumer is all about convenience. If the decision is made based on a particular product the above points will need to be checked to ensure the final purchase (KPMG , 2014).

2.5.5 After Purchase Behaviour

The Post purchase behaviour is the last step in the consumer decision making model and deals with the way the consumer feels after having purchased a product.

Post purchase evaluation is twofold – customer satisfaction or customer dissatisfaction. Research has indicated that customers will exhibit a higher probability of repurchase should they be satisfied and tend to spread positive information onto others. This positivity leads onto customer loyalty (Kotler, 2006)

2.6 The Impact of the Buying Decision Process on Luxury Goods

Knowledge on consumer behaviour is the success of organisations. Marketing Leaders are constantly gathering insights and analysing the patterns of buyer behaviour and purchasing decisions to estimate future trends. (Kumar, 2014)
Many studies have been done to understand the impact of the buying decision process. Vigneron and Johnson (1999) reported that that there is a steep increase in the need to look good, people are more aware of self-image and appearance. This is reflected in research across the world as the boom in the cosmetic segment has risen with focus even given to Male Grooming.
Voss and Parasuraman (2003) suggested that price is a primary element in purchase preference over quality during evaluation of options.
In research conducted by Kumar he discusses when Ruso and France began documenting research in 1994 that is now widely being termed Shopper Insights. They studied the nature of choice and used devices to track the eye movement of shoppers in a supermarket at the point of purchase at shelves. (Kumar: 2014)
The buying decision process does not differ in terms of the stages but the level of involvement is a considerable difference as a result of the higher price set of the products involved. (Africa Focus, 2006)

The assumption is that prestige products are not bought frequently and require a high level of knowledge and interest.
In the research presented by Kumar he reflected on study from Rossiter, Percy, and Donovan (1991) ,their framework was based on the assumption that prestige brands were high involvement and brand choices such as (social endorsement, sensual satisfaction and a high level of intellectual satisfaction) transformed a brand.
For the purpose of this research three segments of brands were considered Prestige (upmarket, premium and luxury) a large part of this research will focus on Luxury (Kumar, 2014)

2.7 The Impact of the 5Ps on the Purchase of Luxury Goods

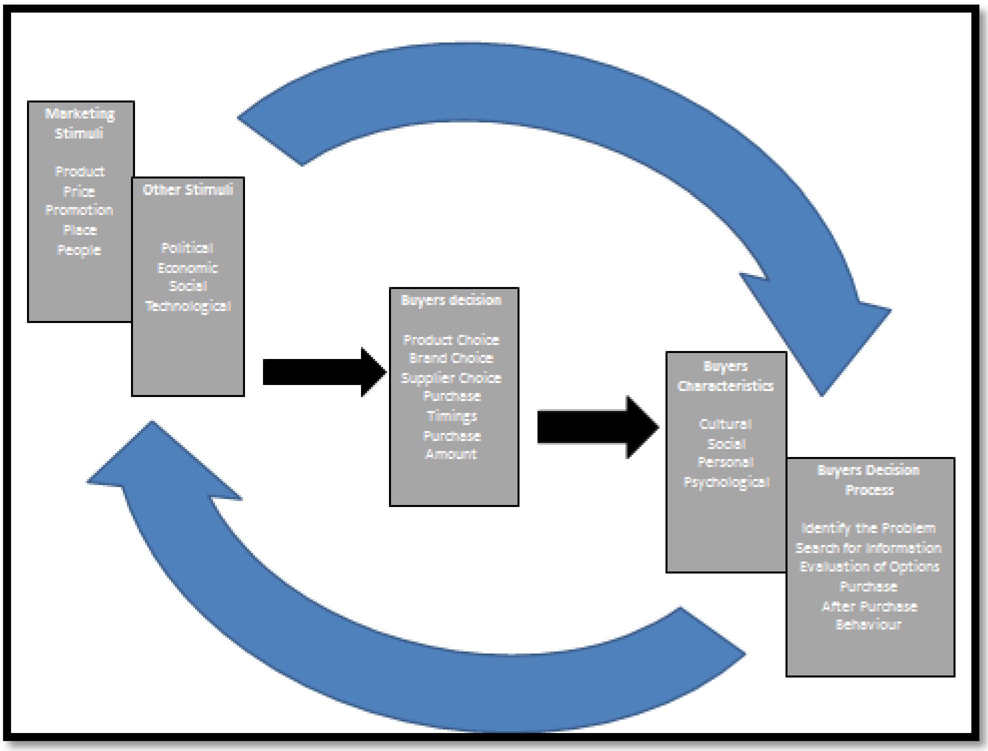


Figure 2-3: The Impact of the marketing mix on purchasing decisions

Source: Adapted from Kotler, P, 2000, Marketing management, Millennium edition, U.S.A.: Prentice – Hall, p.161

The above diagram depicts the influence the 5Ps of marketing have on buyer's decisions. The five 5Ps assist a business to build themselves as well as their brand strategically.

2.7.1 Luxury cosmetic marketing strategies

Understanding the 5Ps of marketing assists marketers to identify gaps in a business strategy. The below discusses the impact of the 5Ps in relation to luxury cosmetics

- Product
- Place
- Price
- Promotion
- People

Luxury products are very specific in numerous ways, as customers are swayed by trends, glamour and status and want to be noticed (Hindu business: 2015). The analysis of the marketing mix will shed insight into the needs of the luxury needs.

1. ***Product:*** the key advantage associated with luxury products are the level of quality , the raw material used as well as the advanced technology utilised to craft this super premium product. All these benefits make the product desirable apart from the limited distribution (it's not a mass produced product),

The main benefit is a high quality level of production (often realized by hand) and the raw materials used, although nowadays technology remains important for adding the finishing touches to perfect the product or make it more accessible. The expected luxury product is desirable because it is stylish (and actual), because of the brand history, exceptional performance and durability.

Product variety may be also limited, for example, high luxury clothes would not be available in sizes that would not represent the image of the Maison. In addition even the *packaging* of luxury products plays key role e.g. wood boxes for luxury watches. In fact blind tests have confirmed that the same product is more highly appreciated the more the packaging is prestigious (Reinold, 2012).

2. ***Price:*** the cost of a luxury product is high due to the expensive raw material used to produce the goods, the technological or manufacturing processes utilised, as well as the distribution and marketing support selected. The anticipated price is calculated based on the cost of the product in addition to the value added benefit that the consumer will gain from the product. (Reinold, 2012).

Pricing of luxury products needs to be closely monitored, considering the luxury consumer is a well-travelled and well informed individual. Prices are compared in other markets vs exchange rates (Reinold, 2007)

3. ***Promotion:*** luxury brands consider PR to be the right platform to educate and promote their products. Mass media forums are avoided completely such as newspapers due to the quality of the print. Key magazines are

used which cost a brand more but are targeted at the correct consumer and the graphic quality is better. TV shows are utilised in association to high fashion, trending series and brand ambassadors contracts.

Eventing and public relations is a promising tool in the luxury industry. The success of huge fashion events or fashion shows is the correct platforms to showcase new luxury brands. (Ward, 2008)

4. ***Place:*** Foglio in his paper discusses the distribution of luxury goods and identified that uncommonness is desired in the distribution of luxury goods. The less commonly distributed the more desirable the product becomes. This impacts the volume of production, product ranges and the level of significance for the targeted consumer. (Ward , 2008)

Direct distribution is required so that the face to face customer experience is manages and the brand image isn't diluted. When direct distribution is not possible and indirect steps in an external organisation will step in and it's important that this organisation understands the brand values and strategies to ensure placement and appearance is maintained. The advantage of direct distribution is the customer gains the full customer service experience such as gift wrapping, alterations etc. Whereas indirect distribution the brand gains in terms of cost savings from distribution but risk losing a customer due to the full brand experience not met. (Ward, 2008)

5. People: People play a huge role in the marketing mix for luxury products. It directly involves people in terms of consumption of the product, selling of the product – the level of training and skill required in understanding the product and building a selling story. Indirectly brand ambassadors are linked to luxury products; the careful selection of a celebrity or icon could either make or break a brand (Ward, 2008).

2.8 The Opportunity to market Luxury Cosmetics in Africa

With an estimated growth rate of 8% annually over 2010 – 2017, Nigeria is dubbed to be a rising star amongst the African countries. The sales for beauty and personal care combined are estimated at 2, 5 billion euros by 2017. (Euro monitor, 2012).

The countries population is 167 million of which 62% are under the age of 25 thereby representing an opportunity amongst the females in specific products like fragrances

Online retailing is becoming a huge opportunity in Africa with the likes of Konga and Jumia a very much Amazon style website that operate on a national basis upon a cash on delivery service model with a 5 day delivery timeline. This model is going to transform traditional business systems in African and support convenience for the emerging middle class. (KPMG, 2014)

In Samuel Craig's paper he discussed the opportunity of empowering rural consumers in emerging markets. He reflects on the understanding required by manufacturers on African skin specificities and to deliver tailored products to this consumer base. (Collins, 2015)

Roeland Burger suggested in his research that different product strategies are required so either existing brands be adapted to the African consumer or exclusive brands or products are developed for the market. He further discussed the opportunity to design specific packaging by cost saving on packaging which will reduce the cost to the consumer

2.9 Consumer buying patterns of cosmetics

Due to the significant increase in cosmetic usage there has been an increase in study on the understanding of the usage of cosmetics but there is a gap in literature with regards to the buying patterns of the cosmetics.

Marketers have a desire to understand purchasing behaviour and buying habits to predict future trends (Nair, 2005)

In literature Voss and Parasuraman (2003) , Chernav(1997) and Russo and France (1994), they examined the difference rational behind the selection of cosmetic products.

Voss and Parasuranman identified that price was a driving factor over quality during pre-purchase evaluation; however after purchase quality mattered more than price

Chernav's study suggested the consequence on similarities in features and brand choice in conjunction the regulating role of characteristics importance. He argues that brand characteristics differ however when the best value on the most important characteristic is successful it reflects a dramatic shift in brand choice shares in comparison to when characteristics are similar in importance then common features are definitely to have the opposite effect with an equal spread of shares across. (Voss , 1998).

Rosso and France studies eye movement in supermarkets by analysing eye movement by installing a tracking device that was attached to supermarket shelves. (Voss, 1998). This in relation to this study though is limited as cosmetics in supermarkets are considered mass products and not luxury

The purpose of this study is to understand the buying patterns of cosmetic users in Africa.

2.9.1 What are *consumers?*

Consumers are an amalgamation of all types of customers, to a nation customers build an economy in terms of the supply and demand required for products and services whilst for a consumer a brand provides a function. (Keller, 2013). When consumers build a relationship with a brand not much thought needs to go into the purchase making decision process, a level of trust and loyalty is created. (Keller, 2013)

2.9.2 How do consumers acquire luxury products?

Apart from research on the consumer purchase decision process there is very limited information related to the process consumers undergo when purchasing luxury products hence highlighting the gap in research available today**.**

2.10 The Sub Sahara African Consumer's buying patterns of luxury cosmetics

Much research was done in investigating studies done on buying patterns of luxury products in Africa, very limited or no research could be found to support this topic. Hence confidential internal company information is being used from Estee Lauder Companies. A research conducted early in 2015 by Sagaci for Estee Lauder to understand the consumers in Africa in terms of how, where, when and why consumers purchase their brands like Clinique, MAC, Bobbie Brown, Smashbox and their holding brand Estee Lauder.

Based on this above mentioned research the following conclusions were made.

- Body care is the most used category in terms of penetration in both Kenya and Nigeria. Most categories are quiet similar between Nigeria and Kenya expect foundation which is used in a much higher proportion in Nigeria
- the Kenyan lady typically shops more regularly than her Nigerian sisters but differ in number of shopping trips are not important
- In Kenya and Nigeria the consumers desire international brands as the perception of quality is high. Kenyans prefer their local brands due to affordability whilst Nigerian considers supporting local brands as supporting their own local people.
- MAC is top of mind for Kenyans whilst Mary Kay is for Nigeria. MAC has high brand awareness in Kenya and Nigeria with Black Up close by
- Colour products are doing relatively well in Africa, eye shadows, lipsticks and blushes.

2.11 The Nigerian Consumer of Luxury Cosmetics

Nigerians are among the most prosperous people in the West African region, and the culture and habits of Nigerian women are changing. Nigerian women are investing more on their appearance and beauty and for this reason they use more cosmetic products. Nigerian women are found to spend more than the EU12 and even more than French women according to World Economic Database. The factors that affect more customers' decision for buying cosmetic products are first quality and then brand name and price. According to Dodson (2009) buildings cosmetic brands that consumer trust and identify with, is big business. According to Slack, N. et al. (2007) high quality goods or services can give to an organisation a competitive edge, and quality is a major influence on customer satisfaction or dissatisfaction. Mohiuddin (2009) refers that to make colour cosmetics more acceptable to consumers; manufacturers will have to convince them that their products are good value. The women prefer to shop cosmetic products firstly from beauty shops, secondly from beauty shops in malls, and third from cosmetic stores in the informal trade. Estee Lauder's customers prefer to shop from malls first and then from beauty stores. Very importantly the results of market survey coincides with the work done by Teller, C. as descripted in his article ''Shopping streets versus shopping malls - determinants of agglomeration format attractiveness from the consumers' point of view'' in 2008 that malls are gaining ground against street shops (Mohiuddin, 2014)

According to Roze Phillips, a senior managing executive at Accenture she outlined in an article that a strong sense of culture continues to influence consumer preferences, despite the relative penetration of Western values and lifestyles amongst urbanites. The majority of the population lives in poverty and faces economic challenges. Yet, the youth bulge and rapid rate of urbanisation present promising growth opportunities. In addition, middle- and high-income consumers are enjoying rising levels of disposable income, increasing their demand for a wider range of products and services. (Dauriz, 2014)

Among the advantages Africa holds is its young and growing demographic profile, particularly in the context of global ageing — 70% of the population in sub-Saharan Africa is under the age of 30 stated in the Euromonitor International report on emerging markets

Based on research done by Mckinsey (2012) it was stated in their report that Nigerians are price sensitive but it's not just about price

- 70% of Nigerian's are Brand Loyal
- 60% of Nigerian's want high quality
- 69% of Nigerian's want high fashion but international brands are not perceived to be more fashionable than local brands
- 47% of Nigerians want a convenient, modern, shopping experience with excellent in-store environment

Beauty is important to both males and females, in the past major giants like Esteee Lauder focused on the female as the target market but this has shifted to focus on both males and females. In the Nigerian culture the female in the influencer and forms and integral part of the Nigerian Culture. Nigerians go with trends and social media is fast becoming popular amongst the youth. Bloggers are influential and videos are really popular on blogger sites.

Nigerians are regular international travellers (London, Dubai and US) so they are very aware of global styles, trends, designers etc.
According to the current body of literature retailers and suppliers need to understand their Nigerian target market , their shopping behaviour and where they shop zoning in on the 4 Ps of marketing (Product, Placement, Price and Promotion) (Keller: 2012) this then ties in with media and PR linking up to an overall Integrated Marketing Campaign

2.12 Summary

Vigneron in his study, "A Review and a Conceptual Framework of Prestige-Seeking Consumer Behaviour", suggested that status and wealth is associated with luxury good purchases. (Vigneron, 1999).
Over the years there has been a significant increase in the demand for luxury which has seen an increase in study of luxury brands but there has been no or little knowledge on how to market the segment. There has been research on people's needs and appearances in fashion journals, Roux in his research examined brand extensions and the differences in mass marketing in comparison to luxury marketing (Perez, 2010). Other studies have focused on the difference between the western and eastern markets (Vigneron, 1999) - but there is no particular research done on Sub Sahara Africa in relations to the emerging consumer and what influences their purchase

3 RESEARCH METHODOLOGY

Like with any investigation or research, evidence and/or information are needed to perform some analysis, which in turn could possibly be correlated to theory, or form new observations, but eventually leads to a result. After having done a thorough literature review in support of the research question and objectives, the investigation methodology for gathering information was then defined

3.1 Aim and objectives

To understand the objective and an understanding of the subject a full research on current studies was done which proves the gap in literature on consumer patterns in relation to luxury cosmetic goods in Africa. Currently material exists on the opportunities in Africa and on the African consumer in general but not in the context of luxury goods.

The objective of this research is to

- understand the buying patterns of the African consumer on luxury cosmetics in Africa

In order to do that a quantitative study will be done to understand the factors that influence these purchasing behaviors and the impact the buying decision process has on the African Luxury Cosmetic user.
A questionnaire was distributed to 100 consumers per a market in retail stores of luxury cosmetics across Nigeria specifically to Lagos only.
The objective of the questionnaire covered the following key areas

- Determine who the luxury cosmetic user in Nigeria is
- Establish the usage and consumption patterns
- Understand the purchasing frequency
- Determine factors that affect/influence purchase decisions

3.2 Type of study

Research can either be exploratory, descriptive or casual. Dependent on the level of information on the research topic has progressed will determine if a study is exploratory, descriptive or casual.

- Exploratory: an exploratory study is conducted at early stages of a research project when limited information is available. Exploratory investigations layout the groundwork and opens the doors to more research. Clinical Psychologist Devin Kowalczyk stated that exploratory research was in two forms, one hand it focuses on new topics or it focuses on topics based on current research but looked at in a new angle (Kozak, 2014).

- Descriptive: Once the groundwork is established, the newly explored field needs more information. The next step is descriptive research, defined as attempts to explore and explain while providing additional information about a topic. This is where research is trying to describe what is happening in more detail, filling in the missing parts and expanding our understanding. This is also where as much information is collected as possible instead of making guesses or elaborate models to predict the future - the 'what' and 'how,' rather than the 'why' (Sekeran, 2015).

- Causal: Causal research is conducted in order to identify the extent and nature of cause-and-effect relationships. Causal research can be conducted in order to assess impacts of specific changes on existing norms, various processes etc. Experiments are the most popular primary data collection methods in studies with causal research design. (Sekeran, 2015)

3.3 Approach (Quantitative/Qualitative)

Research provides insights that are critically essential for managers in business to make fact based executive decisions. When information is gathered from the company's existing records such as financials or archives that is considered quantitative date whilst information gathered in structured questionnaires or interviews based on the quantitative data gathered is regarded as qualitative data (Sekaran, 2015)

3.4 Sampling

The points below discuss in detail the sampling strategy used for the stufy

3.4.1 What and why

The reason for using a sample is to extract a certain number from the entire population as its impossible to interview or gather data from person or unit involved (Sekaran, 2015). Even if it were possible it would be an extremely costly and time consuming process. According to Sekaran a sample of a population is sometimes more likely to produce more reliable results as it eliminates the likelihood of errors. (Sekaran, 2015).

For the purpose of this study a sample of 100 will be used to gather data (this is further explained in sample size). The sample size is an assumption based on the quieter morning/afternoon periods over the first two weeks of the month.

3.4.2 Sampling design (probability/non-probability)

A non-probability sampling technique was used as it allows for the research to lean towards descriptive research.
Based on the decision to use the non-probability technique, convenience sampling stands out as it allows for the ease and quick turnaround time to gather

the information required at a cost effective approach to a student. The only limitation to this approach is that the 100 sample size is small in comparison to the possibility of the larger population of the market

3.4.3 Description of the population

To determine the participants in the study the target market would need to be defined. This target population would be determined by elements such as geography, age, demographics. (Sekaran, 2015)

The target group for this research was 100 and discussed below in terms of the sample size.

The location selected was Nigeria due to it being the largest business for Cosmetics and Luxury goods.

3.4.4 Sample size

A sample of 100 per market was decided for Kenya and Zambia.

The sales of these two markets were evaluated with the Sales Managers as well as the Operations manager for the Sub-Sahara region of the stores based in these markets.

Based on camera CCTV footage about 514 customers enter the store in a month (on a weak performing month)

From the 514 customers, 60% enter over a month end pay weekend.

That leaves the remaining 208 customers shopping over the rest of the month

Hence the sample size is an assumption based on the quieter morning/afternoon periods over the first two weeks of the month. The participants were selected based on those customers entering the store and shopping for their luxury cosmetics. The store manager requested their assistance in completing the questionnaire if they had the time.

3.5 Data collection

3.5.1 Instrument

For the purpose of this research the data collection method will be Questionnaires due to the challenges in the market in terms of gathering data. (Poor internet connectivity, no database of luxury cosmetic users to contact, low response rate)

A hard copy will be distributed to consumers entering the stores of Estee Lauder Companies during off peak hours to those customers that are browsing the store. The rationale behind not using peak periods is to avoid causing any disturbance in store (customers feeling obligated to complete the questionnaire, staff feeling overwhelmed leading to poor customer service, half completed questionnaires due to busy store environment .etc.)

A questionnaire will allow for structure and the ease of being handed out in store and collected before the customer departs almost guarantees a good response rate

(A copy of the questionnaire is attached in the Appendix)

When a large sample of participants is needed, questionnaires are generally a cheap and cost efficient way of gathering large amounts of data. The reasoning behind the time saving is the researcher doesn't have to be present (Sekaran, 2015)

3.5.2 Construction of instrument

According to research insights on questionnaire, there is a response rate as low as 5% therefore it's imperative that a questionnaire is constructed effectively (Sirr, 2015). There are a number of factors to consider:

Objectives: Ensure all questions link back to the aim and objective of the research.

Length: Questions should not be lengthy, be precise and to the point. Do not ask two questions in one and ensure there are no leading or ambiguous questions. (Sekaran, 2015)

Pre Test: Trial the questionnaire amongst a small group of people to test the understanding and flow of the questions. – For the purpose of this research a pretest was conducted to ensure there was a clear understanding of questions. A sample size of ten was used and adjustments were made to wording of questions.

Question Sequence: Generally is it good practice to start of the questionnaire with easier questions leading onto the more thought needed questions.

Language: Questions should be simple and easy to understand. Eliminate the use of difficult words especially considering this study will be conducted in a market whereby English is not the respondents first language

Appearance: make sure the questionnaire looks appealing to the respondent; the font is clear and easy to read.

3.6 Ethical issues

All personal information shared by the respondent is on the onus of the researcher. The researcher needs to ensure that all information provided by the respondent is kept in a secured location. However no sharing of name, addresses, and contact numbers etc. would be necessary in a questionnaire.

The fact that questionnaire are confidential respondents are more likely to participate as there is no likelihood of shyness or embarrassment.

Respondents are required to sign an informed consent prior to participating in the questionnaire and have the right to withdraw at any given time during the study (Mcleod, 2014). The researcher utilized the informed consent template provided to ensure respondents signed before participating in the research. (Attached in the appendix)

3.7 Validity/reliability

Leedy and Omrod (2001) suggested in their literature that the validity of research is acceptable by its accurateness, rationale and trustworthiness.
Validity of a study needs to ensure both internal and external validity.
According to Leedy and Omrod (2001) with regards to Internal Validity, they explain that a study will require certain controls in place to support the conclusions from the study which is justified by the data. External Validity is associated with the results gathered that can be utilized to make generalities on environments external to the specific research topic. (Leedy and Omrod, 2001)

For this study the researcher ensure Internal Validity through a few elements. The respondents and the researcher had no interaction during this study, the only time the respondents were made aware of the study was when they received the hard copy of the questionnaire in store during their shopping of luxury products in one of the Estee Lauder stores in Nigeria. The questionnaires were handed out as shoppers entered the store whilst browsing. The sample group was selected as those customer shopping luxury cosmetic products within the Estee Lauder stores. All the questions constructed were done so in an unbiased manner. Hence due to the above mentioned rationale the conclusions drawn from the data will ensure internal validity and reliability.

Leedy and Ormrod (2001) say that to ensure external validity, the results must apply to situations beyond the study itself. They list three commonly used strategies to enhance the external validity of the research project. The first strategy being, ‘A real-life setting’ Leedy and Ormrod (2001) explain that the environment in which the research is being done must ensure generalizability so that it is valid externally. For the current research project, this factor was considered. Estee Lauder Companies is a well know organization known for its image in luxury cosmetic goods listed on the New York stock exchange. The results for this study can be compared to other luxury cosmetic organizations in an emerging market or globally. The second commonly used strategy to ensure external validity is ‘A representative sample’. The sample that was targeted for this research study was luxury cosmetic users that shop within the Estee Lauder store in Nigeria. The third strategy to ensure external validity is ‘Replication in a different context’. The results from this study conducted with the Estee Lauder stores can be compared to a similar study in different market. The conclusions therefore have validity and applicability across diverse contexts and situations (Leedy and Ormrod, 2001)

Cronbach’s alpha was considered during the validity and reliability of this study to ensure consistency.

3.8 Pre Test

A pre testing of the questionnaire amongst a small group of participants before the main questionnaire is shared allows for adjustments to be made and any errors to be eliminated. This will save the research an immense amount of time (Sekeran, 2015)

The following reasons support the rationale behind a pretest

- Gain an understanding of the vocabulary used , do the respondents understand the questions clearly
- Ensure that questions are not emotionally attached whereby respondents by have an emotional reaction to their responses.
- When reading out a question ensure that it is not leading or tends to biases responses
- Timing is an important factor ensure the questionnaire isn’t long and leads to the respondent not completing all questions

For the purpose of this research a pretest was conducted using a sample size of ten from the staff of the local market. The outcome was changes to the wording of the questions to simplify for the local consumer. Two spelling errors were identified and two local products were added to question 8 as it is regarded as a local luxury cosmetic product.

3.9 Administration of interview/survey

In order to develop a closed-ended question, the options or choices that are presented to the respondent requires some logical measurement. It’s critical that the data collected in analyzed well in order to interpret the data to gain insights and trends about the study.

Qualitative date is generally measured using four scales nominal, ordinal, interval and ratio. (Sekaran, 2015)

- Nominal: nominal scaling is well known for its labeling purpose and does not have quantitative value.
- Ordinal : is classified as the non-numeric measure of concepts such as levels of satisfaction , happiness or discomfort/
- Interval: whilst the nominal scale allows us to quantitatively segment groups into mutually exclusive and collective sets, ordinal allows to rank data – Interval scaling allows us to mathematically calculate date in terms of the difference between points on a scale. The interval scale allows to gather data that assists us in understanding data with regards to preference and the magnitude of differences in variables (Sekaran, 2015)
- Ratio: the most powerful of all the scales , the Ratio scale not only measures the magnitude of difference between points on a scale but also goes further to determine the scope or size of the differences. A good example of Ratio scaling is height and weight. (Sekaran, 2015)

3.10 Summary

The table below summarizes the questionnaire to be used for data gathering; under sections are the four objectives to be achieved for the research purpose which are the following:

- Determine who is the luxury cosmetic user in Africa
- Establish the usage and consumption patterns
- Understand the purchasing frequency
- Determine factors that affect/influence purchase decisions

Nominal and Ordinal scaling is most commonly used as it allows for easy gathering of data considering the research take place in Nigeria therefore a hard copy with be handed out to consumers. The low internet levels in the region does not allow for electronic questionnaires to be emailed out.

Once the ethical clearance certificate is given to the researcher, the questionnaire will be shared. Once all info is gathered the researcher consolidated all information manually and coded for analysis. Conclusions were extracted and shared in chapter four with recommendations following in the chapter to follow

4 DATA ANALYSIS

This chapter contains the analysis of each question after the consolidation of the raw data. All data is represented in a graphical format per a question with the explanation beneath.

4.1 Consumer Age Groups

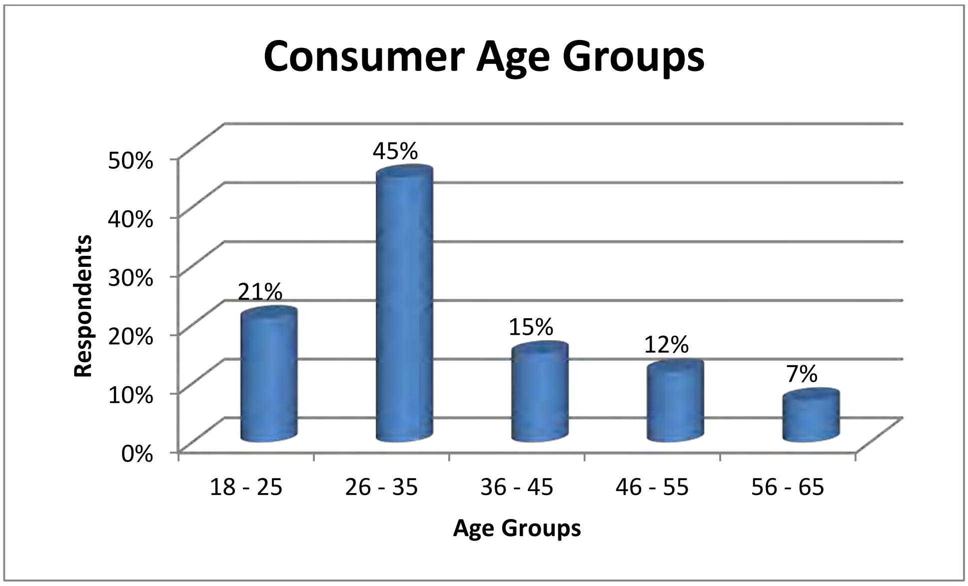


Figure 4-1: Consumer age groups

Above a bar chart that represents question one in an ordinal scale. The age groups of the luxury consumer in Nigeria. The categories were broken down into five age groups starting at the age of 18 as this is in line with the target market. As reflected in the graph for e.g. in the age group 26- 35 over 40% of respondents fell into this category.

4.2 Employment Status

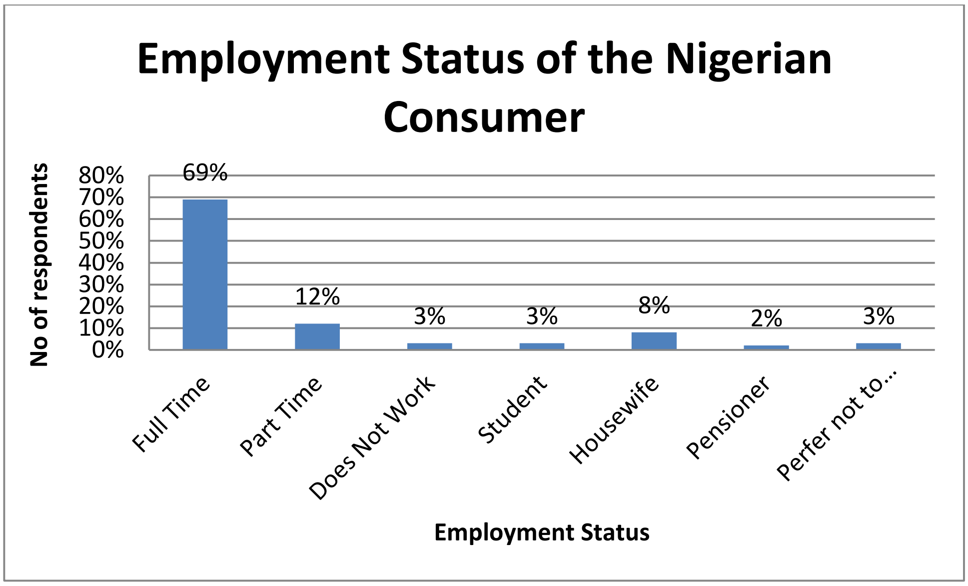


Figure 4-2: Employment status of the Nigerian consumer

The figure above depict the results of question 2. Clearly reflected based on the data 69% of the respondents are full time employees. 3% of respondents preferred not to answer the question. A bar graph was used to illustrate the results as it reflects the data clearly across the six statuses.

4.3 Monthly Income

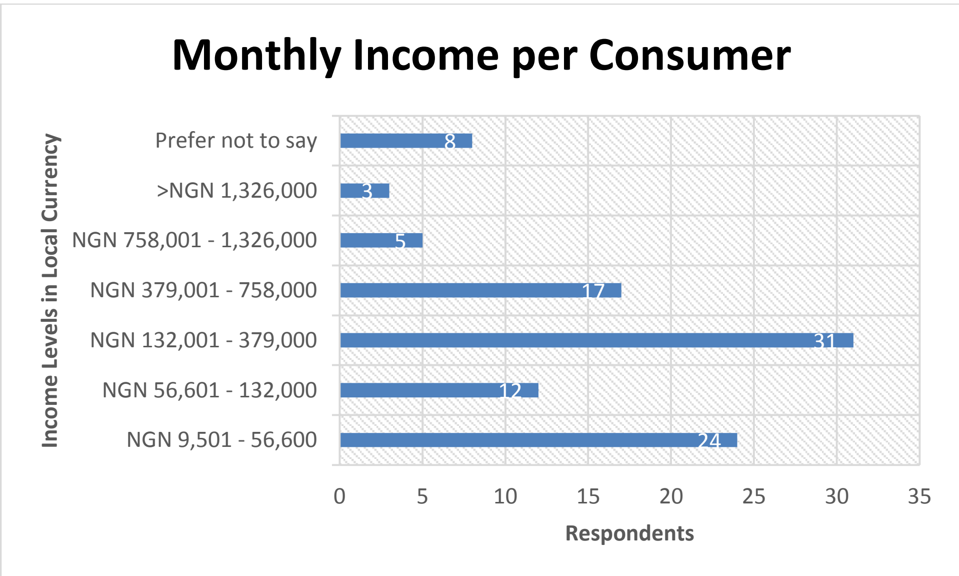


Figure 4-3: Monthly income per consumer

Figure 4-3 illustrates the income per respondent in local currency using an ordinal scale. Out of the 100 sample size used for the research study 8 respondents preferred to not answer the question. 31 respondents indicated that they earn between 132,001 – 379,000 Naira per month.

4.4 Product Usage

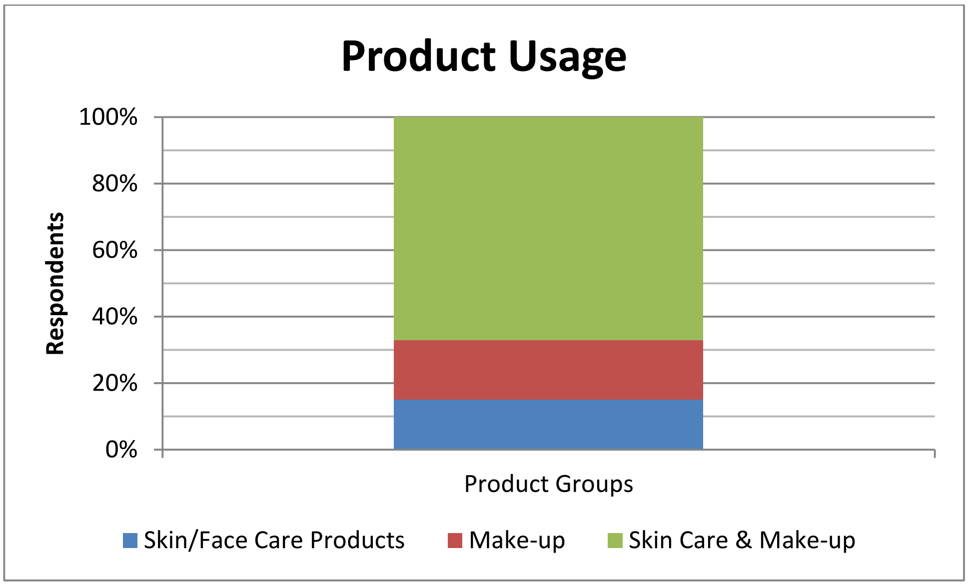
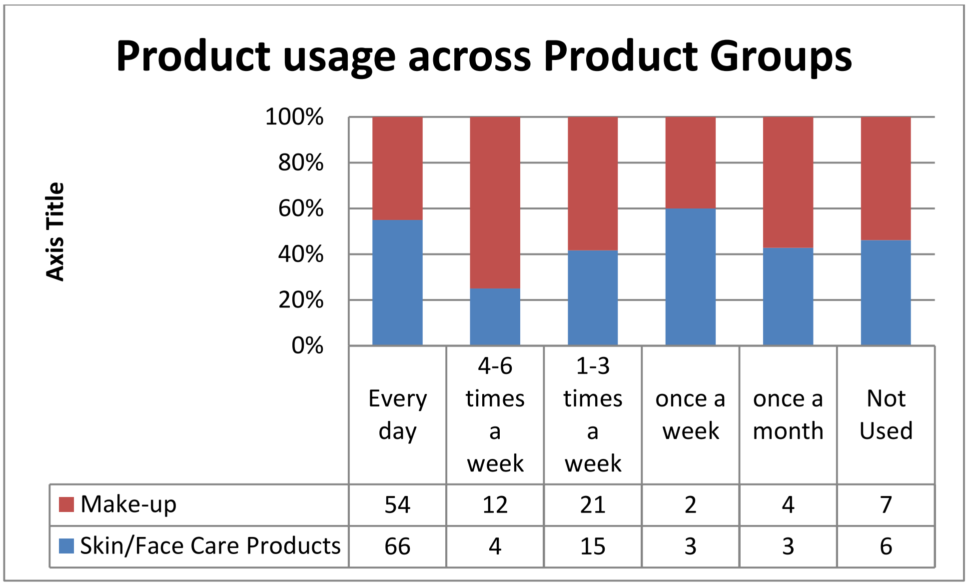


Figure 4-4: Product usage

Portrayed in Figure 4-4. Whereby the Y axis indicated the number of respondents in a percentage and the X axis reflects the product groups (Skin Care/Face Products, Make Up and Skin Care with Make Up combined). In the analysis 67% of respondents used Skin Care and Make up within the last three months whereas only 15% and 18% used skin /face care or make up respectively.

4.5 Product Group Consumption



	Every day	4-6 times a week	1-3 times a week	once a week	once a month	Not Used
Make-up	54	12	21	2	4	7
Skin/Face Care Products	66	4	15	3	3	6

Figure 4-5: Product usage across product groups

The objective of this representation was to understand the usage of the two product groups (skin/face care and make up). Clearly indicated on an everyday basis 54 respondents use make up whilst 66 respondents use skin/face care. 7 respondents do not use make up and 6 respondents do not use any skin/face care.

4.6 Product Usage Frequency

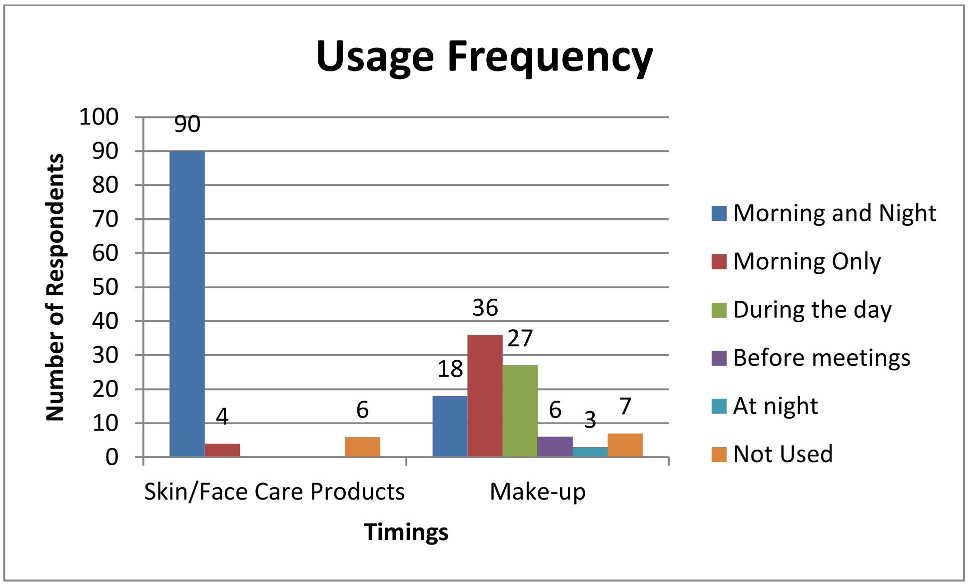


Figure 4-6: Usage frequency

The objective is to determine the usage patterns of the luxury cosmetic user in Nigeria. 90% of respondents indicated that they use skin/face care products at morning and night. Make up is distributed across the day with 36% indicating they use at morning, 27% indicated during the day and 18% using their products at morning and night.

4.7 Product Group Purchased within 12 months

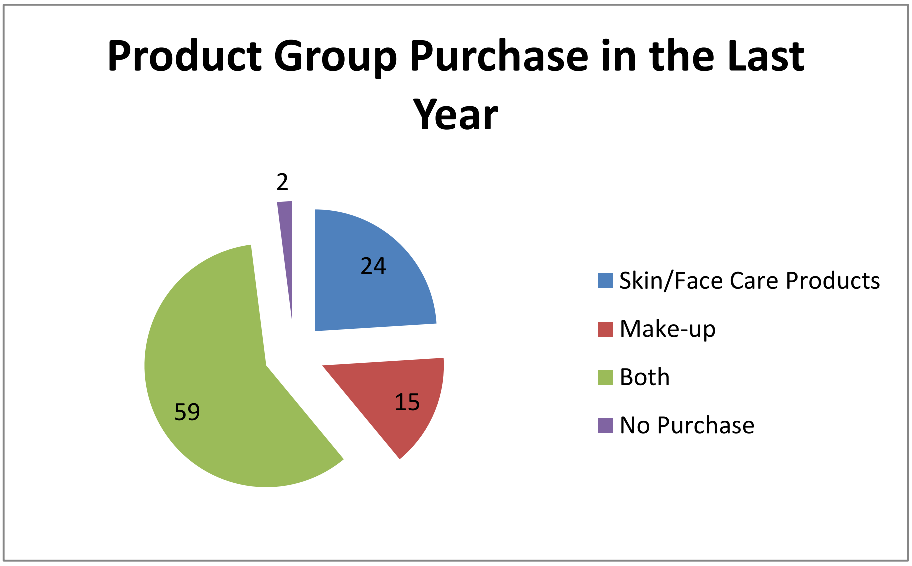


Figure 4-7: Product group purchase in the last year

Figure 4-7 is a pie chart that displays the product groups that were purchased within the past year. It evident from the graphical display that 59 respondents purchased both product groups, 24 respondents and 15 respondents purchased skin /face care or make up respectively. 2 respondents indicated that they had not made a purchase.

4.8 Popular Luxury Cosmetic Brands in Nigeria

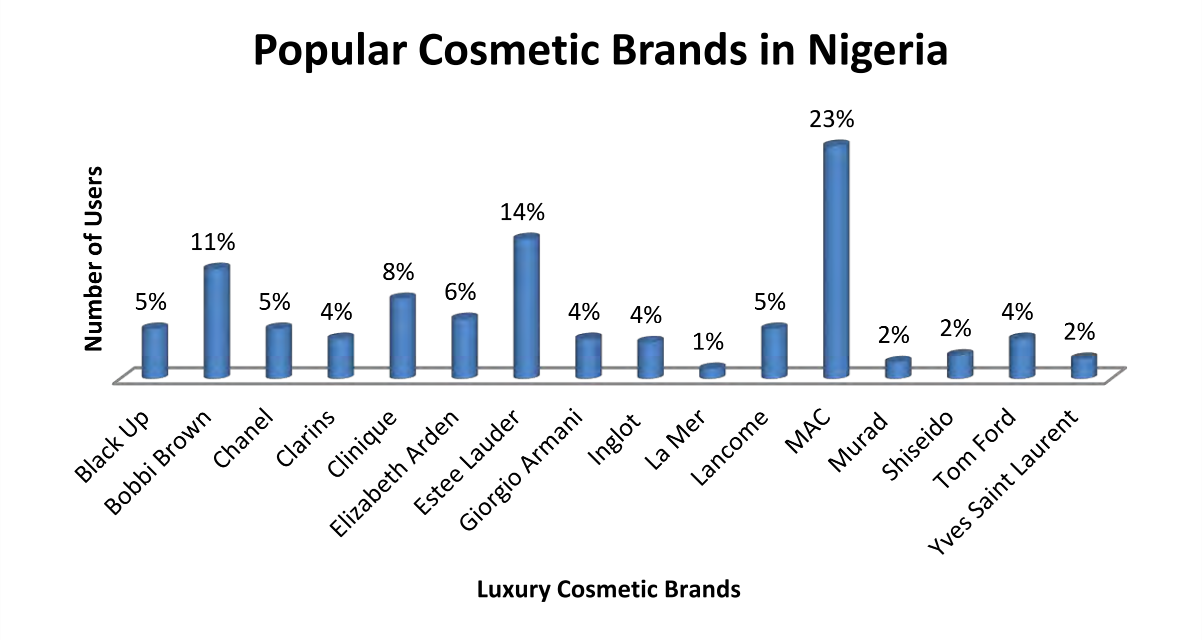


Figure 4-8: Popular cosmetic brands in Nigeria

The illustration in Figure 4-8 shows the respondents preference to luxury cosmetic brands in question 8. The bar chart representation clearly indicates that MAC, Estee Lauder and Bobbie Brown rank top three for the consumer in Nigeria.

4.9 Purchasing Frequency of Product Groups

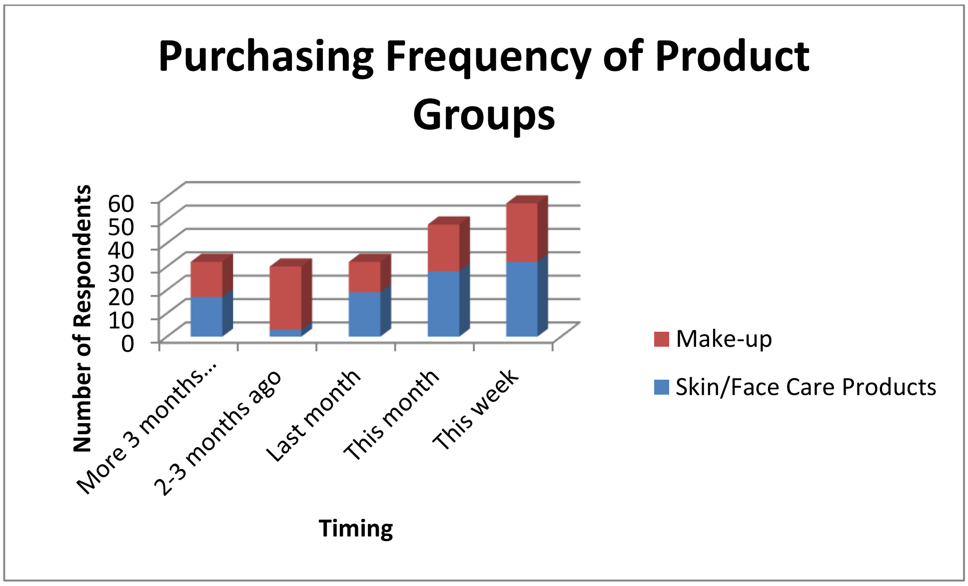


Figure 4-9: Purchasing frequency of product groups

Rendered in Figure 4-9 is the stacked bar chart representation of question nine which is an overlap to question 7. On the Y axis is the number of respondent's vs the X axis that reflects the timings in the year for the last quarter. The timing of the year for luxury cosmetics increases over month end weeks and especially closer to the festive season. Based on the data 32 respondents purchased skin /face care in the last week whilst 25 purchased make up during the same time period. For Make up 27 candidates purchased 2-3 months ago

4.10 Last Product Purchased

Figure 4-10: Last purchase of skin care

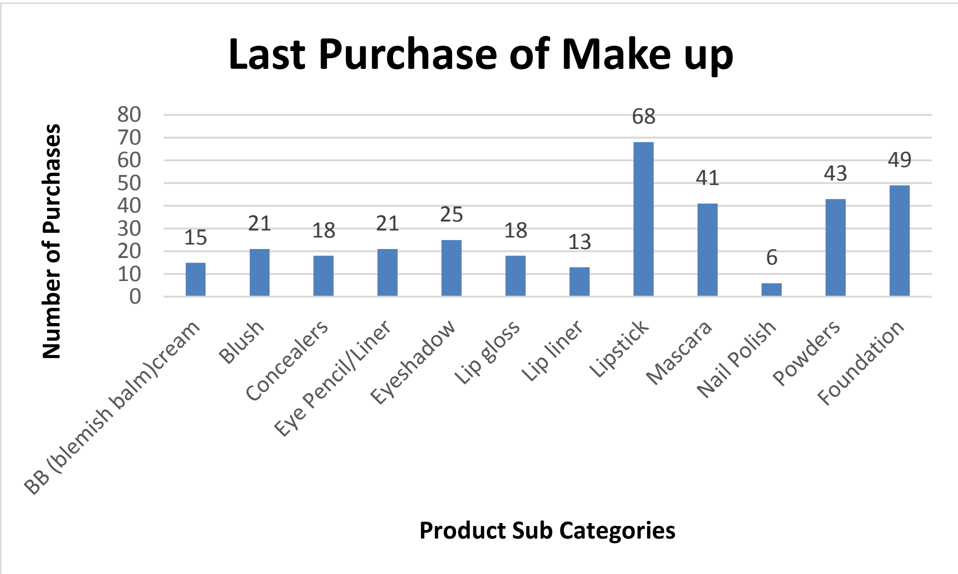


Figure 4-11: Last purchase of make up

A bar chart was used above to highlight the common products purchased within each product group. For Skin Care the top three products purchased were Cleansers/ Soaps, Moisturisers and Dark Spot Pigmentation along with Repair Serums were joint with

For Make Up, Figure 4-11 the top three products purchased were Lipstick, Foundation and Powders.

5.11. Consumer Spend

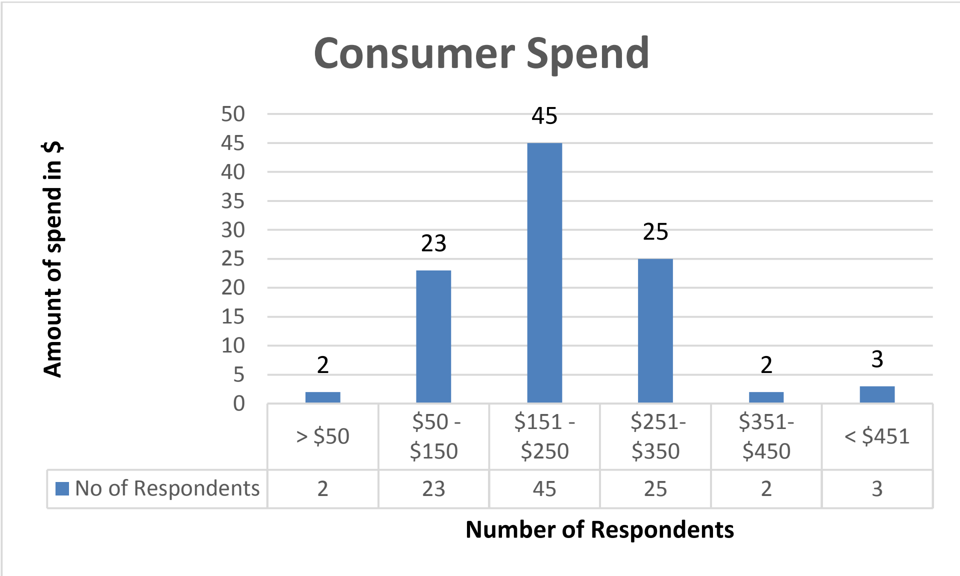


Figure 4-12: Consumer spend

In Figure 4-12 the consumer spend as per the consumers last purchase is portrayed for question 11 using the ordinal scale. 45 of the respondents have answered in the range of $151-$250 spent on their luxury cosmetic purchases.

4.11 The importance of Promotions

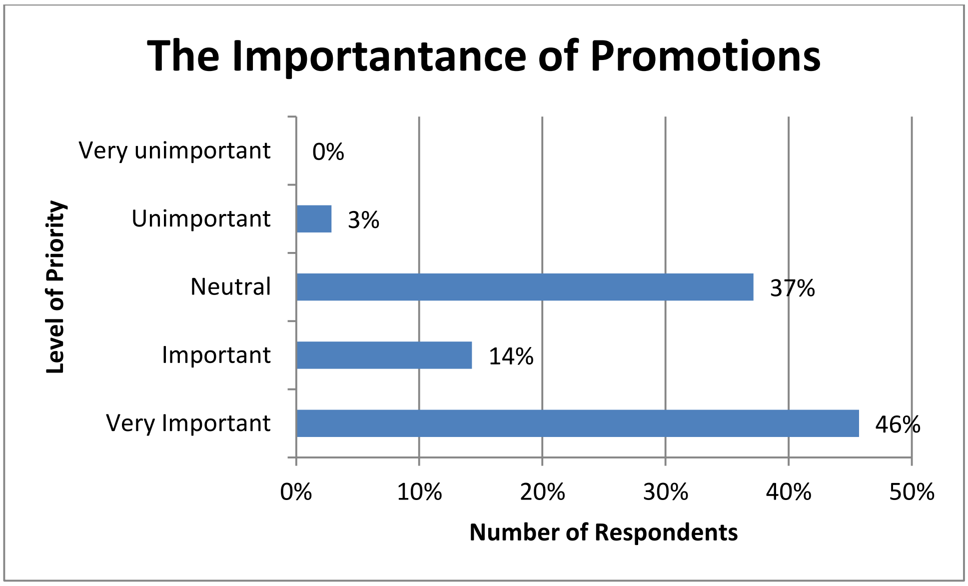


Figure 4-13: The importance of promotions

The bar chart above is a representation of question eleven using a Likert scale to gauge the importance of promotions to the luxury consumer. The data reflects that 46% of consumers felt that promotions were important whilst 37% felt neutral.

4.12 Factors that impact Purchasing Decisions

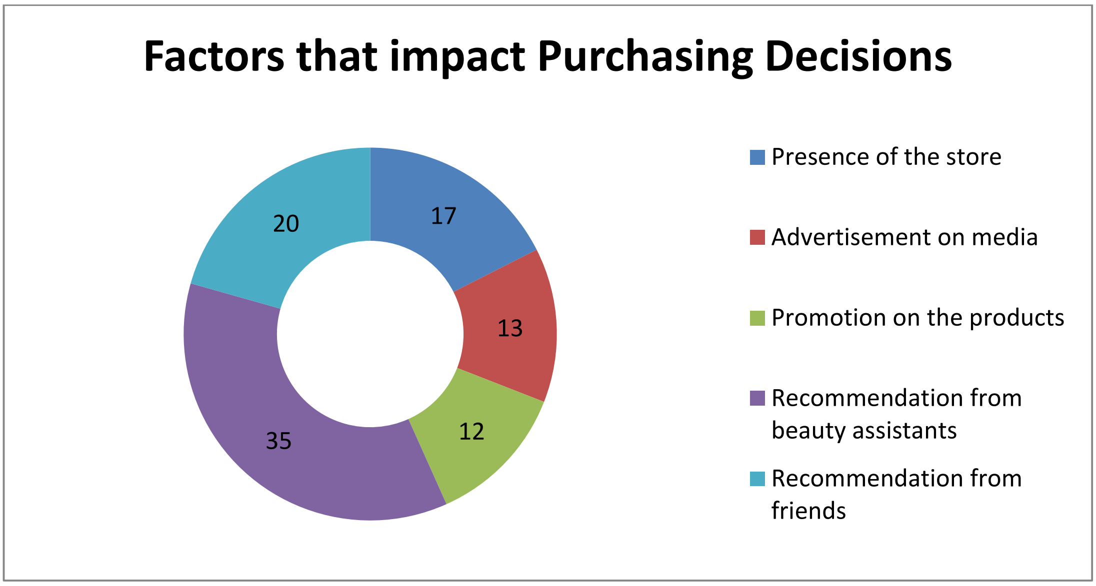


Figure 4-14: Factors that impact purchasing decisions

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Analysis of the date reflected that 35 respondents considered recommendations from beauty assistants as a factor that impacts purchasing decisions. Three respondents did not answer the question incorrectly hence exclusion from this question.

4.13 Product Knowledge

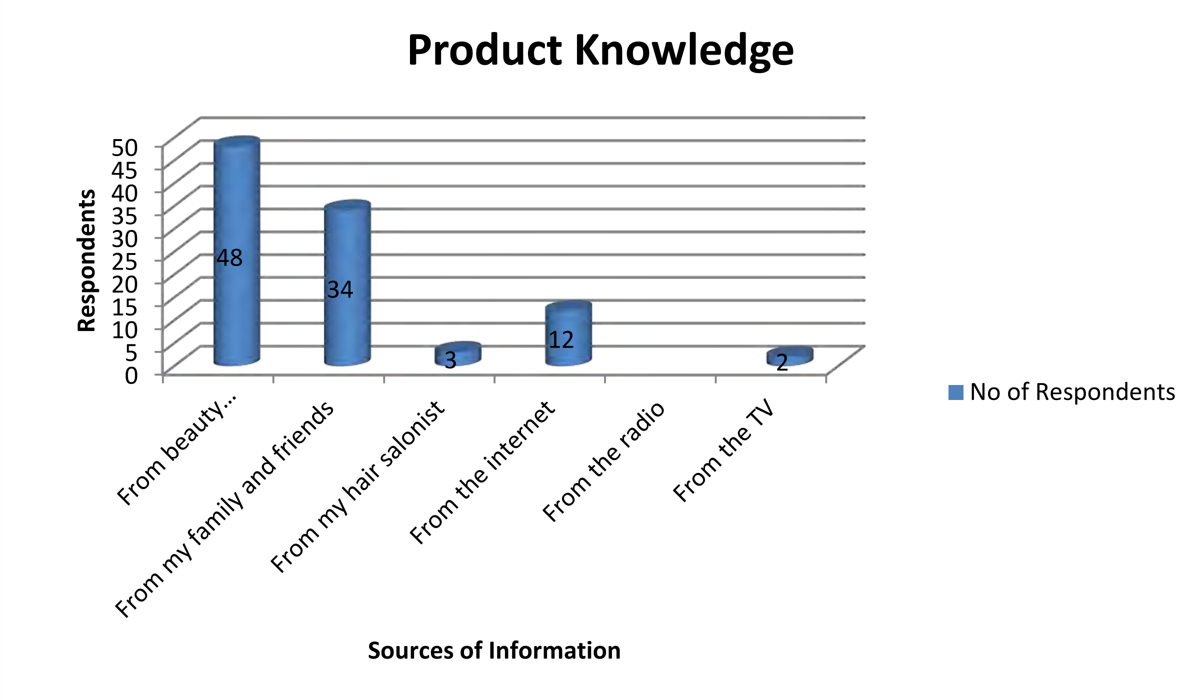

Figure 4-15: Product knowledge

In Figure 4-15 using a bar chart to analyse the date depicted in the bar graph indicated that 48 respondents gained knowledge about a product from a beauty advisor as compared to the 12 respondents that gained information from the internet.

4.14 Above the line marketing influencers

Figure 4-16: Influencers when selecting a brand for luxury cosmetics

Represented in Figure 4-16 are the marketing above the line influencers. Using the pie chart to interpret the data analysis clearly indicated that beauty blogs hasn't the highest influence on purchasing decisions.

3 respondents had not answered the question

4.15 Trustworthy source of information

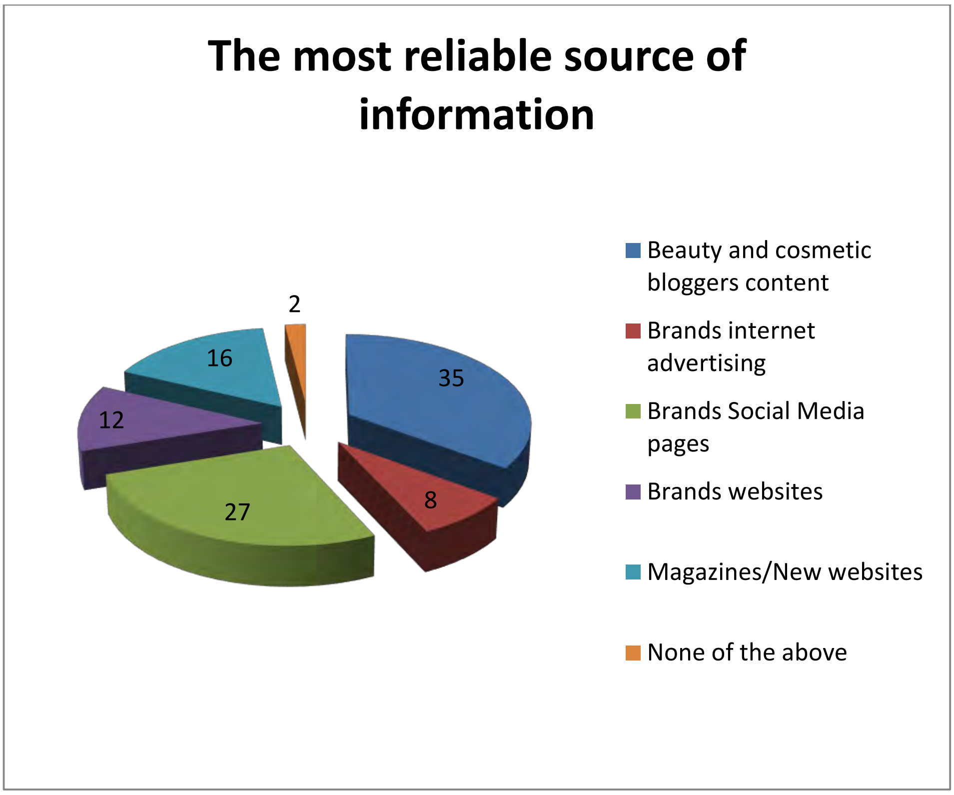

Figure 4-17: The most reliable source of information

Depicted in Figure 4-17 are the reliable source to gather product information on luxury cosmetics, beauty and cosmetic bloggers rank the most reliable with 35 respondents selecting this option.

4.16 Online Purchasing

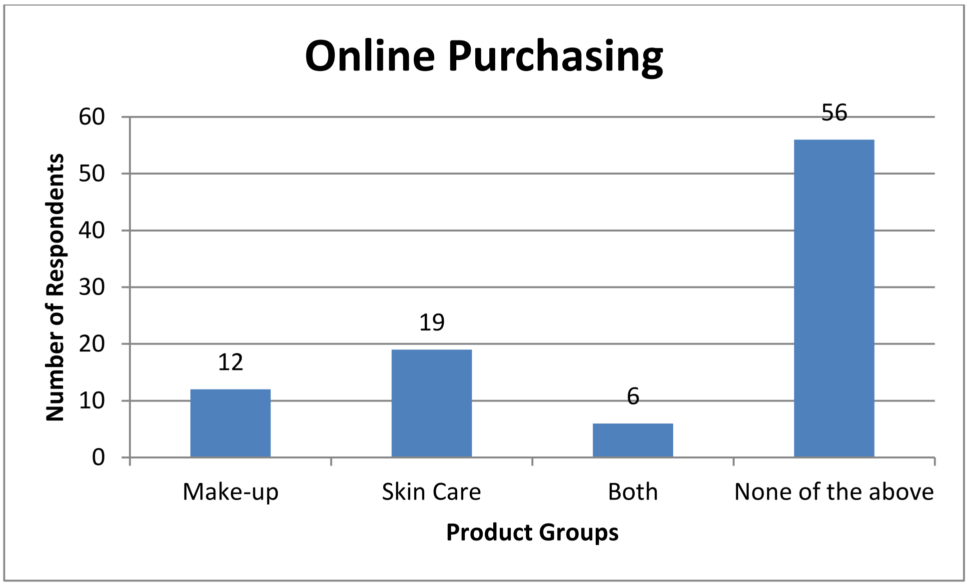

Figure 4-18: Online purchasing

In Figure 4-18 by means of representing in a bar chart using a nominal scale, data analysed revealed that 56 respondents will not be willing to purchase on line for Luxury cosmetics. Skin care had a higher opportunity than make care at 19 vs 12.

5 RECOMMENDATIONS AND CONCLUSIONS

5.1 Introduction

Based on the sample size and the instrument utilised the researcher was fortune to gain a 100% response rate. The information was gathered during a peak time in store and especially the build up for the festive season the traffic flow in stores have increased based on the original assumption done by the researcher.

Of the 100 responses gathered 3 were incomplete, 9 participants did not complete the last question and 3 respondents did not understand question 13 hence having answered it incorrectly. Overall for most questions there was a 97% response per a question.

5.2 Conclusions on the study's results

Having concluded an in-depth research on literature available in comparison to the data analysed its evident the demand for luxury cosmetics have increased. Consumers are aware of the benefits associated with luxury products vs. the mass market products available on the shelves of supermarkets. They are also making informed decisions based on the information available on social media.

5.3 Recommendations of the study

The points below in detail the recommendations of the study linked to the objectives identified at the outset:

5.3.1 The first objective: who the luxury cosmetic user is in Nigeria.

The purpose of this was to analyse who shop the luxury cosmetic segment in Nigeria.

Fig 5.1 indicated that majority (66%) of the luxury cosmetic users are within the 18-35 age group. These are the millennial consumers that makes very informed and educated decisions. Also important to consider in the Nigerian context, Sub Saharan Africa has the highest population of youth in the world so the data gathered for this question is in line with statics presented in chapter two.

Further to the analysis most respondents have a full time job and 31% of the respondents earn between 132,001 – 379,000 naira which equates to $660 - $1897. These are the emerging middle class that are entering the workplace, increasing disposable income, increasing urbanisation, more females entering the workplace hence in line with the justification of the demand for luxury cosmetics.

Knowing the age group of the luxury cosmetic consumer assists the researcher to build a strong marketing plan to target these specific groups.

Studies indicate that factors like demographics with regards to age, income etc. are factors that gain a competitive advantage over competitors in a market. Gender also plays a significant role in consumer behaviour (Pentz,Terblanche and Boshoff, 2014)

Income levels are important to consider in the luxury segment. As people earn more they tend to travel more and are exposed to more variety of products and services on an international scale. Their expectations and attitudes change as compared to those that do not travel or have not been exposed to any different to current norms in their market.(Pentz, Terblanche and Boshoff , 2014) what marketers can also see from income levels are the level of education which links to purchasing habits, the educated office worker will focus more on her image and touch up her make up before meetings. Income levels also indicate the amount of spend available on luxury goods. (Khraim, 2010). Low income groups will tend to focus on basics first before moving onto any additional. Whilst identifying the emerging middle class and higher income groups shows a marketer whom to focus on and what communication elements to utilise to target these segments.

Mckinsey and company published a report titled Daring dreamers (Mckinsey &Co: 2013) were they zoned in on the youth in Africa and the opportunity this brings to the continent. From this report they bring a new look at entrepreneurship and what that means for the economy in Africa. The youth are risk takers compared to the past, they are tech savvy, empowering themselves in terms of education and image conscious.

Previous studies indicated that Generation Z (Born between 1991 – 2002) would gather information from the internet, magazines or music videos. However todays times Generation Z has shifted their means of media usage to YouTube videos, award shows, sitcoms or series. (Jain, Vasta and Jagani, 2014) The impact this has on marketing teams are their communication plans need to be adjusted to meet the requirements of the changing consumer. For example mobile applications are fast gaining traction as most luxury brands have an app that can be shopped online.

5.3.2 The second objective of this research study: Establish the usage and consumption patterns

The importance of knowing product usage is an opportunity to understanding the customer needs to build useful products. The data between questions 4- 6 helps the researcher to understand when the products are used by the consumer and how often. A supplier may know the benefits their product can provide but how the consumer uses a product may differ which may not achieve the desired results. This links back to identifying the problem which is the first step in the buying decision process for the consumer. Product benefits are to be adapted to customer habits or in the case of this research it's evident that consumers use a combination of skin/face care and make up reflected in question 4 at 67%. However in question 6 skin /face care reflects that respondents have morning and night ritual whereas makeup has room for opportunity in this segment. With a good education drive via beauty consultants this could be an opportunity to drive this category.

The reinvestment of information to make better and improved product decisions can be built into the strategy for organisations for the benefit or short term and long term wins. Product innovation is what sets brands apart. Consumers today are looking for convenience, they are focusing on the healthy organic trends in products, and more youthful looking skin is a reflection on the person itself. Consumers know what they want and are willing to pay the price for quality and value for money but at the same time in luxury purchasing comes good customer service which needs to be tailored to the market and consumer specifically.

Tailoring locally relevant and quality products for Africa is critical for brands going into Africa. (Mckinsey, 2014)
The youth of Africa are different by each market hence each market requires a local strategy by market as the needs differ. The humidity of the African climate for example is a critical factor to be considered for skin care products as well as make up. In the European Markets waterproof make up is huge for consumers that enjoy water sports whereas the need in Africa is for waterproof and long lasting make up based on the climate. The need for darker shades of make up for the African consumer leads to revised product line ups which result in by door strategies in Africa. High expatriate locations would need a full product assortment versus the rural locations that would not need lighter shades of make-up but the demand for the darker shades would be higher.

In the data gathered and analysed for this project we see the demand for products that focus on pigmentation and repair serums relate back to the climate and the need for skin protection. Whitening and lightening products are on the increase in Africa, as the lighter skinned female's feel of higher status. Harm chemicals and skin peels are being used resulting in long term skin damage.

With luxury cosmetic goods in an infancy stage in Africa, first mover advantage is an opportunity for big brands like Estee Lauder, L'Oreal and Chanel. By capturing the market first as new launches and product innovation filters through they customers will stay loyal to a brand.

As discussed in the literature review as well as in the first objective due to the increase in education and growth in Generation Z, the youth are very in tuned with celebrities and fashion shows which has sparked a trend in male grooming. A large portion of the male respondents in this study had a morning and night ritual for skin care. This leads to opportunities for cosmetic houses as they develop products for this target market

5.3.3 The third objective of this research: understand the purchasing frequency of luxury cosmetics.

In Fig 5.7. – 5.11. In order to determine the volume or demand for luxury cosmetics two points needed to be considered:
Purchase frequency
Average purchase size in terms of value

These two points leads to the success of a brand in a market. Improving frequency has a gigantic impact on brand volumes and returns. Knowing the competitor and their product offerings sets leaders apart
Repetitive purchases also leads to brand loyalty especially in an emerging market where luxury brands are setting up stores for the first time in Africa, it's all about building that long lasting relationship
Store operations also needs to be adapted to purchase frequency in terms of the number of available staff to assist during peak hours as well as the merchandising of stock to ensure no Out of stocks or loss sales

The Nigerian luxury consumer is well travelled hence the expectation for the service and product are to be of international standards. Many brands expanding their footprint into Africa are ensuring that the similar guidelines are followed and localised if need be with the brand guidelines. The strategy for luxury cosmetic supplier Estee Lauder Companies are to ensure a customer walking into any of their Nigerian stores receive the same experience they would versus their Paris and London stores. On line shopping has become a trend that's increasing in Africa, Kenya introduced M-Pesa which is virtual money. In data collected for this research study Nigerian consumers were not willing to purchase their cosmetic products online they were keener to purchase skin care but not make up.

Deloitte conducted a study that revealed the luxury consumer would prefer to touch, feel or smell a product before purchasing – so engaging with a product or brand before making a final decision.(Deloitte, 2015) further to being able to engage with a product international travel allows for the purchase of limited or once of luxury items it also allows for exposure to different cultures

Due to healthy urbanisation and development of formal trade in shopping mall formats the demand for retail space has increased. The fight for hot spots in malls are increasing and retailers are spending high amounts to be given the best locations. (Mckinsey, 2014) brands also need to be wary of locations in terms of it being in line with their right target market

Previous studies confirm that females prefer spend longer in stores shopping for luxury goods then males. Males consider shopping for luxury items based on occasion versus females whom love shopping for luxury and gaining a good deal on price. Females enjoy shopping during sales versus males who demise the crowds and long queues to pay. (Jain, Vasta and Jagani, 2014). Hence store layouts are important, understanding the shopper traffic flow in store and being able to map the store layout is important to ensure the ease of locating an item for convenience.

5.3.4 The fourth objective of this research is: understand the factors that impact or affect the purchasing decisions a consumer makes.

In the literature review the researcher discussed the buying decision process and the impact the 5 P's has on the buying decision process.

- *Promotions*

During the past two decades the world has become more and more global, as domestic markets have become saturated and companies have become more international. The ideal strategy in the transition to the international marketplace would be to produce, package and sell the exact same product that was sold in the domestic market (Weber, 2002)

The single most important consideration to today's savvy brand manager is how to add value to a brand. This is especially true in the highly competitive context in which most brands compete today. Any company that seeks to have superior market share, gain high profitability through its products and challenge competitors in their

product category for market dominance, has to establish a brand that has the respect, loyalty and admiration of its consumers (Dahlen, Lange & Smith, 2010). The proliferation of brands on the market and the ease with which these brands can be accessed by consumers has made it impossible for marketers to give little or no attention to the value of extensive marketing of their brands.
High levels of marketing communications, which result in sustained brand awareness, have to be maintained if brands are to stay relevant to consumers. A vital element of this marketing process is continuity and consistency in marketing communications, which can be achieved by integrating the communications of a brand (Percy, 2008). Research suggests that this is essential when brand familiarity is necessary in order for a consumer to consistently pick that brand over others.

Integrated marketing communications (IMC) is defined as "the process of managing all sources of information about a product/service to which a customer or prospect is exposed, which behaviourally moves the consumer toward a sale and maintains customer loyalty" (Reinold & Tropp, 2012). This is a marketing strategy that recognises that the combined effect of various communications tools used in conjunction with each other will result in higher brand awareness and subsequently positive brand image. This synergistic type of communication not only contributes to brand awareness but to brand equity, which is the intangible value of a brand (Keller, 2008). This is due to the fact that consistent and continuous positive communications about a brand can lead to consumers themselves adopting these views of the brand as theirs and therefore think positively of those brands.

Top of mind for the majority of females and evidently males today is the pursuit of eternal youth. They have adopted healthier lifestyles and made more conscious purchasing decisions mainly driven by advanced social media platforms. These educated decisions have led to the use of more flamboyant marketing terms and claims on packaging (Meng, 2012).

Unilever's former CEO and Chairman Niall FitzGerald said " the leading global companies of 2020 will be those that provide goods and services and reach new customers in ways that address the world's major challenges including poverty, climate change, resource depletion, globalization and demographic shifts”(Tschang, 2011).

This identifies a gap in literature in terms of marketing to the African consumer with regards to luxury goods specifically. Many South African giants are expanding into Africa but with the wrong strategy, copying and pasting what works in South Africa will not work in Africa. Thus a cosmetic brand like Estee Lauder or L’Oreal expanding into Africa will require an analysis of the consumers purchasing behaviour in the cosmetic market and thereafter tailoring an IMC specific to the market.

From the data analytics in this research 46% of respondents ranked promotions as important whilst 37% indicated that they were neutral. Once a customer is loyal to a brand they become loyal to the company that produces it which leads to loyalty as additional products are launched (Cebisa, 2007)

- *Beauty Specialist/Assistants*

Salespersons play a critical role in the decision making process as they show consumers different ways in which to use the products as well referencing back to a possible advertisement and how to create the exact look. (Kumar, John and Senith: 2014)
Skilled workers add value to the overall product or service (Ward and Chiari, 2008)

Consumers entering the luxury cosmetic stores in Africa anticipate the same service they received when shopping internationally. Hence the need for training and the standard of service to be consistent.

Skilled employees are limited in Africa due to the lack of business and training institutions (Burger, 2014). In the cosmetic industry there are limited schools that train in the beauty field hence the recruitment for candidates are difficult for international brands entering the market. Most potential individuals are self-taught having watched tutorials off YouTube, Instagram and other social media platforms. Training and HR departments have to collaborate and recruit from other fields such as artists, photographers or fashion designers. These individuals are seen as creative spirits that have an eye for colour in terms of selling make up. With proper training they are able to develop into make-up artists that are brand ambassadors for colour cosmetic companies like MAC, Inglot, and L'Oreal.

Considering the above implications organisations need to factor these elements of recruitment and training into their project timelines and go to market strategies. Over and above recruitment and training retention needs to also be considered as entrants of competing brands enter the market those already recruited and trained become viable candidates for these competing companies. Organisations need to build talent pools in each market and ensure developmental plans are in place. As expansion into Africa takes place the existing teams need to be promoted to ensure succession planning takes place. Having to recruit, train and retain millennia's organisations need to understand this current workforce and their desire to grow in company's at a rapid pace.

- *Social Media*

Social media has given consumers and brands a new voice. (Deloitte, 2014). Recent studies reflect that mobile penetration have had incremental growth across the continent.

Application based branding is giving new meaning to the way organisations interact with their consumers, it gives them the opportunity to story tell by sharing the history and vision behind the brand which resonates with the consumers need to connect and feel part of the brand they consume. Louis Vuitton, Nike and Gucci are some of the leading luxury brands that have Instagram accounts with millions of follows. (Deloitte, 2014)

Luxury brands need to play in the field that their consumers do, brand strategies need to incorporate an online element. Along with the expectation of service and in store experience comes the eRetailer. Brand pages need to be updated regularly to reflect the latest trends and collections available to shop immediately. The navigation, layout and ease of shopping process need to be considered for the African market in terms of currency considerations and language. In Kenya and Nigeria eRetailers such as Jumia and Konga have reached out to consumers in remote locations. These two platforms have generated more income than store based formats.

The pressure of supplier entering Africa is the supply of collections in the month of launch, with sever challenges in the market, marketers have to plan efficiently. With limited collections that are launched in the luxury cosmetics market this news explodes across social media platforms creating the hype and excitement hence the follow through at store level is important. The link between Marketing, Sales, PR and store operations have to be in sync.

- *Non-traditional media*

Word of mouth is still a medium that is gospel to the African consumer. Referrals and sharing of information via friends and women groups are considered reliable and trustworthy. These factors are imperative when considering the search for information step in the buying decision process.

5.4 Future Study Recommendations

Where there is more budget available I would recommend any student inspired in this topic to explore other markets in Africa and compare the findings of this research.

5.5 Contribution of the study

This study has contributed in building the foundation to understanding the Sub Sahara cosmetic user. Building the knowledge of how this segment is shopped and who the consumer is. Much of the information in this document could give insight into the market, the challenges marketers face and enough information to build a solid integrated marketing campaign

5.6 Summary

Based on the limited body of literature available on the topic, the research aimed to understand the purchasing patterns of luxury cosmetic users in Africa. The scope of the study was limited to consumers in Nigeria specifically due to budget and time constraints. The purpose of the study is to understand the purchasing patterns of the African consumer and identify any opportunities in relation to the buying decision process.

Quantitative data was collected via a questionnaire and targeted the luxury cosmetic user entering the Estee Lauder Companies stores in Nigeria. Data collected was further analysed to understand who the Nigeria Luxury Cosmetic user is , how often he/she uses their product , what was the consumers purchasing frequency as well as what influenced him/her to purchase.

Recommendations were made in relation to the buying decision process and it was further recommended to extend this research to other African markets within Sub Sahara Africa

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Appendix A : Informed Consent Letter

Informed Consent Letter 3C

UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP

Dear Respondent,

MBA Research Project
Researcher: Kajal Bechan (082 612 4403)
Supervisor: Prof Anesh Maniraj Singh (031- 2607061)
Research Office: Ms P Ximba 031-2603587

I, Kajal Bechan an MBA student, at the Graduate School of Business and Leadership, of the University of KwaZulu Natal. You are invited to participate in a research project entitled A Comparison on Luxury Cosmetic Product Purchasing Patterns of Consumers in Sub Sahara Africa. The aim of this study is to: understand the buying patterns of the African consumer on luxury cosmetics

Through your participation I hope to understand the decision process that consumers in the luxury cosmetic sector undergo in Africa. The results of the questionnaire are intended to contribute towards as part of my fulfilment to a MBA degree at the University of Kwa -Zulu Natal, completion of an Investigational Research Project

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this survey/focus group. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business and Leadership, UKZN.

If you have any questions or concerns about completing the questionnaire or about participating in this study, you may contact me or my supervisor at the numbers listed above.

The survey should take you about eight to ten minutes to complete. I hope you will take the time to complete this survey.

Sincerely

Investigator's signature___________________________________ Date_________________

UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP

MBA Research Project
Researcher: Name (Telephone number)
Supervisor: Name (Office Telephone number)
Research Office: Ms P Ximba 031-2603587

CONSENT

I……………………………………………………………………………(full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project.
I understand that I am at liberty to withdraw from the project at any time, should I so desire.

SIGNATURE OF PARTICIPANT DATE

……………………………………………………………………………………………

Appendix B: Questionnaire

<table>
<tr><td>1)</td><td>What is your age?</td><td>• 18-20
• 21-25
• 26-30
• 31-35
• 36-40
• 41-45
• 46-50
• 51-55
• 56-60</td></tr>
<tr><td>2)</td><td>What is your employment status?</td><td>• Full time job
• Part time or occasional job
• Does not work
• Student
• Housewife
• Pensioner
• Prefer not to answer</td></tr>
<tr><td>3)</td><td>What is your average household income per month?</td><td><u>Nigeria:</u>
<NGN 9,500
NGN 9,501 - 18,800
NGN 18,801 - 28,200
NGN 28,201 - 38,000
NGN 38,001 - 56,600
NGN 56,600 - 76,000
NGN 76,001 - 105,000
NGN 105,001 - 132,000
NGN 132,001 - 161,000
NGN 161,001 - 189,000
NGN 189,001 - 284,000
NGN 284,001 - 379,000
NGN 379,001 - 568,000
NGN 568,001 - 758,000
NGN 758,001 - 947,000
NGN 947,001 - 1,326,000
>NGN 1,326,000
Prefer not to say</td></tr>
<tr><td>4)</td><td>Which of the following product groups have you used in the last 3 months?</td><td>• Skin/Face Care Products
• Make-up
• Both
• Neither</td></tr>
<tr><td>5)</td><td>How often do you use the following product groups?</td><td>Topics:
Skin/Face Care Products
Make-up
<table><tr><th></th><th>Everyday</th><th>4-6 times a</th><th>1-3 times a</th><th>Once a week</th><th>Once a</th><th>Never</th></tr></table></td></tr>
</table>

		week	week		month	
Skin Care						
Make Up						

6) When do you usually use the following categories?

Topics:
Skin/Face Care Products
Make-up

	Morning and Night	**Morning Only**	**During the day**	**Before meetings**	**At night**	**Never**
Skin Care						
Make Up						

7) Which one of the following categories have you bought within the last 12 months?

- Skin/Face Care Products
- Make-up
- Both
- None of the above

8) Which of the following brands are your top 3 favourites?

- Black Up
- Bobbi Brown
- Chanel
- Clarins
- Clinique
- Elizabeth Arden
- Estee Lauder
- Giorgio Armani
- Inglot
- La Mer
- Lancome
- MAC
- Murad
- Shiseido
- Tom Ford
- Yves Saint Laurent

None of the above

9) When was your last purchase for beauty products?

	More 3 months ago	**2-3 months ago**	**Last month**	**This month**	**This week**
Skin Care					
Make Up					

10) What did you

Skin/Face Care products:

buy on your last purchase?	• Anti-Wrinkle/Aging • Cleansers/Soap • Dark Spot/Pigmentation • Exfoliators • Masks • Moisturizers • Repair serums • Toners • Whitening face cream <u>Make up</u> • BB (blemish balm)cream • Blush • Concealers • Eye Pencil/Liner • Eyeshadow • Lip cream • Lip gloss • Lip liner • Lipstick • Mascara • Nail Polish • Powders • Foundation
11) During your last purchase, how much did you spend in total?	• $50 - $100 • $101 -$150 • $151 - $200 • $201-$250 • $251-$300 • $301-$350 • $351-$400 • $401-$450 • $451-$500

<table>
<tr><td>12) How important are promotions when you purchase cosmetics products?</td><td>• Very Important
• Important
• Neutral
• Unimportant
• Very unimportant</td></tr>
<tr><td>13) On a scale of 1 to 5 how much does the following motivate you to make purchases for cosmetics?</td><td><table>
<tr><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>On a scale of 1 to 5 (5 being the most important) how much does the following motivate you to make purchases for cosmetics?</td><td>Presence of the store</td><td>Advertisement on media</td><td>Promotion on the products</td><td>Recommendation from beauty assistants</td><td>Recommendation from friends</td></tr>
</table></td></tr>
<tr><td>14) Where did you hear about the products that</td><td>• From beauty specialist/assistant
• From my family and friends</td></tr>
</table>

you use?	• From my hair salonist • From the internet • From the radio • From the TV
15) What influences you most in choosing a brand for cosmetics?	• Beauty and cosmetic blogs • Magazines ad • Outdoor ads • Radio commercials • Social media • TV commercials • Word of mouth • None of the above
16) What of these do you trust the most in terms of getting information about the brand/product?	• Beauty and cosmetic bloggers content • Brands internet advertising • Brands Social Media pages • Brands websites • Magazines/New websites • None of the above
17) Which products would you be comfortable purchasing online?	• Make-up • Skin Care • Both • None of the above

Appendix C: Gate Keepers Approval

4 Kyalami Boulevard
Kyalami
P.O. Box 786132
Sandton 2146
South Africa
Tel: 011 516 3000

ESTĒE LAUDER COMPANIES

To whom this may concern:

I Aslam Gause have given Kajal Bechan permission to conduct studies within the Estee Lauder Stores in Sub Sahara Africa.

We understand that she is pursuing her MBA degree at the University of Kwa Zulu Natal. She will complete a 100 questionnaires in the following markets, Nigeria, Kenya and Zambia and Ghana. There will be no funding from the Company; she will conduct this study at her own expense and personal time.

Kind Regards

Aslam Gause
Operations Manager
Sub-Sahara Africa

Estee Lauder Companies (Pty) Ltd. Reg. No. 1978/002327/07
Directors: S.E. Moss (USA), Tracey T. Travis (USA), Managing Director: S.M.S. Fox (UK)

Appendix D: Ethical Clearance

UNIVERSITY OF KWAZULU-NATAL
INYUVESI YAKWAZULU-NATALI

03 December 2015

Ms Kajal Bechan (200309613)
Graduate School of Business & Leadership
Westville Campus

Dear Ms Bechan,

Protocol reference number: HSS/1676/015M
Project title: A comparison on Luxury Cosmetic Product purchasing patterns of consumers in Africa

Full Approval – Expedited Application

In response to your application received on 13 November 2015, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol have been granted **FULL APPROVAL.**

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

Dr Shamila Naidoo
On behalf of Dr Shenuka Singh (Chair)

/ms

Supervisor: Dr Muhammad Hoque
Academic Leader Research: Dr Muhammad Hoque
School Administrator: Ms Zarina Bullyraj

Humanities & Social Sciences Research Ethics Committee
Dr Shenuka Singh (Chair)
Westville Campus, Govan Mbeki Building
Postal Address: Private Bag X54001, Durban 4000
Telephone: +27 (0) 31 260 3587/8350/4557 **Facsimile:** +27 (0) 31 260 4609 **Email:** ximbap@ukzn.ac.za / snymanm@ukzn.ac.za / mohunp@ukzn.ac.za
Website: www.ukzn.ac.za

1910 - 2010
100 YEARS OF ACADEMIC EXCELLENCE

Founding Campuses: Edgewood, Howard College, Medical School, Pietermaritzburg, Westville

Appendix E: Questionnaire Design

Section	Question	Information Type	Measurement Scale	Functionality	Intent
1	1	Demographics	Ordinal	Single Selection	To understand the age group
	2	Demographics	Ordinal	Single Selection	To understand the type of consumer shopping the categories
	3	Demographics	Ordinal	Single Selection	To gauge who is the luxury cosmetic consumer
2	4	Product Usage	Nominal	Single Selection	Determine which product group is most used
	5	Product Usage	Nominal	Single Selection	Determine how often the product group is most used
	6	Product Usage	Nominal	Single Selection	Determine when the product group is most used
3	7	Purchasing Frequency	Nominal	Single Selection	Determine how often the consumer purchases
	8	Purchasing Frequency	Nominal	Single Selection	Determine the consumers favourite brands
	9	Purchasing Frequency	Nominal	Single Selection	Determine when the last purchase was made

Section	Question	Information Type	Measurement Scale	Functionality	Intent
	10	Purchasing Frequency	Nominal	Single Selection	Determine what product was purchased
	11	Purchasing Frequency	Nominal	Single Selection	Determine how much was spent during the shopping trip
4	12	Purchasing Decisions	Nominal	Single Selection	Understand the impact on promotions
	13	Purchasing Decisions	Ordinal	Ranking	Understand what motivates purchases
	14	Purchasing Decisions	Nominal	Multiple Selection	Understand who influences the shopper
	15	Purchasing Decisions	Nominal	Multiple Selection	Understand the role of media and education
	16	Purchasing Decisions	Nominal	Multiple Selection	Understanding the impact of social media vs purchases
	17	Purchasing Decisions	Nominal	Single Selection	Gain insight into the Zambian consumer shopping online

Turnitin Report

ORIGINALITY REPORT

10%	8%	1%	7%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS