**EFFECTIVENESS OF ONLINE ADVERTISING ON CONSUMER ENGAGEMENT AND PURCHASE BEHAVIOR: A CASE STUDY OF LAKME LIPSTICKS IN HYDERABAD**

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**ABSTRACT**

The cosmetics industry has experienced a major shift towards online advertising, making it a crucial marketing strategy for brands. This study examines the effectiveness of online advertising for Lakme lipsticks in Hyderabad, focusing on consumer awareness, perception, and purchase behavior. By utilizing a survey methodology, data from 150 respondents was collected to assess the impact of digital marketing strategies such as social media campaigns and influencer endorsements. The findings indicate that targeted online advertisements significantly enhance brand visibility and purchasing intent. However, challenges such as ad fatigue and skepticism towards influencer marketing need to be addressed for long-term consumer engagement. A key objective of this research is to understand consumer awareness, perception, and satisfaction with Lakme cosmetics, particularly among women in Shamirpet. Customer satisfaction plays a vital role in the marketing of any product or service, as it helps businesses understand buying behavior and preferences. It also provides insights for improving products, adjusting pricing strategies, and optimizing distribution channels. The cosmetics industry continues to grow, presenting numerous opportunities for expansion. The increasing demand for beauty products is not limited to women but is also rising among men, further driving market potential. Changing consumer perceptions and evolving beauty trends fuel industry growth, making online advertising an essential tool for brand promotion and consumer engagement. By leveraging digital platforms effectively, cosmetic brands can strengthen customer loyalty, increase sales, and remain competitive in this rapidly evolving market.

**Keywords:** Online Advertising, Consumer Engagement, Digital Marketing, Lakmé Lipsticks, Social Media Marketing, Influencer Marketing, Purchase Behavior, Brand Awareness.

1. **INTRODUCTION**

The cosmetics industry has undergone a digital transformation, with online advertising emerging as a dominant marketing strategy. Companies increasingly rely on digital platforms to engage consumers, enhance brand visibility, and drive sales. Lakme, a leading Indian cosmetics brand, has leveraged online advertising to reach a broader audience, particularly in Hyderabad, a growing metropolitan city with a tech-savvy consumer base. This study examines the effectiveness of Lakme’s digital marketing strategies, focusing on consumer engagement, brand perception, and purchase behavior.

**1.1 Background of the Study**

Lakme, established in 1952 by the Tata Group and later acquired by Hindustan Unilever Limited (HUL), is a pioneer in the Indian beauty industry. The brand dominates the cosmetics market, offering a diverse range of products across skincare, haircare, makeup, and fragrances. With the increasing penetration of internet services and social media, Lakme has shifted its marketing efforts towards digital platforms, employing influencer collaborations, targeted advertisements, and social media campaigns to boost consumer engagement and sales.

**1.2 Problem Statement**

The shift to online advertising has significantly influenced consumer behavior in the cosmetics industry. While Lakme has implemented extensive digital marketing campaigns, the effectiveness of these strategies, particularly in Hyderabad, remains largely unexplored. Consumers today are bombarded with advertisements, leading to concerns such as ad fatigue and skepticism towards influencer promotions. This study aims to evaluate the impact of online advertising on Lakme lipsticks, measuring its effectiveness in driving brand awareness, customer loyalty, and purchase intent among Hyderabad’s urban consumers. Additionally, the research identifies potential challenges and areas for optimization in Lakme’s digital marketing strategy.

**1.3 Objectives of the Study**

This research aims to:

1. Analyze the level of engagement generated by online advertising for Lakme lipsticks.
2. Assess the impact of digital ads on consumer purchase decisions in Hyderabad.
3. Identify key challenges affecting the effectiveness of online marketing strategies for Lakme.
4. Provide recommendations for optimizing Lakme’s online advertising efforts to enhance consumer interaction and brand loyalty.

**1.4 Significance of the Study**

Understanding the role of digital advertising in consumer decision-making is critical for brands looking to sustain a competitive edge. This study provides insights into the strengths and limitations of Lakme’s online marketing efforts, offering valuable recommendations for enhancing consumer engagement and maximizing digital advertising effectiveness. By analyzing consumer responses, this research will contribute to the broader field of digital marketing in the cosmetics industry

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1. **LITERATURE SURVEY**

In this Chapter, the researcher has made an attempt to study and understand the complex concepts of Customer experience. This attempt includes, understanding the basic concepts of Customer experience, analyzing research studies made by earlier researchers in respect of Customer experience in automotive Industry, for this, the researcher has used various books, research Journals and websites. The detailed list is further elaborated in the Bibliography. Through this Literature Survey researcher wants to find out which are the important parameters of Customer experience in respect of Lakme.

Ilchi [1] examined the role of digital marketing in the beauty industry by analyzing Fenty Beauty’s advertising strategies. The study found that social media-driven campaigns significantly enhanced brand engagement, creating substantial earned media value. This suggests that brands like Lakme can leverage social media to increase customer interaction and brand awareness. Similarly, Gallagher and Parsons [2] proposed a framework for targeted online advertisements, emphasizing the importance of personalized advertising in improving customer engagement. This research is particularly relevant to Lakme, as it highlights how targeted advertising can drive sales and brand loyalty.

Indira priyadharshini [3] explored consumer satisfaction in personal care products, emphasizing the need for brands to adapt to evolving consumer demands. The study suggests that customer satisfaction is a crucial determinant of brand loyalty, which is directly influenced by digital marketing strategies. Additionally, Bagiyalakshmi and Saranya [4] conducted research on cosmetics usage among teenage girls, finding that lipsticks and nail polish were among the most preferred products. Their study reinforces the growing demand for cosmetic products and highlights the importance of effective advertising strategies in capturing young consumers’ attention.

The rise of social commerce has significantly influenced beauty brands’ marketing strategies. A report by Vogue Business [5] analyzed the impact of TikTok Shop and Amazon’s e-commerce strategies on beauty brands. The findings suggest that interactive and short-form video content on social media platforms has become a dominant force in shaping consumer preferences. This insight is crucial for brands like Lakme, which increasingly rely on influencer marketing and social commerce platforms to drive sales.

Kazim and Kantharaj [6] investigated the impact of advertisements on consumer purchase decisions, particularly in the cosmetics industry. Their study found that advertising plays a vital role in shaping consumer perceptions and purchase intent, especially among young consumers aged 15-24. The study supports the idea that Lakme’s digital marketing efforts must focus on engaging younger audiences through visually appealing and interactive advertisements.

### ****2.1 Key Findings from Literature Review****

The review of existing literature indicates that:

* Social media and influencer marketing significantly enhance brand visibility and consumer engagement [1], [5].
* Personalized advertising strategies improve consumer satisfaction and brand loyalty [2], [3].
* The cosmetics industry has seen a shift towards digital engagement, particularly among younger demographics [4], [6].
* The integration of social commerce platforms is a key trend in online marketing for beauty brands [5].

These findings provide a strong foundation for this study, which aims to assess the effectiveness of Lakme’s online advertising in Hyderabad. By leveraging insights from previous research, this study will analyze consumer engagement levels, purchasing behavior, and the impact of targeted advertising on brand loyalty.

1. **METHODOLOGY**

This study employs a mixed-method approach, combining both primary and secondary data sources. A survey was conducted among 150 respondents in Hyderabad using a structured questionnaire. The sample was selected through convenient random sampling. Data was analyzed using statistical techniques to evaluate engagement levels, consumer perception, and purchasing behavior related to Lakme’s online advertising campaigns. The study also considers secondary sources such as research papers, industry reports, and online marketing analyses. This study employs a mixed-method approach, integrating both primary and secondary data sources. A quantitative survey was conducted to assess the effectiveness of online advertising on Lakme lipstick brand among consumers in Hyderabad.

## ****3.1 Data Collection****

Data was gathered through a structured questionnaire distributed to 150 respondents selected through convenient random sampling. The survey focused on consumer awareness, engagement, and purchase behavior influenced by online advertising strategies.

## ****3.2 Sample Size and Demographics****

* Total Respondents: 150
* Age Distribution: 18-28 years (77%), 29-38 years (22%), 39-48 years (1%)
* Gender: Female (97%), Male (3%)
* Marital Status: Married (28%), Unmarried (72%)

## ****3.3 Data Analysis****

The collected data was analyzed given in figure 1 using statistical techniques such as percentage analysis and frequency distribution to evaluate trends in consumer preferences and advertising impact.

1. **RESULTS AND DISCUSSIONS**

**Data Analysis and Interpretation**

**4.1 Preference for Lakmé Products**

* 94% of respondents prefer Lakmé products.
* 6% are uncertain.
* No respondents expressed disinterest in the brand.  
  Inference: A significant majority of consumers prefer Lakmé products.

**4.2 Purpose of Using Lakmé Products**

* 38% use it for eye makeup.
* 37.3% use lipsticks.
* 20% use face products.
* 4.7% use nail products.  
  Inference: The most common usage is for eye makeup.

**4.3 Frequency of Usage**

* 57.3% use Lakmé products frequently.
* 26% use them very frequently.
* 16.7% use them rarely.
* 0% reported not shopping for Lakmé products.  
  Inference: Most respondents are frequent users of Lakmé products.

**4.4 Perceived Quality of Lakmé Products**

* 78% strongly agree that Lakmé provides quality products.
* 11% disagree.
* 11% are neutral.  
  Inference: A majority of respondents perceive Lakmé as a quality brand.

**4.5 Factors Influencing Purchase Decisions**

* 34% prioritize variety.
* 21% focus on availability.
* 20% prefer quality.
* 16% consider price.
* 9% are influenced by promotions.  
  Inference: Variety is the key reason for choosing Lakmé.

**4.6 Problems Faced by Consumers**

* 77% disagree with facing any problems.
* 6% agree to having issues.
* 17% strongly disagree with facing issues.  
  Inference: Most consumers do not face any problems with Lakmé products.

**4.7 Customer Satisfaction Level**

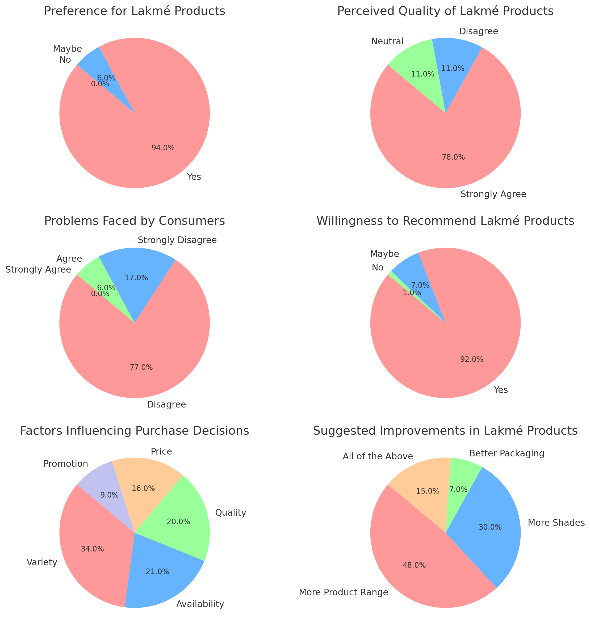
* 82% rated satisfaction between 40-60%.
* 11% rated between 20-40%.
* 5% rated between 60-80%.
* 2% rated between 10-20%.  
  Inference: Most respondents have a moderate to high level of satisfaction.

**4.8 Suggested Improvements**

* 48% want a wider product range.
* 30% prefer more shades.
* 7% seek better packaging.
* 15% want all the above.  
  Inference: Expanding the product range is the most suggested improvement.

**4.9 Willingness to Recommend Lakmé Products**

* 92% would recommend Lakmé to others.
* 7% are uncertain.
* 1% would not recommend.  
  Inference: Most consumers have a positive perception and are willing to recommend the brand.



**Figure-1:** Preference For Lakme Products, Perceived Quality of Lakme Product, Problems Faced by Consumers, Willingness to Recommend Lakme Products, Factors Influencing Purchase Decisions, Suggested Improvements in Lakme Products.

**5. CONCLUSION AND FUTURE SCOPE**

**5.1 Conclusion**

Lakme's online advertising strategy in Hyderabad has successfully increased brand awareness, engagement, and purchase intent. Through social media platforms such as Instagram and YouTube, targeted paid ads, and influencer collaborations, the brand has effectively connected with its audience. Video-based content, interactive campaigns and user-generated content have played a crucial role in fostering engagement and trust. However, challenges such as ad saturation and skepticism toward online promotions highlight the need for more diverse content strategies and transparency in marketing efforts. To sustain growth and consumer loyalty, Lakme should diversify its advertising formats by incorporating interactive elements, AR try-ons, and personalized recommendations. Optimizing Online Advertising, Consumer Engagement, Digital Marketing, Lakmé Lipsticks, Social Media Marketing, Influencer Marketing, Purchase Behavior, Brand Awareness. ad frequency can prevent audience fatigue while maintaining engagement. Strengthening e-commerce integration with seamless navigation and exclusive online deals will improve conversion rates. Additionally, leveraging regional influencers and language-specific campaigns will enhance the brand’s local appeal. By implementing these strategic measures, Lakmé can reinforce its digital presence and expand its market share in Hyderabad and beyond.

**5.2 Future Scope**

The future of Lakmé's digital advertising lies in technological advancements and consumer-driven strategies. Expanding AR features for virtual try-ons will allow customers to make more informed online purchase decisions. AI-driven personalization can further refine targeted marketing by recommending products based on consumer preferences. Additionally, prioritizing sustainability in advertising by promoting eco-friendly packaging and ethical sourcing can attract environmentally conscious consumers. Deepening regional penetration through localized campaigns, multilingual ads, and culturally relevant content will strengthen brand affinity across diverse demographics. Furthermore, integrating online and offline shopping experiences using QR codes, virtual trials, and hybrid promotions will create a seamless customer journey. By adapting to emerging trends and consumer expectations, Lakmé can maintain its competitive edge and continue to grow as a leader in the beauty industry.

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