

Consumer behaviour of lakme

Psychology, Behaviorism



In the survival game, the Macs have positioned themselves strategically in growth areas, chasing volumes and shedding the 'premium' image. Though the craze for 'foreign' cosmetics cannot be ignored, it has not been smooth sailing for Consumer Behavior of Lake By impurity the Macs. Understanding the color tot the cosmetics market NAS been an arduous recess for most players. That the premium market is limited in size was not realized early. The medium and low ends are where the volumes are _ almost as high 95 per cent. Macs such as L'Oreal, Airframe and Avon, which entered in the mid-sass, realized the importance of the segment game and started reformulating their strategies.

The size and the potential of the cosmetics market, like many others, have been grossly misjudged. First, the middle-class users, which was taken to be 60 millions, had to be pruned by half. Second, with little understanding of the income asperities and the willingness to pay, the players were caught unawares by the price sensitiveness and the heterogeneous sets of needs at different price points. Third, a discrete change had occurred in the perception of cosmetics _ from a functional to a fashion item, with emphasis on choice. These have made the task of market development complex. Macs such as Milliner (with its Pond's line), Procter and Gamble (Oil of Lola) and J. L.

Morrison (Naive range), which have a long presence and an understanding of the domestic market, succeeded only after learning about the varied preferences of consumers. This being a continuum, they are still unlearning and relearning to fashion new strategies and introduce competitive products. The entry of Macs also helped the efforts of marketers and dispelled the

notion that colors are harmful for the skin. The products are now packaged as having skin moisturizing and enriching agents too. As a result, the number of users and the frequency of use have risen markedly.. Till the sass, the market was ruled by Lake, a Data brand, and a distant second was Tips and Toes (manufactured by Paramount Cosmetics, a local company).

Though Indian consumers crave for foreign brands, repetitive prices forced them to remain loyal to the local brands. This prevented a marked change in the marketleadershipstructure. Hindustan Lever Ltd (HALL) has become a domino with the takeover of Lake and Pond's, and its furiously growing strength in personal-care products. This, however, can change. Macs are strong enough to indulge in long-drawn battles, given to their long-term commitment and deep pockets. Overall, the cosmetics and toiletries market _ the dearth of detailed data notwithstanding _ is estimated at over RSI. 1, 600 scores. Color cosmetics continue to be the most active segment at RSI. 00 scores, of which, lipsticks account for RSI. 90-100 scores and nail enamels, around RSI. 110 scores.

Once the market matures, more consumers are expected to graduate to the premium segment of perfumes and color cosmetics. This is happening at a fast pace, thanks to the growing awareness and increasing disposable incomes. From 1996 to 1998, the cosmetics and toiletries market grew at 30-35 per cent. While the growth still remains a healthy 20-25 per cent, consumer trends reveal that the low- and medium-priced products are the ones in demand _ a trend dictated largely by Lake. Selling strategies of cosmetics are hanging to suit Indian conditions and consumer requirements.

Mac's have been experimenting with selling methods and resorting to customized pampering as never before.

This route focuses on value addition to create new customers, build brand loyalty and increase market-share. Technology is being used innovatively for direct interaction with consumers at the retail level. Mobile units are also being deployed. These efforts are aimed at enhancing sales volumes, and boosting the growth of cosmetic industry in India. Lakme is an Indian brand of cosmetics, owned by Milliner. Lakme had started in 1952, as a 100% subsidiary of Data Oil Mills (Tomato), part of the Data Group. It was named after the French opera Lakme. However in 1996 Data sold off their stakes in Lakme Lever to HALL, for ₹ 200 Crores. A brand that has over 5 decades talked of beauty-Lakme, offered a range of cosmetics with nail polishes ; lipsticks from the early 1950's.

Lakme understands the importance of maintaining and accentuating a woman's natural beauty, for this it has introduced a range of skincare products from 1987. These ranges have been constantly innovated to bring specialized beauty care and complete the range for the definitive woman. Even today, when most multinational beauty products are available in India, Lakme still occupies a special place in the hearts of Indian women, because of its brand positioning strategy. The strong point of Lakme, experts say, is its reach. With a retail reach of close to 1000 counters and an overall direct reach of 40,000 stores, Lakme is one of the most widely available brands. This large presence gives the brand volumes and makes it the largest cosmetics brand in India.

Lake provides a wide range of beauty products which includes products for lips, nails, eyes, face and skin. It also ventured into beauty services business with the launch of 'LAKE Beauty Salons'

PRICE * Promotional pricing * Respond to competitors prices If the competitor changes prices, company have to analyze the market situation and then change the price accordingly.

Differentiated price The company sets the price according to quality and

PROMOTION: * Internet as medium It advertises its products through its own website. * Sales promotion quantity of the prod Company offers rebates and discounts on specific products which are in low sales. * Brand Ambassadors

Lake have plywood actresses Brand Ambassadors like Strain Skiff, Yang Guppy etc.

PLACE: There is significant change in market distributional channel of cosmetic products: Distribution Places are: * Super Markets * Departmental Stores * Food Stores * Cosmetic counters * Beauty Salons * Hyper Markets

Lake distribution also merged with HULL. HULL is having 3000 distributors around the country and lake have 1000 distributors. Currently retailed

through 1 5000 counters across India. **SWOT Analysis of Lake:** Strengths: *

High quality manpower resources * Brand Name * Vast range of products and services * Distribution Channel is integrated * Milliner global technology capability Weakness: * High Service costs Use of hard Chemicals

Opportunities * Brand growth through increased consumption depth *

Growth in Business of beauty saloons * Lake beauty training academy in Mumbai, Chennai and New Delhi.