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Sustainability in The Personal Care Industry: An Analysis of Lakmé's Marketing Strategies

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Abstract:

This research addressed the gap in understanding Lakmé's marketing strategies regarding sustainability in the rapidly evolving global beauty industry, where consumer demand for eco-friendly and cruelty-free products was increasing. The study aimed to analyze Lakmé's current marketing and digital strategies, perform a SWOT analysis, and evaluate innovations focused on sustainability to maintain its market leadership within the competition. Utilizing a qualitative research design, secondary data was gathered from company reports, academic articles, and industry analyses to provide comprehensive insights into Lakmé's strategic positioning. The findings revealed that while Lakmé had successfully maintained its market dominance through a diverse product range, competitive pricing, and effective promotion, challenges remained in its limited focus on premium and organic offerings. Lakmé's sustainability initiatives, including eco-friendly product lines and packaging optimization, aligned with global trends, yet there was a need for greater transparency and scalability in these efforts. The implications suggested that to enhance its market position and appeal to environmentally conscious consumers, Lakmé should have expanded its premium product lines, invested in digital innovations, strengthened its sustainability, improved transparency in reporting, and developed eco-friendly product lines to enhance its position in the market.

Keywords: *Lakmé, sustainability, marketing strategies, eco-friendly, beauty industry, SWOT analysis.*

Introduction:

Sustainability has become increasingly important in the cosmetics industry to growing environmental and social awareness. Achieving comprehensive sustainability requires a strong commitment from both brands and consumers, driving the demand for eco-friendly and socially responsible products. Addressing the industry's environmental and social footprint involves adopting responsible practices across the entire value chain to minimize impact.

Lakmé has positioned itself as a leader in sustainable practices within this evolving industry. The brand has implemented strategies that include the use of recyclable and recycled packaging, sourcing ingredients from sustainable origins, and modifying production processes to reduce its carbon and water footprint. Although the company faces considerable challenges, Lakmé's initiatives highlight its potential to drive a positive shift in the beauty and personal care industry."

Lakmé has embraced sustainability as a fundamental principle of its business strategy, demonstrating a strong commitment to environmental protection. The company actively promotes conscious beauty, developing products that align with sustainable principles. This approach highlights Lakmé's recognition of the importance of ecological responsibility in shaping a sustainable future.

Lakmé, a leading brand in the Indian beauty sector, has established itself through innovative marketing approaches. Despite intense competition from brands like Maybelline, L'Oréal, Revlon, and Oriflame, Lakmé has captured a substantial portion of India's cosmetics market. This success stems from Lakmé's strategies tailored specifically for the Indian audience and its effective engagement with consumers through collaborations with Bollywood celebrities. By addressing the distinct needs of Indian women and offering a wide variety of makeup and skincare products, Lakmé has positioned itself as a preferred choice for beauty enthusiasts.

Lakmé's Sustainability and Conscious Beauty:

Sustainability lies at the core of Lakmé's business strategy, reflecting its dedication to environmental protection and the promotion of conscious beauty. The company views environmental care as both a responsibility and an investment in a better future.

Eco-Conscious Product Formulations:

Lakmé ensures its products are entirely vegan and free from animal-derived ingredients or byproducts. The brand adheres to the strict standards set by ECOCERT GREENLIFE for Natural and Organic Cosmetics. Furthermore, Lakmé's cruelty-free policy guarantees that no animals are harmed during the development or testing of its products, aligning with ethical consumer expectations.

Environmental Friendly Production Practices:

Lakmé follows ISO 22716 Good Manufacturing Practices for Cosmetics, emphasizing environmentally sustainable production methods. To reduce energy consumption, the company has adopted innovative measures such as cold production processes and the installation of solar panels to generate renewable energy. Additionally, Lakmé uses the Clean-In-Place (CIP) system, allowing efficient water recycling to minimize waste.

Sustainable and Recyclable Packaging:

In packaging, Lakmé uses eco-friendly materials, including recycled PET and sustainably sourced green polyethylene. These materials are fully recyclable, reinforcing the company's

commitment to reducing environmental impact. Lakmé also promotes responsible recycling practices through its consistent use of the Ecoembes symbol, encouraging consumers to engage in sustainable waste management.

By integrating sustainability across its products, processes, and packaging, Lakmé highlights its role as a frontrunner in eco-conscious and ethical practices within the beauty industry.

Review of Literature:

Bom, S., et al. (2019). This research paper explores the relationship between sustainability and the cosmetics industry, factors driving advancements, and tools for assessment. The findings highlight that cosmetics sustainability is a complex, multi-dimensional issue requiring an integrated evaluation of environmental, social, and economic impacts, as well as product quality and performance.

Salins et al. (2019) This research paper provide a comprehensive analysis of Lakmé as a leading Indian cosmetic company. The increasing significance of cosmetics in contemporary society underscores the need for a comprehensive analysis of key players in the beauty industry. This article focuses on Lakme, a leading Indian cosmetic company, to explore its business strategies, market positioning, and financial performance. The research problem addressed is the dynamic competitive landscape of the cosmetics industry in India and the effectiveness of Lakme's strategies in enhancing customer satisfaction. A qualitative research design was employed, utilizing secondary data from scholarly journals, websites, and books. The study analyzed various aspects of Lakme, including its corporate structure, marketing strategies, product offerings, financial health, and corporate social responsibility, using the SWOC framework as a case study approach. The findings reveal Lakme's robust market presence and innovative marketing mix, alongside insights into competitors and their offerings. Additionally, the study identifies opportunities for the enhancement of corporate social responsibility. The implications of this research suggest that adopting the proposed strategies could significantly benefit Lakme's market penetration and customer engagement, not only in India but also in international markets.

Vijayalakshmi & Palanivelu (2013) This paper explores consumer satisfaction levels regarding various attributes of Lakme products, aiming to uncover underlying perceptions held by consumers. The research addresses the gap in understanding consumer attitudes toward the Lakme brand, which is crucial for improving marketing strategies and product offerings. Utilizing a descriptive research design, the study sampled 200 consumers from the Namakkal region through non-probability convenience sampling. Data was collected via a structured questionnaire focused on market potential factors and analyzed using simple percentage methods, weighted average calculations, and Chi-square tests. Findings reveal that a significant portion of respondents were found to be unaware of Lakme products, while advertisements emerged as the main source of

awareness. Despite this, respondents expressed satisfaction with Lakme's market position and perceived the products as good quality. The weighted average analysis indicated that product quality is the most influential factor in purchase decisions, while income level did not significantly affect consumer choices. Literacy was identified as a relevant criterion influencing purchasing behaviour.

Vuc (2024) This research paper discusses the current challenges and opportunities for implementing a circular economy in the beauty industry. This paper investigates the current state of research in this academic field by analyzing contributing authors, organizations, and countries, thereby identifying existing networks and laying the groundwork for future studies. A bibliometric analysis was conducted using VOS viewer software to assess bibliographic data from the Scopus database. The findings reveal that literature on circular economy in the beauty sector is notably limited, with a marked increase in publications beginning in 2022. Key contributors include researchers from India, China, Indonesia, Italy, and the United States, focusing on sustainability topics in cosmetics and innovations for cleaner product development. Despite these contributions, the theme of circular economy in creating a safe beauty industry requires further academic attention to meet sustainable development goals. The implications suggest that collaboration among various stakeholders, including countries with established beauty markets, is crucial for advancing research in this area. Limitations include reliance on a single database, which may restrict the scope of findings, indicating a need for broader analyses in future research.

Problem Statement:

Despite the increased focus on sustainability around the world, not much research has been done on Lakmé's marketing strategies from the standpoint of incorporating sustainable practices. The global beauty industry is undergoing a significant transformation with increasing consumer demand for sustainable, eco-friendly, and cruelty-free products. As a leading Indian beauty brand, Lakmé faces pressure to adapt to these changes while competing with emerging local brands and international players. Although Lakmé has a strong market presence, its limited focus on premium and organic product categories poses a challenge in appealing to environmentally conscious and high-income customers. This research aims to address the gap in understanding how Lakmé can integrate sustainability into its business practices while sustaining its leadership in a competitive market.

Objectives of The Study:

1. To analyze Lakmé's marketing and digital strategies to understand how they maintain market leadership.
2. To assess the company's strengths, weaknesses, opportunities, and threats through a comprehensive SWOT analysis.
3. To examine Lakmé's sustainability-focused marketing strategies and innovations.

Research Methodology:

This study employs a qualitative technique to gain an in-depth understanding of Lakmé's strategies. Secondary data was sourced from company reports, academic articles, and industry analyses to provide context and background. The research follows a descriptive design, aiming to analyze and interpret the marketing, digital, and sustainability strategies employed by Lakmé company.

Limitations:

1. Due to limited time, some emerging trends and developments in the beauty industry might not be covered comprehensively.
2. Findings may not fully reflect rapidly evolving beauty industry trends.
3. The reliance on publicly available data sources and reports introduces a potential bias if information is outdated or incomplete.

Analysis of The Study:

Lakmé's Marketing Strategies:

Lakmé, India's top cosmetics brand, uses a well-rounded marketing mix to connect with its audience and stay ahead in the market. Here's a breakdown of its strategy:

1) Product Strategy:

Lakmé offers a wide range of around 300 products, including makeup for the face, eyes, lips, and nails, as well as skincare, hair care, and beauty tools. It also provides professional beauty services through salons. The brand focuses on meeting the needs of Indian women with high-quality and innovative products.

2) Place Strategy:

Lakmé ensures its products and services are easily accessible through 110 beauty salons and 1,200 retail outlets across India, supported by beauty advisors. It also has a presence in about 70 countries, extending its global reach.

3) Pricing Strategy:

The brand adopts a customer-centric pricing model to appeal to India's price-sensitive market. Strategies include value-based, competitive, product line, and psychological pricing, making its products affordable for a wide range of customers.

4) Promotion Strategy:

Lakmé uses aggressive advertising and marketing to boost brand awareness. It promotes products through TV, radio, newspapers, fashion magazines, and digital platforms, including social media. Collaborations with Bollywood celebrities further strengthen its appeal and visibility. By combining these strategies effectively, Lakmé secures its position as a market leader with a strong brand image and extensive consumer reach.

Lakmé's Digital Marketing Strategy:

Lakmé, a leading beauty brand in India, leverages digital marketing to connect with its audience and boost sales. Its strategy includes various channels and approaches aimed at building a strong online presence.

1) Social Media and Influencer Collaborations:

Lakmé uses platforms like Facebook, Instagram, and Twitter to share engaging content, including product updates, beauty tips, and trends. The brand also collaborates with influencers and beauty experts who align with its values, helping to expand its reach and engage authentically with its followers.

2) Content Marketing and E-commerce:

The brand creates informative content like blogs, video tutorials, and expert advice to educate and engage customers, positioning itself as a trusted authority in beauty. Its e-commerce platform allows customers to conveniently browse and buy products online, enhancing accessibility.

3) Email Marketing and Online Ads:

Lakmé runs personalized email campaigns to share updates on new products, promotions, and discounts. Additionally, it invests in targeted online ads to increase visibility and direct traffic to its website.

4) Virtual Try-On Tools:

Using augmented reality, Lakmé offers a virtual try-on experience where customers can test products digitally. This innovative feature helps shoppers make better decisions and improves their overall experience. By embracing these strategies, Lakmé strengthens its digital presence, engages customers effectively, and stays competitive in the beauty market.

SWOT Analysis of Lakmé:

Lakmé, a subsidiary of Hindustan Unilever Limited (HUL), is one of India's most iconic beauty brands. Founded in 1952, it was the country's first home-grown cosmetics brand, designed to reduce reliance on imported products. Over the years, Lakmé has built strong brand loyalty and market leadership in India's cosmetics and skincare market. However, as the beauty industry evolves with new trends and competitors, the brand faces both challenges and opportunities.

Strengths:

- Strong Brand Recognition:** Lakmé is a trusted name in India with a loyal customer base and a strong brand reputation built over decades. Its accessibility and affordability make it a market leader.
- Diverse Product Range:** Lakmé offers a wide variety of products, including skincare, makeup, and salon services, catering to different consumer needs and demographics.
- Extensive Distribution Network:** Lakmé products are available across traditional stores,

modern retailers, and online platforms, ensuring a strong urban and rural presence. Its Lakmé Salons further enhance its reach and brand experience.

4. **Continuous Innovation:** The brand regularly introduces new products aligned with global trends, such as matte lipsticks and long-lasting foundations, keeping it relevant among young consumers.

Weaknesses:

1. **Limited Premium and Organic Offerings:** Lakmé's focus is primarily on the mass-market segment, with fewer options in the growing premium and organic categories.
2. **Heavy Reliance on India:** Most of Lakmé's sales come from the Indian market, making it vulnerable to changes in the local economy or consumer behavior.
3. **Mass-Market Image:** Despite attempts to enter the premium segment, Lakmé is still viewed as a budget brand, which limits its appeal to high-income customers.
4. **Quality Inconsistencies:** Some consumers perceive varying product quality across its different lines, affecting trust and brand reputation.

Opportunities:

1. **Rising Demand for Organic Products:** With increasing interest in eco-friendly and chemical-free products, Lakmé has an opportunity to introduce sustainable and organic product lines.
2. **E-commerce Growth:** Expanding its online presence and enhancing its direct-to-consumer platforms can help Lakmé reach younger, tech-savvy customers.
3. **Salon Expansion:** Increasing demand for professional beauty services provides a chance to grow the Lakmé Salon network, particularly in smaller cities.
4. **Collaborations:** Partnerships with influencers, international brands, or sustainable initiatives can boost Lakmé's image and attract environmentally conscious consumers.

Threats:

1. **Intense Competition:** Both local and international brands, including L'Oréal, Sugar Cosmetics, and Mamaearth, compete for market share in India's beauty industry.
2. **Evolving Consumer Preferences:** Rapidly changing trends, such as clean beauty and cruelty-free products, require Lakmé to remain active and innovative.
3. **Regulatory and Environmental Pressures:** Strict regulations around product ingredients and growing demand for sustainable packaging pose challenges for the brand.
4. **Supply Chain Issues:** Rising raw material costs and disruptions in the supply chain can impact Lakmé's pricing and product availability.

Lakmé's Sustainability-Focused Marketing Strategies and Innovations:

1) Lakmé's Sustainability Vision and CSR Integration:

Lakmé views sustainability as both a responsibility and an opportunity, aiming to integrate it

across its business strategy. This approach reinforces its brand reputation and aligns with global sustainability trends in the cosmetics sector.

2) Marketing Strategies Promoting Sustainability:

Eco-Friendly Product Lines: Launching sustainable products like the Teknia Argan Oil solid shampoo, which is plastic-free and made with 92% natural ingredients, highlights their innovation in eco-friendly product development.

Packaging Optimization: Lakmé has reduced plastic usage, introduced 100% recyclable packaging, and utilized materials with certifications like FSC (95.85%). These strategies align with market demands for reduced environmental footprints.

3) Promoting Sustainability through Consumer Awareness and Collaborative Initiative:

By incorporating packaging pictograms and removing unnecessary secondary packaging, Lakmé educates consumers on sustainable practices, fostering a sense of shared responsibility.

Lakmé's partnership with the SEAQUAL Initiative demonstrates its commitment to sustainability by addressing ocean pollution through innovative practices. By creating products like towels made from recycled sea plastic, Lakmé supports waste repurposing and a circular economy. These efforts reflect its dedication to reducing waste, conserving resources, and meeting consumer demand for eco-conscious products, highlighting how beauty brands can integrate sustainability into their business models.

Lakmé's collaboration with the TEB Cooperative Group highlights its focus on sustainability by supporting eco-friendly production and community-driven initiatives. This partnership integrates environmental responsibility with social equity, aligning with cooperative principles that emphasize resource efficiency, economic inclusion, and community well-being.

4) Addressing Global Challenges:

Energy and Water Conservation: Investments in renewable energy, the reduction of water consumption by 31% since 2021, and the implementation of innovative systems like water reuse through osmosis highlight Lakmé's dedication to resource efficiency.

Circular Economy Practices: By achieving a 74.17% waste recovery rate, Lakmé emphasizes waste minimization and recycling across its value chain.

5) Future Sustainability Goals:

Lakmé's goals for 2024, such as achieving 90% organic plant-based ingredients and reducing the use of non-renewable sources to 0.60%, show forward-thinking strategies to maintain leadership in sustainability.

Findings:

- a. Lakmé maintains market dominance with an expansive product range, affordable pricing, and targeted promotion strategies. Digital innovations like virtual try-ons and influencer collaborations ensure strong consumer engagement.
- b. Strengths include brand recognition and accessibility, while challenges involve limited premium product options and dependence on the Indian market. Opportunities lie in expanding organic offerings and e-commerce, while threats include competition and evolving consumer preferences.
- c. Lakmé's efforts, such as recyclable packaging and water conservation, align with global trends but require transparency and expansion to comprehensively address consumer demands for eco-friendly innovations.

The findings reveal that Lakmé's commitment to sustainability is evident in its eco-conscious product formulations, environmentally friendly production practices, and recyclable packaging, positioning it as a frontrunner in the ethical beauty domain.

Conclusion:

Lakmé, a leader in India's beauty market, has established a strong brand presence through effective marketing strategies and digital innovation. However, to maintain its leadership and appeal to environmentally conscious consumers, the brand must focus more on expanding its premium and organic product lines. Additionally, while Lakmé has made notable strides in sustainability, including packaging optimization and resource conservation, further transparency and scalability in its sustainability efforts are essential to meet the increasing global demand for eco-friendly products. By addressing these areas, Lakmé can enhance its market position and future-proof its business strategy.

Suggestions:

- a. Lakmé should capitalize on the growing demand for premium and organic beauty products by launching eco-friendly, chemical-free lines. These can attract environmentally conscious consumers and those in higher income brackets seeking premium, sustainable alternatives.
- b. Strengthen the communication of sustainability efforts through clear, transparent reporting. This includes detailing the impact of initiatives like SEAQUAL and other partnerships, demonstrating credibility, and fostering consumer trust.
- c. Further invest in digital experiences like augmented reality (AR) try-ons and personalized shopping tools to attract tech-savvy, young consumers. Strengthening e-commerce platforms, particularly through targeted online campaigns, can reach a larger, more diverse audience.
- d. Lakmé should implement more circular economy practices across its supply chain—such as improving waste recovery rates, using renewable materials, and developing products with longer

lifecycles. This will reinforce its commitment to sustainability and attract eco-conscious customers.

e. Collaborate with international sustainability initiatives and influencers to raise the brand's eco-conscious profile. These collaborations can help enhance Lakmé's reputation as a forward-thinking, responsible brand committed to both social and environmental sustainability.

By incorporating these suggestions, Lakmé can stay ahead in the competitive beauty industry while aligning its business strategy with global sustainability trends.

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