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## Is Unilever Being Socially Responsible in Marketing Fair & Lovely, a Skin Whitening Cream?

A Unilever product, Fair & Lovely was the best-selling skin whitener in the world. Entering the Indian market in 1975, Fair & Lovely had gained about 60% of the skin whitening market in India by 2006. It was a \$200M industry that was on track to grow by 10% to 15% each year.<sup>1</sup> Earlier, in 2002, Hindustan Unilever Limited (HUL), Unilever's subsidiary in India, had decided to pursue a growth strategy by focusing on 30 "power brands" from its portfolio of 63 brands with 110 variants in order to better leverage its resources. Fair & Lovely was the second-fastest-growing brand among the power brands, with a growth rate of 21.5% per year.<sup>2</sup> HUL re-christened six of its power brands, including Fair & Lovely, that generated annual sales greater than \$100 million, as "mega brands." Despite the entrance of numerous players, including large multinational firms such as Revlon and L'Oreal into the skin whitening category, Fair & Lovely remained on top. The closest competitors were two Indian firms, CavinKare's brand Fairever and Godrej's FairGlow, with a combined market share of just 16%.<sup>3</sup> In 2013, the Indian market for fairness creams was valued at \$535 million, with Fair & Lovely commanding a market share of 57%.<sup>4</sup>

The success of Fair & Lovely had spread far beyond India—the product was marketed by Unilever in 40 countries in East Asia, Southeast Asia, South Asia, Africa, and the Middle East. It was possibly the most-exported indigenously developed brand from India. Not just the product, but even the marketing campaign and commercials were developed in India and used, with minor variations, in many other countries.

Fair & Lovely claimed to offer skin lightening results in six weeks, with packages showing before and after photos (see **Exhibit 1**). The company website indicated the product was a "miracle worker ... proven to deliver one to three shades of change."<sup>5</sup> HUL said it did not use the harmful chemicals found in other skin lightening products, but instead controlled the dispersion of melanin in the skin. (High concentrations of melanin cause dark skin.) Fair & Lovely added lotions, gels, and soaps to its product lineup as well as extensions including an Ayurvedic line and a premium skincare line called Perfect Radiance.<sup>6</sup>



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