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ANALYZING THE FACTORS AFFECTING FACIAL CLEANSER DEMAND AMONG YOUNG PEOPLE IN VIETNAM

* Dr. Nguyen Thi Van Anh

University of Labour and Social Affairs (nguyenvananh83@ulsa.edu.vn)

Nguyen ChauKhanh Linh

Thoai Ngoc Hau Gifted Highschool (klinhg2712@gmail.com)

Nguyen Ngoc Bao Tran

Mater Dei High School (nguyenngocbaotran3108@gmail.com)

Nguyen Mai Thao

Fryeburg Academy (maithaonnguyen@gmail.com)

Corresponding author: *Dr. Nguyen Thi Van Anh
Email: nguyenvananh83@ulsa.edu.vn

ABSTRACT

The research analyzes the factors affecting the demand for made-in-Vietnam facial cleanser among the Vietnamese youth. Based on the theory of commodity demand, the research team builds a survey form and collects responses from 415 students at high schools and universities in Vietnam on the factors affecting their demand for made-in-Vietnam facial cleansers. The synthesis and analysis of survey data show that the demand for face wash products among Vietnamese young people is influenced by many factors such as the price of the products, income, interests, prices of related goods, expectations of the market, etc. Besides, the research team also considers the advantages of Vietnamese face wash products compared to imported products and young consumers' expectations for the products as well as their beliefs and support for made-in-Vietnam facial cleanser products in the future.

KEYWORDS

Demands, Factors affecting demand; Cleanser; Made in Vietnam; Vietnamese youth.



1. GOODS DEMAND THEORY

The theory of demand for goods is widely presented in textbooks and lectures on Microeconomics. In this article, the research team analyzes the theory of demand for goods based on documents from Anh, N.T.V., & Duong, L.X., (2021).

Demand (D): “Demand is the number of consumers who are willing and able to buy products at various prices during a given period of time, other things being constant.” Buyers tend to increase the quantity of a good demanded when its price falls and vice versa, which can be explained by the substitution effect and the income effect. The reverse relationship between price and quantity demanded holds for most goods in an economy, which economists call this relationship:

Law of Demand (Q^D): “The quantity demanded of a certain good or service tends to increase when the price of that good or service decreases and vice versa (with all other factors being constant)”.

To examine the factors affecting the consumption of products of enterprises, managers need to understand the factors affecting demand. The analysis of factors affecting demand helps managers make appropriate decisions on strategies to stimulate demand and promote product consumption. For each different commodity, the factors affecting demand will be different. The common factors affecting the demand and quantity demanded of goods can be summarized in Table 1 as follows:

Table 1. Factors affecting demand and quantity demanded

Factors	Relationships	Correlation
Px: Price of the commodity	$P_x \uparrow \Rightarrow Q^D_x \downarrow$ $P_x \uparrow \Rightarrow Q^D_x \downarrow$	Negative
I: Income	Normal goods: $I \uparrow \Rightarrow D_x \uparrow$ Inferior goods: $I \uparrow \Rightarrow D_x \downarrow$	Positive Negative
N: Population	$N \uparrow \Rightarrow D_x \uparrow$ $N \downarrow \Rightarrow D_x \downarrow$	Positive
Py: Price of related goods	Supplementary goods: $P_y \uparrow \Rightarrow D_x \uparrow$ Complementary goods: $P_y \uparrow \Rightarrow D_x \downarrow$	Positive Negative
T: Taste	$T \uparrow \Rightarrow D_x \uparrow$	Positive
E: Expectation	$P_x(\text{future}) \uparrow \Rightarrow D_x(\text{Present}) \uparrow$ $P_x(\text{future}) \downarrow \Rightarrow D_x(\text{Present}) \downarrow$	Positive

D_x : Demand for good X

Q^D_x : Quantity demanded good X.

Source: Duong, L.X. (2012)

2. RESEARCH METHODOLOGY

To study the factors affecting the demands for made-in-Vietnam facial cleansers among the Vietnamese youth the research team uses desktop research methods, and sociological surveys, and data is collected and analyzed using Excel.

Using the desktop research method, the research team reviews the documents and synthesizes theories on the demand for goods, and the factors affecting demand. At the same time, the research team conducts a literature review of several studies related to product demand and facial cleanser products made in Vietnam in particular and facial cleanser products in general.

Based on the synthesis of the theory of commodity demand and the results of related studies on facial cleanser, the research team builds a survey form on Google Drive, conducted an interview to complete the form, and sent it to the customer. Survey link

(https://docs.google.com/forms/d/1Q6YUmjsyYoE9hf6472pYpC2wzqj61fMB_0aMfwD33-M/edit#responses) to high school and university students in Vietnam via social media such as Facebook, Zalo, email, etc.

The data collection method conducted by the research team is based on two methods: the convenience sampling method and the "snowball" method, which is a method of finding the next object based on suggestions

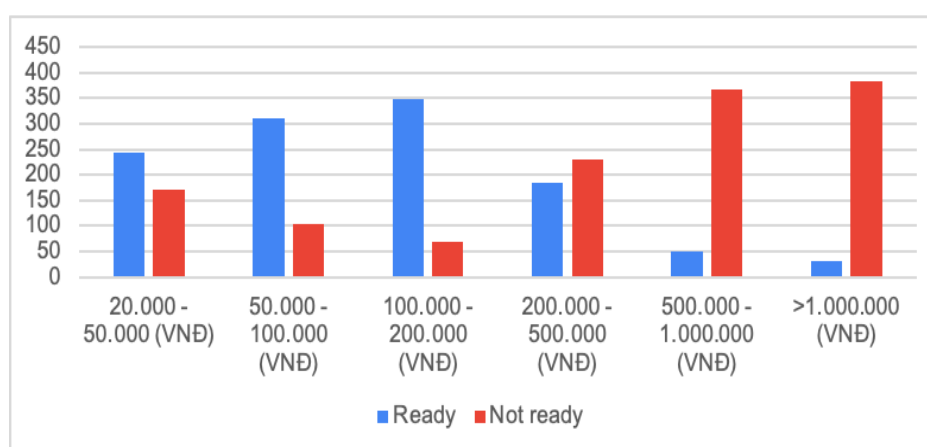
or recommendations of the surveyed subjects. The total number of survey questionnaires collected is 415. Survey data is synthesized and statistically analyzed using Excel, thereby analyzing and demonstrating the research issues.

3. ANALYSIS OF THE FACTORS AFFECTING THE DEMAND FOR MADE-IN-VIETNAM FACIAL CLEANSERS AMONG YOUNG PEOPLE IN VIETNAM

Based on the theory of commodity demand, the research team examines the impact of endogenous and exogenous factors on the demand for made-in-Vietnam facial cleansers in the Vietnamese youth. The endogenous factor is the price of facial cleanser, the exogenous factors include the student's income, the price of related goods, taste, and expectations.

3.1. Quantity demanded of made-in-Vietnam facial cleansers by price

In the commodity demand curve, price is an internal factor, in which a price change will lead to a change in the quantity demanded. In the authors' research with 415 survey questionnaires collected, the relationship between quantity demanded and price of made-in-Vietnam facial cleansers is shown in Figure 1.



Source: Survey results

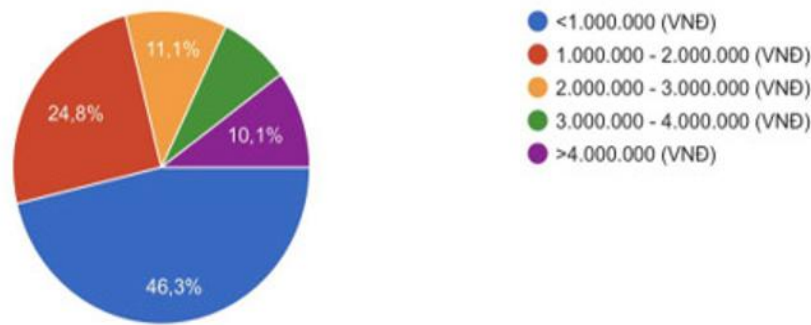
Figure 1. Relationship between quantity demanded and price of made-in-Vietnam facial cleansers

According to Figure 1, the number of people willing to pay for a face wash product for VND 20,000-50,000 per unit is 244 people. From the price of VND 20,000 to VND 200,000 the relationship between price and quantity demanded does not satisfy the law of demand, when the price of a product increases from the price range of VND 20,000 - VND 50,000 to the price range of VND 50,000 - VND 100,000, the number of people willing to pay increases from 244 to 311 people. With face wash products made in Vietnam in the price range of VND 100,000-200,000, the highest number of people willing to pay is 347 people. The explanation for this non-compliance with the law of demand may come from the psychology of consumers who often choose to buy mid-priced products, or simply due to customer association of low-priced products with poor quality.

From the price of VND 200,000 for a product or higher, the relationship between price and quantity demanded complies with the law of demand. In the price range of VND 200,000-500,000, 184 people are willing to pay. At the price range of VND 500,000-1,000,000, the number of people willing to pay significantly reduces to 49 people. And only 32 people are willing to pay for a facial cleanser at a price of over VND 1,000,000.

3.2. Demand for made-in-Vietnam facial cleansers by income

The research results with the income factor of the survey participants show the income of students in Figure 2.

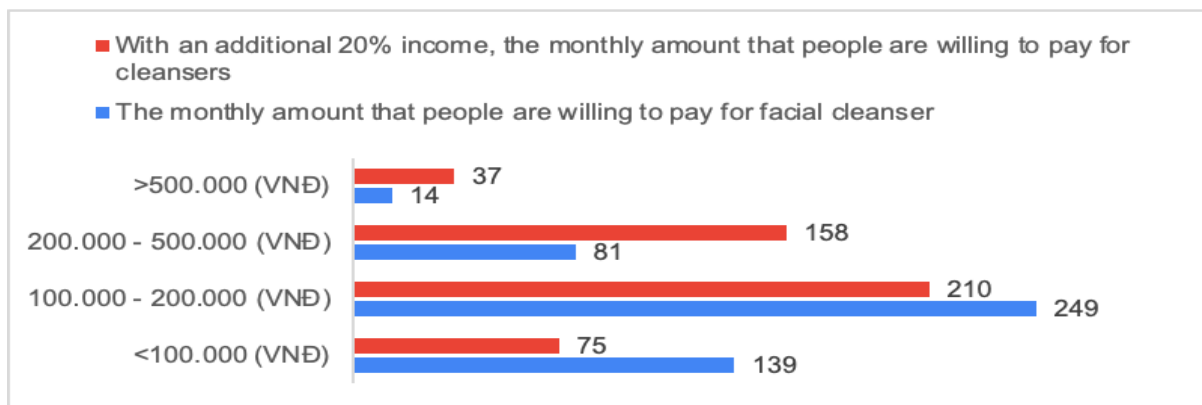


Source: Survey results

Figure 2. Monthly income of respondents

Figure 2 shows that the monthly income of students who participate in the survey is, specifically 46.3% have an income of less than VND 1,000,000; 24.8% have income from VND 1,000,000-2,000,000; 11.1% have income from VND 2,000,000-3,000,000; 7.7% have income from VND 3,000,000 to 4,000,000; 10.1% have income over VND 4,000,000.

Accordingly, the amount of money that the respondents are willing to pay to buy a facial cleanser is shown in Figure 3.



Source: Survey results

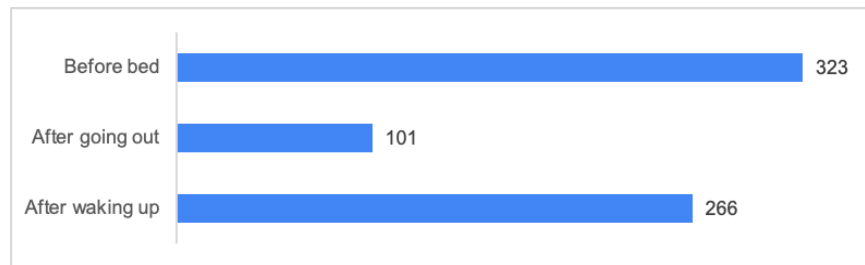
Figure 3. Willingness to pay for cleansers monthly

Figure 3 shows the different degrees of willingness to pay for a face wash product in line with the student's monthly spending, and the willingness to pay if income increases by 20%. The monthly amount students are willing to pay for facial cleanser is as follows: 139 people spend less than VND 100,000; 249 people spend from VND 100,000-200,000; 81 spend from VND 200,000-500,000, and 14 people are willing to spend over VND 500,000.

With income increases by 20%, the survey results show that the willingness to pay for facial cleanser products priced below VND 100,000 decreases to 75 people; the number of people willing to pay from VND 100,000-200,000 also significantly decreases to 210 people. However, the number of people willing to pay for high-end products with higher prices increases significantly, particularly the number of people willing to pay for products from VND 200,000-500,000 increases by 77 people; the number of people willing to pay for products over VND 500,000 increases by 23 people.

3.3. Demand for made-in-Vietnam facial cleansers by taste

Through the survey on the time to use facial cleansers, the survey results are shown in Figure 4.

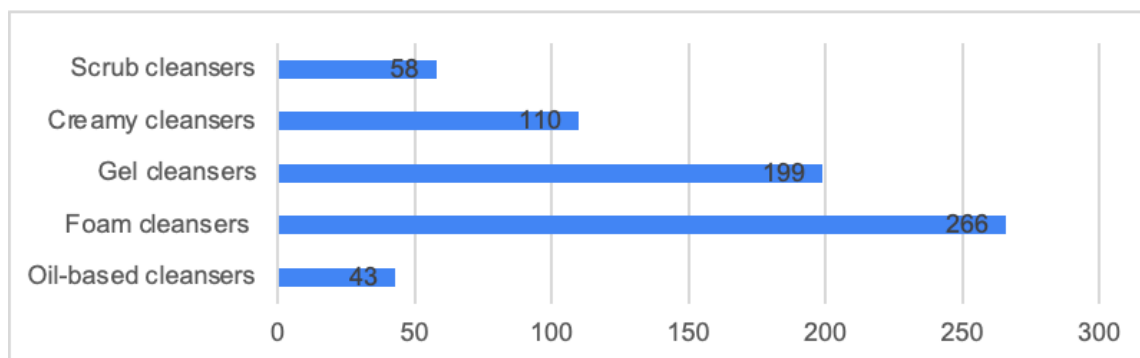


Source: Survey results

Figure 4. Facial cleanser time of use

The survey results show that 323 respondents (77.8%) use facial cleansers before going to bed; 266 students (64.1%) use facial cleanser after waking up, And 101 (24.3%) use them after coming home from school and 5.1% use it at other times of the day and there were some cases of not using facial cleansers. (Figure4)

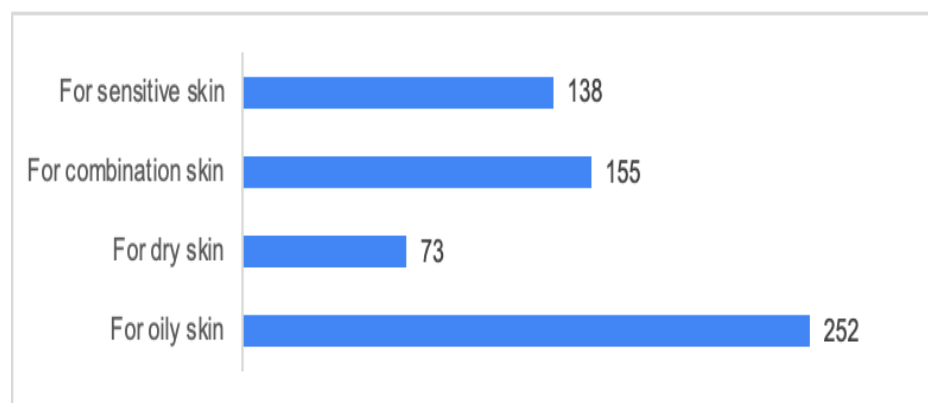
The factors affecting the taste of students on facial cleanser products, respectively, include forms, attributes, sizes, scents, and ingredients of the product.



Source: Survey results

Figure 5. Favorite forms of cleansers

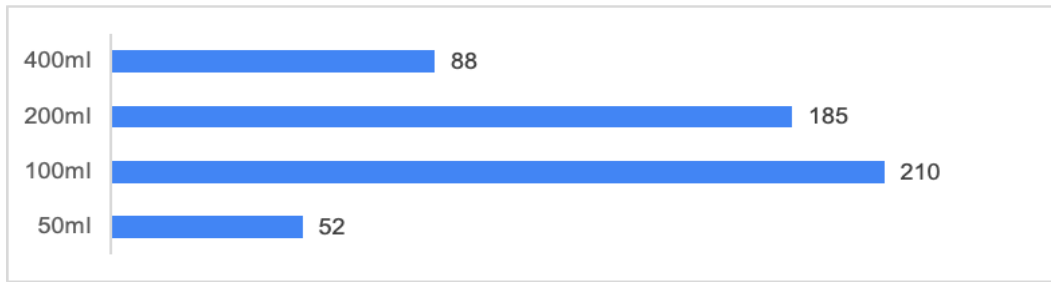
The survey results on the favorite forms of facial cleansers show that 64.1% prefer to use foaming cleansers; 48% prefer to use gel cleansers; 26.5% prefer cream cleansers; 14% prefer a scrub cleanser and 10.4% choose an oil-based cleanser. (Figure 5)



Source: Survey results

Figure 6. Favorite attributes of facial cleansers

Figure 6 shows that, out of a total of 415 survey respondents, 60.7% prefer to use the cleanser for oily/acne skin; 37.3% prefer a cleanser for combination skin; 33.3% use a cleanser for sensitive skin and 17.6% choose a cleanser for dry skin. (Figure6)

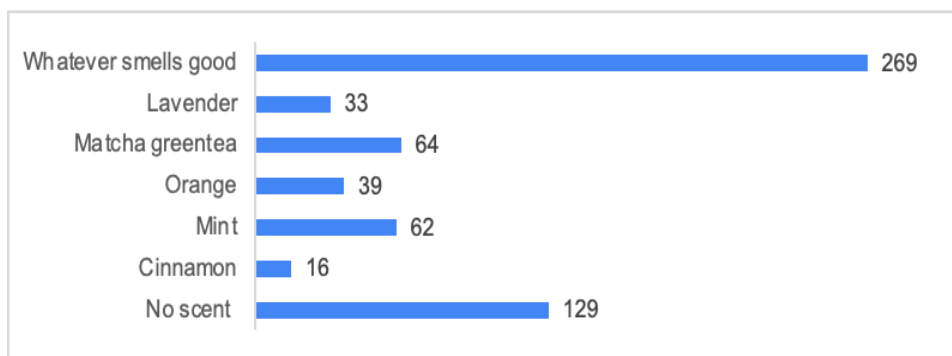


Source: Survey results

Figure 7. Favorite cleanser sizes

The survey results show that 210 respondents (50.6%) prefer to use a facial cleanser with the size of 100ml; 185 participants (44.6%) choose to use a 200ml facial cleanser; 88 students (21.2%) choose to use a 400ml facial cleanser and 12.5% prefer a 50ml facial cleanser. (Figure7)

Regarding the scent of the favorite facial cleanser, the survey results are shown in Figure 8.

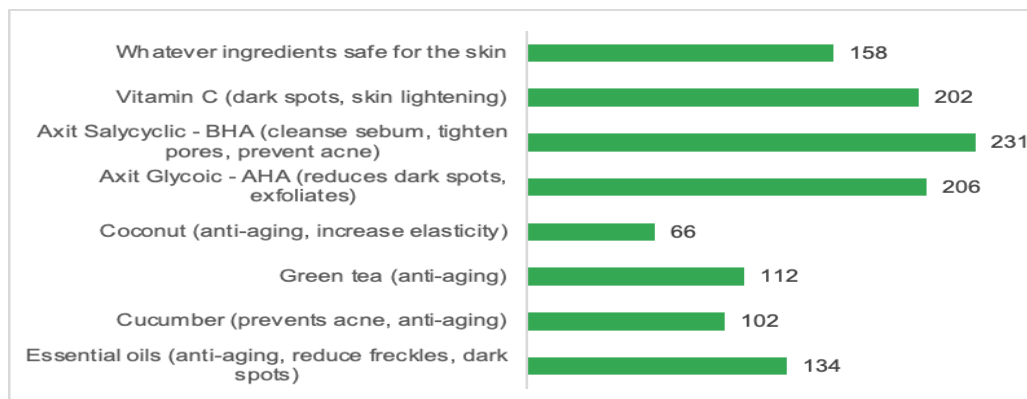


Source: Survey results

Figure 8. Favorite cleanser’s scents

The survey results show that the number of respondents to choose any scent as long as it is fragrant and pleasant accounted for 64.8% (269 responses). 31.1% (129 responses) choose no scent. Other scents such as cinnamon account for only 3.9% (16 responses), mint with 14.9% (62 responses), and orange accounts for 9.4% (39 responses). The scent of matcha accounts for 15.4% (64 responses) and lavender accounts for 8% (33 responses). However, the scents from Vietnamese ingredients like tea tree and rice are not popular among young people when the number of responses is only 1 (0.2%). Thus, most young people only care about face wash products with pleasant scents. (Figure 8)

Next, the research team looks at the ingredients in the facial cleansers that young people love. The survey results are shown in Figure 9.

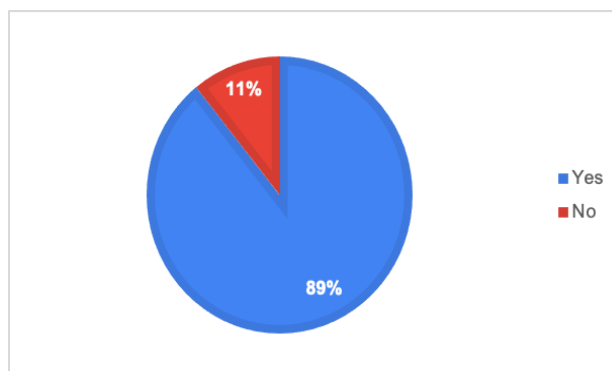


Source: Survey results

Figure 9. Favorite ingredients in cleansers

Figure 9 shows that young people prefer BHA organic compounds to clean their skin with 55.7% (231 responses). Among the 3 anti-aging ingredients, based on data, young people prefer essential oils (an ingredient that has undergone mechanical methods) over natural ingredients, i.e. green tea, and coconut. Essential oils account for 32.2% (134 responses) while green tea accounts for 27% (112 responses) and coconut accounts for only 15.9% (66 responses). Both organic compounds AHA and Vitamin C are loved by young people to reduce dark spots and pigmentation and brighten skin. Both ingredients are selected equally when AHA accounts for 49.6% (206 responses) and Vitamin C accounts for 48.7% (202 responses). In addition, the number of young Vietnamese who are not too interested in the ingredients in facial cleansing products with the number of responses is 158(38.1%).

In addition, the research team also learns about the trend of xenophilia among young Vietnamese.



Source: Survey results

Figure 10. Xenophilia trend on cleansers

Survey results show that 89.2% of young people like imported facial cleansers and only 10.8% like to use made-in-Vietnam facial cleanser products. (Figure10)

This shows that face wash products made in Vietnam are not the first choice of the young Vietnamese. One of the reasons for this is that currently imported products are flooding the market and crowding out Vietnamese products. In addition, long-standing and famous facial cleanser brands often come from countries with thriving cosmetic products such as Korea, Japan, etc.

3.4. Demand for made-in-Vietnam facial cleansers by prices of related goods

Some products that can be used to substitute facial cleanser include

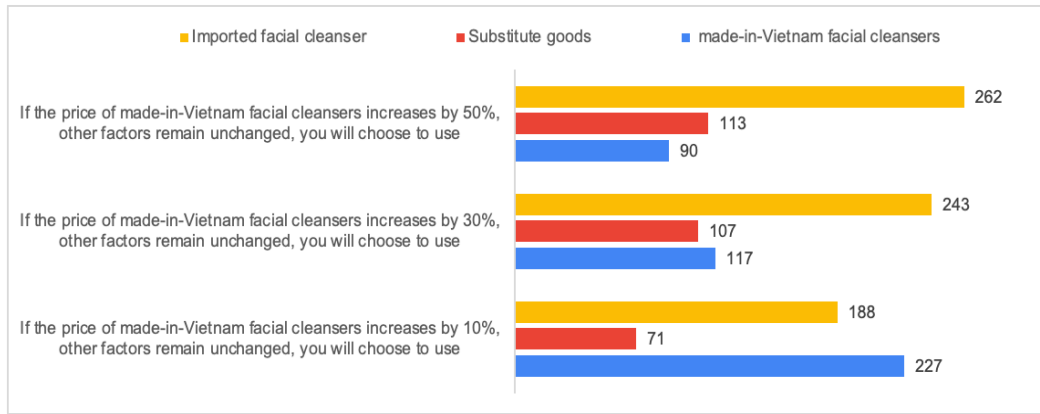
Sugar-free milk: rich in protein and fat, helps clean, moisturize and whiten the skin.

Rice water: contains many amino acids, vitamin B, and antioxidants to help clean, whiten and protect skin from environmental damage.

Green Tea: contains polyphenols that help fight skin aging.

Makeup removal: helps remove dust or makeup on the surface, after use, rinse with clean water.

Imported facial cleanser products (from Korea, Japan, USA, etc).



Source: Survey results

Figure 11. Fluctuation in the price of made-in-Vietnam facial cleansers and consumption of substitute goods

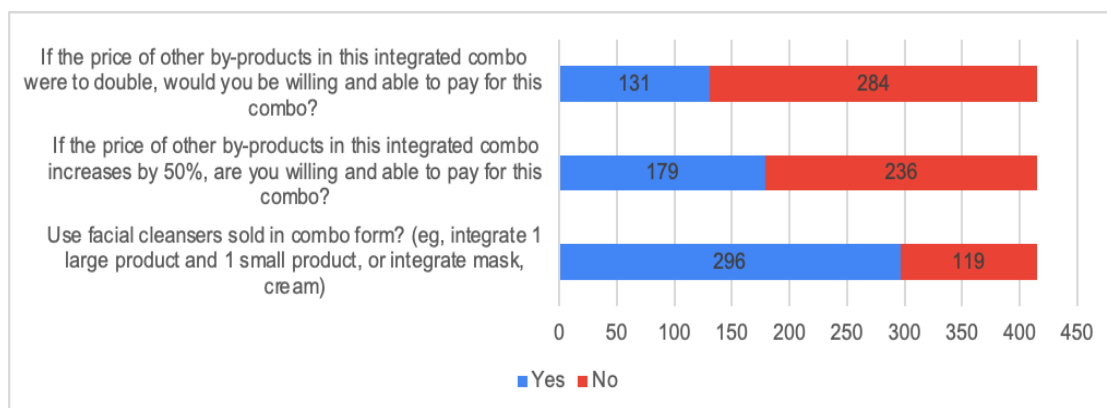
Figure 11 compares the choice of young Vietnamese consumers between made-in-Vietnam facial cleanser products, facial cleanser substitutes, and imported facial cleansers with different hypotheses on the changes in the price of made-in-Vietnam facial cleansers.

Hypothetically, made-in-Vietnam facial cleansers increase by 10% of the original price, and most young consumers choose and support Vietnamese products with 227 responses. It partly shows that the affordable price is said to be the measurement of quality, the expectation of a price increase at a certain range will associate with quality improvement, so the number of made-in-Vietnam cleanser buyers increases.

Hypothetically, made-in-Vietnam facial cleansers increase by 30% of the original price, and the number of Vietnamese consumers decreases to 117 people. At the same time, the number of people choosing substitute face wash products increases by nearly 50% but is still less than the number of people choosing to buy Vietnamese facial cleanser products. Imported facial cleanser buyers increase from 188 to nearly 243.

Assuming that the made-in-Vietnam cleanser increases by 50% of the original price, the number of Vietnamese consumers who switch to buying imported products rises to 262 buyers, higher than the number of people who choose to buy Vietnamese cleanser and products and cleanser substitutes combined.

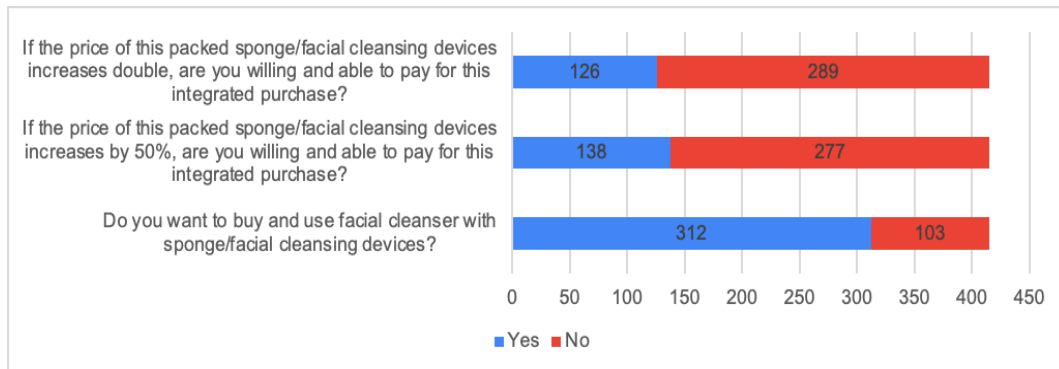
Besides, in this study, the authors also learn about the desire of consumers who want to buy products in the form of combos/integrated with other products. The survey results in Figure 12 show that consumers are also interested and ready to buy combo/integrated products. However, if the complementary product price increases by 50%, the willingness to spend on the integrated combo significantly reduces from 296 to 179; If the price doubles, only 131 respondents are willing and able to pay. (Figure 12)



Source: Survey results

Figure 12. Effect of complementary product prices in cleanser combos

If sponges/face wash devices increase by 50% in price, the willingness to spend on integration significantly reduces from 312 to 138; If the price is doubled, only 126 people are willing and able to pay. (Figure 13)

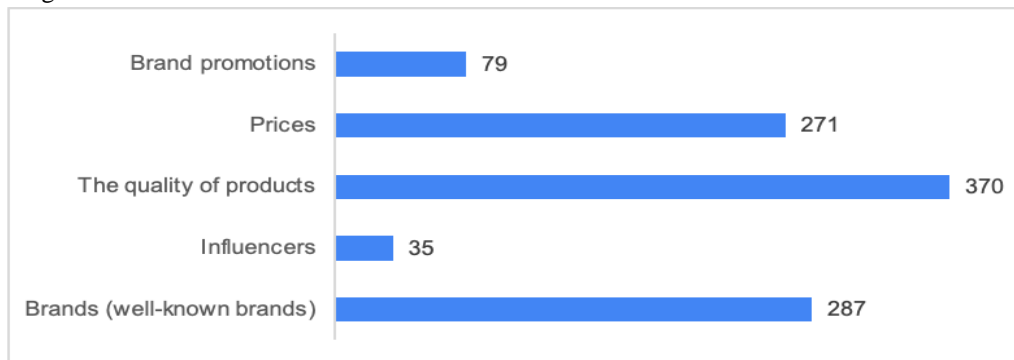


Source: Survey results

Figure 13. Influence of the price of sponges/facial wash devices on the demand for cleansers

4. MARKET OUTLOOK FOR MADE-IN-VIETNAM FACIAL CLEANSING PRODUCTS

The survey results also show the factors young people consider when choosing a facial cleanser, as shown in Figure 14.

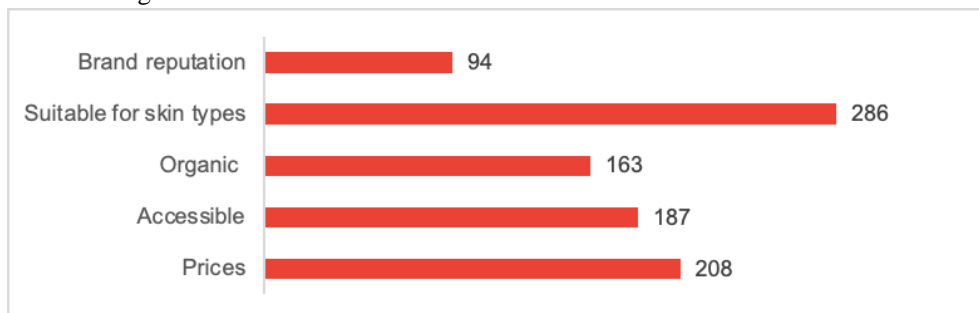


Source: Survey results

Figure 14. Factors affecting the choice of facial cleanser products

Figure 14 shows that out of a total of 415 survey participants, 370 respondents (89.2%) choose facial cleanser products based on product quality; 287 (69.2%) consider the brand; 271 respondents (65.3%) choose products based on price; 79 responses (19%) choose according to the brand's promotion program; 35 students (8.4%) trust the brand's representative and 2.4% choose based on other criteria. The survey results show that product quality is still the top priority of many students when choosing facial cleanser products, then come such market factors as brands, prices, or promotion programs.

At the same time, when considering the advantages of Vietnamese face wash products, the survey results are shown in Figure 15.

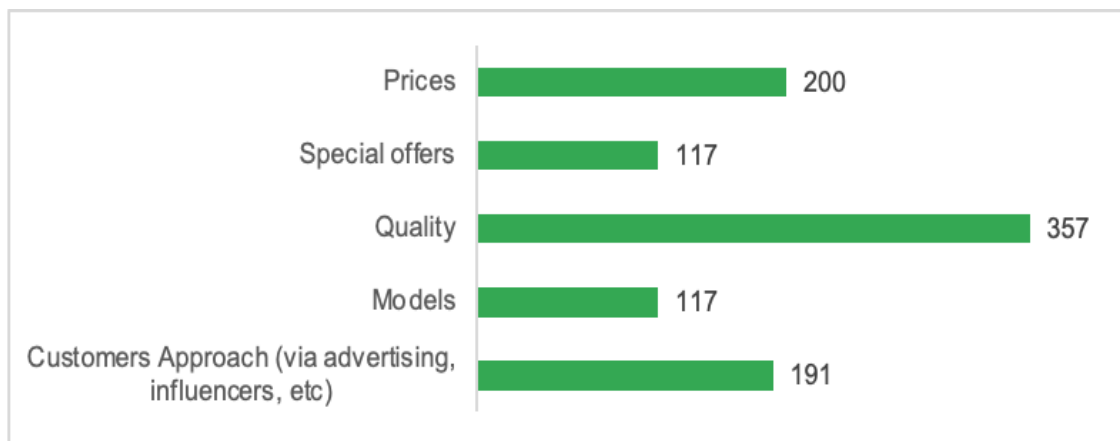


Source: Survey results

Figure 15. Advantages of Made-in-Vietnam facial cleanser

Figure 15 shows that the number of people who choose a facial cleanser suitable for their skin accounts for the highest proportion with 68.9% (286 responses). This shows that made-in-Vietnam cleansers have been carefully examined and often contain good ingredients, suitable for Vietnamese skin. In addition, the "affordable" price is another advantage of the made-in-Vietnam facial cleansers. Price is the second most important factor in the survey results with 50.1% (208 responses). Next is the ease of finding and buying a made-in-Vietnam facial cleanser, which ranks third with 45.1% (187 replies). After that, the advantage of using natural ingredients of made-in-Vietnam face wash products is rated with 163 responses (accounting for 39.3%). With a percentage of 22.7% (94 replies), brand reputation is one of the advantages of made-in-Vietnam facial cleansers. Thus, skin compatibility and price are the two outstanding advantages of Vietnamese face wash products. The expansion in the Vietnamese market, the reputation of the brand, and the ingredients are the factors that Vietnamese facial cleanser companies need to pay more attention to and develop further.

This study also shows young people's expectations about changes in facial cleanser products made in Vietnam in the future, as can be seen in Figure 16.



Source: Survey results

Figure 16. Expectations of changes in made-in-Vietnam facial cleanser products

The majority of young people is interested and expects changes in facial cleanser products, especially in terms of product quality. 357 respondents (86%) expect future changes in quality, which shows that domestic manufacturers need to improve the quality of face wash products. In addition, advertising, customer approach, and pricing are also two important factors that need to be enhanced. The price of Vietnamese facial cleanser products should be reasonably determined in line with the living standards and spending of Vietnamese young people with 48.2% (200 responses) expecting the price change. With 191 responses (accounting for 46%), it shows that Vietnamese facial cleanser brands should pay more attention to their approach to customers (advertising, representatives, etc.) to be able to expand products in the Vietnamese market. Product designs and promotions are also two quite important factors in attracting customers. Up to 28.2% (117 respondents) expect changes in the designs of Vietnamese products and more promotion programs when buying face wash products made in Vietnam in the future. (Figure 16)

In particular, in the survey results, up to 94.9% of the respondents state that they have great faith and support for the face wash products made in Vietnam in the future. This is a very good signal for domestic manufacturers with the campaign "Vietnamese people give priority to using Vietnamese goods". Therefore, businesses need to promote brand building, promotion, product introduction, application of information technology, and development of e-commerce and modern trade channels. The State should support enterprises in the supply chains; value chains of high-quality goods, and sustainable consumption; encourage businesses in general, and face wash manufacturers in particular to make goods of good quality, beautiful designs, and reasonable prices.

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