

Analysis of operational issues in estee lauder essay

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The primary issues that Estee Lauder faced in recent years were mainly from both internal as well as external factors that the company is related to. The extent of the issues then affected the company through the public perception which is detrimental in their cosmetic-related nature of operations. One of which was the boycott that was led by Palestinian supporters in 2001 in response to the actions made by current CEO Ronald Lauder which they saw as pro-Israel. Other issues that involve the Estee Lauder Group of Companies CEO also affected over-all company operations as these issues relate itself towards the company though it is not directly involved. For instance, Estee Lauder was dragged to the issues of the Czech Media glitch that Lauder was involved in 2002 even though Estee Lauder does not directly engage in the television media.

On the other hand, internally related issues such as animal testing issues as well as the presence of cancerous materials in Estee Lauders cosmetics and other products directly affected the perception of the buying public towards the company as well as the industry as a whole. Such issues, however, did not spell the end of the cosmetics industry that Estee Lauder has been a major player for so many years. Instead, this posted for the need to revise plans and product formulations as well as the significance of further product developments (Kotler). This was in order to address the threat of natural alternative cosmetics that stands as a threat to the entire industry.

These corporate issues however, did not necessarily led to the failure of the business as a whole, through marketing initiatives conducted by Estee Lauder, these issues where then sent to the drain and was considered as

resolved. The company which started more than fifty years ago was then able to regain its market shares after the brief decline as well as sustain its reputation in providing high-end cosmetic products. Factors that Led To Such Situation One of the several factors that led to such situation of Estee Lauder was the emerging trend in the industry in general to move towards natural alternative cosmetics.

These cosmetics, as its marketing initiatives would claim has no chemically induced ingredients and thereby would not cause harmful effects to the user. This then appealed to most cosmetics clients who are naturally conscious of their appearance. This was then supported by the emerging trend for people to be naturally conscious of their health (Gall). Estee Lauder responded to this by releasing environmentally natural product lines such as Aveda, Jo Malone, and Darphin.

Such product innovations and development led to the reestablishment of the company's commitment to respond to the trends in the market. This was followed then by the signing of deals with designer lines such as Sean John, Donna Karan, Tommy Hilfiger, etc. to further support the marketing strategies of the company.

Estee Lauder sought out exclusive distribution rights of fragrances and cosmetics overseas which then covered the issues it had behind. This is a fine example of the application of the capacities of marketing principles to cover up the lapses of the company and turning the attention instead of consumers to the new product offerings that the company has. This thereby

silently addressed the issues about the company perception towards its operations and social responsibilities (“ The Merchants of Cool”).

Furthermore, the issues that quickly swept the company such as the boycott issue as well as the Czech media ordeal eventually were blanketed by the corresponding marketing efforts that the company made.

For example, Estee Lauder opened a couple of store in Prague in 2003. This provided a platform for the company to address the issue without even saying an official word and letting their operations as well as overall product quality to compensate the issues the company or one of its components are involved in, truly a perfect application of marketing.