

Strategic and Market Analysis of Lakmé: An Indian Cosmetic Brand Perspective

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Abstract - The Indian cosmetic industry has experienced remarkable growth over the past decade due to increasing consumer awareness, urbanization, and evolving beauty preferences. Among the leading cosmetic brands in India, Lakmé has established a strong market presence through continuous innovation, product diversification, and customer-oriented marketing strategies. The present study evaluates the organizational growth, business strategies, marketing framework, competitive positioning, and corporate social responsibility initiatives of Lakmé. Secondary data were collected from published journals, company reports, websites, and industry-related sources, while primary data were obtained through an online consumer survey. Analytical tools such as SWOT analysis and PEST analysis were employed to assess the internal and external business environment of the company. The findings reveal that Lakmé maintains a dominant position in the Indian cosmetics market due to its strong brand image, extensive product portfolio, and widespread distribution network. The study also highlights challenges such as intense competition and changing consumer preferences. Furthermore, the company's initiatives toward sustainability, women empowerment, and rural development positively influence its public image. The research concludes that innovation, customer engagement, and sustainable business practices remain essential for the future growth of cosmetic brands in India.

Keywords: Lakmé, Cosmetics Industry, Marketing Strategy, SWOT Analysis, Consumer Behavior, Indian Beauty Market.

I. INTRODUCTION

The cosmetic and personal care industry represents one of the rapidly expanding sectors in the global economy. In India, the demand for beauty and skincare products has increased substantially due to lifestyle changes, rising disposable income, social media influence, and growing awareness regarding personal grooming.

Lakmé is recognized as one of India's most influential cosmetic brands and currently operates under Hindustan Unilever Limited (HUL). Since its establishment in 1952, the company has played a significant role in shaping the Indian beauty industry. Initially launched to reduce dependence on imported cosmetics, Lakmé gradually transformed into a trusted household brand known for products tailored to Indian skin tones and climatic conditions.

The present study aims to evaluate the strategic growth, marketing practices, financial performance, and consumer perception of Lakmé while examining the factors contributing to its continued success in the Indian cosmetic market.

II. OBJECTIVES OF THE STUDY

- i. To analyze the business and marketing strategies of Lakmé.
- ii. To evaluate the production and distribution approaches adopted by the company.
- iii. To identify major competitors in the Indian cosmetic market.

- iv. To assess consumer perception regarding Lakmé products.
- v. To study the company’s SWOT and PEST framework.
- vi. To examine the corporate social responsibility initiatives of the organization.
- vii. To understand the financial position and market standing of the company.

- i. Secondary Data:
Published research articles, company reports, official websites, and industry databases were used.
- ii. Primary Data:
Primary data were collected using an online questionnaire circulated through Google Forms among cosmetic users.
- iii. Analytical Tools Used:
SWOT Analysis, PEST Analysis, Marketing Mix Analysis (4Ps), and comparative competitor assessment were used.

III. METHODOLOGY

The study is based on both primary and secondary data sources.

IV. BUSINESS STRATEGY OF LAKMÉ



Lakmé has adopted a customer-centric business strategy emphasizing product innovation, affordability, and accessibility. The organization focuses on development of products suitable for Indian skin types, collaboration with fashion experts, expansion of salon networks, and integration of online and offline sales channels.

- Place – Retail stores, salons, supermarkets, e-commerce
- Promotion – Advertising, celebrity endorsements, fashion events, social media campaigns

V. PRODUCTION AND MARKETING STRATEGIES

Lakmé continuously upgrades its product formulations and packaging to meet changing consumer expectations. The company segments its product lines according to demographic, geographic, and psychographic characteristics.

Marketing Mix includes:

- Product – Makeup, skincare, lip products, nail products
- Price – Affordable yet premium positioning

VI. PEST ANALYSIS

- i. Political Factors:
Government regulations and taxation policies affect production costs.
- ii. Economic Factors:
Inflation and changing raw material costs influence profitability.
- iii. Social Factors:
Growing beauty awareness and lifestyle changes increase cosmetic demand.
- iv. Technological Factors:
Research and innovation support sustainable and advanced cosmetic formulations.

VII. SWOT ANALYSIS

The SWOT Analysis of Cosmetic product Lakme;

<i>Constructs</i>	Features
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<i>Strengths of cosmetic products of Lakme`</i>	<ul style="list-style-type: none"> ➤ Local brand of particular Indian relevance ➤ Strong capacity for R&D, well connected to company. ➤ Integrated supply chain and well distributed production units. ➤ Cost savings potential. <p>Access to the global technology resources of Unilever and discuss best practices with others</p>
<i>Weakness of cosmetic products of Lakme`</i>	<ul style="list-style-type: none"> ➤ The price of Lakme product is very high for Indian customers. ➤ The range of quality of its products varies. <p>Dropping lame salon quality.</p>
<i>Opportunities for cosmetic products of Lakme`</i>	<ul style="list-style-type: none"> ➤ Brand growth by increasing usage depth and frequency across all categories. ➤ Improving customers to fresh levels of quality and efficiency through innovation. <p>Brand image building through collaboration with top Lakme fashion designers.</p>
<i>Threats/ Challenges for cosmetic products of Lakme`</i>	<ul style="list-style-type: none"> ➤ Aggressive local and multi-national cut-throat competition. ➤ Falsified perception products in rural and small town limits. <p>Long-term non-existence of brand image.</p>

VIII. COMPETITOR ANALYSIS

List of Top Performed Companies in 2021.

Sr. No.	Name of the Company	Established on	Founder	Annual Turnover
1.	Lakme`	1952	Simone Tata J.R.D Tata (owned by Unilever)	\$34.6 M [5]
2.	Lotus	1993	Kamal Passi	\$10 M [6]
3.	L'Oreal	1909	Jean-Paul Agon	\$32.28 B [7]
4.	Revlon	1995	Charles Revson, Charles Larchman, Joseph Revlon	\$2.9 B [8]
5.	Maybelline	1915	Thomas Lyle Williams	\$146.81M [9]
6.	Color Bar	2004	Samir Modi	\$10 M [10]
7.	Elle 18	1998	Owned by Unilever	\$4.8M [11]

IX. FINANCIAL PERFORMANCE

Financial status for the financial year ending March 31, 2021.

Operating Revenue	INR 100 cr – 500 cr
EBITDA	25%
Return Net worth	17%
Debt/Equity Ratio	0.4%
Fixed assets	0.9%
Trade Payables	40.24%
Current ratio	1.3%

* Reported as approved financials of the company for 31 March, 2021.

The company demonstrates stable financial growth supported by strong consumer demand and brand loyalty.

X. CORPORATE SOCIAL RESPONSIBILITY (CSR)

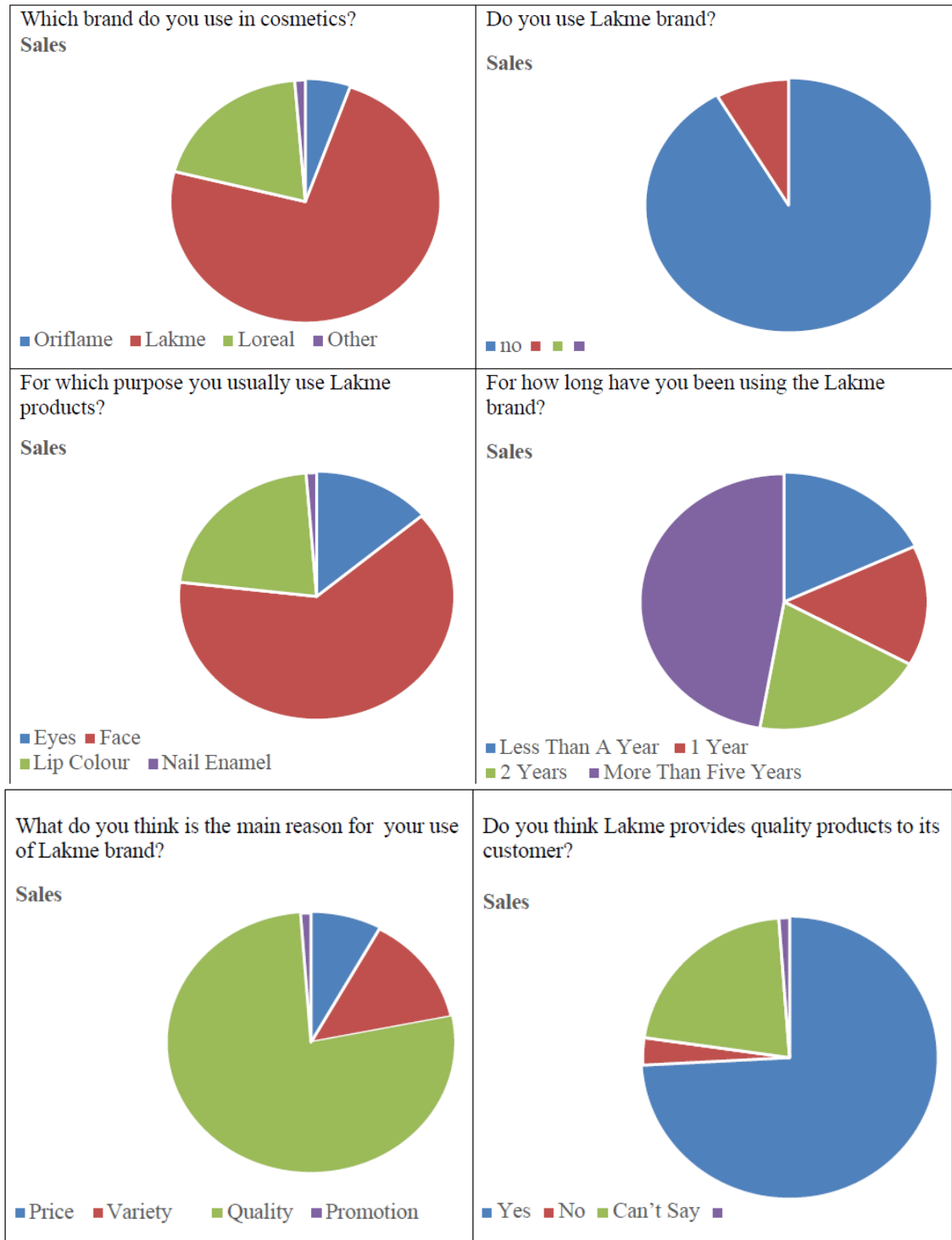
Lakmé and Hindustan Unilever undertake several CSR initiatives aimed at community development and sustainability.

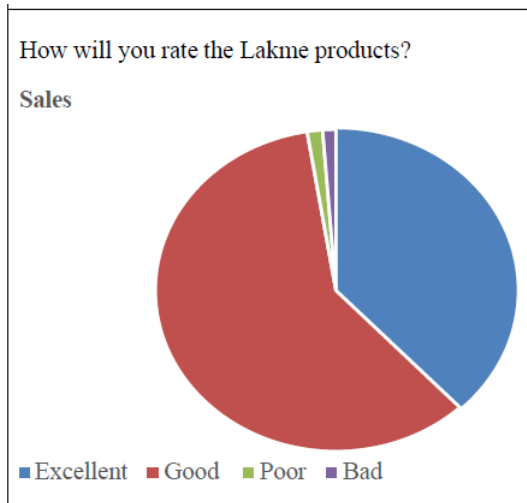
Major initiatives include:

- Project Shakti for women empowerment
- Sustainable sourcing practices
- Safe drinking water programs
- Educational scholarship support
- Rural healthcare initiatives

XI. SURVEY FINDINGS

SURVEY COLLECTED FROM THE GOOGLE FORM





The survey revealed that most respondents preferred Lakmé products due to quality, affordability, and brand trust. Lipsticks, face makeup, and eye products were among the most frequently used items. Most consumers rated the products as good or excellent.

XII. SUGGESTIONS AND RECOMMENDATIONS

Based on the above assessment, we propose further viable enhancement suggestions:

1. Lakmé must introduce natural beauty product lines as individuals are increasingly inclined towards herbal goods nowadays. As products should also concentrate on health-conscious individuals and target them.
2. The masculine industry is also becoming aware nowadays so that the male beauty section can be a focus zone.
3. Consumers have powerful brand loyalty to global brand cosmetics. Although customers have the right to purchase a specific cosmetics brand, they must purchase their own country brand and promote it because Lakmé was the first Indian brand.
4. Developing new, effective, and durable cosmetics using the latest emerging technology like nanotechnology give product differentiation advantage to create a monopoly at least for some time to the company.
5. Proper study should be carried out based on new research to generate quality cosmetics, to understand consumer behavior and to evaluate the brand loyalty that will definitely improve cosmetics demand patterns covering all fields.

XIII. DISCUSSION

The study demonstrates that Lakmé has maintained its leadership position through strategic innovation, consumer-oriented product development, and extensive promotional activities. However, increasing competition from international and herbal cosmetic brands highlights the need for continuous innovation and sustainable business practices.

XIV. CONCLUSION

Lakmé has successfully sustained its market leadership through product diversification, customer engagement, and strategic branding. The company's emphasis on innovation, affordability, and Indian consumer preferences has contributed significantly to its growth. Future expansion into herbal cosmetics and sustainable production technologies can further strengthen its market position.

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