

Mushrooming Growth by Establishing Women Entrepreneurs With reference to Beauty salons in India

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Abstract

In the recent generation many persons prefers to make their presence as employer from the transition of employee. The entrepreneurial thoughts coined from being unique, better to be leader, possessing administrative skills to do business. The growth of a successful entrepreneurship ecosystem comprises many factors like individual motivations, socio cultural factors, business environment, and accessibility to people, knowledge and adaptation to environment. On a whole entrepreneurship means different things to different people. Hence conceptually and in practical aspect the term doesn't mean any stereotype model. Global liberalization enhances major impact to encourage entrepreneurship in India at all levels. In India entrepreneurship shows tremendous potential amidst the bullish growth trends of the economy as a developing country. As we have the statistics that the penetration of the organized retail sector in India is just 8 % (Velegapudi 2011), and the remaining unorganized sector which includes small grocery shops, street vendors etc accounts for over 93% labor force.

The data analysis says that next to agricultural sector the largest employment provider is service sector. And with increase in dependency on service sector women are being welcome to be part of many entrepreneurial ventures at different level. This research paper focuses on how women entrepreneurs in emerging markets like India are recognized to be a part of the ever expanding service industry with special reference to the beauty salons revolution.

Keywords: *Beauty salons, service sector, Women Entrepreneurs.*

Introduction

According to The national knowledge commission 2008, entrepreneurship is defined as the professional application of knowledge skills and competencies and/or of monetizing a new idea, by an individual or a set of people by launching an enterprise de novo or diversifying from an existing one (distinct from seeking self-employment as in profession or trade), thus to pursue growth while generating wealth, employment and social good. The importance and value of entrepreneurship lies in wealth creation and continuous innovation. There are various factors that act as the motivating elements of entrepreneurship for instance individual motivations, individual experiences, socio-cultural and family traditions, education, availability of relevant skills and attitudes, supporting finance, credit facilities and infrastructure, macroeconomic environment and political environment (Tripathy, Gadgil,Gopalakrishnan; 2007). In India entrepreneurship occurs in 'far more encompassing and far reaching ways', than in developed countries. The Entrepreneurship 'Pyramid' in India comprises of the following;

Stage 1- Agriculture and other activities- Crop production, Plantation, Forestry, Livestock, Fishing, Mining and Quarrying.

Stage 2- Trading services- Wholesale and retail trade; Restaurants and hotels

Stage 3- Old economy or traditional sectors- Manufacturing, Electricity, Gas and Water supply

Stage 4- Emerging sectors (including knowledge intensive sectors)- IT, Finance, Banking, Insurance and Business services, Construction, Community, Social & Personal Services, Supply Chain, Transport-Storage-Communication etc.

The booming service across the developing and the emerging markets creates numerous social and economic opportunities as the Beauty Salons(SB) themselves have variety of offerings and diversified services to generate additional sources of income which has created the employment and entrepreneurial opportunities. In India the industry is expanding at an immense speed as an increasing proportion of population is getting connected. However not many women have been able to seize these opportunities due to many factors like gender inequality, inadequate education, lack of startup capital, restrictive gender roles and low confidence. Self-evaluation, determination, urge for recognition, high self-esteem and career goal are the key

drivers for taking up entrepreneurship by women (Moore & Buttner, 1997). The research paper attempts to bring out the factors that are motivating the women to become a part of the beauty salons in India thereby giving them the opportunity to prove themselves as entrepreneurs at a small scale.

Literature Review

Over the last decade many efforts have been made to realize the women entrepreneur's contribution in the process of economic development. India's GDP is presently of the order of 7.8% per year (World Economic Outlook (WEO) by IMF, Sep 2011) which generates a positive vibe ensuring growth and transformation but also a negative impact on the widening gap between the rich and the poor. Majority of developing nations are struggling with the problem of non-inclusive growth and hence India is trying to follow the new policy of inclusive growth which means a phenomenon of sustained economic growth across broad sectors to reduce poverty effectively by way of creating productive economic opportunities for the poor and vulnerable sections of the society. (Justin Yifu Lin), (World Bank).

THE BEAUTY SALONS INDUSTRY

The beauty salons in India are mushrooming at an enormous rate which has led to the growth of huge customer base in India. The attractive value proposition by the different salon service providers combined with low tariff rates, low cost of service and intense industry competition are the key drivers. The SB market in the country is very competitive with more than a dozen different service providers that have led to low costs for consumers but also extremely low margins for SBs. The table below represents the key SBs and their market share in India.

SB	Approximate Shares
Lakme Beauty Salon	26%
Jawed Habib Hair & Beauty Salon	21%
Shahnaz Husain Spas And Salon	17%
VLCC Salon	14%
Naturals Unisex Salon And Spa	12%
Green Trends Hair & Style Salon	8%

India 2019 population is estimated at 1,366,417,754 people at mid year according to UN data. India population is equivalent to 17.71% of the total world population. India ranks number 2 in the list of countries (and dependencies) by population .SBs have some of the most extensive service channels covering urban and rural areas which can offer further economic opportunities for women entrepreneurs.

WOMEN AS ENTREPRENEURS IN THE BEAUTY SALON SECTOR IN INDIA

India ranks 113 out of 135 countries, in the global gender gap ranking. In spite of this, initiatives are being taken by the government, NGOs and many MNCs as well to encourage women to start with entrepreneur venture even at a small scale, under the CSR banner. And under this only it has been found that one of the most direct ways in which women entrepreneurs can participate in the development of SB industry is by satisfying customer based on their expectations.

The nature and service provided SB varies by service Provider Company and market, but in general the SB structure can be described as follows;

In most markets, the SBs sell their services directly to customers. Basic services like haircuts, shaving etc. were approached by people and they were not too keen on experiencing other services. With the changing times, this equation between the salons and the customers has gradually changed a lot. Consumers now are more inclined towards experimenting with their looks and utilize each and every service available at their disposal.

Salons have been always open to people looking for that special treatment and extra care of their skin, hair and body. From starting by providing basic services to giving exclusive ones, the salon industry has covered a long way. Consumers are more aware of the latest trends in the market and also follow all the latest things from the international markets. According to SBDC Net, approximately 82,000 beauty salons and 4000 barber shops accumulated \$20 Billion in sales

for the year 2012. The growth that is being experienced in the industry is not only because of large, popular salons but also because of small salons. They have been contributing a big amount as it was noticed that the best 50 firms could just put in 15% of overall revenue.

Many other factors are also required to make a salon business work. The growth in the market is appreciable and has a strong base. Target market and price range matter a lot to the clients and they need to be given priority. It depends on the part of the industry you are working in and the people you are approaching. From luxury services to basic haircuts, everything needs to be analyzed in order to achieve growth in the salon industry. The target market of 35 to 64 years spends around 10-14% on beauty services and products. The men's grooming market is also a market which is evolving really fast. Men have become more of their needs and salons are providing them with the much required services and products. This is also a big factor which is helping the industry to grow. The other growth factors are keeping updated with latest techniques in the industry and also the growth of the target market and population. Introducing new schemes and using international trends and methods also help in attracting the consumers. The availability of products targeting a particular section of people has also led to a great change and stores.

Though the cost of opening a salon is minimal, the efforts to keep up the brand name, quality and quantity are what test the salon. This leads the existing businesses to give their 100% which eventually leads to the growth and development of the salon industry.

RESEARCH METHODOLOGY

Survey method was used where in 112 women across the states of Himachal Pradesh, Delhi/NCR, Maharashtra and Karnataka were questioned to rate the factor that motivates them the most to be part of this salon industry and run the small scale entrepreneur venture on a scale of 1-5 (1-"least motivating"). They were asked the questions in their local language and the responses were then translated. Out of 112 women surveyed, 100 responses were considered valid. The various motivating factors used in the questionnaire are presented here:

V1: Addition Household Income; V2” Bonus incentives like free consumer goods, meal out; V3: Easy to learn trade; V4: Low upfront investment required; V5” Contribute to children’s education and future; V6 Can start at any phase of life; V7: Good scope to expand into other business areas; V8: Flexible work schedule; V9: Improved self-confidence; V10: Ease in balancing home and work; V11: Highly trusted in their respective communities; V12: Useful on the job training; V13: Good way to meet new people; V14: Enlightenment of the mindsets; V15: Joining existing family retail business; V16: Financial Independence; V17: Act as brand outreach tool; V18: Earn respect and dignity from within and outside the family; V19: Increased security; V20: Better access to knowledge; V21: Better self-esteem.

RESULTS AND ANALYSIS

The 21 variables were coded using a five point scale stated earlier and factor analysis was conducted using SPSS 19. Initially the inter correlation among the variables were calculated and shown in the table. Principal Factor: The inter correlation analysis suggest that out of 21 variables 7 are closely related as the values of correlation co-efficient are relatively high in their case. This indicates all these variables can be reduced to 7 factors. These variables are stated, below, showed higher correlation co-efficient which are statistically at 5 percent level of significance.

Variables	Factor1	Factor2	Factor3	Factor4	Factor5	Factor6	Factor7
V1	0.1243	-0.0789	0.0159	-0.1599	0.0321	0.1077	-0.0996
V2	0.023598	0.0887	0.04215	0.8954	0.03542	0.72574	0.24722
V3	0.4563	0.24178	0.0765	0.04658	0.1589	-0.0458	0.0654
V4	-0.3251	0.5963	-0.5757	0.7089	-0.8961	0.54879	0.7329
V5	0.4580	-0.2654	0.2214	-0.4658	0.9046	0.3974	0.1214
V6	0.7896	0.79879	-0.3859	0.0127	0.0879	0.2781	0.13171
V7	-0.3654	0.1238	0.6433	0.3884	0.4378	-0.2113	0.02612
V8	0.5872	0.4489	0.8763	0.8763	0.4654	0.9861	0.1290
V9	0.12369	0.2851	-0.4587	0.0289	-0.2589	0.2354	0.2049
V10	0.5963	-0.3258	0.2373	-0.9870	0.3017	0.6509	0.3547
V11	-0.47896	0.1148	0.2894	0.6432	0.0121	-0.3654	0.0189
V12	0.0985	0.6487	0.4891	0.2954	-0.1152	0.6922	0.2745
V13	0.575567	0.9231	-0.3654	0.2098	0.9830	0.2698	-0.6951
V14	0.6876	-0.3877	0.06587	0.87963	-0.0987	0.3206	-0.27467
V15	0.2424	0.7451	0.01791	0.1791	0.0378	-0.6543	0.0897
V16	-0.77575	0.9654	0.3018	0.1278	0.9054	0.3560	0.59687
V17	0.5658	0.2357	0.8709	0.7936	0.12698	0.2398	0.7289
V18	0.4948	-0.01654	0.5943	0.30654	0.00173	0.0101	0.5119
V19	0.4976	0.03287	0.7906	-0.0217	0.12654	0.9471	0.12369
V20	0.4278	0.9877	0.04801	0.1328	0.0369	-0.0736	0.3654
V21	0.8749	-0.9763	0.1548	0.0158	0.4172	0.9854	-0.3728
Eigen Value total	1.7936	1.6795	1.5478	1.7894	1.4678	1.3084	1.70482
variance(%) cumulative	8.2479	6.95624	7.1289	10.1298	14.9321	15.9870	17.8956
Eigen value cumulative (%)	1.2340	4.7837	6.7848	6.2359	7.0186	8.7987	9.7644
	14.7641	26.1298	41.8932	50.3740	68.4530	79.4875	85.7234

The final result of the factor analysis has been presented where in the variables have been reduced to a set of 7 factors.

Factor	Variables
Factor1 – Economic Benefits	V1: Additional Household Income V2: Bonus incentives like free consumer goods, meal out V16: Financial Independence V5: Contribute to children's education and future
Factor2 – Business Benefits	V4: Low upfront investment required V7: Good scope to expand into other business area V12: Useful on the job training V15: Joining existing family retail business
Factor3 – Lifestyle Benefits	V10: Ease in balancing home and work V6: Can start at any phase of life V8: Flexible work schedule V3: Easy to learn trade
Factor4 – Psychology Benefits	V9: Improved self confidence V18: Earn respect and dignity from within and outside the family
Factor5 – Social Benefits	V17: Act as brand outreach tool V11: Highly trusted in their respective communities V13: Good way to meet new people
Factor6 – Knowledge Benefits	V20: Better access to knowledge V14: Enlightenment of the mindsets
Factor7 – Personal Benefits	V19: Increased security V21: Better self esteem

Conclusions and Discussion

From the analysis it is clearly evident that the economic benefits are the highly motivating factors for the women to enter into the MVCs and participate as women entrepreneurs followed by the business benefits, lifestyle benefits, psychological benefits, social benefits, knowledge benefits and personal benefits. In the markets like India objections of male relatives and the social leaders to women's participation in the labour markets are much prevalent and hence initiatives like the Sanchar Shakti Programme and HiH Citizen Centre Initiative with Uninor are doing the noblest task towards empowering women bringing together the Government, NGOs and SBs. Women constitute the family which further leads to society and nation and hence it is important to ensure that the whole family is engaged with and appreciates the benefits of the involvement of the women concerned in the entrepreneurial activity.

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