

KYLIE

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AGENDA

MISSION STATEMENT

ALL ABOUT KYLIE

TIMELINE

SALES VS COMPETITORS

SALES TRENDS & MARKET POSITIONING

COMPETITORS

KYLIE COSMETICS

FENTY BEAUTY

RARE BEAUTY

INSIGHTS

SWOT ANALYSIS

CONCLUSION

SOURCES

KYLIE

Kylie Cosmetics
“Mission Statement”

“I created Kylie Cosmetics to give my fans access to the makeup products that I love and use every single day to create my looks... My new, updated line features iconic Lip Kit shades as well as must-haves... Everything is clean, vegan, and cruelty free, with ingredients that are good for your skin, but I made sure we didn’t sacrifice quality, pigmentation or performance...”

KYLIE

ABOUT

NEWLY Vegan / Cruelty-free products (2021)

Consistent partnerships with celebrity siblings

Koko X Kylie, KKW X Kylie, Kendall X Kylie, Kourt X Kylie

Previous donations to non-profit organisations

Kylie Cosmetics Birthday / Teen Cancer America (2017)

Better Business Bureau / F - rating (2016)

Unethical business standards

Current CEO: Simona Cattaneo (since 2020)



2014	Kylie and Kris Jenner partnered with Seed Beauty and founded the company Kylie Lip Kits
November 30, 2015	Kylie Lip Kits debuted The first 15,000 lip kits were produced by Seed Beauty and funded by Jenner at a cost of \$250,000 from her modelling earnings
February 2016	Company named Kylie Cosmetics Total revenue of 300 million by the end of 2016
November 2018	Kylie Cosmetics began sales at Ulta
2018	Forbes reported the company was valued at \$800 million
March 2019	Valued the company at \$900 million. Coty, Inc. bought a 51% controlling stake in the company for \$600 million in November 2019 In early 2020 Forbes reported—citing documentation from the Coty deal—that Kylie Cosmetics had overvalued itself
April 8, 2020	Forbes again named Jenner as the world's youngest "self made" billionaire, citing her net worth having increased to 1.2 billion dollars Later, Forbes accused Kylie Jenner of forging tax documents and fabrication revenue figures for Kylie Cosmetics in order to appear as a billionaire

Sales vs. Competitors



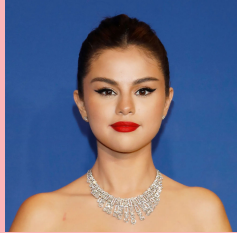
Kylie Cosmetics, Kylie Jenner - owned by Coty

Estimated worth: \$1 billion



Fenty Beauty, Rihanna - owned by LVMH

Estimated worth: \$2.8 billion



Rare Beauty, Selena Gomez

Estimated worth: n/a



Kylie Cosmetics Sales Trends & Market Positioning

Celebrity partnerships boost sales

#KrisKollection Mother's Day Drop

KylieXBalmain Collection

Social Media Usage

25.3m instagram followers (Kylie Cosmetics)

269m instagram followers (Kylie Jenner)

Pop-Up Stores

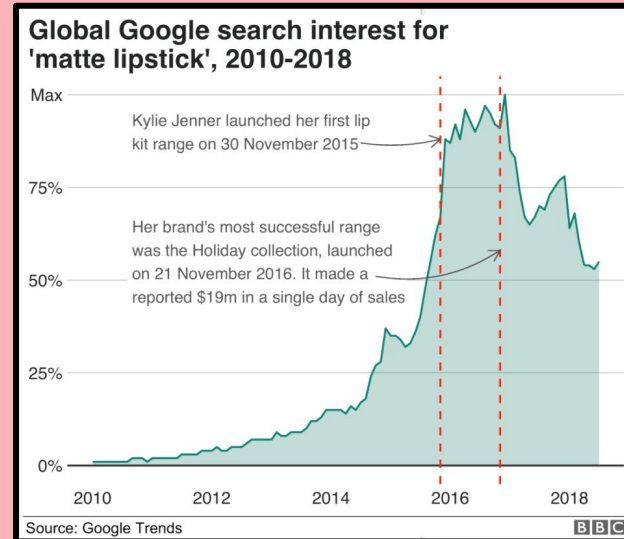
Kylie X Topshop (2017-2018 Holiday)

COTY Purchase

51% Ownership by COTY

Consumers now able to shop globally through brick and mortar retailers & new direct-to-consumer website launched July 15, 2020

New and improved formulas that are clean and vegan, along with refreshed packaging.



Competitors

Fenty Beauty

A joint 50-50 venture with Louis Vuitton Moët Hennessy (2017)
the line was bringing in more than \$550 million in annual revenues (2018)

Color Cosmetics - "The Fenty Affect"

Promotes inclusivity - this brand is for everyone

First and most well-known to publicly promote color inclusivity with 40+ shades

Rare Beauty

Sold exclusively at Sephora

Rare Impact Fund

\$100 million over the next 10 years

Rare Beauty to match donations

Major focus on promoting mental health

Push for sustainability and ethical sourcing



Current Campaigns: Kylie Cosmetics

Kylie has grown her brand into a \$900M business in three years without the use of any paid traffic

How does she do it?

- Give birth to a brand that you actually care about

- Understand target market

- Use giveaways & bonus gifts

- Create product attraction

Kylie Skin launch results in what is believed to be the largest programmatic billboard campaign in history

- Utilized Adomni buying platform for ad campaign.

Adomni method:

- Goals:** reach mass audiences, billboards nationwide, direct audience marketing, selling out under time restrictions

- Approach:** number based goals, attention grabbing messaging

- Results:** create buzz through WOM, socials, and out of home campaigns



Consumer Analysis: Kylie Cosmetics



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Consumer Analysis

Jenner gained public exposure at the age of 9 as the youngest sister on hit reality show *Keeping Up with the Kardashians*.

She built upon the momentum of her family's success, developing a personal brand catered to her peers.

The launch of Kylie Cosmetics successfully capitalized on Jenner's loyal fan base of teenage girls (who look to her for current trends).

Jenner upended the traditional beauty campaign, appealing directly to the consumer through social media rather than only selling product through paid media campaigns and third-party retailers.

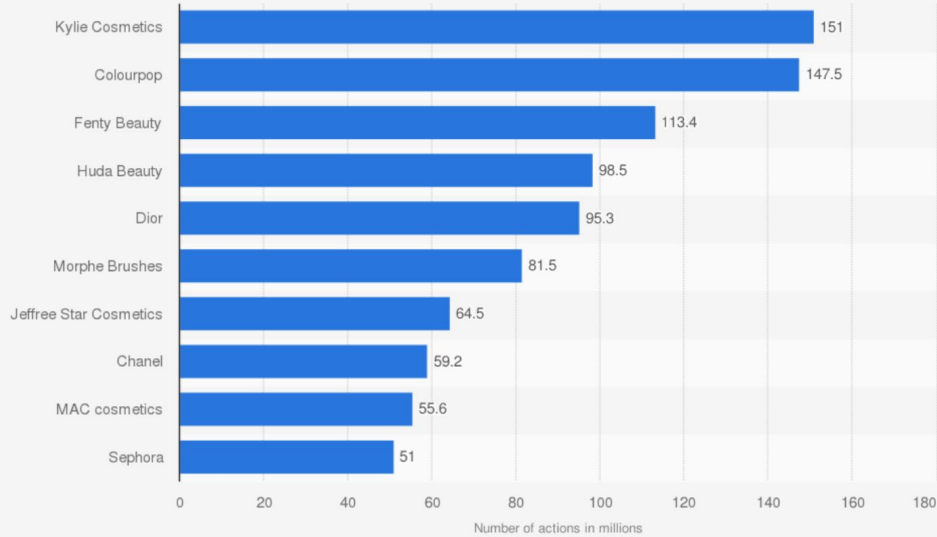


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Consumer Analysis

Leading consumer beauty brands in the United States on social media in 2020, by user engagement (in million actions)



Source: Shareable © Statista 2021

Additional Information: United States; Shareable; 2020; total cross-platform actions on Facebook, Twitter and Instagram

statista

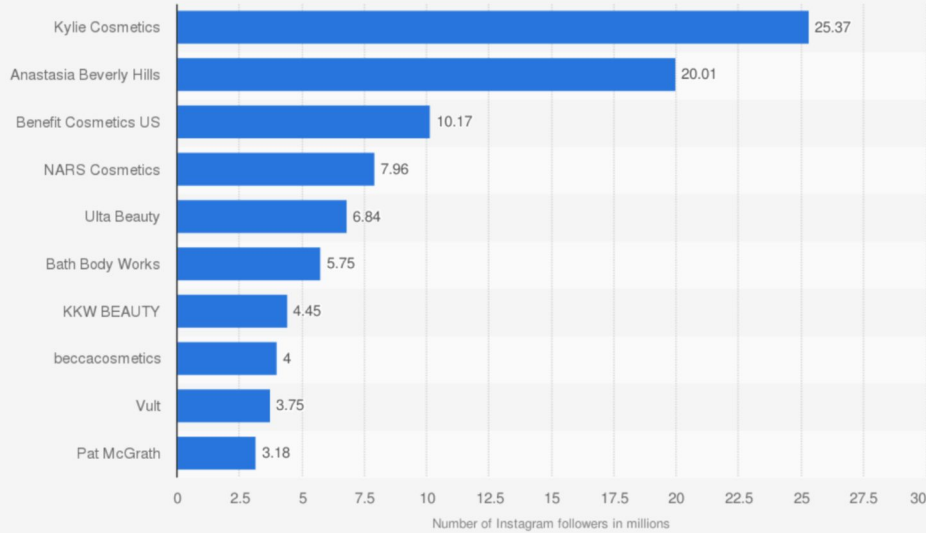


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Consumer Analysis

Leading beauty brands ranked by number of Instagram followers as of June 2021 (in millions)



Source
Trackalytics
© Statista 2021

Additional Information:
Worldwide; June 2021; ranked in category "Lifestyle Services" and "Personal Goods & General Merchandise"

statista



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Consumer
Analysis

With a survey of 2,000 women in 2018, TABS Cosmetic Tracker found that Kylie Cosmetics ranked low on “brand favorability” and failed to resonate with millennial customers in the US:

“Only 17 percent of women 18-34 who are aware of Kylie Cosmetics indicated that they are “very favorable” to the brand, which resulted in it being ranked 31 out of the 33 brands examined.”



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Consumer
Analysis

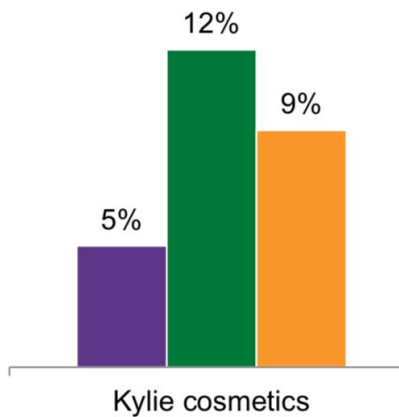
Prominent Demographic: Gen Z

A Mintel Report from 2019 which surveyed 1,035 female internet users found that Gen Z expressed twice as much interest in Kylie Cosmetics than overall beauty shoppers.

■ All ■ Generation Z ■ Millennials

FIGURE 10: PREFERRED BRANDS, BY GENERATION, JULY 2019

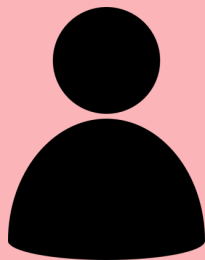
"Which of the following are your favorite beauty brands? - NET - Any rank"



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Consumer Analysis



GEN Z

18-23

Mostly female

Fans of KUWTK



Most likely prominent consumers
of social media

Peers that continue grow older
alongside Kylie

Young teenagers being
introduced to mainstream media



FENTY BEAUTY Consumer BY RIHANNA Analysis

Fenty Beauty made the case for inclusivity and won.

Rihanna's team at Fenty managed to generate early customers due to the fact that they are apart of the few companies in the beauty industry making affordable and shade inclusive products.

Launched 40 different shades, encompassing a huge number of skin tones.

Prior to Fenty's launch, customers would only look at smaller niche brands but for the cost of paying more.

While they're marketed as a luxury brand, they still aren't as costly as many other brands.

Estée Lauder vs Fenty



F E N T Y B E A U T Y Consumer BY R I H A N N A Analysis

Consumers are looking to buy from brands whose values align with their own, now more than ever.

Customers don't read brand manifestos anymore.

Best way to get core brand values across = market to them.

Fenty's launch campaign materials showcased diverse models.

Focus on diversity feels organic and unforced.

Slogan: "Beauty for All"

Customers are willing to spend more on a brand that reflects their values.

Willing to boycott if it doesn't

The Big 3

Celebrate

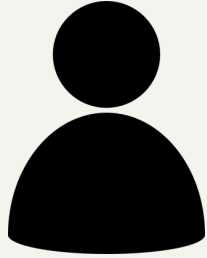
Market

Create



FENTY BEAUTY
BY RIHANNA

Consumer
Analysis



Casting a wider net: not limited by one demographic

Encompasses a wider range of consumers



Brand values are a top priority.

Focus on brand identity as a whole.

Fans and supporters of Rihanna expand beyond one single demographic - not limited by age or race.



Rare Beauty

“

Rare Beauty is breaking down unrealistic standards of perfection.

This is makeup made to feel good in, without hiding what makes you unique—because Rare Beauty is not about being someone else, but being who you are.

Created by singer and actress Selena Gomez in September 2020

Major focus on mental health, aiming to raise 100MM by 2030 for mental health initiatives

Low price point compared to Kylie Cosmetics

Emphasis on inclusivity in product lines, including 48 foundation shades and complementary highlighters, bronzers and concealers



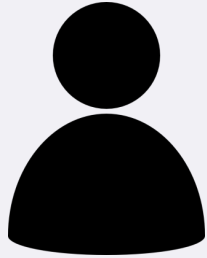
2.7 MM
1.19% e.r.

Focus on social media marketing and organic growth utilizing Gomez's personal following



KYLIE

Rare Beauty



GEN Z

18-23

Mostly female

Long-time followers of
Selena Gomez



Most likely grew up watching
Disney Channel

Invested in mental health

Values D.E.I.



Consumer Analysis: Insights

Kylie Jenner and Selena Gomez both have cult followings from growing up on television. However, this does not mean that Kylie Cosmetics and Rare Beauty have the same consumer.

Rare Beauty and Fenty Beauty have created campaigns that include strong messaging, including advocating for diversity and inclusion and mental health. Consumers of these competitors are drawn to the brand identity along with the product.

Kylie Jenner's image and influence quickly established Kylie Cosmetics as an important player in the makeup industry. The Coty acquisition strategically opens the company to markets beyond her Gen Z influence.

So how does the consumer end up choosing one of these makeup brand over the other two? It really boils down to the name that is attached to the brand.

SWOT Analysis: Kylie Cosmetics

Strengths

- Loyal customer base
- Kardashian-Jenner Effect
- Rapid increase in growth - first two years
- Direct consumer engagement - social media + owned media channels

Weaknesses

- Small Inventory - false sense of scarcity in supply
- Products sell out quickly - speculation of manipulative demand practices
- Overvaluation of the company

Opportunities

- Coty Acquisition: majority stake in Kylie Cosmetics
- Clean Ingredients: vegan, sustainable, cruelty-free

Threats

- Lawsuit from private-label manufacturer pertaining to trade secrets
- COVID-related supply-chain disruptions
- Ariana Grande - r.e.m. Beauty

Takeaways

Many celebrity makeup brands consumers derive from their fanbase/followers.

Their fans bring them built in customers and provide less of a need to build brand “cults” and reputation.

Every following is different, which means these celebrity makeup brands do not necessarily compete to sell to the same consumer, making the brands adjacent competitors.

Consumers are shifting focus and making decisions based on the morality of celebrity brands, with issues of sustainability, ethicality, and corporate social responsibility influencing their purchases.

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Celebrity Beauty Brands



Meet the Team



Reilly Folsom



Arianna Sanders



Maddie Libby



Kelly Peterson



Yasmin Nowzad

INTRODUCTION

TOPIC AREA:

Celebrity beauty brands. More specifically the three biggest players in this space: Kylie Cosmetics, Fenty Beauty, and Rare Beauty. The brands are headed by Kylie Jenner, Rihanna, and Selena Gomez respectively.

RESEARCH:

Does their respective levels of fame influence the success of their brands?

Is consumer loyalty built in due to fanbase?

COMPANY BACKGROUNDS

KYLIE COSMETICS

Began in 2014 when Kylie Jenner and Kris Jenner partnered with Seed Beauty to create 'Kylie Lip Kits.'

2016 - received a total revenue of 300 million dollars.

High retention rate on both her personal Instagram and Kylie Cosmetics Instagram

In 2021 announced they are cruelty free and vegan.

FENTY BEAUTY

Began in early 2017

By 2018, the brand was bringing in more than 550 million dollars in annual revenue.

One of the first brands to outwardly prioritize a wealth of shades.

Brand marketing primarily includes models and celebrities from BIPOC

RARE BEAUTY

Founded by Selena Gomez in 2020

Promotes itself as a safe, inviting place in the world of beauty that gives confidence to people who feel insecure about their image.

Selena created the Rare Impact Fund as a part of Rare Beauty, an organization that is focused on mental health services and support for underserved communities.

Leading brand in sustainability and ethical sourcing.

RESEARCH GOALS

UNDERSTAND
CELEBRITIES
INFLUENCE OVER
CUSTOMERS

DETERMINE
WHETHER THERE IS
AN OVERLAP IN
CUSTOMER BASES

DETERMINE BRAND
LOYALTY &
RECOGNITION



RESEARCH QUESTIONS

Which brand (Kylie, Fenty, or Rare) has the most prominence in the beauty industry?

What level of overlap is there between the consumers of these three brands?

What influence do the celebrities have over consumption of products?

Survey Format + Questions

Overall Brand Familiarity and Interest

Does brand familiarity convert to product consumption?

Celebrity Influence on Consumption Behaviors

Does the celebrity attached to the brand have an influence on purchases?

Perception of Brand Quality

How is the quality of these brands perceived by makeup consumer?

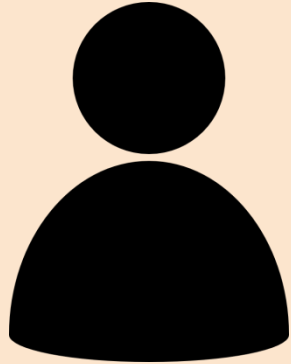
Loyalty to Brand

Does the consumer exclusively purchase makeup products from this brand?

Consumption of the Celebrity's Work Outside of Makeup

Did/does the makeup consumer watch Wizards of Waverly Place, Keeping Up with the Kardashians, or listen to Rihanna's music?

SURVEY POPULATION + SAMPLE



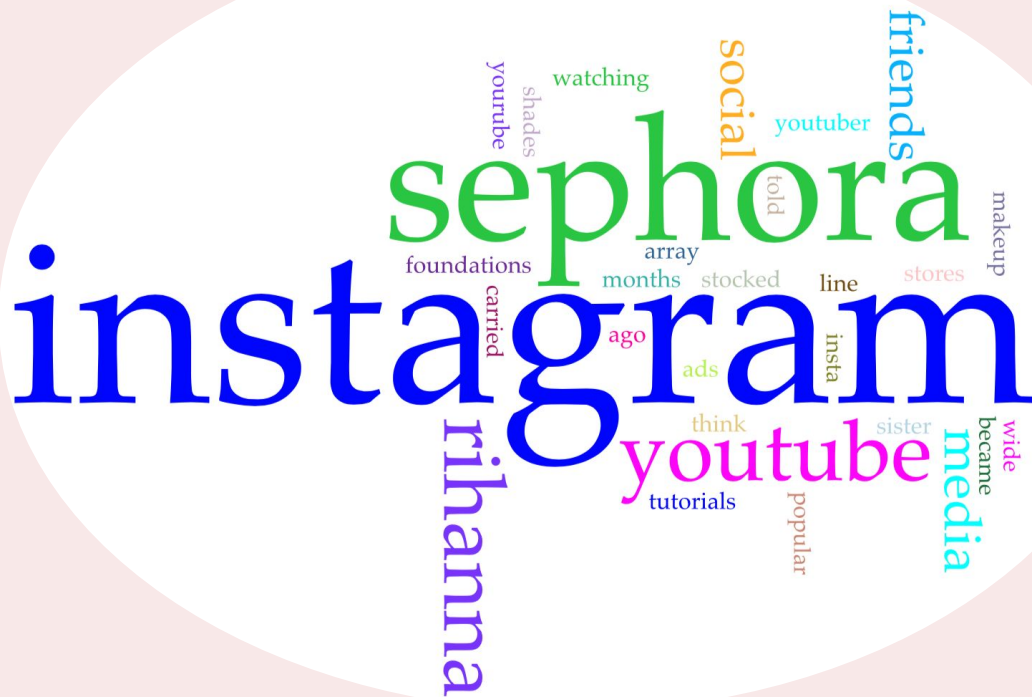
POPULATION

All Makeup Consumers age 18-30

SAMPLE

60 Makeup Consumers age 18-30

FENTY BEAUTY - Voyant



RARE BEAUTY - Voyant

sephora
instagram
tiktok
social media
tik
tok
articles
youtubed
went
announcing
ad
sister
insta
internet
told
brands
worked
snapchat
gomez
news
stores
selena

SURVEY FINDINGS

"The celebrity attached to the brand has an influence on my purchases"

KYLIE COSMETICS

Of the 31 respondents who are consumers of the brand:

13 - Strongly agree

9 - Somewhat agree

5 - Neutral

2 - Somewhat disagree

2 - Strongly Disagree

FENTY BEAUTY

Of the 35 respondents who are consumers of the brand:

18 - Strongly agree

8 - Somewhat agree

5 - Neutral

2 - Somewhat disagree

2 - Strongly Disagree

RARE BEAUTY

Of the 9 respondents who are consumers of the brand:

1 - Strongly agree

5 - Somewhat agree

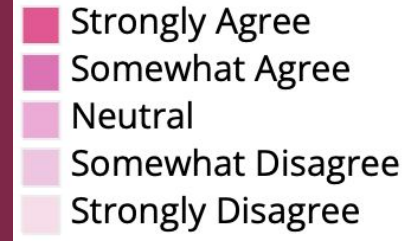
1 - Neutral

1 - Somewhat disagree

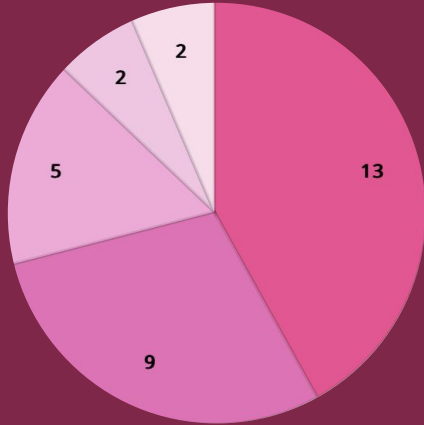
1 - Strongly Disagree

SURVEY FINDINGS

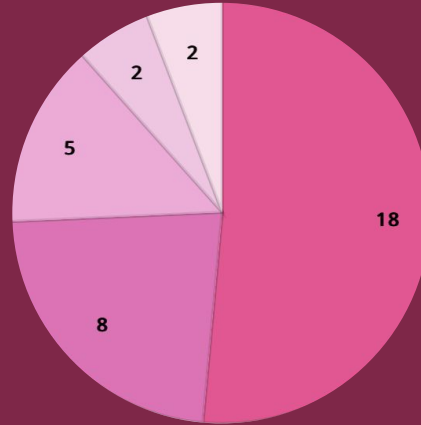
"The celebrity attached to the brand has an influence on my purchases"



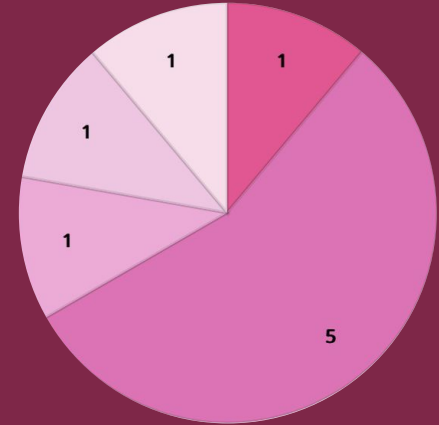
KYLIE COSMETICS



FENTY BEAUTY



RARE BEAUTY



SURVEY FINDINGS

OVERLAP IN BRAND CONSUMERS

Only 5 respondents are consumers of all three brands

17 respondents are consumers of both Kylie Cosmetics and Fenty Beauty

2 respondents are consumers of both Fenty Beauty and Rare Beauty

2 respondents only consume Rare Beauty

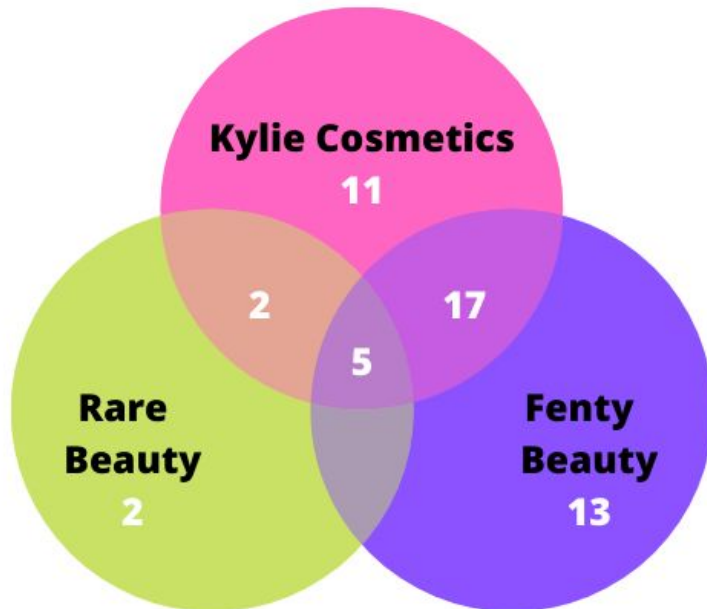
11 respondents only consume Kylie Cosmetics

13 respondents only consume Fenty Beauty

SURVEY FINDINGS

OVERLAP IN BRAND CONSUMERS

Consumption Overlap



SURVEY FINDINGS

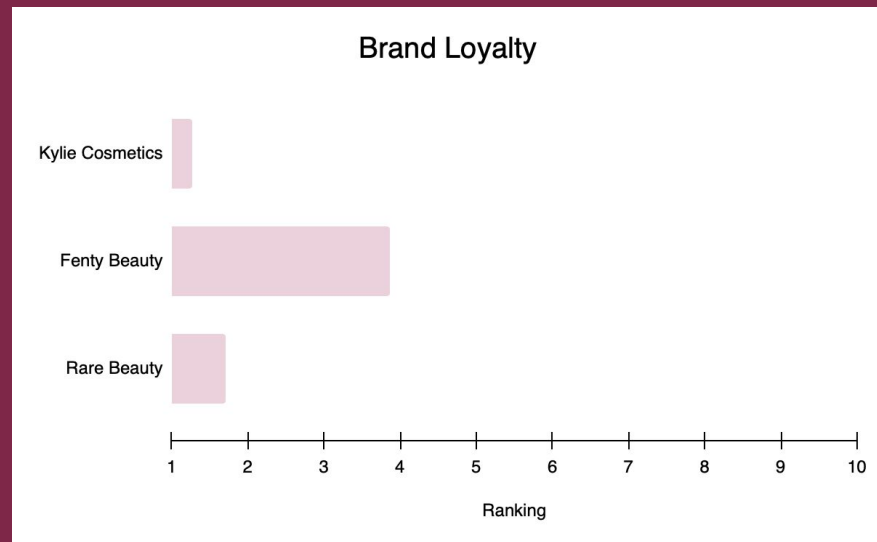
"Do you exclusively purchase from one of these brands?"

Rank 1-10, (10 - High loyalty, 1 - Low loyalty)

Kylie Cosmetics: Consumers averaged a **1.26**

Fenty Beauty: Consumers averaged a **3.86**

Rare Beauty: Consumers averaged a **1.71**



SURVEY FINDINGS

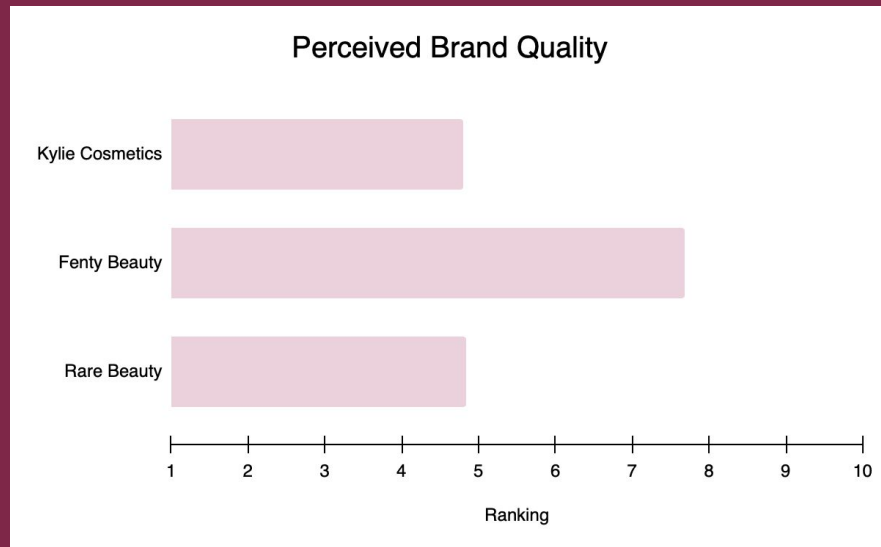
PERCEIVED QUALITY OF THE BRAND

Rank 1-10, (10 - High quality, 1 - Low quality)

Kylie Cosmetics: Consumers averaged a 4.80

Fenty Beauty: Consumers averaged a 7.68

Rare Beauty: Consumers averaged a 4.84



SURVEY FINDINGS

PERCEIVED QUALITY OF THE BRAND, OPEN ENDED Q'S - KYLIE COSMETICS

RANK 1-3

"GOOD BUT NOT MORAL?"

"LOW QUALITY"

"HIGH PRICES"

"CHEAP"

"CUTE PACKAGING - BAD
PRODUCT"

RANK 4-7

"PREVIOUSLY NOT VEGAN"

"GOOD QUALITY LIP"

"AVERAGE"

"NOT WORTH THE PRICE"

"DON'T LOVE SUPPORTING
KYLIE"

RANK 8-10

"AMAZING PRODUCTS"

"GOOD QUALITY"

"DAUGHTER'S INSIGHTS"

"PRETTY GOOD"

"PRODUCTS THAT REALLY
WORK"

SURVEY FINDINGS

PERCEIVED QUALITY OF THE BRAND, OPEN ENDED Q'S - FENTY BEAUTY

RANK 1-3

"N/A"

"ONLY SEEN ON ADS"

RANK 4-7

"HEARD GOOD THINGS"

"TIKTOK LIKES FENTY"

"NICE CONCEALERS"

"WIDE RANGE OF COLORS"

**"FOUNDATION OXIDIZED
QUICKLY; EYELINER
CRACKS"**

RANK 8-10

"MORALLY GOOD"

"GOOD EXPERIENCES"

"GREAT PRODUCTS"

"LOVE THE QUALITY"

"GOOD PACKAGING"

"LONG LASTING"

SURVEY FINDINGS

PERCEIVED QUALITY OF THE BRAND, OPEN ENDED Q'S - RARE BEAUTY

RANK 1-3

"AVERAGE, USED ONCE"

"NEVER HEARD OF THEM"

"NEVER USED"

**"NEVER USED, BUT LOVE
SELENA GOMEZ"**

RANK 4-7

**"NOT FAMILIAR WITH
THEIR PRODUCTS"**

**"DON'T KNOW MUCH
ABOUT THE BRAND"**

"HAVE HEARD ITS GOOD"

RANK 8-10

"HEARD AMAZING THINGS"

**"ADVERTISING ISN'T
GREAT, BUT PRODUCT
PRODUCT AESTHETIC IS
GOOD"**

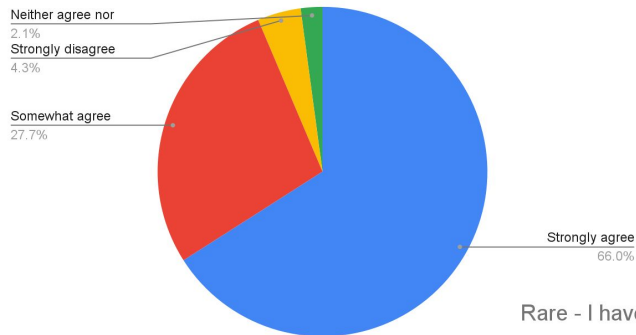
"EPISTEMIC VALUE"

"NATURAL MAKEUP"

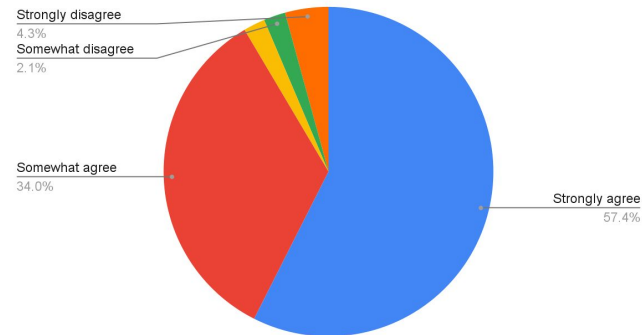
SURVEY FINDINGS

"I have seen advertisements for this brand"

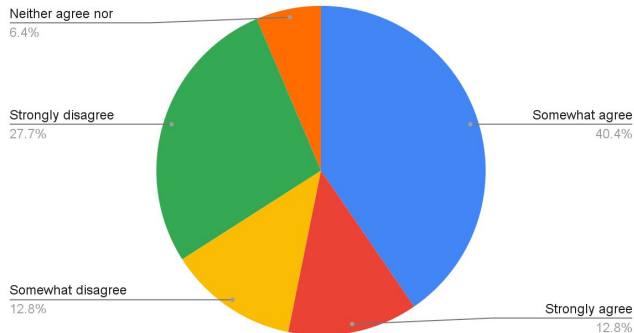
Kylie - I have seen advertisements for this brand



Fenty - I have seen advertisements for this brand



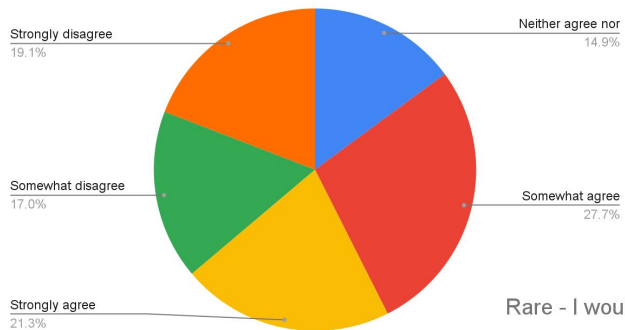
Rare - I have seen advertisements for this brand



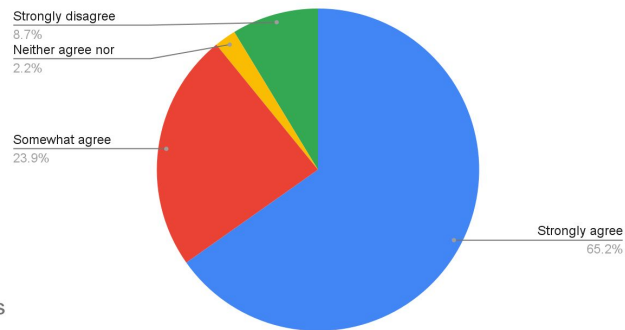
SURVEY FINDINGS

"I would consider consuming this brand's products"

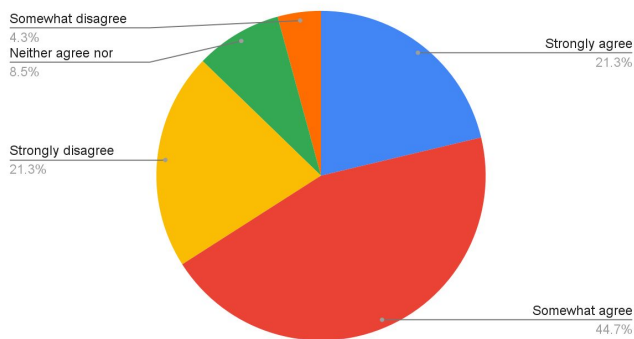
Kylie - I would consider consuming this brand's products



Fenty - I would consider consuming this brand's products



Rare - I would consider consuming this brand's products



ANALYSIS STRATEGY

CONVERSION OF PURCHASE INTENT TO PRODUCT CONSUMPTION

RARE BEAUTY

32 are not consumers

31 would consider
consuming this brand

96.88% Conversion Rate

KYLIE COSMETICS

23 are not consumers

23 would consider
consuming this brand

100% Conversion rate

FENTY BEAUTY

14 are not consumers

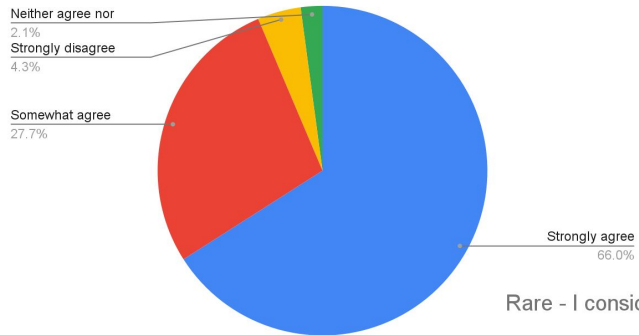
41 would consider
consuming this brand

292.86% Conversion Rate

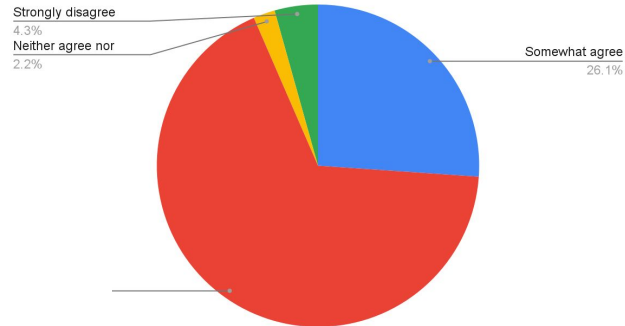
SURVEY FINDINGS

"I consider this brand to be popular"

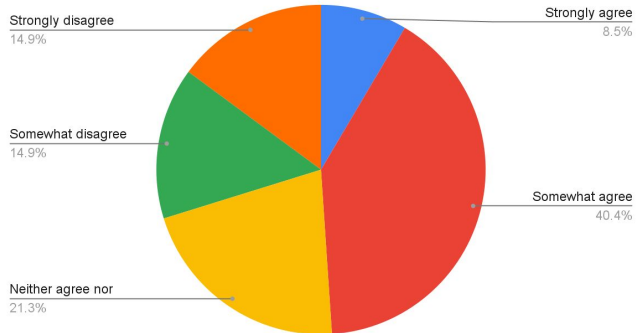
Kylie - I consider this brand to be popular



Fenty - I consider this brand to be popular



Rare - I consider this brand to be popular



CONCLUSION + INSIGHTS

- **All three brands have leveraged their successes due to their fame and fans**
 - **Fenty Beauty with the highest brand loyalty and voted highest perceived quality**
 - 93.6% of survey respondents agree that they *have* seen advertisements for this brand.
 - **Kylie holds high familiarity but low brand loyalty**
 - 93.6% of survey respondents agree that they *have* seen advertisements for this brand.
 - **Rare Beauty holds brand loyalty with its smaller market share**
 - Only 53.2% of respondents agree to have seeing advertisements from Rare Beauty, however, Rare is the newest of the three selected brands, so its reach hasn't extended as far as Fenty Beauty and Kylie Cosmetics.
- **Celebrities tend to have a large amount of influence over consumers purchases - specifically their fan bases**
- **Highest overlap in brand consumption occurred between Kylie Cosmetics and Fenty Beauty**

RECOMMENDATIONS

Newly launched beauty line, Pleasing, by Harry Styles and r.e.m beauty by Ariana Grande will make it a tough competitive market within the celebrity beauty industry for Kylie Cosmetics this coming year.

Niche holiday campaigns will maintain Kylie's customer loyalty.

Due to her low brand loyalty, Kylie should implement a rewards program similar of that of Sephora in order to increase her return rate

Audio and video advertising (on social media) is vital for her growth this season.

Change in her traditional holiday campaign shoots will be necessary to keep customers on their toes.



STUDY LIMITATIONS



SAMPLE SIZE

**DATA COLLECTION
METHODOLOGY**

TIME RESTRAINTS



QUESTIONS?

