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**A portfolio on Brand Extension Strategy for Lakme: Launching Lakme Wellness
Skincare Product**

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1. Introduction

1.1 Overview of the chosen company

Lakme is a subsidiary of Hindustan Unilever Limited and has been a trusted beauty brand since the year 1952 (Lakmē, 2023). Lakme is renowned for its innovation, affordability, and products that lead the trend; it has a diverse portfolio that includes makeup, skincare, and salon services. Almost all the time, the brand has made a mark as a symbol of elegance and self-expression, and secondly that the brand is targeted at Indian women who are in search of high-quality quality fabulous beauty products. Lakme has become one of the most successful cosmetic companies in the market, with striking celebrity ambassadorships, iconic campaigns, and ample understanding of the preferences of the consumers (Ramchandra et al., 2024).

1.2 Purpose of the report

This report is to propose a brand extension strategy for Lakme Wellness Skincare product, a new line of Ayurveda-infused, clean beauty products (Ramchandra et al., 2024). With increasing consumers giving a shift towards natural, sustainable, and holistic-based skincare, this extension will increase the opportunity for Lakme in the growing wellness beauty segment. The analysis of the new product line segmentation, targeting, and positioning (STP) strategy, customer profile, as well as a comprehensive marketing mix (7Ps) plan will be undertaken in the report. This would also help the brand enhance its market presence, which is getting built around Ayurvedic principles while addressing the changing consumer needs for safe and efficient beauty solutions (Nalina, Aruna Adarsh, and Abhilash Puttabuddhi, 2023).

2. Brand Extension: Lakme Wellness Skincare product

2.1 Description of the Proposed New Brand Extension

Lakme Wellness Skincare product will introduce a premium range of Ayurveda-inspired, cruelty-free, eco-conscious skincare products in line with its mantra of clean beauty (Pathak and Nichter, 2018). The cleanser, toner, serum, moisturizer, and face mask will contain natural ingredients like turmeric, aloe vera, saffron, etc. In response to consumers seeking clean, green beauty solutions, all these products will be free of parabens, sulfates, and synthetic fragrances. This is then built on the packaging itself will be made

of biodegradable materials, and Lakme's commitment to environmental responsibility. Lakme Wellness Skincare will bring in Ayurveda wisdom mingled with modern dermatological science to serve a gentle but effective solution to skin problems from acne to old age, while keeping the promise of Lakme quality and innovation (Nalina, Aruna Adarsh, and Abhilash Puttabuddhi, 2023).

2.2 Alignment with Lakme Brand Values and Market Position

Lakme's identity of beauty, innovation, and trust perfectly accompanies wellness skincare. The brand is so experienced in understanding Indian skin types, beauty preferences that they can even develop Ayurvedic products (Rawal, 2025). Lakme is a mass premium brand in the gap between luxury Ayurvedic brands like Forest Essentials and clean beauty options at an affordable price, so this luxury becomes a bit more accessible. It showcased the leadership Lakme takes in beauty while keeping track of newfound gravitation toward all-around self-care. The core ethos of empowering women through beauty has helped Lakme Wellness Skincare gain further market position (Gosrani, 2023).

2.3 Value Addition: Filling Market Gaps and Meeting Emerging Needs

The clean beauty market in India is dominated by niche, expensive brands of clean beauty due to the excellent rates of the consumers in the middle class (Gosrani, 2023). Lakme Wellness Skincare has come up with scientific Ayurvedic products at affordable mass distribution to fill this gap. It also rides on the trends that are rising, such as 68% of Indian consumers preferring natural ingredients. The brand adorns younger, eco-conscious millennials and Gen Z buyers as well as the customers who stick to Lakme for safer skin care. Lakme is different from all other brands that keep on promoting chemical-laden products (Rawal, 2025).

3. STP for Lakme Wellness Skincare

3.1 Segmentation



Figure 1: Types of Segmentation

Source: (Ali, 2023)

Demographic Segmentation - Lakme Wellness Skincare is targeting the most active demographic, who is in the age group of 18 to 45, as they are most likely to consume skincare. This group's segments have students, working professionals, and homemakers who have different types of skin care needs. The products are affordable but remain a premium, with an income range from ₹25,000 – ₹1,00,000 per month (Ali, 2023). Education level also plays some role; as Ayurvedic ingredients are more known by the consumers with an education level of at least high school education, the latter are more aware of or accepting of product benefits.

Geographic Segmentation - It will study urban and semi-urban areas where most of the people are wealthy and conscious about wellness as such – Tier 1 and Tier 2 cities. In metro cities such as Mumbai, Delhi, and Bangalore, tier 2 cities will get the expansion in terms of physical stores and partnerships, and online will be rolled out first (Ali, 2023).

Psychographic Segmentation - Compared to other natural brands that may offer products, the brand relates to customers who prefer healthy, sustainable, and natural beauty solutions. Transparency is a big draw for a lot of people in the products they consume, as well as sourcing them ethically, and online wellness content is something people (Ali, 2023). They are likely to react to influencer-driven campaigns and brand storytelling due to the huge impact of digital media on them.

Behavioral Segmentation - At the top are regular skincare users who are willing to spend on the premium and clean products sold, while being sold to by dermatologists and beauty influencers. Lakme Wellness Skincare also has an instant appeal to them because such brands are loyal to them too and are cruelty-free and eco-friendly (Salins and Aithal, 2019).

Why These Segments?

The segmentation criteria are consistent with India's emerging clean beauty trend and demand for natural but affordable products for the skin (Salins and Aithal, 2019). The changing consumer tastes benefit Lakme by leveraging the loyalty of the firm's customer base.

3.2 Targeting

Target Segments

Young Professionals (25–35) - These are skincare products that consumers want to have nothing but top-quality products and fast-paced, visible results to achieve in high living (Kapoor, Fernandes, and Punia, 2022). They purchase at the cost of convenience, premium branding, and multi-functionality.

College Students (18–24) - This group is all about the affordability of these skincare solutions and all about the ones that are trending on social media. Though they are following what the influencer recommends, as well as being about the look of stylish packaging and seeing results, they want to pay a reasonable amount for the privilege (Kapoor, Fernandes and Punia, 2022).

Eco-Conscious Women (30–45) - Sustainable skincare using natural ingredients as well as ethical sourcing is their first choice (Kapoor, Fernandes, and Punia, 2022). During they make any such choices, picking a longer-term good health for their skin, eco-friendly packaging, and cruelty-free products are important points of factors.

Targeting Strategy

Differentiated marketing strategy is the one where some cuts are made to focus more on certain customer segments, thereby increasing engagement and penetration of the

market (Ali and Anwar, 2021). In the case of this brand new and interesting product, this sort of strategy would let the brand communicate personalized messaging and highlight specific product features that speak to every segment's mix of preferences and behaviour. The product has an innovative nature, amazing updates, and the competitive edge improves its value to a wide class of consumers. With this approach, the company can meet the varying preferences of the multiple target audience groups of the company and thus is likely to benefit or provide the company with higher customer satisfaction and loyalty. This strategy enables the maximization of market opportunities through the positioning of the product differently in each of the segments to increase sales and brand awareness. It allows reaching various consumer groups through proper and value propositions, which help improve and provide a solid basis for a growing brand within the crowded business environment (Khalid et al., 2021).

3.3 Positioning

Positioning Statement

Lakme Wellness Skincare is an interface wherein the Ayurveda and the science of beauty come together. It is a brand which is true of its name and something as glowing and purity, natural ingredients and even glow enhancing care makes it the best brand for all skin types (Ali and Anwar, 2021). This distinct approach is what appeals to consumers looking for traditional holistic skin care in today's modern needs.

Competitive Perception

Lakme is special wherein that it offers Ayurvedic skin care at affordable costs, thus covering the gap between the cheap herbal products to the expensive types such as Forest Essentials. Lakme is a brand out of a category of loyalty and is associated with the higher end of the market positioning, fondly by many other brands in the market that are trying to gain market share due to its reputation of being a trustworthy and established brand with added benefits such as wellness and Value (Ali and Anwar, 2021).

4. Customer Personal Profile

4.1 Demographic Profile

Priya Mehta lives in Bangalore, a 28-year-old female. Priya, having an MBA degree and an in-depth knowledge of the markets, is well versed in the transition that the market is taking towards the clean and sustainable beauty, that further tells that she is fully aware of the mass premium segment that Lakme Wellness Skincare targets directly and that she most certainly falls within it. Her age allows her to experiment with beauty products, so she is more than willing to put in a long-term beauty regimen and skin regimen (S et al., 2023). Priya will likely be financially independent and used to the pace of her professional life, so she will need something convenient, effective, and reliable for the skin, which also suits her fast urban life.

4.2 Psychographic Profile

Priya leads a corporate life where she balances health, always forced to the background as necessary. She prides herself on living naturally and sustainably, and so she goes natural when it comes to her skin. In her product choices, she continued down an ethical path, so she is not using cruelty or any toxins. She googles her questions, she browses beauty blogs, and watches her favorite influencers on Instagram just to seek and learn the best skincare tips and prod to buy (S et al., 2023). She likes to try new things, so she inclines toward digital purchasing, whereby she shops digitally from Nykaa and Amazon and still indulges in online skincare shopping. Priya does not wish to go to extremes using chemicals to achieve gorgeous skin.

5. Marketing Mix Strategy (7Ps)



Figure 2: Marketing Mix Strategy

Source: (Jerome, 2024)

1. Product

Lakme Wellness Skincare products also present a range of formulas starting from cleanser, toner, serum, moisturizer, and facial masks, and contain ingredients found in Ayurveda, including turmeric, aloe vera, and saffron. These products are also 100% vegan and SLS and paraben-free, and that makes them safe and skin-friendly (Jerome, 2024). The focus is on sustainability as recyclables are used to attract the eco-war buyer.

2. Price

Lakme Wellness Skincare products fall into the category of premium but affordable products, which are priced somewhere between ₹499 and ₹1,999. A brand can get a high-end feel and yet allow middle-income people access to it. It will draw a wider consumer base, and for product trials, initially, a penetration pricing will be adopted (Jerome, 2024). Lakme can position itself against the Ayurvedic specialty brands, as the mass appeal, coupled with its long-established customer trust, can be used.

3. Promotion

The promotion will be very much in digital channels, Instagram ads, partnerships with well-known beauty folks, Malvika Sitlani, and so forth. There will be some of those that are either public relations campaigns that work with yoga and wellness influencers to stretch the brand identity of being natural, or just simple buy-your-yoga-mat offers

(Jerome, 2024). In-store promotions that will drive trial and cross-sell in skincare could be free skincare samples with a Lakmé Make Up purchase, then increasing consumer engagement across both categories.

4. Place

Both online and offline, the products of Lakme Wellness Skincare will be available. Lakme's new Health Kushin will be available on Nykaa, Amazon, as well as their official website. In the offline space, the brand will have a retail network comprising beauty and departmental stores, which will be used by Hindustan Unilever. The customers are being seen through this omnichannel approach whenever they are shopping (Ramchandra et al., 2024).

5. Process

A subscription model will be provided to make an offer to frequent customers so that they will be provided the products at regular intervals to enhance their customer experience. Lakme website, there will also be an AI-powered skin analysis feature that will tailor skin analysis recommendations. Tech-integrated process that makes various product selections seamless and adds value, helping the customer score satisfaction and loyalty, meeting Lakme's innovation when it comes to skin care personalization (Ramchandra et al., 2024).

6. People

In terms of the brand, it will invest in skilled beauty advisors at the retail outlets who can guide customers on product selection based on their skin concerns. Users will get access to virtual dermatologist consultations via the Lakme app. It ensures that the customers receive expert advice, build trust towards the brand, and make decisions based on informed choices, so it goes hand in hand with an essential part of a premium wellness brand (Ramchandra et al., 2024).

7. Physical Evidence

Every product will also have sustainable, premium packaging that is embedded with QR codes for authenticity and bonus product details. Lakmé salons will be the brand's

touchpoints in-store, where customers will have a luxurious, relaxing shopping experience for trial, consultation, and purchase (Ramchandra et al., 2024). In the case of promoting the brand's wellness positioning and commitment to quality, transparency, and sustainability, this tangible experience serves as reinforcement.

6. Conclusion

In conclusion, the brand extension in the form of Lakme Wellness Skincare has never been so right and so smart as it is today. The extension was used based on strong brand equity for Lakme that would place it at the forefront in instilling instant trust and credibility among consumers comfortable with the company's reputation for being of quality and with ingenious products. It is a positive development for this line of skincare as it is very much attracting the modern consumer's interest towards Ayurvedic and chemical-free skincare and has lines of premium as well as affordable products catering to customers from all income segments. They segment their market and have targeted in a strategic way to have their brand around which they can offer something beyond the product promptly that is meaningful for young professionals, college students, as well as eco-conscious women. It is basically about what today's active skincare consumers are looking for: authenticity, transparency, and efficacy. It is its positioning where Ayurvedic meets modern beauty, and the trend of bringing back the cures to the natural skin.

Recommendation

(a) Strengthen digital marketing campaigns - To support visibility and trust in the Lakme Wellness Skincare line by building and leveraging influence through influencers and wellness content around eco-conscious youth and working professionals (Jerome, 2024).

(b) Expand offline presence - This is done by the company in Tier 2 cities through pop up stores and dermatology tie ups to reach untapped markets and educate the consumers about Ayurveda based skincare benefits effectively (Jerome, 2024).

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Appendix

