



# SHINING DISCLOSURES: AN IN-DEPTH LOOK AT LAKME'S MARKETING EXPERTISE

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## ABSTRACT

Lakme is indeed one of the leading cosmetic brands with its headquarters in Mumbai, India. Established in 1952, Lakme is part of the larger consumer goods and cosmetics company, Hindustan Unilever Limited (HUL). The brand has played a pivotal role in shaping the beauty and cosmetics industry in India, offering a wide range of products that cater to the diverse beauty needs of the Indian market. Lakme has adeptly integrated elements of traditional Indian culture into its product offerings, tailoring them to suit the varied and culturally diverse market. This approach involves infusing the brand's beauty products with features, colours, and fragrances that resonate with the diverse cultural preferences of Indian consumers. Lakme a distinguished presence in the cosmetics industry has implemented a range of marketing strategies that have been instrumental in establishing and sustaining its success. The secondary data have been gathered from a range of scholarly journals, websites, and books for our research. Our analysis focused on evaluating the Market entry and expansion strategy, Analyse consumer engagement, Understanding brand positioning and identification of top competitors of lakme is the foundation for our research case study.

**KEYWORDS:** Traditional culture, Pivotal role, Diverse beauty, Expansion strategy.

## INTRODUCTION

With its vast potential, the beauty sector is also a vital part of the economies of all countries. Throughout the medieval ages, upper class men and women started using cosmetics more often [1]. In this modern Information Technological era, the media plays a crucial role all over the world by sharing the essential information that influences the attitude and perception of customers [2]. Innovation leads to a process of change in organizations and its market offerings, and is a key weapon that marketing strategists use to win customers and markets, through the development of sustainable competitive advantage [3]. The global beauty market has expanded at an average annual rate of 4.5% over the past 20 years (CAGR), with annual growth rates ranging from roughly 3% to 5.5%. This market, sometimes referred to as cosmetics and toiletries or personal care products, has demonstrated its ability to grow steadily and continuously as well as its tenacity in the face of adverse economic situations [4]. The nation's beauty industry has grown in tandem with the enormous advancements in fashion and style. Being environmentally conscious has become the new mantra for the general public, and fashion designers aren't the only ones pushing this trend massively through their collections; restorative brands are also becoming more eco-friendly[5]. Given their association with a more carefree, adaptable, and comfortable lifestyle, cosmetics have grown in popularity among consumers in the current market. Manufacturers like Maybelline, L'Oreal, Lakme, and others have increased their business in the country as a result of this. Brand loyalty is the word used in marketing to describe a customer's pledge to repeatedly purchase a product or service from a brand. This suggests that consumers' decisions to repurchase are heavily influenced by their perception of the

brand's credibility and the calibre of the good or service they receive [6].

Cosmetics, according to Eze, Tan, and Yeo (2012), became a broad and well-liked category among young adults and adults because it associated them with a more laid-back, versatile, and comfortable lifestyle. Hassali (2015) emphasised that the Asian cosmetics sector is becoming one of the market that is expanding at the quickest rate is now worth over US\$70 billion, making it the second largest behind the market in Western Europe [7]. Leading Indian cosmetic firms include Himalaya Herbals, Lakme, Revlon, Oriflame Cosmetics, Biotique, and VLCC, among others. Almost every society has employed cosmetics in some capacity over its at least 6,000-year history. Many people employ scarification and tattoos as cosmetics to psychologically intimidate their opponents (Draelos, 2007). Cosmetics are defined by the FDA as items "intended to be applied to the human body for cleansing, beautifying, promoting attractiveness, or altering the appearance without affecting the body's structure or functions." Soap is expressly excluded from this category by the FDA. Originally known as the French Hair Colouring Company, Eugene Schueller started L'Oreal in 1909; it is currently the oldest and largest cosmetic company. These businesses joined [8]. The most notable observation is that the skin care cosmetics market has grown more slowly than other markets, and items like cleansers, toners, and anti-wrinkle creams are not as well-liked as face creams, moisturisers, and fairness creams. Businesses such as Pond's and Fair & Lovely are at the top of the list. The number of salons is growing at a rate of thirty-five percent, and the annual per capita expenditure in the hair and beauty business is currently \$1.2, with growth predicted to reach \$6.2 by 2015.



The forecast growth for the spa and body treatment industry is almost \$772 million over the next five to eight years [ 9]. The primary goals of this paper have been examined, including a description of Lakme marketing techniques, a swot analysis of the company's products, and an identification of competitors.

**RELATED RESEARCH WORK**

Research work related to Lakme ‘s strategies involves a comprehensive analysis of the brand’s approach to the market and consumer engagement. Investigating Lakme’s strategies encompasses studying its marketing initiatives, product development, and brand positioning to gain insights into its sustained success.

S. No.	Area of study	Focus	Reference
1.	Marketing Strategies	Investigate ethnic and national cultures influence the implementation of marketing strategies	Koubaa et al. (2011).
2.	Consumer Behavior Towards Cosmetics	One of the biggest consumer industries in the nation is the personal care industry.	Prof. Anute Nilesh, <i>Online published on 22 June, 2018.</i>
3.	Advertisement	To market their products, advertisers frequently employ iconic, indexical, and symbolic communication channels.	Gopal Krushna Sahu & Beebee Hassanaath Heathy Published: Apr 08, 2019
4.	CSR Initiatives	Social responsibility is the duty of every individual company towards society and the environment	Nora Amberg et .al 2019 ,8(3)
5.	Celebrity Endorsement	compelling declaration and convincing conversation	Jhawar,Renuka 2021
6.	Quality Assurance	Beauty and skin care products	Heyam Ali,2015

**OBJECTIVE OF STUDY**

- To Evaluate market entry and expansion strategies
- To Analyse consumer engagement
- To Understanding brand positioning
- To identify the competitors of lakme at present beauty market.
- To analyze the concept of growth in the current context.

**METHODOLOGY**

The data for this study was gathered from published sources and is based on secondary data. This piece an organised and thorough approach is used in the research technique to examine Lakme’s success in the skincare and cosmetics business, as well as the brand’s evolution, market positioning, and consumer effect. With an emphasis on the official Lakme Company website, this article offers a thorough analysis of the company's marketing methods. It draws information from a range of sources, including journal articles, newspapers, and business websites.

The objective of studying Lame’s marketing strategies involves gaining a deeper understanding of how the brand has navigated the beauty industry and achieved its prominence.

Key objectives of such a study may include:

**1. Evaluate market entry and expansion strategies**

Lakme, a major player in the cosmetics and beauty sector, has expanded and established its position through a variety of market entry and expansion techniques. Lakme’s has consistently broadened their selection of products to include a wide range of skincare, cosmetics, and beauty items. By using this calculated strategy, the brand successfully expands its appeal, reaches a larger audience, and targets a number of different beauty market groups. Lakme’s intentionally

leverages the popularity of these celebrities to attract customers while also enhancing its credibility by forming relationships with significant figures in the industry[10].

**\*.Domestic Expansion**

The goal of Lakme’s domestic expansion is to increase its market share in the country through strategic initiative. This development plan includes a number of strategies meant to boost brand awareness, expand market share, and serve a range of customer demographics. The goal of Lakme’ s domestic expansion is to increase its market share in the country through strategic initiative[12].This development plan includes a number of strategies meant to boost brand awareness, expand market share, and serve a range of customer demographics[11]. Important components: Increased retail network, localised marketing efforts, and geographic reach

**\*.International Expansion**

This domestic company has become incredibly well-known by continuously providing high-quality cosmetics and building trusting relationships with customers. A number of things contribute to its success.

**\*Heritage and Home-Grown Identity**

The brand's understanding of local preferences and traditions contributes to its widespread acceptance.

**\*Celebrity Collaborations**

Lakme has successfully capitalised on the prominence of well-known Indian celebrities and influencers, using their star power to increase brand awareness.

**\*Product Localisation**

Lakme’s uses a product localization strategy in the market, tailoring their products to the unique requirements and tastes of



the local customer base. With the use of this tactical approach, Lakme's can make sure that its products complement the distinctive features and prevailing trends of each particular market. By doing this, the brand hopes to increase consumer acceptance and relevance. It understands the significance of meeting the varied and changing needs of various geographic areas.

## 2. Analyse Consumer Engagement

Consumer engagement for Lakme's involves the brand's efforts to actively connect with and involve its audience, fostering a meaningful relationship. Lakme's consumer engagement includes.

### 1. Digital Platforms

Social media presence maintains an active presence on popular social media platforms like Facebook, Instagram, Twitter, and YouTube. These platforms offer content related to beauty tips, makeup tutorials, product launches, and collaborations. Lakme utilizes digital platforms, such as social media and its official website, as a means to connect with consumers. By consistently sharing updates, compelling content and running interactive campaigns, the brand actively nurtures its online presence, fostering an environment that invites consumer participation and feedback.

### 2. Customer Feedback Mechanism

Lakme's system for gathering customer feedback involves creating avenues for customers to share their opinions and experiences. This structured approach allows the brand to collect valuable insights, understand consumer perspectives, and continually refine its products and services based on the evolving needs and expectations of its audience.

## 3. Understanding Brand Positioning:

Lakme has a brand personality of someone who takes care of you and your beauty needs. It tries to position itself amongst its consumers as a product range that will help them look beautiful. Lakme's brand positioning in the beauty market encapsulates how the brand is perceived in comparison to its competitors and the distinctive space it holds in the minds of consumers. Lakme clearly defines its target audience understanding demographics, psychographics, and beauty preferences of consumers it aims to serve. This clear understanding enables the customization of products to align with the specific requirements and aspirations of the targeted market segment. Lakme articulates a distinctive value proposition that distinguishes it from competitors. This may encompass aspects such as product quality, innovation, affordability, or a blend of factors that resonate effectively with the preferences and needs of the target audience. The diverse and unique range of Lakme's products plays a pivotal role in shaping the brand's positioning in the beauty market. Through innovative formulations, trendsetting products, and an extensive line of cosmetics and skincare items, Lakme positions itself as a premier choice for a wide array of beauty needs.

## 4. To Identify the Competitors of Lakme at Present Beauty Market

Lakme declares its supremacy in the beauty and cosmetics sector, surpassing rivals like Revlon, MAC Cosmetics, and Hindustan Unilever in a number of important areas.

### Employee Engagement

The business also does exceptionally well in terms of employee happiness, ranking first in ENPS (Employee Net Promoter Score). This alludes to a gratifying workplace and devoted workers.

### Lakme's Performance Overview.

- 3rd position in Gender and Diversity ranks, emphasizing inclusive workplace.
- 1st rank in product quality, showcasing dedication to high-quality beauty and cosmetic offerings.
- 1st position in customer service, indicating focus on meeting customer needs and providing excellent support.
- Outperforms competitors in Overall Culture Score.
- 2nd rank in Net Promoter Score (NPS), indicating strong customer loyalty and satisfaction.

## 5. To Analyze the Concept of Growth in the Current Context

The cosmetics industry has grown significantly in the last several years due to a number of variables that include shifting consumer behaviour, societal trends, technological developments, and favourable economic situations. The following are some significant variables driving the expansion of the cosmetics industry [13].

### Standards and trends:

- Celebrities showcase cosmetic products, driving demand for innovative products.
- Technological advancements in cosmetics lead to high-quality, innovative products.
- Use of technology in marketing enhances consumer shopping experience.
- Demand for cosmetics catering to diverse skin tones, hair types, and cultural preferences.
- Brands emphasizing inclusivity and diversity are gaining popularity.

### Cosmetic Industry Trends and Impact.

- Innovation and Product Differentiation: Constant product innovation, packaging, and marketing strategies differentiate cosmetic brands. New product launches and unique formulations attract consumer attention.
- Globalization: Globalization of beauty standards and product availability contribute to industry growth.
- Health and Wellness Trends: Consumers increasingly seek cosmetics with health benefits.
- Pandemic Impact: COVID-19 pandemic has increased focus on skincare and self-care.

It is crucial to examine market trends, consumer behavior, legislative changes, and developing technology in order to understand how the cosmetics industry is expanding in the current environment. Gaining an extensive awareness of the present landscape can be achieved by conducting market



research, following industry publications, and keeping up with the latest advancement.

#### Cosmetic Industry Impact:

- E-commerce growth transforms industry.
- Global reach facilitates market expansion.
- Brands differentiate through unique formulations and marketing strategies.
- New product launches attract consumer attention.
- Demand for diverse products increases.
- Brands emphasizing inclusivity gain popularity.

## FINDINGS

### "Women's Cosmetics Usage and Cultural Norms"

- Women's cosmetic use influenced by beauty standards.
- Beauty standards significantly influence cosmetic choices.
- Lakme's marketing strategies for top position in beauty market.
- Creates campaigns that resonate with target audience.
- Utilizes celebrity endorsements and collaborations for visibility and appeal.
- Understands local beauty preferences and cultural nuances.
- Enhances brand reach and availability through various distribution channels.
- Actively engages with customers through social media, events, and other marketing channels.
- Success attributed to product quality, innovation, affordability, effective branding, and understanding of diverse audience preferences.

### Lakme Product Distribution Overview

- Wide availability through standalone stores, department stores, online platforms.
- Enhances brand reach and availability.

### Lakme 's New Cosmetic Line Features

- Nanosphere Encapsulation: Enhances product efficacy and ensures long-lasting benefits.
- Microfluidic Blending: Provides seamless application of pigments and skincare ingredients.
- 3D Printed Customization: Tailors lipstick shades, foundation tones, and eye shadow palettes to reflect unique style and preferences.
- Polymer Matrix Shield: Creates a flexible barrier on skin, preventing smudging and enhancing cosmetic longevity.

### Lakme's Sustainable Beauty Products

- Committed to eco-friendly packaging materials.
- Encases cosmetics in biodegradable and recyclable packaging.
- Hydrogel Infusion for Continuous Hydration.
- Provides a dewy, refreshed appearance.
- Color Smart Technology for Adaptive Radiance.
- Encrypted QR Code Authentication for Genuine Products

## SUGGESTIONS

1. The distribution channel needs to be effective in order to improve the cosmetics demand pattern. Vendors of Lakme products should ensure that their salespeople have received the necessary training, if any, to effectively market cosmetics. Consumer complaints regarding the cold-hearted therapy of salespeople need to be handled right away.
2. Lakme needs to launch herbal goods and concentrate on its price policies.
3. In order for the male beauty segment to be a key area, the masculine business is also getting more conscious these days.
4. Lakme needs to concentrate more on its social media advertising.
5. The prevailing consensus is that salons owned by companies are pricey. Despite the affordable prices of Lakme beauty salons, there hasn't been enough communication about this.
6. Fashion Collaborations and Limited Editions
  - Explore collaborations with designers or celebrities.
  - Introduce limited-edition collections for exclusivity.
  - Leverage partnerships for new markets and customer segments.
7. Lakme's Marketing Strategy
  - Conduct educational workshops and product demonstrations in local areas.
  - Create localized product offerings inspired by local themes or seasonal trends.
  - Establish feedback mechanisms to understand local market needs and preferences.
8. Geo-Targeted Advertising Overview
  - Utilizes online tools for targeted local audience.
  - Ensures marketing efforts focus on likely brand engagement.
9. Lakme's Next-Gen Cosmetics
  - Merges tradition with innovation.
  - Infuses cutting-edge technology.
  - Promises long-lasting results and unmatched quality.
  - Aims to redefine beauty.

Using a mix of these tactics will result in a more customized and successful plan to increase Lakme product sales in your community.

## CONCLUSION

In conclusion, the study clearly shows that women's use of cosmetics is strongly correlated with higher levels of confidence and self-esteem. This relationship emphasises how important makeup is, as it can be a powerful means of expressing oneself and a flexible instrument for experimenting with various appearances. These findings highlight the complex role beauty goods play in bolstering self-confidence and forming self-image, and they further our understanding of the beneficial psychological influence that cosmetics have on women's self-perceptions.

It is imperative to acknowledge that the triumph of any brand is subject to fluctuations in the market, customer inclinations, and industry patterns. So, continuing innovation and adaptation are essential to sustaining Lakme's success in the cosmetics





industry. It's advised to consult the most recent sources of information or business updates for the most precise and up-to-date details about Lakme's performance and strategy.

Within the ever-changing cosmetics business, it is not uncommon for firms to plan focused marketing campaigns in conjunction with fashion shows, holidays, or festivals. Lakme uses these seasonal times to its advantage by deliberately adjusting its marketing strategies to capitalize on the increased consumer excitement and interest. With the help of this flexible approach, Lakme is able to stay aware of the changing market trends and communicate with customers in a relevant and timely way. Compare the CEO Rating, Overall Culture Score, Brand Ranking, and other ratings between Lakme and MAC Cosmetics. 387 workers and consumers of MAC Cosmetics and 55 employees and customers of Lakme contributed to the results. Based on ratings from Lakme customers, the brand is ranked #795 in the Global Top 1000 Brands ranking. J.R.D. Tata, who was adamant about supporting Indian companies, was the driving force behind Lakme's development. Unlike its foreign competitors, who mostly catered to Western standards, the brand understood the specific beauty needs of the Indian market. The CEO of Lakme Lever, a Unilever division that provides beauty services and runs more than 235 salons across more than 65 Indian cities, is Pushkaraj Shenai. He has worked in consumer products, retail, and real estate for more than 20 years in the areas of strategy, operations, marketing, and sales.

Industry experts claim that a wide variety of items are flooding the market, giving established businesses that prioritize quality and customer service the upper hand in the long term.

Television and print media, including newspapers and periodicals, particularly women's publications, frequently feature advertisements. Toiletry product samples are given to specific households, and sachets of the items are fastened to magazines.

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