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## GROWTH AND OF COSMETIC INDUSTRY IN INDIA MARKET

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### ABSTRACT

Cosmetics are a wide range of health and cosmetic goods intended to improve, preserve, or change a person's appearance. They are present in practically every society on the planet and have been an essential component of human culture for more than 7,000 years. Consumer perception has been profoundly impacted by the beauty business, which has influenced lifestyle choices and appearance standards. With significant growth each year, India has become one of the cosmetics industry's fastest-growing markets. In 2009, the Indian cosmetics business made over 350 billion rupees, despite economic downturns around the world. Sunscreens, lotions, and soaps are among the most widely used items and are now essential components of personal hygiene regimens. While cosmetics are widely regarded as beneficial, concerns regarding their potential risks and toxicity cannot be ignored. Advances in cosmetic science have led to innovative trends such as in silico modelling for cosmeceuticals, circular economy practices, and biologically triggered product release mechanisms. Additionally, hypoallergenic cosmetics have gained prominence, designed to minimize allergic reactions compared to traditional formulations. In the United States, legal disputes arose over the regulation of hypoallergenic labelling, with the FDA's authority challenged by cosmetic firms. However, the courts upheld the FDA's decision, later ruling that companies could continue using the term "hypoallergenic." Proper labelling of products plays a crucial role in reducing the risk of severe allergic reactions, particularly for individuals with sensitive skin and hair. For people of all ages and genders, cosmetics have become an indispensable aspect of daily life. The business is still being propelled forward by the rising demand for cosmetics and personal hygiene items. The need to guarantee safety, sustainability, and innovation is growing along with the use of cosmetics, making this industry a dynamic and changing one.:

**Keywords:** Cosmetics, Beauty Products, Market, Labeling.

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### I. INTRODUCTION

Cosmetics are a broad category of health and beauty goods intended to improve, preserve, and take care of the body and skin. These items serve important purposes like skincare, body care, and fragrance enhancement in addition to being utilized to change or highlight a person's appearance. Although cosmetics are typically thought of in relation to attractiveness, they also support general self-care and personal hygiene. Different kinds of cosmetics have different purposes and have different meanings.

People from many walks of life have used cosmetics in their daily lives, and they have been ingrained in many cultures and societies throughout history. In addition to their aesthetic value, cosmetics are frequently viewed as a means of identity and self-expression, making them an essential component of contemporary lifestyle decisions. Cosmetics' ability to boost self-esteem and personal grooming is the reason for their rising appeal in today's society. In many Western nations, people mistakenly believe that cosmetics only refer to makeup goods, despite the enormous success of the worldwide cosmetics sector. Nonetheless, regulatory agencies like the Food and Drug Administration (FDA) in the United States have explicitly classified cosmetics as a broad category that encompasses skin, hair, and body care items. Beyond looks, cosmetics have a significant impact on personal hygiene, self-care, and well-being. Primarily designed to be applied to the human body to change appearance, enhancing beauty, cleaning, or beautifying without compromising the body's either structure or functions. Any product that satisfies the aforementioned criteria is considered a cosmetic product under this definition; nevertheless, the US FDA categorically disapproves of pure soap as a cosmetic.

#### History: -

The use of cosmetics has been a feature of almost every society in the world for at least 7,000 years. Body art, in which individuals applied natural pigments to improve their look, is said to be among the oldest known cosmetic practices. Strong evidence of early cosmetic practices can be found in the discovery of red ochre, a mineral-based pigment, and early crayons in African archaeological sites linked to Homo sapiens.

Ancient writings, such as the Old Testament, also make mention of cosmetics. The early usage of eye cosmetics is indicated by the description of Jezebel painting her eyelids in 2 Kings 9:30, which dates to approximately 840 BC. In a similar vein, the Book of Esther lists several beautiful procedures, demonstrating the historical importance of cosmetics in improving one's look. These documents bear witness to the historical significance of cosmetics in culture and society. Although some members of the nobility welcomed their use, cosmetics were not generally approved in ancient Rome. Despite their lack of widespread use, historical evidence points to the Romans as the originators of some cosmetic procedures. The application of kohl for eye lining, which was already common in other ancient societies, is one prominent example.

An unidentified American developer debuted the first deodorant designed for cosmetic purposes in 1888. The term "Mum" was later used to sell this substance, which signalled the start of commercial deodorants. However, the public's acceptance of cosmetics remained low even in the early 20th century. It wasn't until later that the current personal care sector was shaped by developments like roll-on deodorant (launched in 1952) and aerosol deodorant (introduced in 1965), which were widely accepted by the market. The advent of colourful makeup and the debut of Russian ballet around 1910 signalled a dramatic change in cosmetic trends. As a result of theatrical productions and stage aesthetics, bold and creative makeup looks gained popularity throughout this time.

It's also important to remember that the development of contemporary cosmetic manufacture started in the early 1900s, setting the stage for the current, massive beauty business. During this time, traditional home-made beauty preparations gave way to commercially manufactured cosmetics, which paved the way for the growth of well-known cosmetic brands and the globalization of beauty products. The beauty sector in Japan, which is known as the second-largest cosmetic market in the world, is currently in a stable period. Nevertheless, the market is nevertheless undergoing quick changes and changing consumer tastes in spite of this general stability. Nowadays, people have easy access to thorough information about a wide range of cosmetic items and their unique uses. New employment prospects in the cosmetics sector have been facilitated by the ease of access to information. The industry's growth, however, is still erratic and varies annually. Although there were no noteworthy changes in 2010, the Russian fragrance industry grew remarkably between 2004 and 2012, reaching a market value of US\$13.5 billion. This illustrates the disparate growth trends that various sectors of the global cosmetics industry encounter according to regional demand and market dynamics.

#### **Cosmetic Production in India:-**

The Indian cosmetics sector grew at a rate of 7.48% between 2006 and 2008. Growing consumer spending power and fashion sensitivity were major factors in this expansion. It was anticipated that the industry will maintain its growth momentum from 2009 to 2012 due to several factors influencing market dynamics. It's critical to emphasize how the media shapes Indian customers' understanding of fashion. The media has greatly boosted awareness of beauty trends and cosmetics through commercials, social media, and celebrity endorsements, which has increased demand in the Indian market. Nowadays, the bulk of Indian cosmetics producers prioritize on the needs of their home market. They are, nevertheless, progressively increasing their market share abroad. Indian cosmetic producers have seen an increase in export orders in recent years due to the increased demand from international markets. This pattern demonstrates the industry's growing international reputation and prospects for future growth outside of national borders. Over the past ten years, a large number of international competitors have entered the Indian cosmetics sector, which was formerly controlled by a small number of well-known domestic brands like Lakme and Ponds.

The skincare, haircare, colour cosmetics, perfumes, and oral care sectors are all included in the Indian cosmetics market. According to market research, the industry was estimated to be worth \$2.5 billion in 2008 and was expected to expand at a rate of 7% per year.

In 2009, the Indian cosmetics business made nearly 350 billion rupees, despite the global economic downturn. Advertising and promotional activities account for a large amount of industry investment and are essential to customer engagement and brand visibility. Cosmetic firms in India spend a lot of money on marketing plans, using digital promotions, celebrity endorsements, and ads to reach a wider audience and sway consumer preferences.

## **II. LITERATURE REVIEW**

The Indian cosmetic industry has experienced significant growth in recent years, driven by factors such as increased disposable income, rising beauty consciousness, and the expansion of digital and e-commerce platforms. According to research by KPMG and Euromonitor International, the Indian cosmetics market has expanded quickly. Over the next few years, the market is expected to develop at a CAGR of roughly 9–10%, with skincare and haircare products continuing to hold a dominating position. India's beauty scene has changed as a result of the introduction of foreign cosmetic brands, with firms like L'Oréal, MAC, and Estée Lauder capturing a sizable portion of the market because to their reputation for superior quality and aspirational beauty standards. Globalization has further influenced consumer preferences, increasing the demand for luxury and high-quality cosmetic products. Additionally, Indian consumers have shown a growing preference for natural, organic, and Ayurvedic beauty products due to concerns over harmful chemicals in cosmetics, allowing brands like Patanjali, Boutique, and Forest Essentials to capitalize on this trend. As a result, more consumers are gravitating toward eco-friendly and herbal beauty products due to increased awareness and health consciousness. Alongside this, the men's grooming segment in India is also experiencing steady growth, with reports forecasting a CAGR of 11.2% for this category, driven by increasing awareness and changing societal perceptions of male grooming, leading to a surge in demand for beard oils, hair styling products, and skincare tailored for men. The rise of e-commerce platforms such as Nykaa, Amazon, and Flipkart has further revolutionized the distribution of beauty and personal care products, with McKinsey reporting that over 60% of Indian consumers research beauty products online before making a purchase, particularly in Tier 2 and Tier 3 cities, increasing accessibility to a wider range of beauty products. Additionally, social media has played a crucial role in shaping cosmetic purchasing trends in India, as platforms such as Instagram, YouTube, and TikTok (before its ban) have allowed beauty influencers to significantly impact consumer buying behavior, with millennials, in particular, relying on digital content and influencer recommendations when selecting cosmetic products. However, the industry faces regulatory challenges, as it is governed by the Drugs and Cosmetics Act of 1940, which mandates product safety and labeling standards, yet compliance with these regulations can be challenging for both domestic and international players. Counterfeit beauty products also pose a significant threat to brand credibility and consumer safety, highlighting the need for stricter regulatory measures. Furthermore, the demand for sustainable beauty products has risen as consumers become more environmentally conscious, leading to an increasing preference for biodegradable packaging and cruelty-free testing, with brands such as The Body Shop and Plum positioning themselves as leaders in this growing segment by aligning with sustainable and ethical beauty practices. Looking ahead, the Indian cosmetic industry is expected to continue its upward trajectory, with trends pointing toward increased digital integration, greater customization, and a stronger preference for sustainable and organic products. The sector is also becoming more inclusive, catering to diverse skin tones and gender-neutral products, which will further expand market reach and acceptance.

## **III. RESEARCH METHODOLOGY**

### **1. Research Design**

In order to examine cosmetic trends, consumer preferences, and market expansion, this analysis looks at academic articles, industry publications, and data from online beauty platforms.

### **2. Data Collection**

#### **Primary Data**

To collect data from participants, the study uses an online survey approach with a standardized questionnaire. Participants who have already made purchases of cosmetics online are chosen using a convenience sample technique. A wide variety of viewpoints on the elements impacting their purchasing decisions based on brand visibility and ranking on search engines such as Google are ensured by the sample size of 213 respondents.

#### **Secondary Data**

This review explores research papers, industry reports, and online beauty platform data to analyze cosmetic trends, consumer preferences, and market growth.

### 3. Research Instrument

A questionnaire with Likert scale to measure customer perception of rankings, trust, and purchase decisions.

### 4. Data Analysis:-

**Table 1:-**  
**Case Processing Summary**

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Do you prefer Ayurvedic cosmetic products over chemical-based ones? * Have you ever purchased a cosmetic product based on an influencer's recommendation?	212	100.0%	0	0.0%	212	100.0%

Source :- SPSS

The dataset consists of **212 responses**, indicating a good sample size for analysis. All responses are **100% valid (N = 212, 100%)**, with no missing data (N = 0, 0%), ensuring completeness and reliability. The survey question appears to combine two different inquiries: **preference for Ayurvedic cosmetic products over chemical-based ones** and **whether respondents have purchased a cosmetic product based on an influencer's recommendation**. However, this structure may cause confusion, as it merges two distinct aspects into a single question. Additionally, the table only presents the total number of responses and their validity but does not break down the percentage of individuals who prefer Ayurvedic cosmetics or have been influenced by an influencer, making it unclear how many participants answered "Yes" or "No" to each part of the question.

**Table 2:**

Do you prefer Ayurvedic cosmetic products over chemical-based ones? * Have you ever purchased a cosmetic product based on an influencer's recommendation? Crosstabulation					
			Have you ever purchased a cosmetic product based on an influencer's recommendation?		Total
			No	Yes	
Do you prefer Ayurvedic cosmetic products over chemical-based	No	Count	31	32	63
		Expected Count	22.0	41.0	63.0
	Yes	Count	43	106	149
		Expected Count	52.0	97.0	149.0

ones?					
		Count	74	138	212
Total		Expected Count	74.0	138.0	212.0

#### Source :- SPSS

This table provides a crosstabulation of two variables: the preference for Ayurvedic cosmetic products over chemical-based ones and whether a respondent has purchased a cosmetic product based on an influencer's recommendation. Out of 212 total respondents, 149 (70.3%) prefer Ayurvedic cosmetics, while 63 (29.7%) prefer chemical-based ones. Among Ayurvedic product users, 106 (71.1%) have been influenced by an influence, whereas 43 (28.9%) have not. In contrast, among those who prefer chemical-based products, 32 (50.8%) have made a purchase based on an influencer's recommendation, while 31 (49.2%) have not. Comparatively, Ayurvedic product users show a higher tendency (71.1%) to be influenced by influencers than non-Ayurvedic users (50.8%). The expected count values further suggest that more Ayurvedic users than anticipated have been influenced by influencers, while fewer non-Ayurvedic users than expected have been influenced.

Table3:-

P value

Chi-Square Tests					
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	8.068 <sup>a</sup>	1	0.005		
Continuity Correction <sup>b</sup>	7.197	1	0.007		
Likelihood Ratio	7.885	1	0.005		
Fisher's Exact Test				0.007	0.004
N of Valid Cases	212				

#### Source :- SPSS

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 21.99.

The Chi-Square test was conducted to determine whether there is a significant relationship between the **preference for Ayurvedic cosmetics** and **influence from influencers on purchasing decisions**. The **Pearson Chi-Square value** is 8.068 with a **p-value of 0.005**, which is below the significance threshold of 0.05, indicating a statistically significant relationship. The **Continuity Correction** value is 7.197 with a **p-value of 0.007**, further supporting the significance of the association. Additionally, the **Likelihood Ratio** test also produces a **p-value of 0.005**, reinforcing the findings. The **Fisher's Exact Test**, which is often used for small sample sizes, yields a **p-value of 0.007 (2-sided)** and **0.004 (1-sided)**, confirming the statistical significance. Since all p-values are below 0.05, we can reject the null hypothesis and conclude that **there is a meaningful association between Ayurvedic product preference and the influence of influencers on purchasing decisions**. This suggests that individuals who prefer Ayurvedic cosmetics are significantly more likely to be influenced by influencer recommendations when making purchasing decisions.

#### Key Implications



1. **Economic Contribution:** The cosmetic industry in India significantly contributes to the economy by generating employment, increasing revenue, and promoting entrepreneurship.
2. **Consumer Behavior Shift:** The rise in disposable income, urbanization, and changing lifestyle trends have influenced consumer preferences, leading to a demand for premium and organic cosmetic products.
3. **Digital Influence:** Social media and e-commerce platforms play a crucial role in shaping consumer purchasing decisions, emphasizing the need for digital marketing strategies.
4. **Regulatory Challenges:** Stricter regulations and compliance requirements can affect the entry of new players and the expansion of existing brands.
5. **Sustainability & Innovation:** Growing awareness of environmental issues has led to an increased demand for sustainable, cruelty-free, and eco-friendly cosmetic products.

#### IV. FUTURE SCOPE

1. **Technological Advancements:** The integration of AI, AR (Augmented Reality), and personalized skincare solutions will reshape the industry.
2. **Rural Market Expansion:** There is vast untapped potential in rural areas, where increasing awareness and accessibility can drive further growth.
3. **Rise of Ayurvedic & Herbal Products:** India's rich heritage in Ayurveda offers opportunities for companies to develop organic and herbal cosmetic solutions.
4. **Global Market Expansion:** Indian brands have the potential to expand internationally by leveraging their unique formulations and competitive pricing.
5. **Sustainability & Green Initiatives:** Future innovations will focus on biodegradable packaging, zero-waste production, and ethical sourcing of ingredients.

#### V. CONCLUSION

The Indian cosmetic industry is experiencing rapid growth due to evolving consumer preferences, digital influence, and increasing awareness of personal care. Despite regulatory challenges and market competition, the sector is poised for significant expansion, particularly in sustainable and innovative product lines. Future advancements in technology, coupled with a focus on organic and eco-friendly products, will further drive the industry's success, making India a key player in the global cosmetics market.

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