



# The Impact of Veblen Effect In Skincare Industry And How It Related To The Self-Esteem of Women In India.

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## Abstract

Skincare has always been a part of life, even if it's only washing your face and putting on moisturizer. However, with the development of modern marketing techniques, skincare products have not just expanded their reach to digital platforms but have also become flooded with products. Since the business has witnessed the entry of new skincare lines, the products have become more skin-specific, texture-specific, ingredient specific and budget-specific. Price increases as a function of product specificity. Each skincare business has developed a unique skincare genre with particular skin-comforting and skin - adjusting acids. The worldwide skincare sector has discovered its goldmine because to the rising concern for the achievement of flawless beauty.

The paper focuses on the Veblen effect's effects on the skincare sector and how products connect to women's self-esteem.

Keywords: Veblen effect, self – esteem, women Skincare products

## Introduction

The market for skincare products has expanded beyond the various face washes and moisturizers available for different skin types to include face mask sheets, serums, exfoliants, body washes, and several more treatments. These items are now regarded as non-luxury goods due to their frequent use. In terms of earning the most money from the personal care and beauty sector in 2021, India is ranked fourth globally. A select handful of multinational corporations, including Unilever, Procter & Gamble, and L'Oréal, control the global cosmetics market. Local businesses like MamaEarth and Khadi Essentials Plum were able to take advantage of the situation by marketing their home-made products in order to meet the demand for items suitable for Indian skin types because foreign companies were unable to keep up with the demand. Skin care has become a daily routine or a trend that emphasizes women's self-image in relation to skincare products. The idea of quality of life has been incorporated into a everyday facial skin care routine using over-the-counter skincare products intended to improve elasticity, firmness, and hydration as well as correct age- and sun-related skin color.

## Literature Review

According to [corporatefinanceinstitute.com](http://corporatefinanceinstitute.com), the Veblen Effect occurs when a commodity's price increases proportionally to the amount that is demanded of it. It bears the name of American economist and sociologist Thorstein Veblen, who studied the phenomena of conspicuous consumerism in the late 19th century. Veblen products are usually expensive since a portion of their value is determined by their price. The purchasers think that purchasing them demonstrates their high social status and keeps them current with fashion. They essentially engage in "conspicuous consumption," which is the act of buying things to display (Chen, James, 2020). The estimated size of the global market for skin care products in 2021 was USD 130.50 billion, and from 2022 to 2030, it is projected to grow at a CAGR of 4.6%. Throughout the projection period, it is anticipated that increased demand for face creams, sunscreens, and body lotions will favorably impact market expansion. Furthermore, it is anticipated that the booming e-commerce industry will hasten market expansion. The United States will generate the highest revenue when compared to other countries. (1,695.00 billion in 2023). In 2023, based on demographic estimates, revenues per person are projected to be \$456.80. By 2023, 89% of Skin Care segment sales will be made up of non-luxury goods, predicts [statista.com](https://www.statista.com). In line with my original research, regardless of any specific skin concerns, 73.3% of women prefer to exercise skincare out of habit and way of living. Women apply various serums and skin care products out of familiarity and vogue rather than considering the needs of their skin which has significantly expanded the industry's revenue flow.

## Objective

This study's main objective is to examine how the Veblen Effect has influenced the skincare industry and how it affects women's quality of life and self-esteem. It is essential to consider the following topics when working on this study project:

- The Skincare Industry's increasing costs and consumer base.
- The connection between skincare and one's perception of value or quality of life.

## Data Analysis and Observation

Increased demand for skin nourishing products is a result of growing concern about skin hydration for a variety of reasons, including the rise in acne, black heads, scars, dullness, and tanning. Relatively young shoppers are more interested in skin-brightening products, toners, and scrubs, while consumers today are more interested in products that address age spots or skin dehydration. These products include retinol, which boosts the production of collagen and skin cell turnover, hyaluronic acid, which keeps skin hydrated and plump, salicylic acid, which treats acne and pores, vitamin C, an antioxidant, and skin lightening due to its rising popularity (Migala, 2020). Market expansion is anticipated to be supported by consumers' evolving purchasing habits and lifestyles for high-end skin care products.

- *The pricing dominance*

According to my research report, more than 50% of women between the ages of 18 and 27 prioritize things with greater prices, regardless of the product's quality, even though they can purchase it for less money. 50% of women prioritize price over quality because they subconsciously believe that a product with a high price must be great quality.

- *The Flow of money in skincare industry*

Women generally buy skincare products three months apart, and 43.3% of them spend more than 2000 rupees on the category, according to the study's findings. 30% of people just base their decisions on pricing while making purchases. Purchasing costly night creams and serums increases spending for 70% of women.

- *The New definition of self-worth*

Skincare has evolved into the new feeling of self-worth; it is assumed that people utilize products solely for psychological reasons unrelated to any legitimate skin issues or diagnoses and only 6.5% women use skincare for actual skin condition and only 30% of people start a skincare Programme due to skin concerns. Applying a variety of acids including vitamin c, Niacinamide, retinol, salicylic for skin care. The modern lady of 2023 is still fixated on using fairness cream, and businesses like Derma Co. and Ponds continue to place a focus on skin-brightening and whitening creams and serums.

- *The skin care use and misuse.*

After spending a sizeable sum on face masks, body defoliants, night creams, serums, totaling 61.3%. Skin rashes, which account for 35.7% of skin problems in women, changed skin texture, which account for 39.3% of skin problems in women, and allergies, which account for 10.7% of skin problems. This statistic demonstrates that women are more inclined to buy skin care products without looking at the ingredients list and only relying on the product's price tag. Many consumers never even compare the products of other companies before making a purchase.

## Findings

The results of an online survey that was performed among women from various age groups and geographic regions revealed that young people between the ages of 18 and 27 actively participated by answering a few questions about their spending and usage of skincare products. Where 73.3% revealed that they do it out of habit.

Since Skincare has now introduced in the market of non-luxury products and tend to be involved in the life style of most of the women. From 2010 through 2020, the value of the global skincare market. The value is anticipated to increase by four times in ten years due to how vivid it is. This is unmistakable proof of how the skin care industry's consumer market is expanding. According to estimates, there will be 18 crore Indians using skin care products by 2020 (A. Mohanapriya, 2019).

According to my analysis, 53.3% of consumers spend once every three months on skincare products, compared to 23.3% who tend to spend more regularly. The self-image of an individual is said to be improved by 93.3%, which is considered to be the most appropriate practice while applying skincare products. Following the use of a particular product, 43.3% of women reported developing skin disorders, including rashes (34.5%), allergies (13.8%), and changes in skin texture (37.1%), among others. Which suggests that rather than having in-depth knowledge, consumers utilize products more often due to obsessive psychological habit of staying informed and conversant with the current trend.

## Conclusion

The research study and statistical data make it abundantly clear that, despite the fact that most individuals buy skincare products habitually rather than out of a genuine necessity, women frequently have a tendency to spend more on them. Despite the fact that skin color has nothing to do with healthy skin, the market is still heavily focused on fairness creams as a component of skin care treatments. Women are paying a decent sum of money as a result of the extensive advertising of businesses promising them to acquire immaculate beauty. It has also been discovered that women, regardless of cost, nevertheless are experiencing variety of skin problems. Instead of appreciating the unique beauty inside themselves, women utilize goods to assess their self-worth and to achieve immaculate attractiveness. With the increase in price the demand of the produce are also as companies are introducing their own genre of skin care routine. Even with basic goods like face cleanser and moisturizer for everyday use, women frequently choose price above quality. Women have drastically diverted their efforts and desires to achieve the beauty norms in accordance with the international standards as depicted in social media like Instagram because the criteria for ideal beauty have narrowed down to having lighter skin tone and flawless skin rather than having healthy skin. The need for skincare goods has risen as a result, and businesses are now focusing on releasing more skin-specific items at higher prices. People are nevertheless willing to purchase these products, indicating that demand is rising along with prices.

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