

“Comprehensive Study of Distribution Channel & Customer Preference towards Cosmetic Brand – Oriflame”

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Abstract: This study aims to analyze the influence of variables of customer satisfaction and customer confidence towards positive word of mouth behavior Oriflame products. This type of research used in this research is explanatory. The sampling technique used in this study using purposive sampling. This study used a sample of 100 consumers who never use Oriflame skincare products. Test results showed that partially, to variable customer satisfaction (X1) significantly influence the behavior of word of mouth positive, and customer trust variables (X2) significantly influence the behavior of positive word of mouth. Simultaneously, customer satisfaction and customer trust have a significant effect on the behavior of positive word of mouth Oriflame products.

Keywords: Customer Satisfaction, Customer Confidence, and Positive Word Of Mouth.

I. Introduction

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. The cosmetics or beauty products industry, globally, is one sector which remains impervious to the ups and downs. Overall sales are affected in the event of an economic downturn. However, one can count on the sales of cosmetics to maintain a certain volume overall. This is because of continuing and growing usage of products by women, and increasingly by men across the world

What is a Distribution Channel?

A distribution channel (also called a marketing channel) is the path or route decided by the company to deliver its good or service to the customers. The route can be as short as a direct interaction between the company and the customer or can include several interconnected intermediaries like wholesalers, distributors, retailers, etc. Hence, a distribution channel can also be referred to as a set of interdependent intermediaries that help make a product available to the end customer.

Customer Preference

While individual consumers may not give much thought to why they prefer one product over another, for businesses and marketers who make a living based on consumer demand, it is pretty much a science. In addition to a product's price and its availability, knowing consumer preferences can predict how likely a product is to sell and how much it can be sold for. Preferences vary from one product to another and the components of those products can each affect preference.

II. Company Profile

Oriflame is a leading beauty company selling direct. We are present in more than 60 countries, of which we are the market leader in more than half. Oriflame has its origin in Sweden with corporate offices in Switzerland. We offer a wide range of high-quality beauty products as well as a unique opportunity to join our sales force and start your own business

WHAT MAKES ORIFLAME UNIQUE? s

Oriflame's business opportunity concept made them unique, i.e., —
Make money today and fulfill your dreams tomorrow!

- 1.1 Easy to join
- 1.2 Personal growth through training.
- 1.3 Quality products at affordable prices.
- 1.4 Easy to do business
- 1.5 Earning and career opportunity.
- 1.6 Direct selling company with human touch.

III. Literature Review

- 3.1 Marketing channel decisions are among the most important decisions that management faces today. Indeed, if one looks at the major strategy of the marketing mix (product, price, promotion and distribution), the greatest potential for achieving a competitive advantage now lies in distribution (Obaji, 2011).
- 3.2 Distribution, as one of four elements of marketing complex, is an inseparable part of marketing decisions which involves all the decisions about distribution of products to the end user.
- 3.3 The issues of distribution were analyzed by a number of marketing specialists (Berman, 1999; Kim, 1996; Delton, 1997; Frazier, 1999; Kotler, 2003; Rosenbloom, 1999; Stern, 2006; etc.), paying a big attention to the elaboration of the procedures of marketing channel design (Gudonaviciene & Alijosiene, 2008).

IV. Objectives Of Study

- 4.1 To study about Oriflame's selling process
- 4.2 To study about GDC of Oriflames.
- 4.3 To study the selling strategy of the company
- 4.4 To study customer preference towards Oriflame products

V. Indentations And Equations

1. Research Methodology

1.1 Data Collection

Data collection plays an important role in research work. Without proper data available for analysis you cannot do the research work accurately.

1.1.1 Primary data The primary data is that data which is collected fresh or first hand, and for first time which is original in nature. Primary data can collect through personal interview, questionnaire etc. to support the secondary data.

Following are the methods of primary data collection.

Observation method

Interview method

Questionnaire

1.1.2 Secondary data collection method The secondary data are those which have already collected and stored. Secondary data easily get those secondary data from records, journals, annual reports of the company etc. It will save the time, money and efforts to collect the data. Secondary data also made available through trade magazines, balance sheets, books etc. **Sample size determination**

1.1.2.1 Sample size restricted to users of Oriflame customers this sample size was determined as 50 as it is selected randomly from the Oriflame Customers.

2. Scope Of Study

The study analyses the Distribution Channel & Customer Preferences and spending styles of people belonging to different of Cosmetic consumers in Nagpur city.

2.1 The present study can be extended to access the present marketing condition of Cosmetic consumers.

2.2 Study how Distribution Channel work for Oriflame.

2.3 The research measures the experiences of customers.

2.4 Gains insights into Customer expectations

3. Limitations

Limitation for the study, the study was restricted to Oriflame, Nagpur only and other being the time as constraint.

3.1 It was difficult to find respondents as they were busy in their schedule, and collection of data was very difficult. Therefore, the study had to be carried out based on the availability of respondents.

3.2 Some of the respondents were not ready to fill the questionnaires and some of them were not ready to come out openly.

There were various kinds of limitations or problems that I had to face while collecting the data information from the various distributor and customers

4. Importance & Significance Of The Study

- 4.1 In this new study, consumers told us cosmetics and personal care products matter: 71% said they are important or very important in their daily lives. Their positive perception extended across a range of goods - from oral, hair and skin care to sunscreens and other cosmetic and personal care products
- 4.2 They very well know the importance of their looks and maintain them by using a variety of cosmetics. Recent research has shown that makeup helps in protection from harmful rays of the sun. Many beauty products manufacturers have utilized the needs of people to protect themselves and their skin from the rays of the sun.

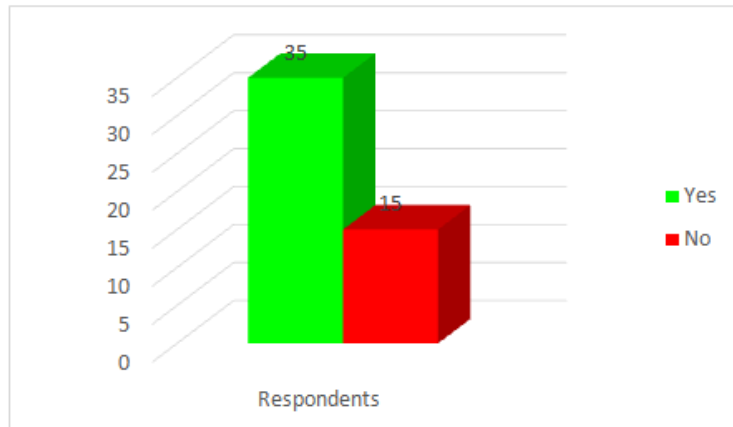
VI. Figures and Tables

1 Data Analysis & Interpretation

1.1 Questionnaire for Distribution Channel of Oriflame

Q1. Are you selling Oriflame Product?

Responds	Respondents
Yes	35
No	15
Total	50

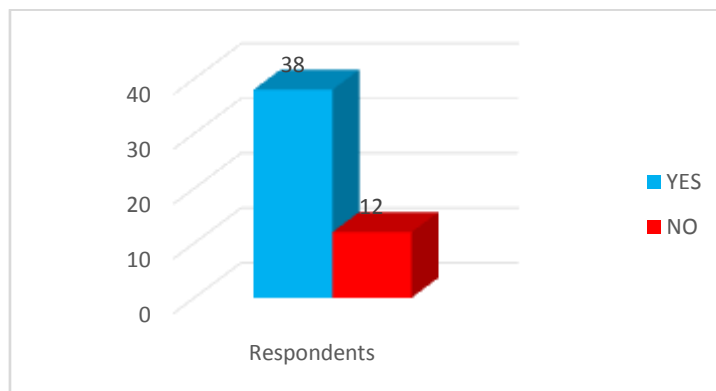


Interpretation:

From the above table shows that 35 respondents said that Yes selling Oriflame product. And rest the 15 respondents said No don't sell Oriflame product.

Q 2. Are you getting information about scheme of Oriflame Product at proper time?

Responds	Respondents
YES	38
NO	12
Total	50

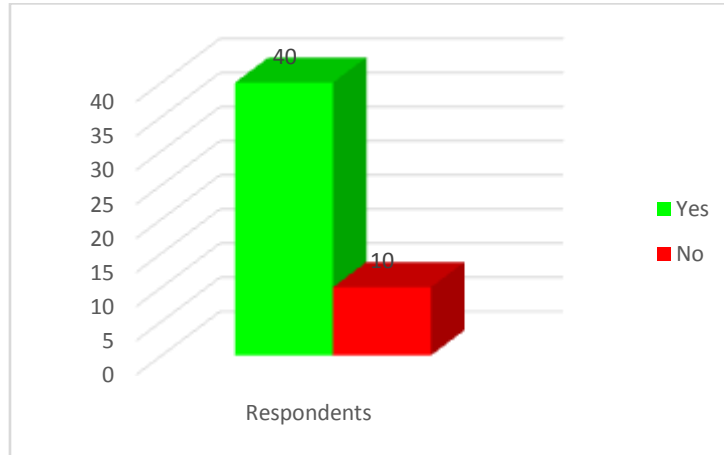


Interpretation:

From the above table shows that 38 respondents said Yes that they getting information about scheme of Oriflame Product at proper time. And rest of the 12 respondents said No that they don't getting information about scheme of Oriflame Product at proper time.

Q 3 . Are you satisfied with the distribution channel of Oriflame Product?

Responds	Respondents
Yes	40
No	10
Total	50



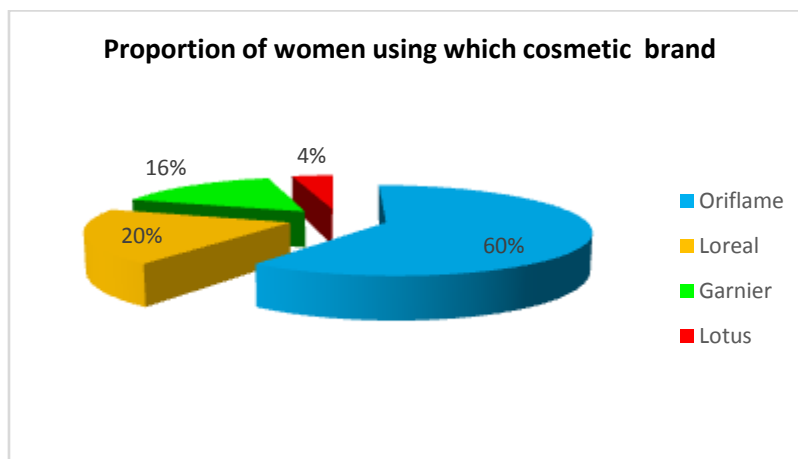
Interpretation:

From the above table it represent that 40 respondents said Yes that they satisfied with the distribution channel of Oriflame Product and remain 10 respondents said No they don't satisfied with the distribution channel of Oriflame Product.

1.2. Questionnaire for Customer Preferences of Cosmetic Product- Oriflame

1. Which company's cosmetics are you using?

Responds	Respondents	Percentage
Oriflame	30	60%
Loreal	10	20%
Garnier	8	15%
Lotus	2	5%
Total	50	100%

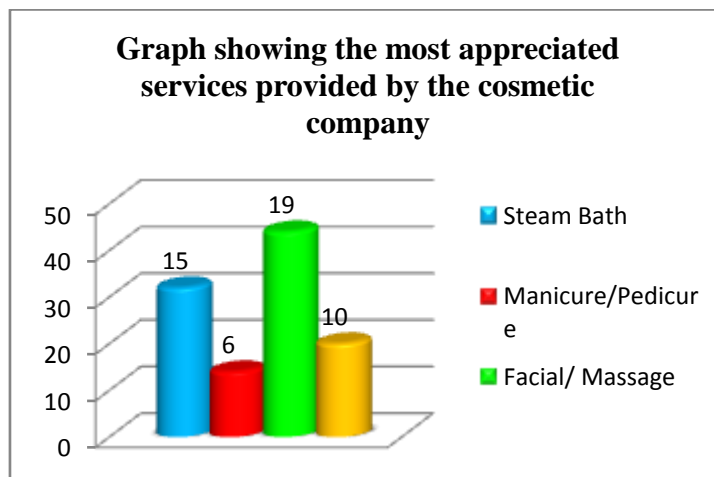


Interpretation:

- 1.1 Out of 100% of population only 60% of ladies are using Oriflame.
- 1.2 Out of the 100% population only 20% ladies are using loreal.
- 1.3 Out of 100% of population only 15% of the ladies are using garnier.
- 1.4 Out of 100% of population only 5% of the ladies are using lotus.

2. What services of your favourite company you appreciate the most?

Responds	Respondents	Percentage
Steam Bath	15	30%
Manicure/Pedicure	6	12%
Facial/ Massage	19	36%
Hair Services (rebounding etc)	10	20%
Total	50	100%

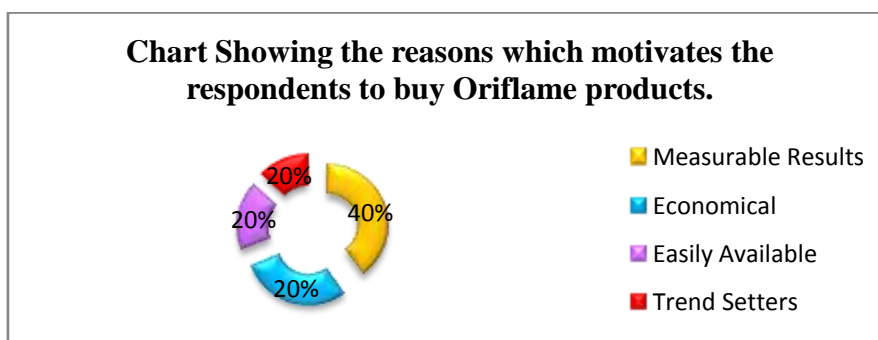


Interpretation:

- 2.1 30% respondents out of 100 respondents like steam bath service.
- 2.2 12% respondents out of 100 respondents like manicure/pedicure.
- 2.3 36% respondents out of 100 respondents like facial/ massage.
- 2.4 20% respondents out of 100 respondents like hair services.

3. What motivates you to buy Oriflame products?

Responds	Respondents	Percentage
Measurable Results	20	40%
Economical	10	20%
Easily Available	10	20%
Trend Setters	10	20%
Total	50	100%



Interpretation:

- 3.1 40% respondents out of total 100 Oriflame respondents use Oriflame products for the measurable results.
- 3.2 20% respondents out of 100 Oriflame respondents use its products as they are economical.
- 3.3 20% respondents out of 100 Oriflame respondents use its products as they are easily available.
- 3.4 20% respondents out of 100 Oriflame respondents use its products as they are trend setters.

VII. Conclusions

- 1 The different information or benefits derived from the in-depth study of the above mentioned information sources are as follows:
 - 1.1 Distribution Channel of towards Cosmetic Brand- Oriflame; it helped to know that what actually is such as promotion, price and product. It also helped us to know that how can Customer Preferences have a positive and a negative impact on the cosmetic Brand- Oriflame.
 - 1.2 All the marketing information sources has given a significant contribution to the detailed theoretical perspective for the research i.e. about Distribution Channel & Customer Preferences towards Cosmetic Brand- Oriflame
 - 1.3 Introduce herbal product lines as the customer is getting more inclined towards herbal products

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