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RESEARCH ON THE COSMETIC PRODUCTS MARKET IN ORADEA. PRACTICAL STUDY

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Abstract: *This paper was carried out with the aim of determining the preferences of consumers in the municipality of Oradea, with regard to cosmetic products, marketed by both multinational companies and local ones in Romania. Also, as a result of the study carried out on a simple, non-stratified representative sample, data were obtained regarding the purchase locations, the factors that influence their purchase decisions, the frequency of purchase and use of cosmetic products, as well as the brands and types of products preferred by to them. In order to carry out this study, a questionnaire with closed dichotomous, multichotomies and mixed questions was created, which was applied to a representative sample of 250 subjects, residents of the municipality of Oradea.*

Keywords*:* cosmetic product market; preferences of consumers; multinational companies; purchase decision; questionnaire*.*

JEL Classification: C83**,** F20, D47, L66, M31, M37, M51

1.Introduction

The Romanian market of cosmetic products is a heterogeneous, strongly stratified market, the offer includes both cheap, "no name" products, of very low quality, but whose success is based on the consumer's lack of information and money, as well as sophisticated products and prestigious brands on the international market.
The practical framework consists in carrying out quantitative research carried out with the aim of determining the preferences of consumers in the municipality of Oradea, regarding the cosmetic products, marketed, both by multinational companies and by domestic ones in Romania.
Also, as a result of the study carried out on a simple, non-stratified representative sample, data were obtained regarding the purchase locations, the factors that influence their purchase decisions, the frequency of purchase and use of cosmetic products, as well as the brands and types of products preferred by to them.
In order to carry out this study, a questionnaire with closed dichotomous, multichotomies and mixed questions was created, which was applied to a representative sample of 250 subjects, residents of the municipality of Oradea.

2.Theoretical Background

2.1.The world market of cosmetic products

The global cosmetics market is dynamic and significant in size. Swiderska et al (2023) opines that the cosmetic products' market is constantly expanding its influence to different target audiences and covers all classes of consumers. but most likely taking into account the epidemiological context, in 2020, the global cosmetics market decreased by approximately 8%, compared to the previous year. Fatriasari et al (2024) consider that the global beauty industry showed resilience, quickly recovering the loss recorded during the health crisis (-7.7%) and reaching in 2021 a value of approx. 378 billion Euros. Kukhta et al (2023) claim that demographic changes, the increase in incomes and the number of people in the middle class, complemented by the degree of penetration of purchase experiences (testing, consulting, actual sale) in the online environment represent market growth factors, both in Romania and at the national level international. International retail purchases are facilitated by e-commerce and the digitalization and communication efforts made by brands even during the pandemic.
In Euromonitor (2024) we can read that the global cosmetics industry recorded a 16% increase in 2021 compared to 2020, supported by sales of cosmetics and perfumes. At the European level, the market was estimated at approx. 125 billion Euros in 2022, being considered a fairly mature market, with a growth forecast indicating an average annual rate of 1.6% for the period 2022-2026, supported mainly by the Cosmetics and Skin Care segments. According to Yin (2024), skin and hair care products, make-up/decorative cosmetics, toiletries, such as perfumes, eau de toilettes or deodorants and cavity care cosmetics oral, are the main product categories of the cosmetic market. Skin care products are considered the market leader in this segment, representing approximately 42% of the global market and this category of cosmetics obviously represents the most significant growth in this regard, estimating - a value of approximately 177 billion dollars, until 2025. Analyzed individually, the market of anti-aging products is estimated to exceed, in the near future, 34.49 billion dollars, with an annual growth rate of 7.3%.

2.2.The Romanian market of cosmetic products

The Romanian market of cosmetic products is a heterogeneous, highly stratified market, with fierce competition, the offer including both cheap, "no name" products, of very low quality, but whose success is based on the consumer's lack of information and money, as well as a few Romanian names, a few producers with a long tradition, but also sophisticated products and prestigious brands on the international market. The main advantages of imported products are: superior quality obtained on the basis of major technological innovations, special design, both in terms of color, shape and quality of materials, easy, convenient and hygienic use of cosmetic products. The brands are recognized worldwide, which is why they are easily accepted, even desired by the Romanian consumer. Lupoiu et al (2024) believe that the promotion system, namely advertising, the sales force, relations with the public and sales promotion are much better organized, both due to a wider experience in this field and due to financial resources. Romanian producers are based on tradition, on the high notoriety enjoyed by their products and on the trust of consumers in them. They market large lines of products that address all segments of the population, and the prices are lower than those of imported products. However, once the buyer tests the products offered locally, he is often convinced of their quality and becomes a loyal customer of the brand. Financial resources in Romania are smaller than in other European countries, so even local producers have a harder time sneaking among the public's preferences. The local cosmetics market is below the European development average, due to the imbalance of financial resources available in Romania compared to other European states, but also to the size of the local cosmetics market compared to markets such as France, Germany or Spain. Many of the personal care products have prices that are not necessarily affordable, and economists' fears were that the pandemic will have a negative impact on sales and, implicitly, on profits. However, the surprise was major: the sales trend until the end of 2023 was an overall upward trend. Although international cosmetics remain the main players in the industry, the Romanian market is on an upward trend, which can be characterized by a refinement of consumer preferences, which now show more elaborate requirements, determined by the increase in information about care products and to their particularities. The gratifying trend is that Romanians are moving towards higher quality, advanced products, with proven effects in the medium and long term and which are based on the latest generation ingredients. As long as Romanian companies are able to offer this, the occasional buyer becomes a customer.

What is behind the upward trend of Romanian cosmetics? Marcu et al. (2024) consider that the refinement of buyers' tastes is the main reason why serious producers of Romanian cosmetic products have managed to grow on the market, even in such a difficult period for all industries. It is about "the maturing of the Romanian consumer, who begins to have more confidence in what is produced in the country, at the local level".

What is behind the upward trend of Romanian cosmetics? Georgescu (2023) in Biz Magazine consider that the refinement of buyers' tastes is the main reason why serious producers of Romanian cosmetic products have managed to grow on the market, even in such a difficult period for all industries. It is about "the maturing of the Romanian consumer, who begins to have more confidence in what is produced in the country, at the local level".

The Romanian cosmetics industry has to face important challenges. Mombekov et al (2024) claim that the limited sales market is one of the most important problems faced by manufacturers. The large chain stores limit the number of items presented on the shelf, so many products in the range remain unknown and unpromoted, despite the fact that they are competitive in terms of price and quality. Also, local brands are not as well-known as international ones because they are not equally promoted both online and offline. Turdean (2023) believe that Romanian brands would be strongly stimulated by the reduction of excessively bureaucratic procedures and the foundation of certain measures simplified. The limited budget for promotion is another reason why many Romanian products of good quality remain in the shadows. Romanian cosmetics companies have a limited marketing budget compared to international brands, which during the pandemic, invested heavily in advertising. Turdean (2023) consider that the international competition comes with huge promotion budgets, which we cannot match, so we seek to compensate with the quality and honesty of the products. The purchase of raw materials is often made at high prices, from abroad; under these conditions, it is a permanent effort to maintain the prices in an appropriate range, which would make the products competitive on the market. State aid is almost non-existent, so Romanian investments and local businesses are not stimulated at all. Bisa (2024) claim that the major challenge for the Romanian cosmetics industry is the lack of local suppliers of raw materials, which require companies to buy them from imports. At the same time, there are very few state aid strategies to stimulate Romanian investments and provide certain benefits for local businesses.

In the Skin Care Cosmetics segment, the main active companies by turnover value are: L'Oreal Romania, Farmec, Amway Romania Marketing, Forever Living Products, Naos Skin Care Romania, Nu Skin Enterprises, Sabon Holdings, Ivatherm, Nala Cosmetics, Gerocossen, Cosmetic Plant Prodcom,

The beauty industry in Romania has registered an upward trend in recent years (2015-2021 period), registering an average annual growth rate of 3.1% and reaching at the end of the analysis period a value of around 1.5 billion Euros. Bisa (2024) in Virtual Board consider that sales of cosmetics (CAGR 5.1%) and skin care products (3.7%) were the drivers of market growth, closely followed by the fragrance segment (3.6%). Analyzing the data from the market study carried out by KeysFin (2024) for the period 2015-2021 we observe a favorable evolution regarding the growth of the market for personal care products. With a share of 44% of the total market value, body care products reflect a mature market segment.

In eToro Retail Investor Beat (2024) we can read that it is certain that there will be some small corrections in the level of demand in the next period, but we can say for sure that for the forecast period (2022-2026) we are heading towards an increase in the local market (CAGR 2.3%). This will be supported by the Cosmetics segment (CAGR 3.8%), followed by perfumes (CAGR 2.4%) and Skin Care products (CAGR 2.3%). We are facing a time when consumers are focusing on quality products, with multiple benefits and clinically proven results, to ensure their well-being, safety and sense of comfort.

It is estimated that the market for skin care products will reach about 177 billion dollars by 2025. The pace is slightly lower than that of the period 2015-2021.

Thus, the cosmetics and perfumery market in Romania will grow by 2.3%, on average, annually, until 2026, according to an analysis by Virtual Board (2024) a platform for democratization of managerial information that integrates artificial intelligence solutions in consulting activity managerial. For comparison, the average annual rate from 2015-2021 was 3.1%, according to the same source.

The beauty market in Romania will register a growth (2.3%) supported by consumers' interest in quality products that ensure their overall well-being. Edis et al. (2024) believe that the general trend is towards a healthy lifestyle that motivates the consumption of natural and organic products, including dermato-cosmetics (associated with sale in pharmacies)

In Environmental Working Group (2024) we can read that the cosmetics segment remains the driver of the beauty and personal care industry, with a forecasted sales growth of 16% in 2026 vs 2022, to the value of 270 mil. Euro.

A survey carried out by Picodi.com (2024) reported that Romanian women spend an average of 2057 lei on cosmetics annually. Among the respondents, 51% stated that they purchase organic cosmetics only if the price is convenient, 34% buy regardless of the price, and 14% show no interest in organic ingredients.
A trend to monitor is the popularity of products with multiple benefits, such as anti-aging foundations, mascaras to strengthen eyelashes or anti-wrinkle cosmetics.
Ustymenko (2023) believe that the sales of dermatocosmetics are expected to increase as a way to meet the growing demand for healthy, youthful-looking skin. Many of them are distributed through pharmacies, which contributes to strengthening the image of high-quality products with healing effects. Navickaitė et al. (2023) consider that emphasis will be placed on natural ingredients such as thermal water or marine mud and on paraben-free products.
The segment of skin care products, with an estimated value of 368 million Euros, represents 26% of the local beauty industry, being one of the most dynamic segments of the market.
Pryor et al. (2023) consider that beyond basic moisturizers and cleansers, consumers have been paying more attention to products with rejuvenating, anti-aging and blemish-correcting properties.
In eToro Retail Investor Beat (2024) we can read that face creams have the largest share in the Skin Care segment, with a value of approx. 250 million Euros in 2022 and its growth is estimated at an average annual rate of 2.4% (2022-2026). At the opposite pole, body lotion sales growth is estimated to register a CAGR of 1.1%.
The SNS Insider report (2024) indicated that the most dynamic growth rate is forecast for the segment of newborn & children's products (CAGR 3.7%, 2022-2026), although the demographic trend is not favorable for an optimistic forecast in sales volume, the increase in value can be supported by educating parents in what concerns the needs and physical well-being of children.

3. Methodology

In order to support the aspects related in the theoretical framework, I considered it necessary to carry out descriptive research thought in this way to provide an image at a given moment of a situation in the chosen field. The survey was used as the primary data collection method, and the questionnaire administered to a representative sample of respondents was used as a research tool specific to the survey.
In this section of the paper, the research is presented with all the steps taken. The purpose established in order to carry out the research was to identify the preferences of consumers in the municipality of Oradea, regarding the cosmetic products, marketed, both by multinational companies and by domestic ones in Romania.
Starting from this goal, four key objectives were penciled in: the degree of information of the population regarding the offer of cosmetic products on the Romanian market; the need to inform the population about how to use cosmetic products, as well as their action; the degree of perception of the demand for cosmetic products related to

the area under analysis; the degree of satisfaction of the level of demand by the supply of foreign and domestic manufacturers of cosmetic products.
The second major part of the work is divided into three chapters. The first chapter presents the research methodology. The second chapter covers the questionnaire designed to be applied. In the third chapter, the results are interpreted, punctually for each question, the answers obtained being partially illustrated, the complete questionnaires being attached in the appendices. The information analysis was carried out through content analysis.

The research method chosen was a quantitative, descriptive research method and one of the most frequently used methods of collecting primary data, namely the survey. It contributes to the analysis of the way in which consumers of cosmetic products in Oradea perceive the quality of purchased cosmetic products, as well as to the estimation of the share of the total population of Oradea municipality of people oriented towards concerns regarding body hygiene. As a research tool specific to the investigation, the questionnaire administered to a representative sample of respondents was used, the purpose of its application being to obtain information directly from the consumers of cosmetic products in the municipality of Oradea regarding the subject of the discussion.
The information expected to be obtained from this research is quantitative information. The questions that formed the questionnaire were dichotomous, multichotomies and mixed closed questions, which were applied to a representative sample of 250 subjects, residents of the municipality of Oradea.
This research was used with the aim of identifying the preferences of consumers in the municipality of Oradea, regarding cosmetic products, marketed by both multinational and local companies in Romania.

4. Data analysis, Results and Discussion

Purpose: Identifying the preferences of consumers in the municipality of Oradea regarding cosmetic products, marketed by both multinational companies and local ones in Romania. Also, as a result of the study carried out on a simple, non-stratified representative sample, data were obtained regarding the purchase locations, the factors that influence their purchase decisions, the frequency of purchase and use of cosmetic products, as well as the brands and types of products preferred by to them.

Objectives: - identifying the consumer opinions regarding:

- the level of information of the population regarding the offer of cosmetic products on the Romanian market
- the need to inform the population about how to use cosmetic products, as well as their action
- the degree of perception of the demand for cosmetic products related to the area under analysis
- the degree of satisfaction of the level of demand by the supply of foreign and domestic manufacturers of cosmetic products.

Table 1: Frequency of responses shopping location

Frequency of responses		
Answer option	**No of respondents**	**Percent (%)**
A	25	10
B	5	2
C	45	18
D	51	20,4
E	115	46
F	15	6

In the case of face creams, the majority of respondents (115 - 46%) are used to buying them from specialty stores, in second place are profile distributors (51 - 20.4%) who offer products based on distribution catalogs, and supermarkets are in third place (45 - 18%). Convenience stores (5 - 2%) represent a source of purchase, only for 2% of the respondents, while 10% of those surveyed prefer to purchase them from markets or stalls (25 - 10%).

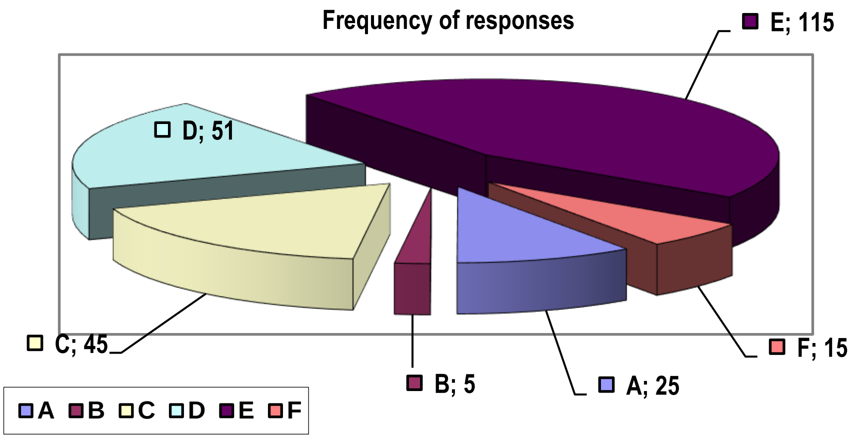

Figure 1: Frequency of responses shopping location

Table 2: Frequency of influencing factors of the purchase decision responses

Frequency of responses		
Answer option	**No of respondents**	**Percent (%)**
A	20	8
B	176	70,4
C	1	0,4
D	36	14,4
E	50	20
F	31	12,4
G	16	6,4

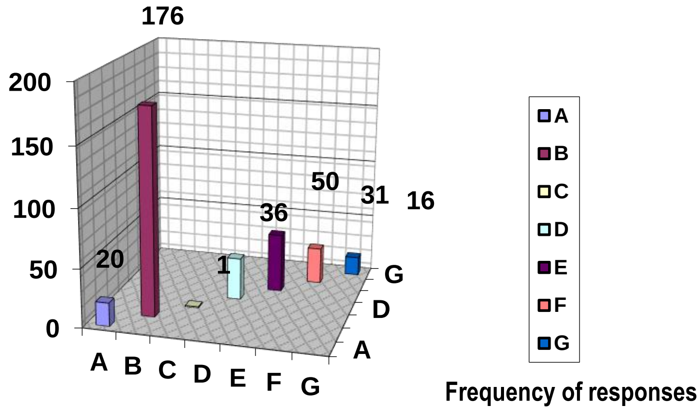

Figure 2: Frequency of influencing factors of the purchase decision responses

The major factor influencing the decision to buy face creams is represented by "brand" (176 - 70.4%), followed at a great distance by "price" (50 - 20%) and "smell" (36 - 14, 4%); interesting to note is the fact that factors such as "packaging" (20 - 8%), "quantity" (1 - 0.4%) and "advertisement" (31 - 12.4%) are not relevant in making the decision to purchase, despite the fact that most companies are spending ever-increasing amounts on superior packaging, 2-in-1 offers, and media advertising.

Table 3: Frequency of purchase frequency responses

Frequency of responses		
Answer option	No of respondents	Percent (%)
A	10	4
B	46	18,4
C	90	36
D	45	18
E	40	16
F	8	3,2

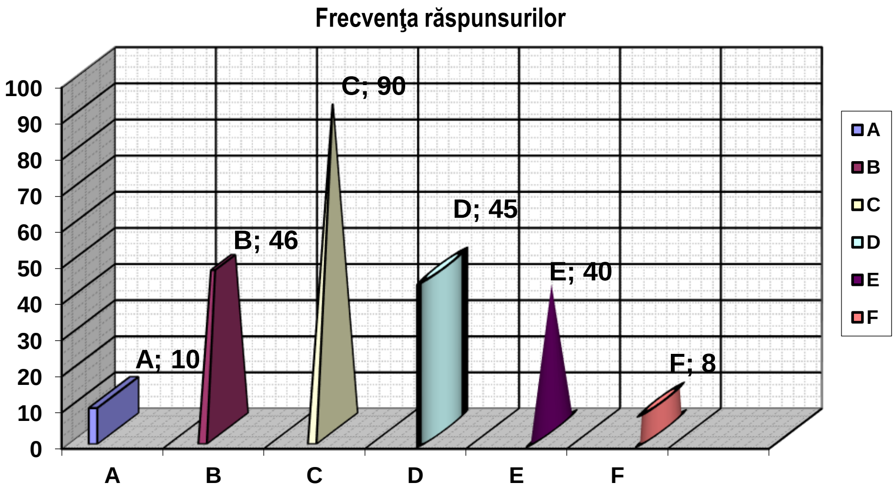

Figure 3: Frequency of purchase frequency responses

Regarding the frequency of purchasing face creams, it is noted that, in the case of the majority of respondents (90 - 36%), it is done at an interval of 1-2 months, while only 10 subjects, i.e. 4%, usually to buy them at an interval of 1-2 weeks.

Table 4: Frequency of purchase responses decisions

Frequency of responses		
Answer option	No of respondents	Percent (%)
A	161	64,4
B	20	8
C	26	10,4
D	16	6,4
E	1	0,4
F	6	2,4

The frequency of purchase of face creams depends on weight, skin type and the types of creams used (differentiated according to their structure). The conducted study illustrates the high (high) frequency of face cream use: thus, the majority of respondents (161 - 64.4%) use face creams frequently, i.e. at least once a day, while 8% (20 respondents) use 4-6 times a week, and 10.4% (26 respondents) 2-3 times a week.

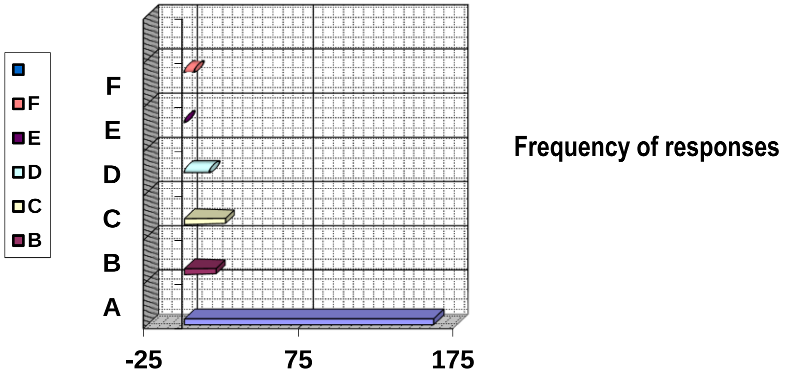

Figure 4: Frequency of purchase responses decision

Table 5: Frequency of brand preferences responses

Frequency of responses		
Answer option	**No of respondents**	**Percent (%)**
A	65	26
B	70	28
C	51	20,4
D	25	10
E	18	7,2
F	10	4
G	26	10,4
H	15	6

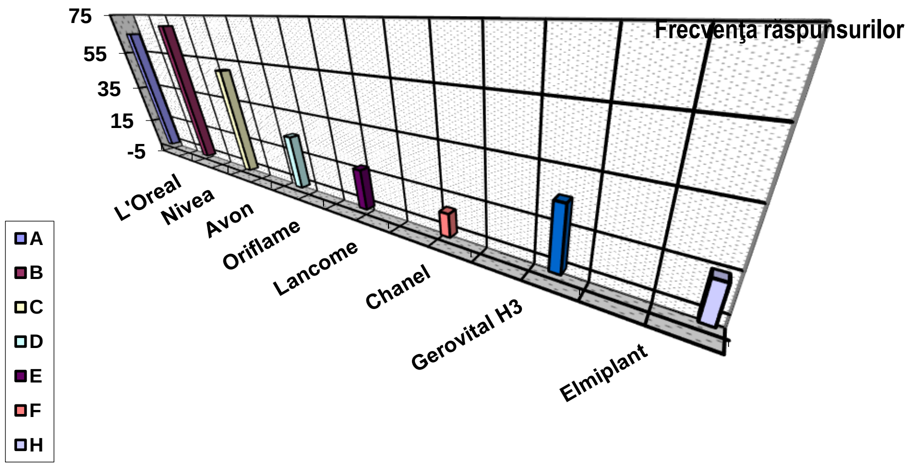

Figure 5: Frequency of brand preferences responses

According to the data resulting from the study, the leader in the top brand preferences on the face cream market is Nivea (70 - 28%), closely followed by the challenger brands L'Oréal (65 - 26%) and Avon (51 - 20.4%). Romanian brands, such as Gerovital H3 and Elmiplant, have a significant weight in respondents' preferences, outranking some prestigious international brands such as Chanel and Lancôme.

Table 6: Frequency of type of creams used responses

Frequency of responses		
Answer option	No of respondents	Percent (%)
A	151	60,4
B	28	11,2
C	46	18,4
D	20	8
E	58	23,2
F	21	8,4

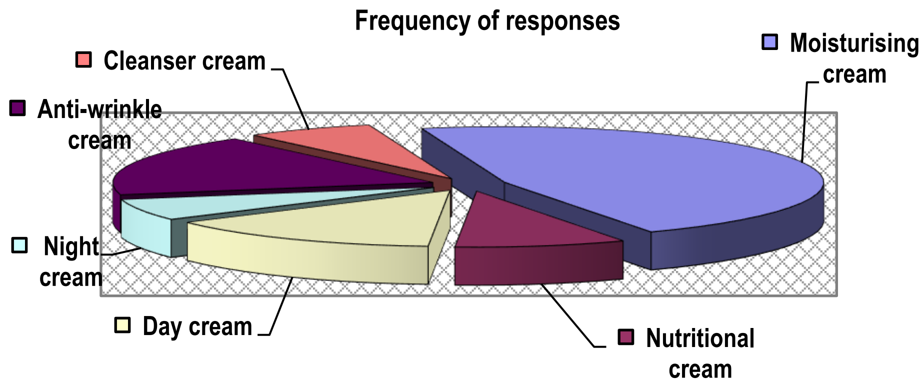

Figure 6: Frequency of type of creams used responses

Moisturizing cream is the type of face cream used by the largest number of respondents (151 - 60.4%), by a long distance, followed by anti-wrinkle cream (23.2%) and day cream (18.4%), this the latter, being used by 46 of the questionnaire respondents. The night cream has the lowest share in user preferences, being used by only 8% (20) of them.

Due to low incomes, 62% of the respondents are not willing to spend an amount greater than 50 lei / month for face creams, 31.2% of them are willing to allocate an amount between 50 lei and 1000 lei of income for face creams face, while only 6.8% are willing to spend an amount greater than 1000 lei for the purchase of face creams. The largest share (35.2% women, 10.8% men) among the surveyed subjects is those aged between 14-25 years, this, gradually decreasing as they get older, to those between 26- 35 years old (20.4% women, 5.6% men). The number of men surveyed, who are over 36 years old, is small (5 men), compared to that of women (63 women).

5.Conclusion

Looking as a whole, we therefore observe that he Romanian market of cosmetic products is a heterogeneous, strongly stratified market, the offer includes both cheap, "no name" products, of very low quality, but whose success is based on the consumer's lack of information and money, as well as sophisticated products and prestigious brands on the international market.

Following the interpretation of the results of the questionnaire administered to the 250 residents of Oradea, the conclusion can be drawn that they prefer the products of multinational companies, which operate on the market of our country, to the detriment of those made and marketed by local producers. Despite the fact that they do not have a purchasing power comparable to that of consumers in the countries of origin of the mentioned foreign companies, nevertheless, due to the notoriety of these brands with tradition on the world market, the subjects surveyed prefer to purchase branded products, having the conviction that they will satisfy their needs better than domestic products.

Although international cosmetics remain the main players in the industry, the Romanian market is on an upward trend, which can be characterized by a refinement of consumer preferences, which now show more elaborate requirements, determined by the increase in information about care products and to their particularities.

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