

MARKETING SUSTAINABILITY WITH REFERENCE TO LAKME INDUSTRY**Angad Singh Claire****Narayan Goyal****Shatul Bansal****ABSTRACT**

It's a heritage that women love to be beautiful. People are more open and are not shy of using make-up and are open with the idea of taking care of their appearance. Lakme has acquired the market share due to its brand value. This paper gives a clear idea about the global beauty and sustainability of the cosmetic industry at the beginning of the 21st century. It also provides a basic understanding of the nascent relationship between marketing and sustainability. In this paper the authors tried to focus on the marketing sustainability of Lakme by studying the marketing strategy adopted by Lakme through SWOT analysis and porter's five forces, model.

INTRODUCTION

Now a day in India cosmetic industry is growing enormously. The industry has highly competitive spirit on recent marketing strategies. It depends upon the ability to introduce rapidly innovative products into the market without any delays. Sustainability has long been on the agenda at many companies, but for decade their environment, social and governance activities have been disconnected from core strategies. Association of chamber of commerce and industry (ASSOCHHAM) prepared a report in 2012 on India's cosmetic market and showed that it has been growing at an annual pace of 20 %. In 2013, the Indian cosmetic industry in valued at 29000 crores. From the various cosmetic industries, I have taken the latest cosmetic industry, which is LAKME. Lakme is a reputed Indian brand, which is owned by Unilever. Mr. Anil Chopra who is the CEO of the company heads the company. JRD Tata founded it in the year 1952. In 1996 the Tata group decided to sell off its stake in Lakme to Hindustan lever limited.

Lakme was also ranked at 47th as one of the most trusted brands in India; according to the brand trust report in 2011. This brand also sponsors the Lakme fashion week twice a year. In the financial year 202, Hindustan Unilever Limited had a rise in profit before tax and interest of about 23%. This brand deals with manufacturing and selling of various kinds of cosmetics. The list includes face cleansers, sunscreens, winter care, hair oils, and shampoos. They believe in making their product devoid of chemical-based, synthetic cosmetics. The ingredients used are extracted naturally from herbs. Moreover the herbs/plants used for extracting raw material are also monitored from its nascent stage hence the end product is organic.

OBJECTIVES

- To know the marketing sustainability of LAKME industry by using SWOT technique and porter's five forces model of Lakme.
- To study the strategy adopted by Lakme industry for sustainability in the market.

RESEARCH METHODOLOGY

- In the present study data was formed on the basis of age, sex and occupation of the respondents for the collection of primary data. Sample was taken in the area of Bhubaneswar to determine the attitude of customer towards the modern marketing.
- Sample size was taken of 50 respondents and sample techniques were convenience because of time and cost constraints.
- This study is based on the analysis of the sustainability system of the Indian cosmetic industry with the help of secondary data collection. The secondary sources of data are books, journals, annual reports of cosmetic industry, internet (websites) and research papers etc.

ANALYSIS

PORTER'S FIVE FORCES

There are five forces that influence the level of competition within a particular market. These forces were studied with the help of Michael E Porter theory. Michael E Porter a professor of Harvard Business School in 1979 developed a framework for the industry analysis and business. The theory determines the competitive intensity and attractiveness of a market called as Porter's five forces. The Porter's five forces include:

- The threat of substitute products
- The threat of established rivals
- The threat of new entrants
- The bargaining power of suppliers
- Bargaining powers of customers

The threat of established rivals: The internal rivalry in Lakme industry is very high. There is a presence of domestic players and International players in the market. The Indian cosmetic industry is marked by presence of few companies with global presence, which has the larger share in cosmetic market. The few rivalries are Revlon, L'Oreal, Lotus, Olay, etc.

The threat of new entrants: A new entry into this industry is not an easy trade. New entrants have to compete with large giant cosmetic companies. Most of the multinational companies invest good amount of capital for research and development and marketing expenditures. For new entrant a capital required for business is huge. The funds are required for investment in R&D, production, distribution and marketing which covers advertising cost which is crucial in this competitive industry. A major challenge for new entrants are advertising and positioning of product in the minds of consumers, as market is flooded with many national and international brands. Another issue is price sensitive market..

The threat of substitute products: In Porter's theory threat of substitutes exists when a product's demand is affected by the price change of substitute product. The consumers have a lot of brand choice, as cosmetic market is flooded with many brands. Due to this demand, product becomes more elastic. But Lakme is successful in creating a place in every woman's heart. So by seeing the preference of Indian women its shows that the threat of substitute of Lakme is low.

Buyer power: Consumer buying power is very high. To retain consumers is very challenging task. In cosmetic industry consumers do not always stick to one brand of skincare or hair care because the switching costs are very low. This means that buyer power is high and demand for favorable prices. Brand awareness is more in urban India, but brand loyalty is less towards the products, whereas brand awareness is less in rural India and brand loyalty is more.

Bargaining supplier power: Supplier's bargaining power is moderate. Suppliers in cosmetic industries are fragmented. They are interlinked together. Suppliers are often insignificant in scale compared to major cosmetic manufacturers. Chemical producers have wide variety of sources to earn revenues; they are not completely dependent on cosmetic manufacturers. Overall the role supplier in cosmetic industry is adequate.

SWOT ANALYSIS:

Strengths

1. Lakme is the most trustable Brand of HUL.
2. Due to Good brand and recognition, Lakme has been in beauty and cosmetics Segment since long duration so people are aware of its existence.
3. In spite of all brands People will rely and feel good by using Lakme, as Indian brand is good in terms of its qualities, price, range of products and service.

Weaknesses

1. Like other brands, Lakme has no different range of hair care products, which makes them aware as well as reluctant to use the brand products.
2. People have a misconception and pre assumption that Lakme services are highly priced.
3. Lakme has advertised its products very well but there is no visibility through media, so it lacks awareness.

Opportunities

1. Lakme has established and very renowned brand towards elites, now they are also targeting the middle and upper middle class people.

Threats

1. Their competitors include various brand names Lotus, Revlon, Garnier etc. and enrich which also offer same services in the market.
2. They have commoners as their brand ambassador, no prominent face:-Due to having common faces, it may act as a threat as there would not be any prominent face to look upon and the continuity of recognition would be lost.

SUGGESTION

- Promotion by local advertisement can also help the company for sales promotion of the product.
- More promotional schemes should apply for the customers for better sales.
- For customer satisfaction the company should reveal all the complaints of the customer.
- Timely feedback should be taken so that all problems should be vanished.

CONCLUSION

The increase in the use of cosmetics by Indian women has created more competitors in the market. To sustain in the market the effective communication requires effective strategy, which is a coherent plan of action. From the above study it has been found that the marketing strategies adopted by Lakme made the company to sustain in the market. Lakme has sustained

economically, socially and environmentally since 20 years. Lakme is more successful in making a place in every women's make up box.

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