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Artificial Intelligence–Driven Consumer Insights and Brand Loyalty: A Study of Gen Z Preferences Toward Lakmé

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Abstract: In the highly competitive cosmetics sector, cultivating brand loyalty is essential for sustaining long-term profitability and market leadership. Generation Z (individuals born between 1997 and 2012) constitutes a rapidly expanding consumer cohort distinguished by digital fluency, social consciousness, and strong engagement with online ecosystems. Lakmé, a flagship beauty brand of Hindustan Unilever Limited, has strategically positioned itself as a youth-centric brand through product innovation and technology-enabled marketing initiatives. This research investigates the extent of brand loyalty toward Lakmé among Gen Z consumers and evaluates how Artificial Intelligence (AI)-based consumer analytics influence loyalty formation. Key determinants examined include perceived product quality, pricing perceptions, influencer impact, social media engagement, creative meme-based campaigns, and AI-driven personalization. A descriptive research framework was employed using structured questionnaires administered to 75 Gen Z respondents. Data analysis was conducted through percentage analysis, correlation, and multiple regression techniques using SPSS software. The findings indicate that product performance, affordability, influencer credibility, creative digital communication, and AI-enabled personalized recommendations significantly enhance purchase intention and repeat buying behavior. AI-powered consumer insights strengthen targeted marketing and customer engagement, thereby contributing positively to brand loyalty. The study concludes that Lakmé's integration of AI technologies into its marketing ecosystem plays a pivotal role in fostering long-term loyalty among Gen Z consumers.

Keywords: Brand Loyalty, Generation Z, Artificial Intelligence, Consumer Analytics, Social Media Marketing, Influencer Marketing, Cosmetic Industry, Purchase Intention, Personalization.

1. INTRODUCTION

Brand loyalty represents a consumer's enduring preference for a particular brand, demonstrated through consistent repurchase behavior and positive advocacy. In the cosmetics industry, loyalty is shaped by a combination of functional performance, emotional attachment, brand image, and digital interaction. Generation Z consumers differ significantly from earlier cohorts. As digital natives, they rely extensively on platforms such as Instagram and YouTube for product discovery, reviews, and beauty trends. They prioritize authenticity, inclusivity, affordability, sustainability, and innovation. Consequently, brands must adopt technologically advanced and socially relevant strategies to retain this segment. Artificial Intelligence (AI) has emerged as a transformative tool in marketing. Technologies such as predictive analytics, machine learning algorithms, recommendation systems, and sentiment analysis allow firms to decode consumer preferences and tailor communication strategies accordingly. Lakmé has leveraged such AI-based insights to refine its targeting mechanisms, personalize consumer engagement, and optimize digital campaigns. This study aims to analyze how AI-driven marketing strategies influence brand loyalty toward Lakmé among Gen Z consumers.

2. REVIEW OF LITERATURE

Previous research has identified several determinants of brand loyalty. Rahi et al. (2013) emphasized perceived quality, customer satisfaction, and brand image as central drivers of repeat purchase behavior and positive word-of-mouth communication. Laroche, Habibi, and Richard (2014) highlighted the role of social media brand communities in strengthening trust, emotional attachment, and commitment. Their findings suggest that interactive digital platforms significantly enhance attitudinal loyalty, particularly among younger consumers. Kotler and Keller (2016)

argued that loyalty develops through consistent value delivery, relationship marketing, and sustained customer engagement. Within the cosmetics sector, product innovation, aesthetic packaging, and influencer endorsements contribute meaningfully to retention. Schiffman and Wisenblit (2015) discussed how peer groups, reference groups, and digital content strongly influence consumer decision-making. For Gen Z consumers, online reviews, influencer credibility, and interactive campaigns are critical in shaping purchasing behavior. While these studies provide valuable insights into loyalty and consumer behavior, limited empirical research integrates AI-driven analytics with brand loyalty formation, particularly in the Indian cosmetic context.

Research Gap

Existing literature extensively addresses brand loyalty and Gen Z consumption patterns; however, the following gaps remain:

- Insufficient examination of AI-driven consumer analytics as a determinant of brand loyalty.
- Limited empirical analysis of meme marketing and creative digital humor in influencing purchase intention.
- Scarcity of focused studies analyzing Lakmé's positioning among Gen Z consumers within a regional framework.
- This research seeks to bridge these gaps by integrating AI-based marketing analytics with traditional loyalty determinants.

Objectives of The Study

- To assess the level of brand loyalty toward Lakmé among Gen Z consumers.
- To identify major factors influencing loyalty, including quality, price perception, influencer engagement, and social media presence.
- To evaluate the role of AI-driven personalization in shaping consumer behavior.
- To examine the impact of AI-enabled marketing strategies on repeat purchase intention.
- To analyze the relationship between creative advertising (including humor and memes) and buying decisions.

Research Questions

- What is the extent of brand loyalty toward Lakmé among Gen Z consumers?
- Does perceived product quality significantly influence loyalty?
- How does social media engagement affect purchase intention?
- What role does AI-driven personalization play in encouraging repeat purchases?
- Is creative digital marketing associated with higher consumer engagement and buying behavior?

Research Methodology

Research Design: A descriptive research design was adopted to examine consumer perceptions and behavioral patterns.

Data Collection

- Primary data were collected through structured questionnaires distributed to Gen Z respondents.
- Secondary data were gathered from academic journals, company reports, and relevant marketing literature.

Sample Size: The study included 75 respondents belonging to the Gen Z cohort.

Sampling Technique: Convenience sampling was employed due to accessibility and time constraints.

Statistical Tools

- Percentage Analysis
- Correlation Analysis
- Multiple Regression Analysis
- SPSS software for data interpretation

Variables Independent Variables:

- Product Quality
- Price Perception
- Influencer Impact
- Creativity and Humor in Marketing
- AI-driven Personalization

Dependent Variable: Brand Loyalty (measured through purchase intention and repeat buying behavior)

Discussion

The empirical findings suggest that Lakmé maintains moderate to high loyalty among Gen Z consumers. A majority of respondents perceive the brand's products as reliable and consistent in performance. Affordability and quality emerged as primary determinants of repeat purchase behavior. Creative advertising—particularly meme-based campaigns—was found to significantly enhance attention and engagement. Over half of the respondents indicated that humor and digital creativity increased their interest in the brand. Influencer endorsements play a substantial role in shaping purchase decisions. Gen Z consumers tend to rely on trusted digital creators for product recommendations. AI-driven personalization, including tailored advertisements and product suggestions, was positively associated with satisfaction and repurchase intention. Respondents appreciated customized experiences that reflected their preferences and browsing behavior. These findings indicate that AI-enabled analytics strengthen Lakmé's ability to connect with digitally active consumers and foster loyalty through relevance and personalization.

Findings

- Gen Z consumers exhibit moderate to strong loyalty toward Lakmé.
- Product quality and affordability are critical determinants of loyalty.
- Creative and humorous digital campaigns significantly increase consumer engagement.
- AI-based personalized recommendations positively influence repeat purchase intention.
- Strong social media visibility enhances brand perception and emotional attachment.

Suggestions

- Expand AI-driven personalization strategies to deliver hyper-targeted marketing campaigns.
- Strengthen collaborations with credible Gen Z influencers.
- Increase focus on sustainability and eco-conscious product development.
- Enhance interactive content, including meme-based and user-generated campaigns.
- Introduce structured loyalty programs with AI-enabled personalized rewards.

Limitations and Future Research

Limitations

- Limited sample size (75 respondents).
- Restricted geographic coverage.
- Time constraints.
- Dependence on self-reported data.

Future Scope

- Conduct studies with larger and more diverse samples across multiple cities.
- Undertake comparative analysis with competing cosmetic brands.
- Employ advanced AI-driven data modeling techniques.
- Perform longitudinal research to track loyalty trends over time.

3. CONCLUSION

Brand loyalty among Gen Z consumers toward Lakmé is shaped by both behavioral factors (repeat purchases) and attitudinal dimensions (emotional connection and brand perception). The study demonstrates that AI-driven consumer analytics significantly enhance marketing effectiveness by enabling personalization, targeted communication, and deeper engagement. By integrating artificial intelligence with creative digital strategies, Lakmé strengthens its competitive positioning and builds sustainable loyalty among digitally empowered Gen Z consumers. The strategic convergence of technology and creativity will remain essential for long-term brand success in the evolving cosmetic marketplace.

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