

# A Study on the Impact of Pricing on Cosmetic Products among Generation Z

## with special Reference to Faces Canada

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### I. ABSTRACT

Due to shifting consumer tastes, growing brand recognition, and the growing impact of digital media, the cosmetics sector has grown rapidly in recent years. Pricing is one of the key components of the marketing mix that influences customer purchasing decisions, especially for Generation Z, who are very value-oriented and price-conscious. The purpose of this study is to investigate how Generation Z is affected by the cost of cosmetics, with a focus on Faces Canada. The study focuses on the impact of important pricing factors on purchase intention, including affordability, price worthiness, price-quality balance, and promotional pricing. A standardized questionnaire based on a five-point Likert scale is used to gather primary data from Gen Z consumers using a descriptive research design. The data is analyzed using statistical techniques such as chi-square analysis, mean score ranking, and percentage analysis. The study's conclusions could shed light on how price tactics affect Gen Z consumers' purchasing decisions and assist cosmetic companies, including Faces Canada, in creating sensible pricing strategies. By providing brand-specific insights into pricing and customer behavior in the Indian cosmetic sector, the study adds to the body of scholarly knowledge.

Key Words – GenZ, Cosmetics, Faces Canada, Pricing

### II. INTRODUCTION

Driven by shifting lifestyles, social media's pervasive impact, and increased beauty consciousness, the cosmetics business has become one of the consumer goods market's fastest-growing areas. With the advent of both domestic and foreign brands that serve a variety of customer categories, the cosmetics business in India has seen tremendous growth. Pricing continues to be one of the most important elements influencing consumer purchasing behavior, especially in a highly competitive market where customers have many options.

Those born roughly between 1997 and 2012 make up Generation Z, a fast-expanding consumer group with unique purchasing tendencies. When making judgments about what to buy, this generation actively compares products based on price, quality, and value for money. They are also highly knowledgeable and tech-savvy. In contrast to earlier generations, Gen Z customers prioritize perceived value and affordability, therefore pricing tactics are essential for cosmetic firms hoping to draw in and keep this market.

Faces Canada is a well-known cosmetic company in India that sells a variety of high-quality, reasonably priced beauty items. Gen Z consumers' buying decisions are greatly influenced by the brand's price strategies, which include competitive pricing and promotional offers. Assessing Generation Z's purchase intention for Faces Canada items requires an understanding of how they view pricing factors such as price worthiness, price-quality balance, affordability, and discounts.

Research on the effects of certain cosmetic businesses' pricing tactics in the Indian setting is few, despite the growing significance of Generation Z in the cosmetics industry. By examining the effect of pricing on cosmetic items among Generation Z with particular reference to Faces Canada, this study aims to close this gap. It is anticipated that the results of this study will give academics, marketers, and cosmetic companies useful information for creating pricing strategies that are in line with Gen Z customers' expectations and tastes.

### III. OBJECTIVES OF THE STUDY

- To assess how Generation Z's purchase intentions are impacted by pricing.
- To investigate how Faces Canada items' perceived quality and pricing relate to each other.
- To evaluate how promotional pricing affects Generation Z's purchasing decisions.
- To comprehend how Generation Z customers view Faces Canada cosmetics' affordability.

### IV. REVIEW OF LITERATURE

**Sharma, Arora, Singh, and Vashisht (2025)** looked at the skincare product preferences of Gen Z and Millennials in India. Pricing methods have a major impact on consumer preferences and purchasing decisions, according to the study. The authors underlined that, particularly in the cutthroat cosmetics industry, consumers are drawn to companies who provide clear pricing and perceived value.

**Potluri, Zulpaidar and Kurmangazin (2024)** investigated the influence of brand name and price sensitivity on behaviour of Generation Z consumers in Kazakhstan. Their research showed how generational purchases are influenced by pricing, many times even more so than brand loyalty. The results show that Gen Z consumers are price-sensitive and prefer to check prices before making a purchase decision, and it is the determinant that most influences the choice of consumers.

Likewise, price is the greatest influence on Generation Z's purchase of beauty and grooming products followed by product quality (**Statista, 2024**). The research emphasized that value for money is the key product attribute to appeal to Gen Z consumers and brands that offer competitive pricing, without lacking in quality will be more preferred.

**Jovanka and Subarsa Putri (2024)** investigated the purchasing habits of Generation Z with regard to cosmetics and discovered that, in addition to digital impact and moral principles, price is a major factor. According to their research, Gen Z consumers favor affordable cosmetics that meet their standards for social responsibility and quality.

**Jannah and Maulana (2024)** investigated how Gen Z cosmetic customers' impulsive purchasing behavior was impacted by price breaks and shopping habits. According to the study, price reductions by themselves had little effect on impulsive purchases, but purchasing habits did. This suggests

that other value-enhancing elements like perceived utility and brand appeal must complement promotional price.

**Tran et al. (2023)** examined the purchasing behavior and willingness to pay of Ho Chi Minh City's younger generation Z for cosmetic products. The study reveals that price and perceived value have a great impact on Gen Z consumers' purchase decisions. The research also highlighted that Gen Z buyers are not influenced by the cost of cosmetic products, but rather their price-quality ratio.

**Amalia and Siregar (2022)** examined how pricing and attractive packaging affected consumers' desire to purchase cosmetics. Their results demonstrated that pricing, particularly when combined with an appealing product presentation, had a favorable and significant impact on purchase intention. The survey demonstrates that when choosing cosmetic companies, Gen Z consumers take pricing into account.

## V. RESEARCH GAP

It is clear from the assessment of the literature that most research have looked at the connection between pricing and consumer behavior in a broad or global setting, with comparatively little attention paid to Indian cosmetic brands. Research on Faces Canada's pricing tactics in regard to Generation Z consumers is conspicuously lacking. The majority of current research focuses on price sensitivity and affordability, but it does not offer a brand-specific examination of important pricing factors such price worthiness, price-quality balance, and promotional pricing. Furthermore, there aren't many research that combine pricing factors with Indian Gen Z consumers' purchasing intentions in the cosmetics industry. Therefore, by investigating the effect of pricing on cosmetic items among Generation Z with particular reference to Faces Canada, the current study aims to close these gaps and contribute to both academic literature and managerial decision-making.

## VI. RESEARCH METHODOLOGY

The methodical framework utilized to gather, examine, and interpret data in order to accomplish the study's goals is referred to as research methodology. With particular reference to Faces Canada, the current study used a structured technique to investigate the influence of pricing on cosmetic goods among Generation Z.

### Sources of Data

A systematic questionnaire was used to get primary data directly from Generation Z consumers. Journals, research articles, books, websites, and industry reports pertaining to cosmetics, cost, and consumer behavior were the sources of secondary data.

### Sample Size

For the study, a sample size of 350 respondents was chosen.

### Sampling Methods

Because respondents were chosen primarily on their accessibility and desire to participate, the study used Convenience Sampling.

## VII. DATA ANALYSIS

**Table - Simple Percentage Analysis**

S. No	Questionnaire	Particulars	No. of Respondents	%
1	Frequency of Purchasing Cosmetics Products	Once a month	43	12
		Once in 2 – 3 months	94	27
		Occasionally	75	21
		Rarely	138	39

2	Preferred Place of Purchase for Faces Canada Products	Online Platforms	181	52
		Exclusive Brand Outlets	47	13
		Cosmetic Stores	59	17
		Supermarkets / Malls	63	18
3	Average Monthly Spending on Cosmetic Products	Below Rs.500	142	41
		Rs.500 – Rs.1000	161	46
		Rs.1001 – Rs.2000	31	9
		Above Rs.2000	16	5
		Social media	197	56
4	Source of Awareness about Faces Canada Products	Friends / Family	71	20
		Advertisement	47	13
		Influencers	35	10
		Strongly Agree	43	12
5	Price worthiness of Faces Canada Products influences me more to buy the products	Agree	63	18
		Neutral	165	47
		Disagree	51	15
		Strongly Disagree	28	8
		I usually purchase Faces Canada Products during Price Promotions	39	11
6	The Price of Faces Canada induced me to purchase repeatedly	Agree	59	17
		Neutral	146	42
		Disagree	71	20
		Strongly Disagree	35	10
		Strongly Agree	26	7
7	I usually compare price of Faces Canada with other brand before Purchase	Agree	67	19
		Neutral	146	42
		Disagree	83	24
		Strongly Disagree	28	8
		Strongly Agree	67	19
8	Price of Faces Canada satisfies the Quality of the products	Agree	102	29
		Neutral	90	26
		Disagree	51	15
		Strongly Disagree	40	11
		Strongly Agree	47	13
9	Highest priced	Agree	90	26
		Neutral	130	37
		Disagree	47	13
		Strongly Disagree	36	10
		Strongly Agree	42	12

10	Faces Canada Products are more qualitative than the Lowest Priced	Agree	79	23
		Neutral	146	42
		Disagree	59	17
		Strongly Disagree	24	7
		Strongly Agree	51	15
		Agree	83	24

  

11	Faces Canada balancing both Price and Quality when comparing with other brands	Neutral	149	43
		Disagree	43	12
		Strongly Disagree	24	7
		Strongly Agree	51	15
		Agree	83	24
		Strongly Disagree	24	7

  

12	Offers and Discounts induced me to purchase the Faces Canada Products	Strongly Agree	62	18
		Agree	83	24
		Neutral	146	42
		Disagree	43	12
		Strongly Disagree	16	5
		Strongly Agree	62	18

  

13	Faces Canada Products are more attractive during Promotions	Agree	79	23
		Neutral	146	42
		Disagree	39	11
		Strongly Disagree	24	7
		Strongly Agree	62	18
		Agree	83	24

  

14	Offers which has time limit and conditions makes me to buy the product quick	Neutral	153	44
		Disagree	51	15
		Strongly Disagree	28	8
		Strongly Agree	59	17
		Agree	59	17
		Strongly Disagree	28	8

  

15	Price Promotions helps me try new Faces Canada Products	Strongly Agree	47	13
		Agree	94	27
		Neutral	134	38
		Disagree	51	15
		Strongly Disagree	24	7
		Strongly Agree	47	13

  

16	I can afford the cosmetics from Faces Canada.	Agree	79	23
		Neutral	134	38
		Disagree	71	20
		Strongly Disagree	19	5
		Strongly Agree	79	23
		Agree	79	23

  

17	I have no trouble making on regular purchases of Faces Canada cosmetics.	Neutral	146	42
		Disagree	63	18
		Strongly Disagree	19	5
		Strongly Agree	75	21
		Agree	75	21
		Strongly Agree	47	13

18	Faces Canada offers reasonably priced, high-quality cosmetics.	Strongly Agree	51	15
		Agree	67	19
		Neutral	165	47
		Disagree	47	13
		Strongly Disagree	20	6

  

19	Faces Canada's goods pricing is well within my budget.	Strongly Agree	47	13
		Agree	75	21
		Neutral	138	39
		Disagree	67	19
		Strongly Disagree	23	7

### Chi-Square Analysis

To examine whether there is a **significant association between frequency of purchasing cosmetic products and purchasing Faces Canada products during price promotions.**

#### Hypotheses

##### **Null Hypothesis (H<sub>0</sub>):**

There is no significant association between frequency of purchasing cosmetic products and purchasing Faces Canada products during price promotions.

##### **Alternative Hypothesis (H<sub>1</sub>):**

There is a significant association between frequency of purchasing cosmetic products and purchasing Faces Canada products during price promotions.

The analysis revealed that the **calculated Chi-square value ( $\chi^2 = 0.01$ ) was lower than the critical value ( $\chi^2 = 7.815$ ) at the 5 per cent level of significance with 3 degrees of freedom.** Hence, the **null hypothesis was accepted.**

This result indicates that **no statistically significant association exists between the frequency of cosmetic purchases and the tendency to purchase Faces Canada products during price promotions.** The findings suggest that **price promotions influence Gen Z consumers uniformly**, irrespective of how frequently they purchase cosmetic products.

#### Hypothesis Testing Outcome

- **H<sub>0</sub> accepted:** Frequency of purchasing cosmetics does not significantly influence promotional purchasing of Faces Canada products.

#### Most Influential Factor (Mean Score Ranking Method)

##### A. Price Worthiness

##### **Statement 5: Price worthiness influences me to buy**

$$\frac{(43 \times 5) + (63 \times 4) + (165 \times 3) + (51 \times 2) + (28 \times 1)}{350} = \frac{1092}{350} = 3.12$$

##### B. Promotions

$$\text{Promotion Mean} = \frac{2.99 + 3.37 + 3.35 + 3.19 + 3.24}{5} = 3.23$$

##### C. Affordability

$$\text{Affordability Mean} = \frac{3.20 + 3.19 + 3.18 + 3.15}{4} = 3.18$$

##### D. Price-Quality Balance

$$\text{Price-Quality Mean} = \frac{3.07 + 3.15 + 3.19}{3} = 3.14$$

**Promotional pricing is the most influential pricing factor** affecting the purchase behaviour of Generation Z consumers towards Faces Canada products.

### VIII. FINDINGS

According to the analysis, the frequency with which Generation Z consumers buy cosmetics is moderate, with a greater percentage making occasional or infrequent purchases. Faces Canada products are primarily purchased through online channels, underscoring Gen Z consumers' growing reliance on digital commerce. The majority of monthly cosmetic spending falls between ₹500 and ₹1000, indicating price sensitivity and frugal spending.

The fact that social media is the main source of information highlights how successful it is at influencing consumers' decisions to buy cosmetics. Responses to statements about pricing exhibit a high degree of neutrality, especially when it comes to price worthiness, inducing repeat purchases, and price-quality satisfaction. This suggests that Gen Z consumers take a cautious and critical approach to pricing.

The frequency of cosmetic product purchases and the propensity to buy Faces Canada products during price promotions do not significantly correlate, according to the Chi-square test. This suggests that promotional pricing has a consistent appeal across a range of purchase frequencies.

The most significant pricing factor influencing purchase behavior, according to mean score ranking analysis, is promotional pricing, which is followed by affordability and price-quality balance. Price worthiness has the least impact, indicating that promotional factors are more important in influencing Gen Z consumers' purchasing decisions than perceived value alone.

### IX. MANAGERIAL IMPLICATION

The results indicate that in order to successfully draw in Generation Z customers, Faces Canada should give priority to promotional pricing techniques like discounts, limited-time offers, and bundled pricing. Strengthening digital retail partnerships and improving the brand's e-commerce experience are crucial given the predominance of online platforms.

Introducing competitively priced products without sacrificing quality could increase market penetration because Gen Z consumers have a moderate spending capacity. Social media's powerful influence emphasizes the necessity of regular interaction through user-generated content, interactive campaigns, and influencer marketing. Furthermore, clear communication of the advantages of price and quality may aid in transforming unfavorable opinions into favorable purchase intentions.

### X. CONCLUSION

According to the study's findings, Generation Z consumers' purchasing decisions regarding Faces Canada cosmetics are heavily influenced by price. The most important factor is promotional pricing, which surpasses affordability, price-quality balance, and price worthiness. Gen Z consumers' purchase intention and brand preference can be effectively increased by well-structured promotional strategies, reasonable pricing, and robust digital engagement, even though purchase frequency has little bearing on promotional buying behavior.

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