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Brand Loyalty towards Lakme Products among Gen Z with AI Driven Consumer Behavior Analysis

Harshitha. M

St. Joseph's college of arts and science for women (autonomous), Hosur, Tamil Nadu, India.

*Corresponding Author Email: harshithamanjunath721@gmail.com

Abstract: Brand loyalty has become a crucial determinant of long-term business success in the cosmetic industry. Generation Z (Gen Z), born between 1997 and 2012, represents a significant consumer segment characterized by digital nativity, social awareness, and high engagement with online platforms. Lakmé, one of India's leading beauty brands owned by Hindustan Unilever, has established a strong presence among young consumers through innovative products and digital marketing strategies. This study examines the level of brand loyalty towards Lakmé products among Gen Z consumers and analyzes the influence of Artificial Intelligence (AI)-driven consumer behavior insights on loyalty formation. The research explores factors such as product quality, price perception, social media influence, influencer marketing, and personalized recommendations. A descriptive research design was adopted using structured questionnaires distributed among 75 Gen Z respondents. Statistical tools such as percentage analysis, correlation, and regression were used for interpretation. The findings reveal that creativity in marketing, humor in meme campaigns, product performance, and influencer engagement significantly impact purchase intention and repeat buying behavior. AI-driven analytics enhances targeted marketing and strengthens customer engagement, thereby improving brand loyalty. The study concludes that Lakmé's strategic integration of AI technologies contributes positively to loyalty development among Gen Z consumers.

Keywords: Brand Loyalty, Gen Z, Lakmé, Artificial Intelligence, Consumer Behavior, Cosmetic Industry, Social Media Marketing, Purchase Intention, Influencer Marketing, Repeat Purchase.

1. INTRODUCTION

Brand loyalty refers to a consumer's consistent preference and repeated purchase of a specific brand over competitors. In the competitive cosmetic industry, loyalty is influenced by emotional attachment, perceived quality, brand image, and digital engagement. Generation Z consumers are highly tech-savvy and rely heavily on social media platforms such as Instagram and YouTube for beauty trends and product reviews. They value authenticity, affordability, sustainability, and innovation. AI technologies such as predictive analytics, personalized recommendations, and sentiment analysis are increasingly used by brands to understand and influence purchasing decisions. Lakmé has positioned itself as a trend-driven, youth-oriented brand offering makeup, skincare, and beauty solutions. With a strong online and offline presence, Lakmé leverages AI tools to analyze consumer preferences and optimize marketing strategies. This study aims to understand how AI-driven consumer insights contribute to building brand loyalty among Gen Z consumers.

2. REVIEW OF LITERATURE

Rahi et al. (2013) identified perceived quality, brand image, and customer satisfaction as the primary determinants of brand loyalty. Their study concluded that consumers who perceive high product quality and derive satisfaction from usage are more likely to engage in repeat purchases and positive word-of-mouth communication. This supports the idea that consistent product performance strengthens long-term loyalty. Laroche, Habib, and Richard (2014) examined the impact of social media brand communities on customer loyalty. The study found that active participation in online brand communities enhances trust, emotional attachment, and brand commitment. Social media interaction fosters a sense of belonging, which significantly contributes to attitudinal loyalty among young consumers. Kotler and Keller (2016) emphasized that loyalty is built through value delivery, relationship marketing, and customer engagement. According to their framework, loyalty develops when brands consistently meet or exceed consumer expectations. In the cosmetic industry, factors such as product innovation, packaging appeal, and influencer endorsements strengthen customer retention.

Research Gap

Although several studies have examined brand loyalty and Gen Z consumer behavior, limited research focuses specifically on:

- The role of AI-driven analytics in influencing brand loyalty.
- The impact of meme marketing and digital creativity on purchase decisions.
- A focused study on Lakmé products among Gen Z consumers in a regional context. This study attempts to bridge these gaps by integrating AI-driven marketing analysis with brand loyalty measurement.

Objectives of the Study

- To examine the level of brand loyalty towards Lakmé products among Gen Z.
- To identify factors influencing loyalty (price, quality, influencers, social media).
- To analyze the role of AI in understanding consumer behavior.
- To evaluate the impact of AI-driven marketing strategies on repeat purchase intention.
- To measure the relationship between creativity, humor, and purchase decisions.

Research Questions

- What is the level of brand loyalty towards Lakmé among Gen Z consumers?
- Does product quality significantly influence loyalty?
- How does social media engagement affect purchase intention?
- What role does AI-driven personalization play in repeat purchases?
- Is there a relationship between creative marketing and buying behavior?

3. RESEARCH METHODOLOGY

Research Design

Descriptive research design was adopted.

Data Collection

- Primary data was collected through structured questionnaires.
- Secondary data was obtained from journals, websites, and company reports.

Sample Size

75 Gen Z respondents. Sampling Technique Convenience sampling method.

- Tools Used
- Percentage Analysis
- Correlation Analysis
- Multiple Regression Analysis
- SPSS Software for statistical interpretation

Variables

- **Independent Variables:** Creativity, Humor, Product Quality, Influencer Impact, AI Personalization
- **Dependent Variable:** Purchase Intention / Brand Loyalty.

4. DISCUSSIONS

The study indicates that:

- A majority of respondents agree that Lakmé products perform as expected.
- Over 50% believe creativity and humor increase interest in advertisements.
- Social media influencers significantly impact purchase decisions.

- AI-based recommendations increase satisfaction and repeat buying behavior. Gen Z consumers prefer brands that interact digitally and offer personalized experiences.
- Lakmé's use of AI in analyzing buying patterns, preferences, and online engagement strengthens its relationship with young consumers.

Findings

- Most respondents show moderate to high loyalty towards Lakmé.
- Product quality and affordability are major factors influencing loyalty.
- Creativity and humor in meme marketing significantly increase engagement.
- AI-driven personalization positively impacts repeat purchase intention.
- Social media presence strengthens brand perception among Gen Z.

Suggestions

- Lakmé should enhance AI-based personalized marketing campaigns.
- Increase influencer collaborations targeting Gen Z audiences.
- Focus on sustainable and eco-friendly products.
- Improve interactive digital campaigns and meme marketing strategies.
- Provide loyalty programs and personalized offers.

5. LIMITATION AND FUTURE SCOPE

Limitations

- Small sample size (75 respondents).
- Limited geographical coverage.
- Time constraints.
- Dependence on respondent honesty.

Future Scope

- Larger sample across multiple cities.
- Comparative study with other cosmetic brands.
- Use of advanced AI analytics tools.
- Longitudinal study to measure loyalty over time.

6. CONCLUSION

Brand loyalty towards Lakmé among Gen Z is multi-dimensional, involving both behavioral and attitudinal aspects. Behavioral loyalty is reflected through repeat purchases, while attitudinal loyalty develops through emotional connection and positive brand perception. AI-driven consumer behavior analysis plays a significant role in enhancing marketing effectiveness, personalization, and customer satisfaction. By integrating AI technologies with creative digital strategies, Lakmé can strengthen its competitive advantage and sustain long-term loyalty among Gen Z consumers.

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