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1. Introduction

In this consultancy report, an in-depth and comprehensive analysis will be incorporated of L'Oréal. It is currently the largest cosmetics company in the world and for this report, its strategic expansion into the Indian market will be assessed to provide suggestions. To do so, in the first place, the company's multinational operations will be evaluated alongside the market entry strategies it uses and the benefits it derives from its international operations. Additionally, the impact of the OLI factors will be evaluated in terms of how they impact the company's foray into the Indian market while evaluating the impact of cultural differences between France and India using the Hofstede's Cultural Dimensions framework. At the end of the report, three major adjustments will be recommended to L'Oréal which it can apply to its Standard Operating Procedures or SOPs to achieve success in the Indian market sustainably. The report will contain quantitative as well as qualitative analyses in order to provide an all-round perspective on the company, its operations and its penetration strategy into the Indian market.

2. Benefits and Challenges of International Operations

2.1. L'Oréal's Qualification as an MNC

The reasoning behind L'Oréal's qualification as an MNC resides in its extensive global penetration while maintaining its operational capacity across many borders. As per Daniels et al. (2022), an MNC is recognised through its ownership and management of value-adding activities across multiple countries where the operations are heavily concentrated on foreign soils while integrating strategic foundation across all the borders. In order to substantiate the claim of L'Oréal being an MNC, necessary statistics on the company are provided below.

Firstly, L'Oréal operates in over 150 countries, spanning across five continents. This alone shows the qualification that the company has as an MNC. Although the company's headquarter is located in France, its regional offices extend from major economic hubs such as Singapore, New York, Tokyo to Shanghai, Mumbai, Montreal and others (L'Oreal, 2025).



Figure: Logo of L'Oréal Paris (Vaughan, 2025)

When it comes to the company's workforce, as of 2024, the company has employed over 95,000 personnel (Statista, 2024). Such a mammoth workforce is not only extensive in terms of numbers but also diversified in terms of backgrounds. The global workforce of the company operates in various areas including research and development, manufacturing, innovation, distributing, marketing and other areas of importance.

From a revenue perspective, L'Oréal has generated around 43 billion Pounds in sales in 2024 alone (L'Oreal, 2025). Such an astronomical sales figure has already positioned the company in the top leader list of the beauty industry.

It is not all. When it comes to the company's brand portfolio, L'Oréal currently manages 37 international brands which are divided across four divisions including Professional Products which include L'Oréal Professionnel, Redken and others, Consumer Products which include L'Oréal Paris, Garnier, Maybelline, L'Oréal Luxe which includes Yves Saint Laurent, Giorgio Armani and others and lastly, Dermatological Beauty which includes brands such as CeraVe, Skin Cuticles and others (L'Oréal, 2025).



Figure: Brand Portfolio of L'Oréal (Team TBH, 2024)

When it comes to L'Oréal's manufacturing capacity, it currently has 36 manufacturing plants, facilitated by 158 distribution centres across the globe which ensure of a smooth supply chain for the organisation. Currently, the company has 18 plants in Europe, 5 in North America, 3 in North Asia, 3 in SAPMENA, 3 in Sub-Saharan Africa and 4 in Latin America (L'Oréal, 2025).

2.2. Nature of L'Oréal's Global Operations in India and Key Markets

L'Oréal's global operations incorporate all of the major aspects that a value chain should have including the primary activities such as inbound logistics, operations, outbound logistics, service, sales and marketing as well as the supporting activities including procurement, technology development, HRM, firm infrastructure and others as denoted by Porter's Value Chain Model (Baines et al., 2011).

R&D: In 2024, L'Oréal has invested around 1.35 billion Euro in its R&D activities which constitutes around 3% of its total sales of the same year (Statista, 2024).

Currently, the company has 21 research centres in 13 countries of which the majority are hosted in France, the USA, Japan, China, India, South Africa and Brazil (L'Oréal, 2024).

Sourcing and Procurement: In order to ensure of an effective supply chain system, L'Oréal uses a standardized global sourcing strategy in which the company employs necessary procurements teams who work with the suppliers very closely to ensure of strategic sustenance. In evaluating its strategic partners, the company also uses a framework consisting of five definite pillars which are innovation, sustainability, competitiveness, supply chain agility and governance. Moreover, to ensure of ethical sourcing practices, the company has remain committed to its inclusive purchasing programme which is known as Solidarity Sourcing (L'Oréal, 2024).

Production and Manufacturing: As the company has extensive list of manufacturing plants across the globe, it prioritizes localized production more. For instance, in India, the company produces 95% of all the products sold locally (Malviya, 2025). Also, on a global scale, the company produces over 7 billion products each and every year (L'Oreal, 2025). Moreover, in order to integrate faster product launches and easier maintenance of equipment, L'Oréal utilises a platformisation strategy under which it standardizes all the equipment across all of its manufacturing plants.

Sales and Distribution: L'Oréal has omnichannel distribution strategy to funnel its sales. The omnichannel consists of e-commerce, retail market, pharmacies, departmental stores, hair salons and as such (Mordor Intelligence, 2023).

Financing: The sales are the not the end of the world for L'Oréal's finances. The company reported a strong 6.6 billion Euro in net cash flow in 2024 while increasing its dividend to 7 Euro per share in the same year. Also, the company maintains a payout ratio over 50% which aligns directly with the company's commitment to maximizing shareholder returns (L'Oreal, 2025).

2.3. Entry Modes used by L'Oréal in International Markets and India

There are many entry modes available which are utilised by international business regularly. However, L'Oréal uses a very few selected ones.



Figure: Entry Modes Used by L'Oréal Over the Years (Source: Own)

Use of Acquisition Strategy: For L'Oréal, its most dominant entry mode is making acquisitions in the target market. To do so, the company builds market presence in a targeted market rapidly while acquiring popular and established brands to enhance brand visibility. For example, in 1964, L'Oréal acquired Lancôme which expedited the company's penetration in the luxury cosmetics segment. Maybelline has been one of the major acquisitions made by L'Oréal in 1996 which helped the company penetrate China effectively (L'Oréal, 2025). Moreover, acquiring The Body Shop has helped the company to expand its operations into ethical beauty segment, as well.

L'ORÉAL

The world's largest beauty group's most notable acquisitions over the last three and a half decades

■ Revenue (€3.9B → €40.5B, or 7.1% CAGR) ** License agreement

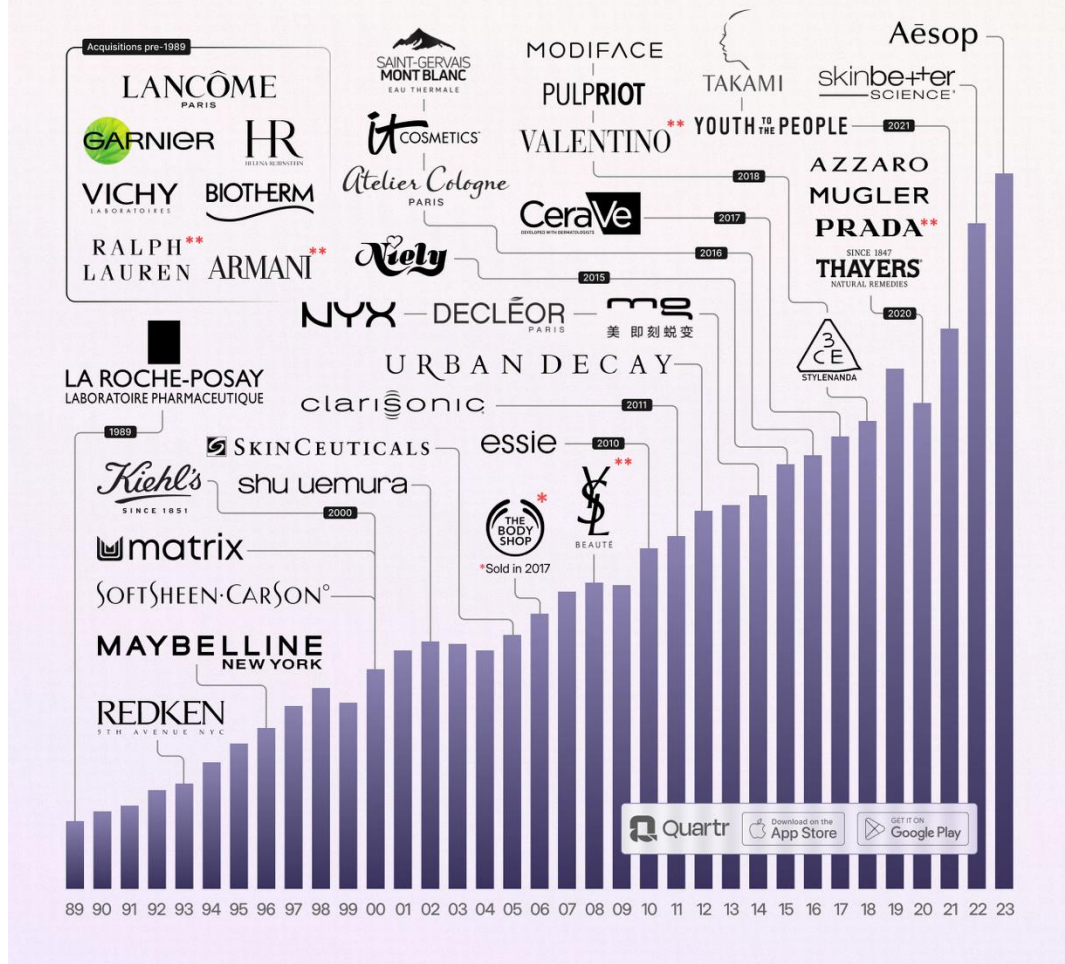


Figure: Acquisition of Different Brands by L'Oréal (Westberg, 2024)

Advantages of Using Acquisition Strategy: The major advantage for which L'Oréal predominantly uses this strategy includes the company obtaining immediate access to market share while acquiring established distribution channels of the acquired brand.

Use of Wholly-Owned Subsidiaries: No matter what the market may be, L'Oréal utilizes wholly-owned subsidiary strategy to maintain control over the operations in the target market. For instance, L'Oréal have 100% or almost 100% ownership in its subsidiaries such as L'Oréal India, L'Oréal SA and others (L'Oréal, 2025).

Advantages of Using Wholly-Owned Subsidiaries Strategy: It helps L'Oréal to keep its technological know-how framework a complete inside knowledge to gain competitive advantage while minimising the risk of transferring its technology to its possible competitors in the process.

Use of Joint Ventures: The company also utilised this strategy to gain entry into certain markets such as the USA, India and others where the company collaborated with already established companies such as Nestle in the USA and the MJ Group in India (Saxena, 2008). The company did so to gain immediate access to the market without having to invest substantially to gain market knowledge. While it formed such coalitions, it also kept striving towards obtaining regulations for gaining direct control over the operations as noted in its wholly-owned subsidiaries strategy.

2.4. Key Benefits and Challenges from L'Oréal's International Operations

One of the main benefits L'Oréal achieves through its international operations is continued market leadership alongside owning sustainable competitive advantage in a very densely saturated market. However, there are challenges, too.

Benefits:

- **Economies of Scale:** The company's global manufacturing directly facilitates its other financial decisions including its massive R&D expenditure as such a big amount may have been very much expensive if spent only for single-market operations. However, when accounted for operations in over 150 countries, economies of scale come in (L'Oréal, 2024).
- **Market Diversification and Reduction of Risk:** For MNCs, one of the major risks remains in single-market dependence despite having operations across multiple borders. However, L'Oréal has ensured of diversification in this regard. For instance, in 2024, the company faced challenges in North Asia, more specifically a 1.1% decline in revenues, however, the company posted significantly stronger performance in Latin America with 10.3% growth in sales and in other markets, as well (L'Oréal, 2024). This helps the company offset the inherent risks.
- **Innovation Transfer and Local Adaptation:** Because L'Oréal maintains standardization in its innovation alongside adaptation to local needs, the company is able to transfer innovations and technologies globally, reducing costs for

developing specific technologies and innovations for particular markets. For instance, the Garnier Vitamin C Serum was initially developed targeting the South East Asian market, however, due to the product's immense popularity, the company expanded the product lineup to other markets and remained successful in doing so (Lim, 2024).

Challenges:

- **Ensuring Balance between Global Standardization and Local Responsiveness:** As stated before, the company utilizes internalization to ensure of global standardization across all markets. However, this often leads to major challenges in local adaptation in markets such as India where the local teams remain aware of the tacit product and consumer knowledge about the products and services, however, the decisions have to come from the headquarter of the company in a central manner (Dfreight, 2023).
- **Coordinating a Highly Complex and Multicultural Organisation:** One of the major challenges of the company's internationalization process is its extensive internalization of activities across more than 150 countries to coordinate between R&D, marketing and supply chain activities. Moreover, with differences in culture, language, institutional cues across all the different markets, the challenges are further intensified for the company.

3. Impact of the OLI Factors on the International Market Entry Mode for L'Oréal and India Pair

The OLI factors, prescribed by John Dunning, encompass one of the most popular frameworks used to understand how and why international brands select specific market entry modes. According to the Eclectic Paradigm, for successful internationalization of a brand, three conditions must be satisfied including ownership advantages, location advantages and internalization advantages and upon the achievement of all three advantages, a brand can successfully penetrate into newer markets (CFI, 2022). Now, the impact of the OLI factors on the international market entry mode used by L'Oréal in India will be described below.

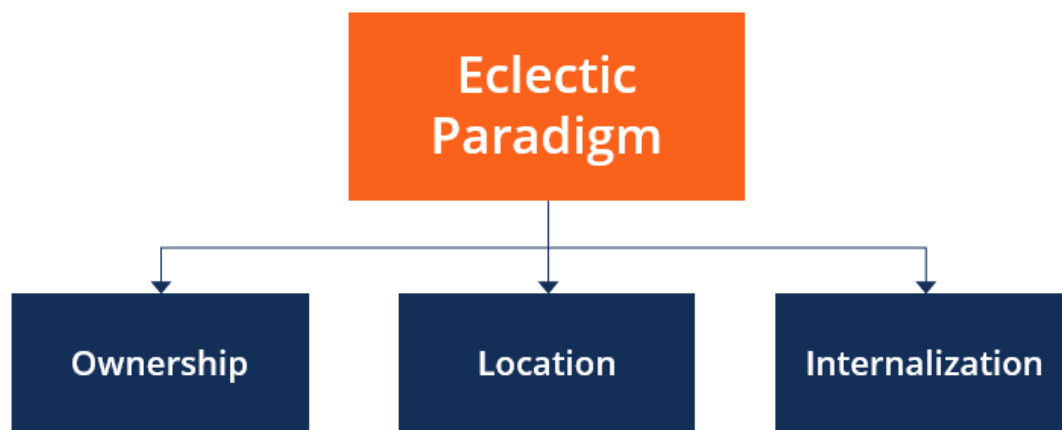


Figure: The Eclectic Paradigm of OLI Factors (CFI, 2022)

3.1. Advantages of Ownership in India

First come the advantages of ownership in which L'Oréal excels with its vast annual R&D investments being made to innovate newer products. In 21 research centres that L'Oréal owns, the company has access to over 4,000 scientists who are dedicating their efforts towards continuous improvements and innovation. Moreover, the company has a long-standing history of 40 years in reconstruction of human skin research through which the company has been able to eliminate the testing procedures carried out on animals (L'Oréal, 2025). Because of this advantage, the company remains both ethical and scientific.

Again, the brand image constitutes another ownership advantage for L'Oréal through which it has maintained its premium positioning in the global market. Among the consumers of India, brands such as L'Oréal Paris, Maybelline, Garnier and others remain

to be very popular. This is not end of advantages of ownership for L'Oréal when it comes to brand image and brand equity. The company has achieved triple 'A' ratings from the CDP for eight consecutive years which has not been achieved by any other company yet. Again, the company has been able to maintain its position as world's number one beauty company quite dominantly, too (L'Oréal, 2024).

Overall, the quantitative impact of the advantages of ownership of L'Oréal in the Indian market plays out quite significantly. From generating proprietary active ingredients and formulations to encompassing one of the largest intangible ownerships in the industry, the advantages of ownership can render significantly greater impact on India in a positive manner.

3.2. Advantages of Location in India

The advantages of location mainly come in the form of conducting operations in a specific geography such as the North Asian Market, the Latin American market instead of a particular market such as the Indian market, the UK market and as such. The Indian beauty and personal care market has been valued at around 24 billion USD in 2024 and it is expected to growth to a range of 44 to 67 billion USD by 2032-2034 at CAGR of 8-10% (Mordor Intelligence, 2023). Now, such growth rates cannot be thought of in the mature markets such as the European or the North American ones. As a result, operating in India presents a major location advantage to L'Oréal.

Moreover, the middle class and young population in India are proliferating extensively, creating huge opportunities for the company. Moreover, compared to similar markets such as China where the growth is declining instead, India presents sustained demographic advantages which are also inclined towards consumption of beauty and skincare products.

Lastly, operating in India presents a major financial advantage to L'Oréal, as well. This is because in India, the cost of manufacturing is much lower when compared to the European or other developed counterparts. Currently, L'Oréal produces around 500 million products in India annually of which around 95% of all products get sold domestically, too (RLC Global Forum, 2025). As a result, the company gets to avoid large import duties, transportation and other as such costs to gain competitive advantage to compete fiercely against the local brands in the market.

3.3. Advantages of Internalization in India

The advantages of internalization come in the form of performing activities internally by a brand instead of resorting to other mediums such as franchising or licensing. In this regard, L'Oréal remains in a great position because of its market entry method used which is the wholly-owned subsidiaries strategy apart from its acquisition strategy. Because the company gets to own almost 100% of its subsidiaries, it can protect its proprietary knowledge more effectively which includes majority of its investments such as R&D, proprietary formulations, brand standards etc. (L'Oréal, 2025). This is crucial for L'Oréal to remain competitive in the market with local players such as Lakme, Biotique and MNCs such as P&G, Hindustan Unilever.

Another major advantage of internalization that L'Oréal enjoys in India, as well, is quality control and brand consistency because of its wholly-owned subsidiaries strategy. In a franchising or licensing contract, there is not much scope for a brand to control how the franchisee or licensee operates except for imposing certain standards through the franchise or licensing contract (Hill, 2023). However, with L'Oréal's own manufacturing plants in Chakan and Baddi, the company gets to achieve extensive sustainability commitments such as using 100% renewable energy in its operations (RLC Global Forum, 2025). This would have been very difficult for L'Oréal to achieve with other entry strategies such as franchising or licensing.

As a result, the internalization factor is also playing out in L'Oréal's favour in India with its established strategy to wholly own the subsidiaries and control the operations to achieve effective quality control, brand consistency while protecting its proprietary knowledge.

3.4. Configuration of the OLI framework and Selection of Entry Mode for the Indian Market

From the above analysis, the following connotations can be established about L'Oréal's OLI factors in India.

OLI Factor	L'Oréal in the Market	Impact on Entry Mode
Ownership	Strong with the company's R&D, brand equity and extensive expertise	Favours its preferred high-control entry mode

Location	Highly attractive because of India's potential growth and favourable demographics	Supports its substantial commitment to the market with over 500 million products being produced annually
Internalization	Highly effective due to protection of knowledge and assurance of quality	Facilitates its wholly-owned subsidiary strategy over less-controlling strategies such as franchising, licensing, joint venture etc.

Now, according to the Eclectic Paradigm by John Dunning, an entry mode is only optimal when three of the OLI factors remain favourable to the operations of a particular company willing to undertake FDI or foreign direct investments (Dunning, 1988). Now, in India, the company initially launched its operations through a joint venture with the MJ Group and transitioned to a wholly-owned subsidiary once it obtained its regulations (Fortune Business Insights, 2025). Because all three of the OLI factors remain supportive to the company, its entry mode can be considered to be favourable for international operations in India.

4. Evaluation of Impact of Cultural Differences between France and India

In international business, understanding the cultural differences between a company's home country and the target company is of essence to bring adaptation to the market entry strategy while ensuring operational success. Now, to compared between the cultural differences between L'Oréal's home country, France and India, Hofstede's Cultural Dimensions framework will be used to provide the stark differences and how L'Oréal has adapted to the differences to remain successful in the market.

4.1. Comparison between France and India

Dimension	Score of France	Score of India	Implications
Power Distance	68	77	Hierarchical with India being more authoritative
Individualism	71	48	France is individualistic while India is collectivist
Masculinity	43	56	France is feminine while India is masculine
Uncertainty Avoidance	86	40	France is risk-averse but India remains tolerant of ambiguity
Long-Term Orientation	63	51	France is more long-term oriented than India is
Indulgence	48	26	India is more restraint than France

Table: Hofstede's Cultural Dimensions of France and India (Hofstede Insights, 2024)

4.2. Analysis of Power Distance

France and India have scored quite high on power distance which showcases the tendency of the both the countries to accept hierarchical structures. However, India is more inclined towards authoritative styles than France is. As a result, L'Oréal's management style will remain very similar and ease off the differences because both the culture potentially accepts similar management style. But there will always be certain differences translated due to India's caste system legacy for which employees may show more deference to the authority than employees may show it in France (Perrin, 2024). As a result, L'Oréal needs to expect lower input coming from the lower levels of its workplace in India than it does so in France. So, the strategic implications remain to be L'Oréal's hierarchical structure being translated to India quite well, however, Indian employees will be less likely to challenge any authoritative decisions that L'Oréal may make in India.

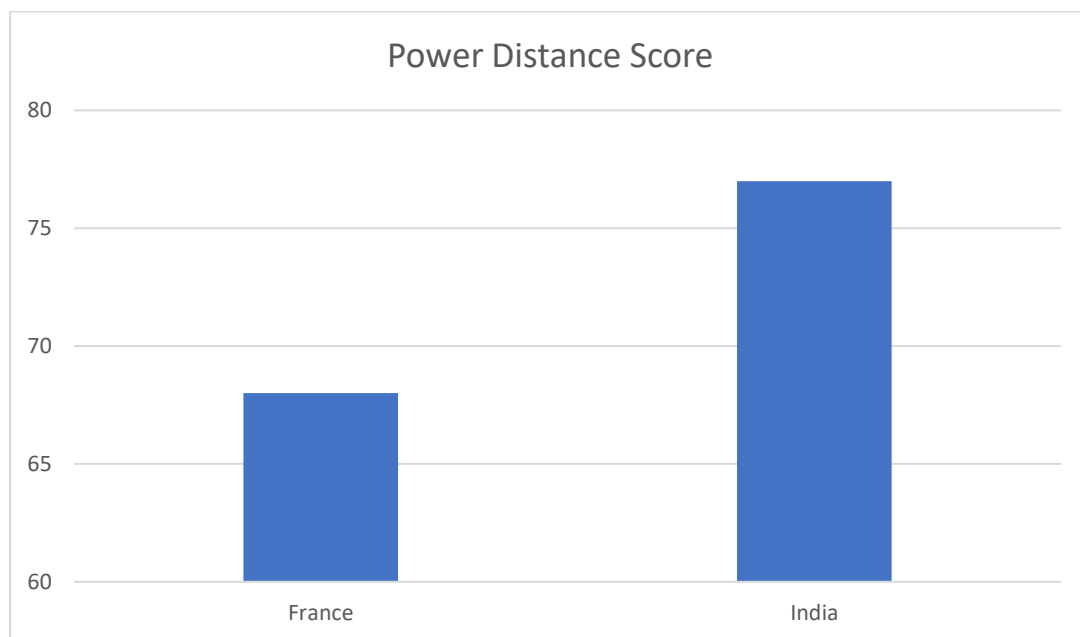


Figure: Power Distance Score of France and India (Source: Own)

4.3. Analysis of Individualism vs Collectivism

One of the most significant differences between France and India can be founded in terms of individualism and collectivism. France scores a high 71 whereas India scores only 48, creating two starkly different cultures where France is individualistic and India is collectivistic. Now, the implications of the differences are quite evident, too. In France, L'Oréal can run marketing campaigns such as "Because You're Worth It" as they resonate with the individualistic mindset of the French people, but L'Oréal needs

to adapt when employing similar campaigns in India (L'Oréal Paris, 2024). Again, in France, the consumers are more conscious about prices of the products than the prestige that comes with the use of such products whereas in India, the consumers tend to use established brands to obtain status signalling (Agarwal, 2025). This leads to the company using significantly different marketing and HRM strategies to run operations in Indian than it does in France.

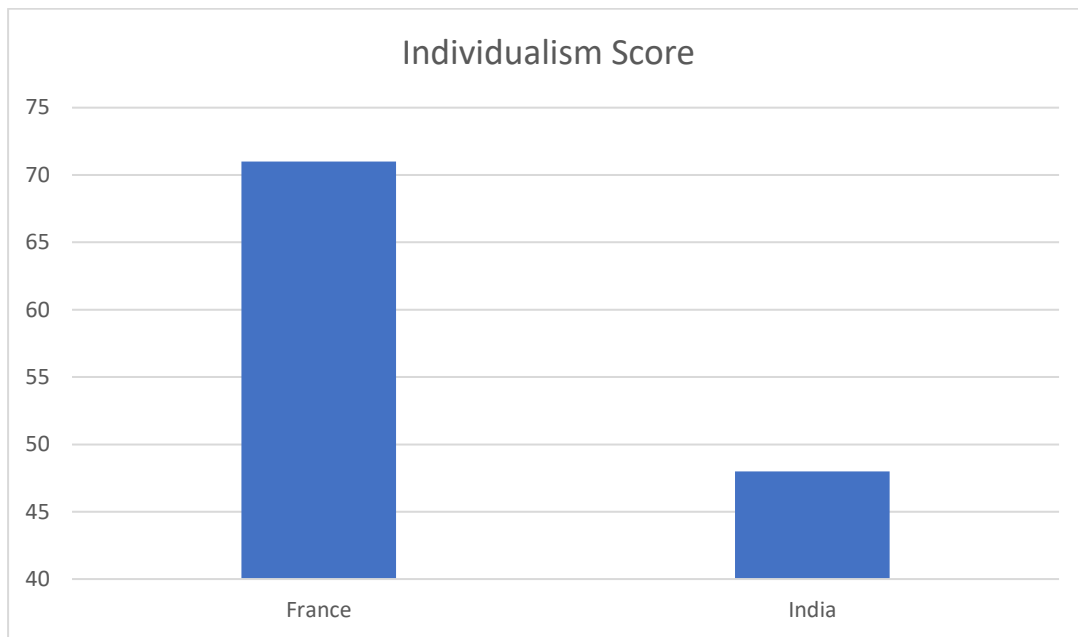


Figure: Individualism Score of France and India (Source: Own)

4.4. Analysis of Masculinity vs Femininity

India scores 56 which is indicative towards masculinity whereas France scores 43 which is indicative towards femininity. The main difference between the two is that a masculine culture focuses more on competition, material success, greater achievements etc. whereas a feminine culture emphasizes more on quality of life, work-life balance, relationships etc. As a result, in India which is a masculine culture, L'Oréal's products help consumers establish the signal to achievement whereas in France which is a feminine culture, L'Oréal has to position itself as a facilitator to quality of life. Again, in France, L'Oréal utilises a 35-hour working week which differs to what the company uses in India (4 Day Week, 2024).

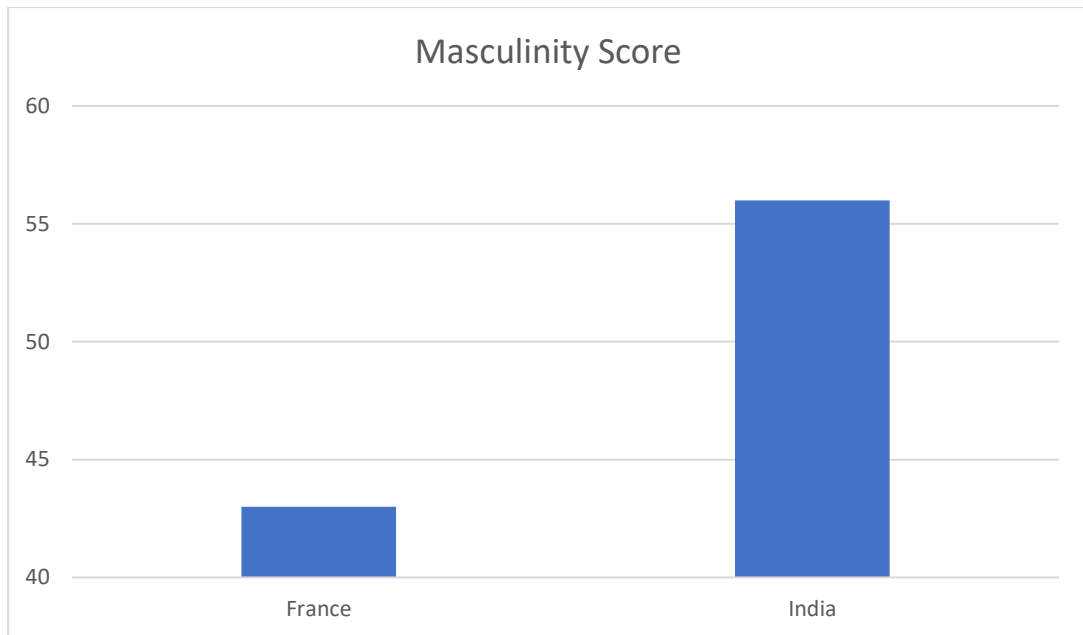


Figure: Masculinity Score of France and India (Source: Own)

4.5. Analysis of Uncertainty Avoidance

Out of all the six dimensions, the most significant difference comes down to uncertainty avoidance as France scores a very high 86 and India scores a relatively low 40. Here, France prefers predictability, structured procedures alongside detailed planning whereas India demonstrates higher tolerance for ambiguity, improvisation and flexibility. As a result, in France, L'Oréal has to ensure of detailed planning and incorporate proper risk mitigation strategies to reduce ambiguity as much as possible whereas in India, L'Oréal can opt for flexible approaches that can be adapted to the context arisen (Abundance Global, 2024).

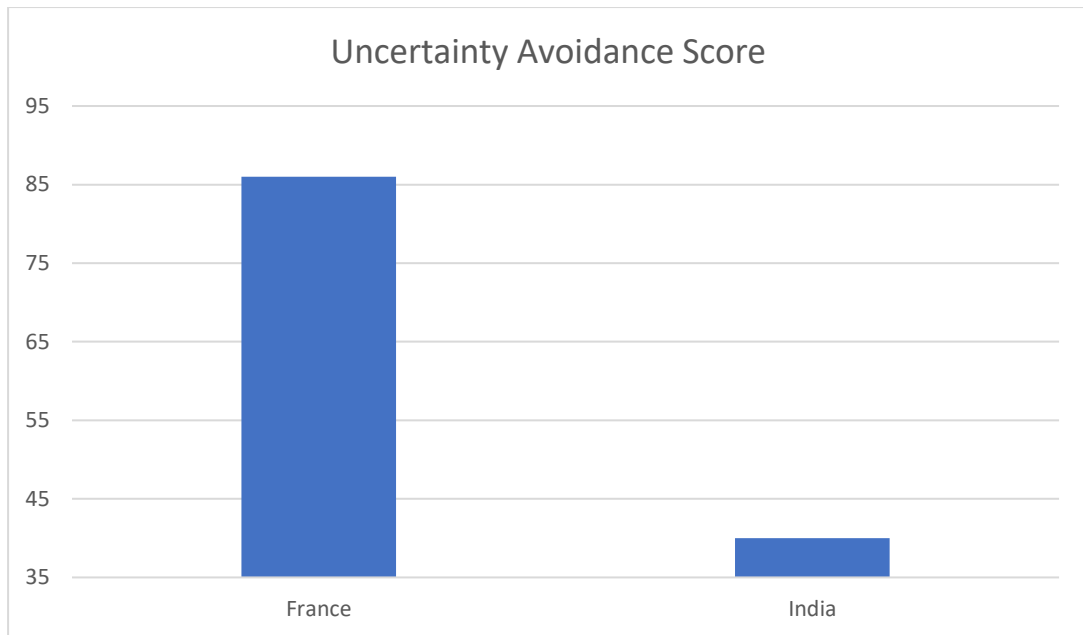


Figure: Uncertainty Avoidance Score of France and India (Source: Own)

4.6. Analysis of Long-Term Orientation and Indulgence

In this regard, both French and Indian culture demonstrate inclination towards long-term orientation with France scoring 63 and India scoring 51. Both the cultures are inclined towards investing in building long-term relationships and develop the brand image. However, at the same time, France scores relatively higher on indulgence at 48 whereas India scores only 26, showcasing the consumers of India practise greater restraint in consuming more. This ultimately comes to the pricing strategy used by L'Oréal in both the markets. In India, the company has to be wary of the price sensitiveness of the consumers whereas in France, the company can pose higher prices in line with marketing messages, calling for greater gratification (CHAUBEY et al., 2013).

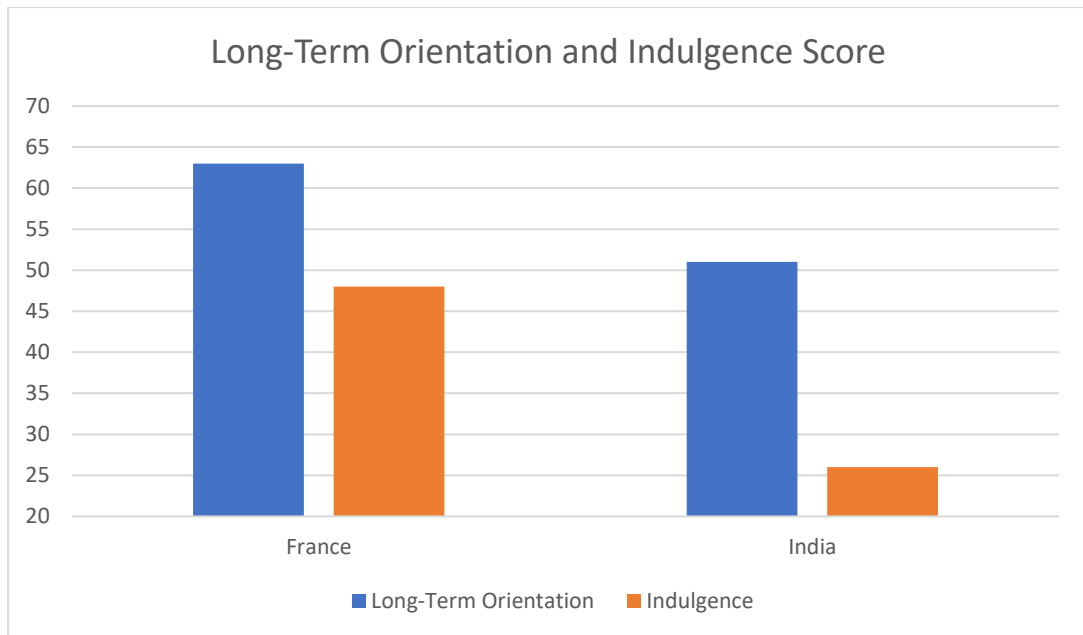


Figure: Long-Term Orientation and Indulgence Score of France and India (Source: Own)

4.7. Impact on L'Oréal's Market Entry Strategy and Potential for Success in India

Because the cultural differences in both the countries are quite evidence, the market entry strategy and the potential for success for L'Oréal remain to be impacted. The impacts are as follows.

- Firstly, there needs to be greater product adaptation in the Indian market compared to the French market. For this reason, the company is already invested through its research centres in Mumbai and Bengaluru to formulate India-specific formulations to match the local skin types and other factors.
- Secondly, because two different cultures focus on different priorities, L'Oréal needs to emphasize more on formal and indirect communication in France whereas the company has to remain focused on building relationships with the consumers in India. Moreover, to leverage the B2B relationships in India, L'Oréal needs to remain greatly adaptable in employing personnels, as well (Agarwal, 2025).
- Lastly, India is not a concentrated market and rather it is a very fragmented market where building relationships with distributors in the retail market requires very distinct approaches in comparison with France's organised retail channels. As a result, L'Oréal has to rely on e-commerce, pharmacies, salons, departmental stores etc. to reach the greater audience in India (L'Oréal, 2024).

5. Recommendations of Three Major Adjustments L'Oréal Needs to Consider in its SOPs for Success in India

Based on all the analysis and comprehensive discussion provided above, three major adjustments that L'Oréal needs to consider in its Standard Operating Procedures in India to remain successful are outlined below.

5.1. Adjustment – 01: Hybrid Decision-Making Framework

Rationale for the Adjustment: Because there exists a major difference between France and India when it comes to uncertainty avoidance, there can exist operational friction between the two countries. On one hand, the French market requires structured planning because of the market's maturity and cultural inclination and on other hand, the Indian market requires agile responsiveness to cater to the fast-changing situations.

When a market is to grow at 8-10% CAGR for around 10 years, a company such as L'Oréal must be adaptive and ready to shift the strategies to meet the changing consumer preferences, as well (Fortune Business Insights, 2025). In this regard, L'Oréal's ownership advantages arising out of its R&D capabilities and marketing capacities can play out in favour of the company to capture locational advantages, as well, in the Indian market. However, if it is to follow a centralized approach in decision-making, it may not be able to cater to the changing demands that of the Indian market. This is why, instead of a centralized decision-making approach, L'Oréal needs to consider a hybrid decision-making framework for catering towards two different markets with two different requirements. This will enhance the company to overcome any delay in response to any decision made by the local players or digital-first brands so that L'Oréal does not lag behind in terms of competition.

Specific SOP Modifications

One of the most important adjustments that L'Oréal may consider to implement in the Indian market and its overall decision-making framework is to establish tiered decision authority. These tiers will be categorized as local authority, regional authority and global authority.

- The first tier of the list will be the local authority or the Managing Director of the Indian market to make fast decisions which can be approved in a 48-hour window.

- The second tier will incorporate the regional authority or the SAPMENA regional authority to approve any decision that may involve financing requirements exceeding 10 crore Rupees.
- At the end, the third tier will be the global authority which is maintained at the headquarter in France by L'Oréal to oversee and approve any decision requiring changes to be made to the brand's positioning or manufacturing investments and as such.

5.2. Adjustment – 02: India-Centric Collective Marketing and Strategies for Employee Engagement

Rationale for the Adjustment: There exists a significant gap between France and India when it comes to individualism and collectivism. France has a score of 71, making it very leaning towards individualism whereas India has a score of 48, making it leaning towards collectivism. As a result, if L'Oréal is to implement its strategies for the French market, major misalignments may arise due to the collectivist consumer decision-making trends and patterns in India (Abundance Global, 2024).

Moreover, there is a stark difference between France and India in terms of masculinity and femininity in which France is more feminine and India is more masculine. As a result, having an India-centric collective marketing effort and masculine employee engagement strategy is essential to sustain operational success in India. Again, with L'Oréal planning to more than double its business in India, it becomes more important that the company recognizes the differences between the two markets and treat each of them specifically to their needs. Ultimately, what L'Oréal needs to do to pull off its expansionary plans is to calibrate its cultural dimensions in its marketing and product strategy to maintain its premiumness while capitalizing on the collectivist mentality of the Indian market (Wild and Wild, 2023).

Specific SOP Modifications

Firstly, L'Oréal needs to show adaptation in its consumer marketing by revising the campaign approval criteria. In order to do so, it needs to set specific standards for the Indian market only. They can include strategies such as family/community benefit messaging inclusion, social proof elements as well as shared experience themes in its marketing campaigns. Also, due to the collectivist nature of the market, L'Oréal can also develop family-centric sub-campaigns in the market to target the various occasions and events that are celebrated in India throughout the year.

Secondly, to keep its Indian employees engaged and cater to their masculine nature, L'Oréal must consider redesigning its recognition systems to shift from individualistic reward systems that it follows in France to a team-based recognition in India. Moreover, the company can incorporate family engagement in the workplace by holding family appreciation events, education support for the employees' children and as such to demonstrate solidarity with the mentality of the Indian workforce.

5.3. Adjustment – 03: Acceleration of Premiumization with Accessibility

Rationale for the Adjustment: Because the Indian beauty market is one of the fastest growing industries accompanied by a mass market, the opportunity is clearly there for L'Oréal to leverage. However, India scores very low on the indulgence dimension because of which the company must ensure of acceleration of premiumization of its products while maintaining accessibility. For this to happen, the company must incorporate price-value sensitivity in its pricing strategy (CHAUBEY et al., 2013).

Also, L'Oréal has ownership advantages which far exceed that of its competitors alongside a very diversified brand portfolio with which the company can target the different demographics within the Indian market, as well. This is why L'Oréal must take the most benefits out of the low-cost production environment it gets in Indian compared to other international markets.

Most importantly, the internalization capacity of L'Oréal is demonstrated through its 95% local manufacturing (L'Oreal, 2024). Again, because there are so many opportunities available in the Indian market, the company can further enhance its price competitiveness through better optimization, as well.

Specific SOP Modifications

Just like the hybrid decision-making framework, L'Oréal can implement a tiered manufacturing protocol, as well. This can incorporate an India-first product line where the company will produce India-specific products without compromising any of its quality features. Moreover, in order to remain ethically sustainable, the company should also incorporate the use of locally-sourced ingredients more and more. While doing so, L'Oréal can also focus on simplified packaging for its products in order to save costs.

Again, by expanding manufacturing capacity of the plants in India, L'Oréal can enhance its capacity to grow from a 500 million products manufacturer in a year to go beyond that figure. Now, in order to do so, the company can implement the following initiatives.

- Optimize the packaging size to match the Indian consumption patterns which are vastly different from that of France;
- Enhance efficiencies in its production facilities to gain better results overall;
- Incorporate local ingredients in L'Oréal's production of India-specific products without compromising any quality to build community relationships and enhance brand image, overall.

6. Conclusion

In this report, a comprehensive analysis of L'Oréal has been provided where its international operations and strategic positioning in the Indian market have been examined. Before delving into the analytical and discussive parts, firstly, necessary justification has been provided as to why L'Oréal can be considered as an MNC/TNC with its presence in over 150 countries, over 95,000 employees globally and over 40 billion Euro in revenue. In the analysis part, it has been identified that L'Oréal utilises acquisition as its most dominant strategy, however, it also utilises wholly-owned subsidiaries to obtain operational control. In India, the company has undertaken a similar strategy, moving from a joint venture to a wholly-owned subsidiary because of the confidence it has in the market. Moreover, through the application of Dunning's OLI framework, it has been established that L'Oréal has extensive relationship and alignment between its ownership advantages, India's location and internalization benefits which support its strategy of wholly-owned subsidiary entry method. Again, the cultural analysis using the Hofstede's Cultural Dimensions framework has revealed that there exist significant differences between France, the company's home country and India, the targeted emerging market for which the company also requires to adapt culturally extensively. Lastly, based on the comprehensive analysis provided, three SOP adjustments have been recommended including the implementation of a hybrid decision-making framework to incorporate the best of both worlds, the development of an India specific collective marketing and employee engagement strategy and the acceleration of premiumization of its products while maintaining accessibility by establishing tiered manufacturing as well as distribution of its products.

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