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Lakme turns 70: Innovation is the secret behind that age-defying glow

SHARLEEN D'SOUZA
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Lakme, India's first make-up and beauty brand, turned 70 this year and is also present in Hindustan Unilever's club of brands with a turnover of over ₹1,000 crore.

Over the past seven decades, the brand has evolved and is no longer just a beauty brand, but has also transformed into a skincare brand.

Lakme has increased its digital presence as well as innovations and now sees a third of its growth come from new innovations.

"The brand has evolved and contemporised with the times, staying ahead on the digital curve; we are now able to sharply identify consumer cohorts and engage with consumers at every step of the journey from content to commerce, and are leveraging technology and artificial

intelligence to enable a seamless consumer experience, both online and offline," Madhusudhan Rao, executive director (personal care and beauty and wellbeing), HUL, told *Business Standard* in an interview.

While the pandemic played spoilsport with most FMCG (fast-moving consumer goods) categories dependent on its out-of-home usage, Lakme has found its feet again and is growing in double digits after the pandemic.

It also increased the digital presence of Lakme.

"It's safe to say that a quarter

of our turnover comes from digital commerce, whether it is the D2C or ecommerce channels. That's a tailwind we see continuing," Rao said.

The brand is hopeful that the opportunity in the beauty and personal care space is huge because the per capita consumption of make-up in the country is very low compared to other markets like China and the US.

"The per capita consumption of make-up products in our country is still abysmally low -- about \$1. Hence, when we talk about competition, I see this as a good sign because this is not a

zero-sum game," Rao said.

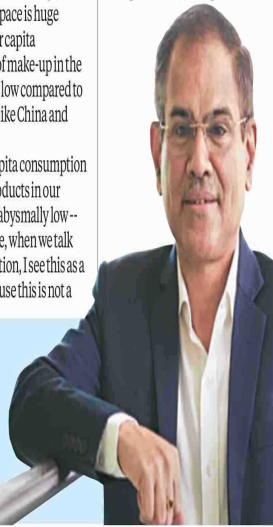
He said: "There is a lot of space for this category to grow. To give you an idea, in China, it is \$8 per capita whereas in the US, it is \$50. Even if you don't compare with developed

markets but look at our neighbours, there is still a lot of headroom for the category to mushroom and grow."

It may have started as a make-up brand in the 1950s but it is also transitioning to skincare as it looks to remain relevant in a competitive market where many direct-to-consumer brands have erupted and also at a time when many international brands are also mushrooming.

"I believe that this 'skinfication' of make-up is the attractive part as we look at the spectrum of premiumisation. Therefore, at the premium end of skincare, it is driving a lot of growth and value," Rao said.

While it has its salons, it is focused on expanding from owning 460 of them across the country under the Lakme brand. It is concentrating on opening two salons a week, which could be company-owned as well as through the franchisee model.



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MADHUSUDHAN RAO, Executive director, personal care and beauty & wellbeing, HUL