

Integrating Ingredient Branding as a Marketing Strategy by Big Brands for Cosmetic Products

¹Dr. Harshada Raut, ²Dr. Ashwini P. Chavan

¹Assistant Professor at MES' Institute of Management and Career Courses

² Assistant Professor at MES' Institute of Management and Career Courses

Abstract

The cosmetic industry is very competitive. Things are changing fast when it comes to marketing. Companies need to find ways to stand out from the rest and be different from how they were seen. One way they are doing this is by using something called ingredient branding. This is where they focus on the things about what is, in their products to get people to notice them and want to buy them. This study is looking at how important ingredient branding's becoming for cosmetic companies, both old and new. This study looks at information that's already available. It checks out how products are packaged, labeled and advertised. The research focuses on hair care, skin care and beauty products. What the study found out is that companies are changing the way they market their products. They are moving away from talking about their brand. Now they are focusing on what's, inside the product. They are highlighting that their products have herbal and Ayurvedic ingredients. The study also sees how people in India are starting to prefer products that are traditional and have good ingredients. Beauty products and hair care and skin care products are what the research is looking at.

The conclusions reveal that while ingredient branding is widely adopted in hair care and skin care segments, its application in the makeup category remains limited. In addition, new players in the market very efficiently leverage ingredient branding more aggressively as compared to established brands, which are gradually adapting to this trend. The study concludes that ingredient branding has emerged as a powerful tool for product differentiation and brand positioning in the cosmetic industry.

Keywords: Ingredient branding, marketing Strategy, Brand positioning, FMCG

Introduction:

The cosmetic industry faces intense competition, pushing brands to innovate beyond traditional positioning. Ingredient branding emerges as a key strategy, highlighting specific ingredients to shape consumer perceptions and drive purchases. Brand positioning is a very early age key strategy in the market. The Big brands generally implement this strategy as the evidences suggest.

However, with the need of grooming and cosmetics products in the forthcoming generations, there is need for every brand to establish itself and create its market. Once the market is created the need is also to beat the competition. Also the current consumers are more enthusiastic about the content of the products. They are adamant on usage of certain ingredients and reluctant about the usage of other.

Industry Context

The market is really crowded with lots of companies competing with each other.. The way companies market their products is always changing. Now they are telling people what is in their products on the packaging and in ads. Companies are not just talking about their brand name they are talking about what's in their products like the ingredients. This is what makes their products special. People are looking for natural and herbal products and products that are organic and Ayurvedic. People in India like to use ways to take care of their skin and hair and they like to buy products that are made with natural ingredients. The market for herbal products is really growing and companies are using this to sell their products by talking about the natural ingredients, in their products like natural skincare and haircare products.

Study Rationale

This research examines how big cosmetic brands integrate ingredient branding, noting established players like Parachute adapt while newcomers like Mamaearth and Biotique lead aggressively in haircare. The focus stems from consumers prioritizing content in cosmetics, warranting analysis of this strategic pivot. Scope covers haircare (oils, shampoos), skincare (facewashes, serums), and makeup, using secondary data from packaging, labels, and campaigns.

Need of the study:

It is observed that the cosmetic market is very saturated. There is cut throat competition present in the cosmetic market. But also the marketing history has evidences of evolving with very innovative strategies. However, it is observed that the brands are vocal about the content of the products when they try to imbibe on the minds of the consumers. Going beyond, some of the brands have also using these ingredients on the packing of the product. This has arisen the need about this study, which will have a n overview of how the brands have shifted the marketing strategy towards this new horizon. The conventional marketing of using the Brand name and Brand identity is slowly changing and ingredients have become the new USP. Hence there was a need to examine this shift in the marketing strategy. Also it was need to understand whether the established brands have accepted this shift. The cosmetic products were taken for the study because, the content of the cosmetic products matter a lot for the consumers. The consumers are found to deviate towards the natural, herbal, organic content to some extent towards the Ayurvedic content of the products. Also as an Indian consumer we tend to show the ethnic behaviour with more belief in traditional customs followed in our households for the skin care and hair care routines. So it was the need to understand the whole matter.

Scope of the study:

- 1) The study is undergone only for the cosmetic brands.
- 2) The study is restricted for limited basket of products as following;
 - A) Hair care products (Hair oil, Shampoo, Conditioner, Serum, Hairmask)
 - B) Skin care products (Facewash, Moisturiser, Sun screen, Face serum, Anti-aging cream)
 - C) Beauty Products (All makeup products)

Limitations of the study:

- 1) Only cosmetic products are considered.
- 2) The basket of the cosmetic products is defined keeping in mind the limit to the study.
- 2) Consumers' response towards the ingredient branding is not been studied.

Conceptual Framework:

Ingredient branding offers a structured lens to understand how cosmetic brands influence detailed components as sub-brands for variation. This outline assimilates host brand equity, ingredient eminence, and consumer insights, drawing from traditional theories in marketing literature.

Core Components

The prototypical posits ingredient branding as an leeway strategy where a multitude brand (e.g., Parachute or Mamaearth) promotes a key ingredient (e.g., coconut oil or herbal extracts) to indicator quality and build trust. Central rudiments include constituent centrality (its functional role), professed compatibility between host and

ingredient brands, and success factors like patents or natural attributes, which increase extendibility in saturated markets. Consumer behavior drives acceptance, with inclinations for natural, Ayurvedic elements magnifying purchase determined in high-involvement categories like skincare and haircare.

Application to Cosmetics

In the Indian context, new players prioritize visual component cues on packaging and ads, fluctuating from brand-centric to content-focused USPs, while recognized players familiarize reactively. Confines persist in makeup, where brand identity governs over ingredients. The outline hypothesizes that strong ingredient signalling boosts equity when aligned with cultural ethnic behaviors favoring traditional remedies.

Literature Review:

Desai and Keller (2002) pioneered research on how ingredient branding spreads host brand equity, displaying positive effects on consumer perceptions when ingredients bring into line functionally. Vaidyanathan and Aggarwal (2000) established its efficacy in building faith, especially with original ingredients, persuading acquisition in modest markets. Ingredient stamping endorses key apparatuses as sub-brands for variation and excellence signals. and Vaidyanathan and Aggarwal (2000) established the similar conclusion and relationship. Moon (2016) extended this to luxury contexts, prominence compatibility between host and ingredient brands in cosmetics.

Dalman and Puranam (2017) analysed consumer appraisals, finding it improvements attitudes in high-involvement categories like skincare when professed as finest. Kotler and Pfoertsch (2010) delineated success factors, counting patents and criticality, relevant to your cosmetic focus on natural ingredients. Birgersson et al. (2006) tested it in high-cost products, settling efficacy but no added benefit from multiple ingredients.

These authors provide scholarly backing for your paper's shift from brand to ingredient focus; cite full papers for depth.

Authors	Contribution	Relevance to Cosmetics
Desai & Keller (2002)	Extendibility via ingredients	Hair/skin care extensions
Moon (2016)	Luxury brand compatibility	Premium Ayurvedic lines Research-Paper-on-Ingredient-Branding.docx
Dalman & Puranam (2017)	Consumer evaluation	Natural ingredient trust
Kotler & Pfoertsch (2010)	Success conditions	Differentiation in saturated markets Research-Paper-on-Ingredient-Branding.docx

Research Methodology:

This research paper analyses the secondary data for understanding how the brands have implemented the Ingredient Branding strategy to attract and convince the customers.

The paper also relies on various packaging and labelling strategies for the same. Also the evidences have been collected on the basis of various advertisements so as to understand the usage of ingredient branding.

Research Objectives:

- 1) To understand the concept of Ingredient branding.
- 2) To correlate the Marketing strategies used by the cosmetic brands with the Ingredient Branding

Conventional Packaging:

	
Figure 1old bottle of Parachute Hair oil	Figure 12: Head and Shoulders shampoo
	
Figure 2: Conditioner of L'OREAL Brand	Figure 3: Dove Conditioner
	
	Figure 4: Nivea Sunscreen
	
Figure 5Garnier : Face Serum	Figure 6: Sunsilk Shampoo



Figure 7: L'Oreal Hair Oil



Figure 8: POND'S Anti-aging cream



Figure 9: Garnier Facewash



Figure 10: Ganier Face cream



Figure 11: NIVEA Moisturiser



Figure 12: OLAY Anti aging face cream





Inference on the images above:

- 1) All the brands are established in the cosmetic markets for more than 40 to 50 years.
- 2) The Brand name is written in Bold and Vivid manner to catch the attention of the consumers.
- 3) In fig .1 the Parachute bottle is known for its blue color that made the other brands to copy the same blue color for their hair oil products.
- 4) Most of the packages show the benefit earned out of the product like “ total repair”,” Bright complete “ ,”hydrating cream”,” Protect and Moisture” etc.
- 5) Most of the brands mention about the content like “ Vitamin C”,”Vitamin B3”.
- 6) Yet the brands were more into Brand names as their strategy for a very long time.
- 7) The makeup brands are yet into BRAND Name like Lakme ,Faces Canada etc.
- 8) It is also observed that the Makeup brands are reluctant in mentioning the content on the packaging
- 9) The makeup brands also do not mention the benefit gained.

Evidences of Packaging that practice Ingredient branding:

1. Navaratna oil		Navratna Oil packaging has images of hibiscus flower, amala and other 9 herbs. Hibiscus is proved to enhance hair growth and volume. Hibiscus also maintains the hair black. Similarly Amla is also known to stimulate the hair growth and structure of hair. It nourishes the scalp.
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2.Parachute Oil		Parachute is the age old brand in the Indian market. The new product of Parachute is presented in the figure besides. The package clearly depicts the content written as “Rosemary”. The Rosemary is believed to promote hair growth, reduce hair loss and soothe scalp.
3. Parachute oil		The image depicts the usage of coconut and jasmine in the oil. These contents provide Coconut oil penetrates deep into the hair shaft to prevent protein loss, while jasmine acts as a lightweight moisturizer that adds shine, fights dandruff, and helps reduce frizz.
4. MAMAEarth Hair conditioner		Onion is known to stimulate hair growth and prevent baldness.

5. MAMA Earth Sunscreen		The package shows carrots and turmeric, which is known to beat blemishes and darkness on skin.
6. Parachute Amla Hairoil		Parachute has changed its conventional blue colour bottle to green colour bottle mentioning the AMLA into it. The package also clearly shows the "AMLA". Amla is known for its medicinal properties for hair as mentioned above.
7. Himalaya Facewash.		Himalaya has entered the market with its USP as Ayurveda, especially neem content. This is known as purifying agent which removes dirt from skin.

8. LACTO CALAMINE		The very age old brand has shown the usage of “ Kaolin Clay” which is an ayurvedic secret for clear and bright skin.
9.BIOTIQUE		A newly established brand shows “Papaya” on its packaging. Papaya is wellknown to tighten the skin.
10.Daughter earth		A very new brand “Daughter earth “ depicts about being “Vegan”, “Cruelty free “ “Bee wax free” .But doesn’t mention about the content

11.MAMA Earth Lip balm	New & Improved Same Amazing Results! 	There is clear mention of “Beetroot on the packaging showing about the content.
12. POND’S Facewash		POND’S the established player changed its white color packaging to Black.It also shows about the charcoal content.
13.MAMA earth Hair Mask		All the ingredients like Hibiscus,amla,coconut, alovera ,hena are known to enhance hair growth and contribute for better health of hair. Special mentionis about “Kerala thali” imbining the usage of age old ayurvedic homebased techniques of Kerala people.

14.Vatika Hair Mask		Vatika a very old brand shown Garlic on the package . Garlic is known to heal the problems of scalp and promotes hair growth.
15.Biotique Facemask		Banana is shown on the package .Its know to cure the dry skin
16.LACTO CALAMINE		ACAI Berries are shown on package
17. Dot and Key Face Serum		Newly established brand Dot and Key mentions content of Strawberry on the package .

Findings:

- 1) It is observed that many established brands like Parachute are practicing ingredient branding with their hair oil.
- 2) For the Haircare products the Ingredient branding is USP for new market players like MAMA EARTH, BIOTIQUE, FOREST ESSENTIALS
- 3) The competition faced due to these new brands have forced the established brands to innovate their products and also practice ingredient branding.
- 4) However in the Makeup products category, the Brands have not started practicing the ingredient marketing.
- 5) The Makeup product players like LAKME still use Brand name for marketing.
- 6) The new players like INSIGHTS, JUST HERBS talk about the ingredients but do not include the images for packaging and marketing purpose.
- 7) The Makeup products are more focused on Animal Fat free, Parabene free, Vegan, Plant based kind on content but still not much vocal about content.

Conclusion

Ingredient branding has proven to be a transformative marketing strategy for cosmetic brands, enabling differentiation in a highly saturated market. By emphasizing natural, herbal, Ayurvedic, and organic ingredients on packaging, labels, and advertisements, brands effectively capture consumer trust and preferences, particularly in haircare and skincare segments.

Key Insights

Established brands like Parachute have adapted this approach, while new entrants such as Mamaearth, Biotique, and Forest Essentials aggressively position ingredients as their USP, compelling incumbents to innovate. Makeup remains an exception, with players like Lakmé relying more on brand identity than ingredient visuals, though emerging brands highlight attributes like paraben-free and vegan formulas. This shift aligns with Indian consumers' cultural affinity for traditional remedies, reinforcing ingredient branding's role in purchase decisions.

Strategic Implications

The study underscores ingredient branding's potential as a powerful tool for brand positioning and equity extension, supported by scholarly works on its efficacy in high-involvement categories. Brands should prioritize ingredient centrality, patents, and compatibility to maximize impact. Future research could explore consumer responses directly to validate these trends.

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