



# “A Part of the Change” Makeup Line by ESTÉE LAUDER

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## Executive Summary

Today's America and the millennial and Gen-Z generations are demanding inclusivity and more importantly actions behind words. This white paper's purpose is to present a well-thought-out plan for an inclusive makeup line and marketing strategy for Estée Lauder. In brainstorming, processing, and carrying out the details of this white paper, we recognize that we hold the responsibility of inclusivity towards customers and to each other. We recognize our responsibility to accurately portray differences among groups and avoid stereotypes and discriminatory imagery. We will represent these communities accurately and incorporate these voices without assuming how to best represent each group. We remain committed to representing diverse communities through our make-up line and marketing strategy.

We acknowledge possible issues that could stem from this campaign, such as a group being offended by our marketing strategy, lack of enthusiasm for the cause, and customers and the public feeling like we are not doing enough. Another issue we face is Estée Lauder has already taken crucial steps needed to appeal to millennials, such as live streaming events, hiring relevant influencers, and creating a way to online video chat. We must find a way to extend what we are already doing. We respond to these issues by bringing in people from every community to work on this project in both makeup design and marketing campaign. We believe that having more voices in the room leads to better representation for everyone. We have also done thorough research on marketing to our target audience and feel that lack of enthusiasm will not be a problem with a social responsibly component. In response to the third issue to foresee, we do not think we can create lasting change on our own. However, sparking others to create change will keep the movement going. Lastly, when looking at marketing strategies we have used in the past, we feel that these advancements are beneficial in targeting a younger audience. However, we also believe that we can further appeal to millennials while doing our part to support change and encourage inclusion in our country.

To put this into action, we plan to produce a makeup line that is made for specific groups based on skin type. We will also add a social justice component that includes a percentage of proceeds donated to groups that truly make a difference.

This paper will include an analysis of Estée Lauder's current products, current marketing plan and ways for improvement. In the following paper, we will outline the problem, the proposed solution (make-up line and marketing strategy), price and promotion.

## Introduction

Estée Lauder has experienced lower sales since the beginning of the COVID-19 pandemic. Our 2021 Quarter 1 results showed a 9% decrease in net sales, from \$3.9 billion to \$3.56 billion. The decrease is due to temporary store closures and fewer amounts of customers being willing to shop in-store during the pandemic. We are already in the process of changing marketing strategies to target millennials. We have put money into virtual try-on technology, live video, video chat, and live streaming, but we believe we can add to our already standing marketing strategies as we present a new make-up line that emphasizes inclusivity and the promotion of social justice. In response to the increasing percentage of Estée Lauder's marketing budget allocated towards influencers and online marketing, we propose the expansion of a marketing campaign already being used by the company in other countries.

Estée Lauder caters to different countries' beauty standards by creating makeup that fits the need of each country. For example, Japanese culture emphasizes looking perfect from close-up. Estée Lauder centers their marketing campaign around that in Japan. In Chinese culture, durable make-up that stays on throughout the day is important. We believe that Estée Lauder should bring a more personalized element to the United States as well. A specific example would be marketing products that are for different races to those specific communities. Different races have different needs when it comes to skin and haircare products. This is beneficial to the company as they become more inclusive and socially aware. This campaign should be strictly through social media with the help of influencers.

We believe that we can and should bring a more personalized element to the United States as well. For example, marketing products that are for different races to those communities. Different races have different needs when it comes to skin and hair care products. This is beneficial to the company as they become more inclusive and socially aware. There will also be a social justice component with a cut of proceeds going towards tangible solutions. We believe this campaign will be best accepted by the target audience through the internet and should be presented strictly through social media with the help of influencers.

## The Problem

While we have taken clear steps to market to millennials through channels such as the internet and specifically social media (live streaming, try-on technology, etc.), we can do more in America to specifically market to millennials of different races. We take into consideration different skin types in other countries and market directly to them, so we can do the same in America.

While we have worked to market our products to millennials, our current plan can be improved, because studies show that 64% of consumers act after seeing an ad they view as diverse or inclusive (Google and the Female Quotient). The same report added, "This



percentage is higher among specific consumer groups including Latinx+ (85%), Black (79%), Asian/Pacific Islander (79%), LGBTQ (85%), millennial (77%), and teen (76%) consumers.”

We have already worked towards listening to our customers’ needs and wants in other countries. Jane Lauder, our enterprise marketing and chief data officer recently said, “A lot of the work we’re doing in my new role is really understanding the consumer journey. We started doing this in China and seeing what touchpoints she’s going to in order to make her choices on product. We know that [customers] do a lot of research online before they even come into a store, and then they connect back, so it’s making sure that we’re available and helpful at every stage of that journey.”

We currently offer over 55 shades of makeup so customers can find their perfect match. We offer different types of makeup for different needs, such as our “Double Wear: Stay-in-Place Makeup” and moisturizing makeup.

However, we cannot expect customers to know what is best for their skin – especially when their skin is prone to different conditions.

For example, Asian skin has an oily complexion because it contains more sebaceous glands. Not all cleansers are good for Asian skin. Many cleansers have harsh ingredients that dehydrate skin which leads to increased production of oil. Water-based cleansers are the best for Asian skin types. Asian skin is also more prone to acne and scarring than other ethnic groups because it has a thinner stratum corneum, which is the outer layer of skin. Since it is so thin, it is more difficult for it to heal. Asian skin loses moisture more easily as well because Asians have higher amounts of trans epidermal water loss. Moisturizers that list hyaluronic acid as an ingredient treat Asian skin types the best (Mochi Magazine).

Information like that is difficult to find. No customer should have to go through the process of scrolling through multiple websites to find what products care for their skin the best. At Estée Lauder, we work to make customers’ shopping experience as easy and stress-free as possible. By leaving our products and marketing as it is right now, we are only making the experience as easy and stress-free as possible for some of our customers.

## **Proposed Solution: “Apart of the Change” make-up line**

We will offer the same 55 shades of make-up in this line. However, different types of make-up will be categorized for different types of skin. As stated above, different skin types need different products and different ingredients in each product. We want to work

to show that we are inclusive in our makeup shades, makeup ingredients and marketing strategy.

### **The need**

We expect the demand for make-up to rise in the next year as the COVID-19 vaccine becomes accessible around the world. With day-to-day life getting back to how it was pre-pandemic, the number of people going back to work in offices and the number of people going to special occasions where they want to wear make-up will be on the rise. We want to prepare for the increase in demand, and we think the “A Part of the Change” make-up line will accomplish that.

We believe it is incredibly important for this makeup line to be marketed correctly. Research also tells us that different races needing different products is tied to consumers psychologically. In a recent study of how DNA and prescribing medicine for an individual's illness while taking into consideration their race and ethnicity, it was found that we have an essentially “European genome,” and that does not work for people who are not of European descent. This study can be paralleled to the makeup industry that was so long exclusive of different ethnic groups. In the study, it says one size does not fit all for medicine and we believe that it is the same with tailoring products and marketing strategies to one's origin as well. The article says that minorities often have a fear of standing out in experiments that only benefit white people. There's a parallel there because that's how the make-up industry was up until recently.

Fenty Beauty was the first brand to launch a wide range of shades. The company got rid of nude as a color since one “nude” shade cannot match the different skin tones defined as nude. The launch of 40 different foundation shades was revolutionary in the industry, and it was launched just four years ago in 2017 (Winkler 2019).

Companies are most successful when their customers feel valued. The makeup industry has long been centered around the Eurocentric ideal. Estée Lauder has joined many companies in offering different shades, but now we need to go further than that. Live Tinted founder, Deepica Mutyala, says “It is not about 10 shades, 50 shades, 100 shades. I saw that a brand launched 101 shades. That, to me, is checking a box and doing things performatively, versus being thought-through and truly thinking about building a brand on an inclusive narrative. I believe in the importance of not releasing products for the sake of pumping out products, instead focusing on the meaningful intention behind each launch” (Flores 2020). She then went on to articulate how important the intention is behind inclusivity.

We know as a company that we truly believe in inclusivity, so a way to show meaningful intention is by donating 20% of proceeds (money we as a company make from makeup sales) to organizations that are sparking change. We believe that this should be done in a

community-centric way. Each store's proceeds will go to local organizations. This demonstrates active support to the community and humanizes a large corporation.

## Marketing Plan

### The Name

We have chosen the name "A Part of the Change," because we believe it showcases how the past year has impacted the nation and who we want to be as a company. This line of make-up is our way of showing in a tangible way how we are being the change we want to see in America. While we love this name, it is still subject to change with further deliberation and we are open to input.

### Marketing to Millennials

A 2017 study on millennials' view on social responsibility found that 64% of millennials would take a 60% pay cut to pursue a path that aligns with their passions. With these stats, it can be presumed that most millennials put passion above money (Terry-Armstrong 2017) buy into supporting what they are passionate about (like social justice issues). Millennials have proven to be more likely to give money to an organization or charity that is close to home (Charity Compliance Solutions). Likely recipients of millennials' money include family members, friends, a friend of a friend, or someone in their community. Charity Compliance Solutions also found that millennials are often political with their giving. They tend to give when their money is going towards the support of rights or political parties and are best reached through social media. E S

With this information, we find it best to move forward with a social media marketing campaign. This includes hiring influencers to get the word out. Influencers we have in mind are:

Lana Condor  
Zendaya  
Simone Biles  
Emma Chamberlain  
Becca Tilley  
Jillian Mercado  
Camila Coelho  
Naomi Osaka  
Manny MUA

We not only want to choose a diverse group of influencers for this makeup line but also influencers who support inclusivity and are outspoken about social responsibility. These influencers' audience is our target consumer age range.

We will market "A Part of the Change" as an inclusivity initiative with a social responsibility aspect. Every customer will find it easy to choose the perfect product for their skin type based on categorizations and educational captions on each product and their ingredients.

### **"A Part of the Change" Models**

Since we already hire diverse models to advertise the makeup on our site and social media platforms, we will continue to use them for this makeup line.

### **Platform**

Social media is the best way to reach consumers. Apps are extremely popular, even in comparison to other internet platforms like websites. A 2019 study on time spent on apps vs. websites found that apps for companies like Amazon, eBay, and Nordstrom were up to 85% when just 15% of users spend their time perusing the same companies' website (Miller 2021).

YouTube has the biggest reach for Gen Z and Millennial internet users. A 2019 study found that 95% of males and 92% of females in the age range were users of the platform (Statista 2019). Facebook and Instagram fell into second and third place.

We will run ads on Facebook and Instagram. On Instagram, we will offer interactive stories (polls, host Q&As, etc.) to get our audience involved. We will also start the hashtag #EstéeSpeaksUp where customers can talk about the social justice initiative that means the most to them. They can also share why they feel a social responsibility to speak up. Our influencers will post this hashtag on Facebook, Instagram, and Twitter to start the conversation. They may even make a video explaining the benefit of our line to our customers and important causes. They can also explain the purpose of "A Part of the Change," what it means to them, and why they wanted to be a part of it.

Building upon our already standing live streams and virtual events, we also plan to advertise on YouTube and through our YouTuber influencers like Manny MUA.

### **Marketing Recap**

-inclusive make-up line



- educational captions making it easy to understand how ingredients cater to each skin type
- interactive social media platforms
- diverse influencers
- social responsibility
- #EstéeSpeaksUp to start a conversation around the makeup line

## Potential Drawbacks

We foresee the public seeing this campaign as performative activism. Research shows that inclusive campaigns must be done correctly to be effective. We cannot have a successful inclusive marketing campaign without customer experience (Thompson, 2021). For example, having an inclusive product without making accessibility inclusive is pointless and makes customers feel like an afterthought. Throughout this campaign, we pledge to keep inclusive products accessible to many different groups through language options on the website, language options in our virtual try-on technology, etc.

## Cost

The following costs include

- launching a social media campaign (\$20,000/month)
- hiring social media influencers (\$1 million/post)
- creating new line of make-up (\$88 million)
- campaign photoshoot and materials (\$5,000)

GRAND TOTAL: \$89,025,000+

After spending a company high \$228 million in research and development in 2020, yet still seeing sales decrease, Estée Lauder needs to allocate the money to promote a more inclusive approach to skin and hair care (Sabanoglu 2021).

Another financial proposal includes selling a line with personalized products with 20% percent of proceeds going towards creating societal change. This move increases emotional ties and strengthens the moral values of the company, which could benefit the brand monetarily as well.

Research shows that affordability is more important to millennials than accessibility, so it is important to us to keep prices reasonable (Flores 2020). The top two ways to earn brand loyalty have to do with money: Best value for money (66%) and lowest prices (51%)

(Miller 2021). Makeup prices should stay around the same. We always use quality products; we just need to market them to our audience better.

### **Why inclusive marketing is important to succeeding financially**

Multicultural consumers make up 40% of the U.S. population and account for \$3.2 trillion in spending power (Post Funnel). Again, Fenty Beauty is a great example of how inclusivity equates to success. When the company launched its' first line in 2017 that included an unheard-of 40+ shades, it earned \$100 million in sales in the first 40 days (Post Funnel). To put that number in perspective, Kylie Cosmetics was the top-earning brand in 2017, but when Fenty Beauty launched in September, sales were five times that of Kylie Cosmetics and 34% higher the next month (Gould, 2018).

## **Conclusion**

Thank you for taking the time to digest the information in this white paper. I believe "A Part of the Change" captures the very heart of Estée Lauder. It responds to the social responsibility to foster inclusivity and racial representation in a mainstream company. Every woman IS beautiful but can and should be made to *feel* beautiful.

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