

A close-up, high-resolution photograph of a woman's face. She has fair skin, light-colored eyes, and bright red lipstick. Her mouth is slightly open, showing her teeth. Her right hand is resting on her chin, with her index finger pointing upwards. The background is a soft, out-of-focus blue.

**BEAUTY**

**INNOVATION BOOK**

by **QUARTIER LIBRE**

S

## Contents

- 1.0 Introduction
- 2.0 Key Trends
- 3.0 Companies of interest:
  - 3.1 Glossier
  - 3.2 Seed Beauty
  - 3.3 NYX
  - 3.4 Tarte
  - 3.5 Sephora
  - 3.6 Farsali
  - 3.7 Hudabeauty
  - 3.8 Bevel (Walker & Co.)
  - 3.9 AmorePacific
  - 3.10 KKW Beauty
- 4.0 Conclusion & Reflections





# 1.0 Introduction

Beauty has always played an important role in my life. To me, cosmetics have little to do with how we look and far more with how they make us feel. A mascara, lipstick or perfume can bring back powerful memories, express something deeper, or act as the embodiment of what currently inspires us. Where we stand as a society, our dreams, and our aspirations are all evident in the trends visible in the beauty industry.

For this reason, understanding what direction the industry is heading in, especially innovation-wise, is incredibly important. In the following booklet, I explore ten innovative beauty companies and the trends they embody, as well as the effect this is having on the industry.

In December 2016, my fascination with and love for beauty led me to start a blog, *Peaufiné* ([www.peaufinay.com](http://www.peaufinay.com)), where I discuss beauty products and trends, and how I am interacting with them. Learning to grow both a blog and an Instagram has brought me in contact with several innovative brands and influencers, and has allowed me to learn more about how the industry thrives in the digital realm. Being a millennial, beauty blogger, and woman of color who has lived between Accra, London and Boston, I have encountered beauty in a multi-faceted way, and hope that I can bring some relevant perspectives to this brief analysis of innovation in the industry.





## 2.0 Key Trends

### **SOCIAL MEDIA CAPITAL**

In today's digital economy, social media capital is one of the most powerful forms of currency, providing brands and individuals with global access to and potential influence over various groups. The more clout a brand or an individual has online (i.e. strong visibility, a faithful following and a recognizable personality), the more social media capital it/she/he has.

### **INFLUENCER-BASED MARKETING**

Bloggers, YouTubers and Instagram personalities, increasingly known as "social media influencers", have become crucial to the success of fast, expansive launches of brand products, enabling brands to "spread the word" about new-to-market offerings and make them aspirational "must-haves". This usually involves strategic placement of gifted products in photos and videos all the way through to paid-for advertorials and reviews on an influencer's blog, Instagram or YouTube channel.

### **DATA ANALYTICS-BASED DIGITAL MARKETING**

With even layman apps such as Facebook and Instagram providing users with access to data and analytics of gender breakdown of followers, their active times, and content they are most engaged with, marketing has taking a turn for more strategy backed by reliable data. By collecting data on users and followers brands and individuals can more effectively target the groups they want to interact with.

### **STRONG FOLLOWER ENGAGEMENT**

Follower engagement is concerned with the proportion of a brand or individual's followers that like and/or comment on their photos and click-through on linked content. It measures the proportion of followers that are actually actively engaged and concerned with that brand or person's activities on a regular basis, and therefore how much influence the brand or individual in question actually has. One could have a large amount of followers but very small engagement, whereas another could have a more moderate following but very high engagement.

### **NICHE MARKETING TO MINORITY GROUPS**

Niche markets have quickly become lucrative due to mainstream brands' tendency to look them over and not provide them with products that fully meet their needs. New brands have begun to pop up, recognizing that there are markets eager for bespoke products that meet their every need. One example lies within beauty products for people of African descent, who tend to have different, nuanced needs than mainstream beauty currently provides.

---

## ***3.0 Companies of Interest***

---



A photograph of several Glossier skincare products. In the foreground, there are three main products: a pink tube of 'priming moisturizer', a pink tube of 'balm dotcom', and a white bottle of 'milky jelly cleanser'. To the left, a portion of a white bottle with a black 'G' logo is visible. The products are arranged on a light-colored surface against a neutral background. A semi-transparent white box with black text is overlaid on the left side of the image.

## 3.1 Glossier

For the Millennial "It-Girl"

### BACKGROUND

Brain-child of beauty-enthusiast and *Into The Gloss* blogger Emily Weiss, Glossier has come to symbolize trendy, effortless beauty for today's millennial. I first began seeing ads on my Facebook feed two years ago, and steadily ignored them until they spilled over to my Instagram feed. Beautiful, minimally made-up models of a wide range of ethnicities populated the Glossier ad campaigns, dancing carefree while they used make-up products so simple they could be applied with bare hands. Over the course of a few months, it seemed as if everyone I was connected with on social media had caught Glossier fever. Everyone was talking about this brand that had literally appeared out of thin air.

### TRENDS EMBODIED

Through launching an aggressive social media marketing strategy, Glossier has very clearly and effectively communicated its brand's ethos of creating "real-life" products for "real girls". The brand is known for their "Glossier pink", photogenic packaging and their fresh-faced, ultra-cool models. This idea of effortless, "anti-brand" beauty that is inclusive is appealing to an audience that has grown numb to corporate make-up giants. Glossier's strength lies especially in its social media capital (It currently has 588,000 followers on Instagram -

– and 128,154 on Facebook), strong follower engagement (copious comments on posts from followers that are always replied to), and data-analytics driven digital marketing that has helped the company find and effectively target modern-day young women in particular. The brand also often crowdsources for audience input on products, asking what readers of cult-favorite *Into The Gloss* want in a cleanser or SPF for example, and then creating exactly what they ask for.

## PERSONAL INTERACTION

The first time I saw a Glossier ad, I was weary. One black model's face juxtaposed with a white one's, it seemed the stereotypical picture of inclusion major brands tend to exploit to appeal to as many markets as possible. I have to admit, however, that the brand has grown on me, to the point that I have earmarked more than a few of its products to try this Fall. There is something attractive about the Glossier aesthetic, a certain spunk that the typical behemoth beauty house just doesn't have. It feels real, genuine, the carefully crafted answer to what many young girls like me want in their skincare and beauty products: ease and enhancement that isn't time-consuming and that doesn't make us look like a completely different person.



## DISRUPTION POSED TO INDUSTRY

Glossier has been a break-out star in the beauty industry in the past two years in particular because it has broken down the wall between business and consumer. Decisions on product formulas, branding and packaging are not made by middle-aged, male executives, but rather by the lively, young Weiss and her entrepreneurial team, based on direct feedback from and conversation with customers. The idea of giving consumers exactly what they want is hardly revolutionary, and yet in an industry fraught with bureaucracy and a lack of transparency, it is completely novel. To most millennial women, Glossier isn't a brand, it's their best friend who is always on trend and helps them stay one step ahead of the beauty game.





## 3.2 Seed Beauty

A Lesson In Social Media Capital

### BACKGROUND

With heavy online presences, Kylie Cosmetics & Colourpop, Seed Beauty's two most successful and popular brands, are essentially "Instagram brands". Kylie Jenner, the youngest sibling of the Kardashian-Jenner empire, first courted controversy when rumors that she was using lip fillers at just sixteen years old shook the entertainment world. At the time one of the most followed personalities on Instagram, Jenner had quickly become a teenage icon and influencer inspiring several trends including the dangerous "Kylie Jenner Lip Challenge". It was thus only a matter of natural progression, when she eventually announced the release of her lip kits - lipstick duos that included a matte liquid lipstick and pencil that would supposedly recreate her (surgically enhanced) pout. Despite constant restocks and average quality, these lip kits remain somewhat difficult to obtain and often sell out within a few hours of restocking.

Colourpop, on the other hand, rose to prominence slightly before Kylie Cosmetics, appearing in several YouTube make-up tutorials and Instagram posts, and making a wide range of matte liquid lipsticks available at incredibly low prices. Founders Laura and –





- John Nelson - executives at Spatz Laboratories (their father's beauty industry supply company) - exploited their ability to produce cheaply and at fast turnover rates to bring new customer-demanded innovations to market.

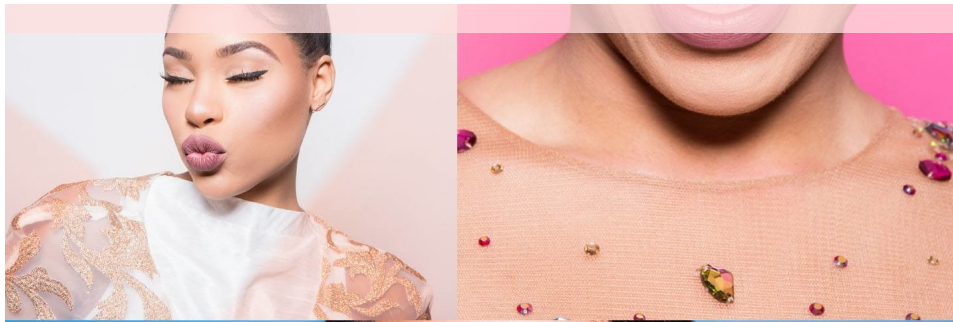
## TRENDS EMBODIED

In the case of Kylie Cosmetics, it is almost impossible to ignore the power and influence of Jenner's brand on the sales of her products. With 95.2 million Instagram followers to date, she is the seventh most followed individual on the app, and practically Instagram royalty. For followers, having a Kylie Jenner Cosmetics product allows them to buy into her world, to live in it, to own a tangible part of a life that is largely intangible, seemingly grandiose and lavish. As Jenner's fashion, beauty and overall style evolve, so does her brand strength, making any product she stamps her name on, an instant best-seller.

Colourpop's rise to fame is due in large part to its low price, ultra-matte lipsticks (currently selling for \$6 a-piece), and its heavy product placement in several social media influencers' posts. This heavy emphasis on data analytics based digital marketing (targeting and reaching the brand's market through social media), strong audience engagement (to understand and process customer feedback for immediate implementation) and a fast reaction to trends (quick trend adoption and adaptation to existing product offering) has helped the brand to stay relevant.

## PERSONAL INTERACTION

When it comes to Kylie Cosmetics, I remain mistrustful of the brand's quality. While the liquid lipsticks by Jenner and Colourpop are both made in the same factory owned by Seed, and have strikingly similar formulas, Jenner's sell for almost three times the price that Colourpop retail for. To me, it seems Kylie fanatics are really only paying for her name stamped on a lipstick, when they could spend less on a Colourpop one, or spend the same amount on a better quality product. However, despite the fact that I do not really subscribe to the Kardashian-Jenner hysteria, Kylie's success provides an interesting case study on the clout pop culture icons have on their social media followers. As clear as it is that these lipsticks are not incredible quality, it is something beyond the actual product that keeps people buying - perhaps a fascination, an obsession even, with a personality whose persona has reached dizzying heights in the virtual world.



I have had more positive experiences with Colourpop, and first heard of the brand when one of my favorite YouTubers, Raye Boyce, collaborated with the brand to create a signature collection, after their products had featured regularly in her tutorials. Although at the time, I was not a fan of liquid lipsticks, I often found myself eager to buy and try Boyce's collection, as (a) a way to show my support, and (b) an opportunity to try a product and brand that I judged positively because of its association with a persona I had an affinity for.

#### **DISRUPTION POSED TO INDUSTRY**

Seed Beauty has hit the beauty jackpot when it comes to capitalizing on social media influence. Through collaborations with one of today's most profitable celebrities as well as with other social media personas, the house of brands is able to effectively gauge what the mainstream beauty community want and deliver on those desires quickly - a strength not all bigger, more bureaucratic beauty houses currently possess.

## 3.3 NYX

Affordable, Trendy Beauty



### BACKGROUND

Owned by L'Oréal, NYX is one of beauty's biggest and most digital brands. Started by Toni Ko in 1999, the brand aimed to provide department store beauty products at drugstore prices. 2008's economic crash brought an influx of customers to the brand that was offering high quality products at low prices. This was also the era of YouTube's meteoric rise - the brand took note, and began to pop up everywhere online: make-up tutorials, product "hauls" and in reviews. Capitalizing on this, Ko began to send free products to influential bloggers and online social media personalities. After expanding to and succeeding immensely at Ulta, Ko finally sold the brand to L'Oréal for \$500 million.

### TRENDS EMBODIED

NYX is a classic example of digital marketing done right. The brand itself enjoys an influential social media presence online, with 11.3 million followers on Instagram. The account regularly features users who have created looks featuring the brand's products. In this way, users are constantly interacting with NYX by posting their looks and tagging the brand in the hopes that their photos will be featured on the brand account. It is an exchange of social media capital that benefits both parties and endears the brand to its followers, making it more personable.



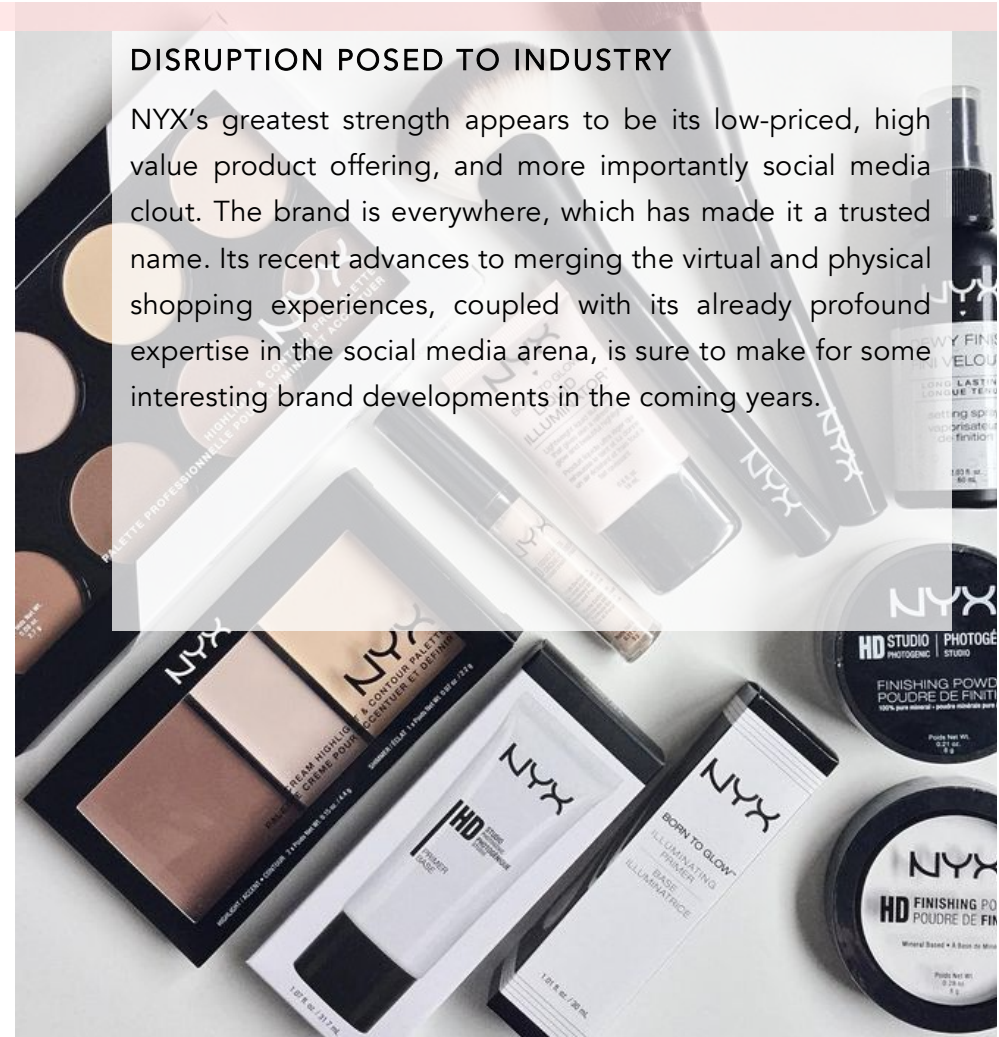
Since its acquisition by L'Oréal, NYX has expanded on its digital success to double global store count, introducing the "NYX Beauty Bars". Each store fuses the social media experience with a physical, immersive one in which shoppers can watch social media gurus use products live or scan products' bar codes for details on items and how other customers have used them. This unusual step towards fusing the virtual and real shopping experiences has differentiated the brand from its competitors, and has demonstrated the importance and success of the immersive shopping experience.

## PERSONAL INTERACTION

Although I have never tried a NYX product, thanks to the brand's ubiquity on social media and in drugstores, I am no stranger to the name. Several revered social media beauty gurus have featured the brand and spoken of it positively, and the impression given is that the brand offers high quality products that are accessible price-wise. In a sense it is almost impressive that without ever having tried a NYX product, I would be inclined to recommend it if someone asked for a low-price, high-quality beauty brand.

## DISRUPTION POSED TO INDUSTRY

NYX's greatest strength appears to be its low-priced, high value product offering, and more importantly social media clout. The brand is everywhere, which has made it a trusted name. Its recent advances to merging the virtual and physical shopping experiences, coupled with its already profound expertise in the social media arena, is sure to make for some interesting brand developments in the coming years.





## BACKGROUND

Started by Columbia PhD dropout Maureen Kelly, Tarte has seen a consistent uptick in its sales since its inception, selling in major department stores as well as in Ulta, in Sephora and on QVC. The brand markets itself as providing eco-friendly and innovative beauty that is also luxe, and by mark of this difference, has succeeded in pulling in consumers. A strong social media presence has also helped put and keep the brand on the map.

## TRENDS EMBODIED

Tarte's strong social media presence (6.7 million followers on Instagram) has enabled it to stay relevant and trendy. The brand's Instagram regularly features its products as worn by social media influencers and make-up artists, trading in social media capital to incentivize influencers to create Tarte looks in the hopes of being featured on the account and receiving exposure. The company also relies heavily on data analytics to identify influencers for potential collaborations, using metrics such as follower demographics, and engagement rates. Recently, they have collaborated with popular YouTubers Grav3yardGirl (8 million subscribers) and Nikkietutorials (7.2 million subscribers), to create respective ranges of products, which have sold out at Sephora and have had to be restocked.

## PERSONAL INTERACTION

Tarte has always been an intriguing brand. With beautiful packaging and novel ingredients (Amazonian clay being a recent one), the brand has always attracted me during trips to Sephora. Luxury and eco-awareness are not two attributes I would usually associate with each other, and I feel that the brand very intelligently capitalizes on this blend to attract a wide range of consumers and create a sort of guilt-free luxury shopping experience. Combined with the often unusual and exotic ingredients in their products, Tarte seems to have found a successful formula for longevity and relevance in a competitive industry.



## DISRUPTION POSED TO INDUSTRY

Displaying the same tendencies as many of the brands mentioned prior to it, Tarte has strong strategy when it comes to social media capital, influencer marketing and data analytics-driven digital marketing. However, what differentiates it from the other brands in this list is its ability to create luxury products that also appeal to vegans and eco-aware customers. This ability to create high quality, socially aware beauty without alienating the mainstream beauty community is rare, and gives them an edge over many competitors.



A close-up photograph of a woman's face, partially obscured by horizontal black and white stripes. She has pink makeup on her forehead and cheek, and her eyes are looking upwards. The stripes create a strong visual rhythm across the image.

## 3.5 Sephora

Digital Marketing at its Finest

### BACKGROUND

Beauty retailer Sephora has changed the face and landscape of beauty retail since its inception in Paris in the '70s. Since its expansion to the US in 1998, the retailer has disrupted traditional prestige beauty business practice, investing heavily in its digital marketing and in-store customer experience. In 2016, the company launched the Sephora Innovation Lab, a digital think tank designed to encourage and enable innovative digital ideas among Sephora's workforce to take root. The Lab has so far focused on sourcing, developing, evaluating, testing and overseeing the launch of new offerings and technologies digitally and in-store.

### TRENDS EMBODIED

In 2016, Sephora also introduced four new digital innovations within their customer experience:

I. **Beacons:** a platform that would deliver personalized alerts to shoppers when in-store, giving information on birthday-related offers, loyalty program updates and in-store beauty training events

II. **Pocket Contour:** a virtual make-up application that simplified the hugely popular beauty trend of contouring, and made it easier for customers to understand what products would give particular looks and how to apply them depending on their face shape

III. **Augmented Reality Experience:** Via the Sephora-To-Go Mobile App, consumers were able to interact with custom content (interviews, product videos and YouTube playlists) by hovering their phones over the faces of nine female beauty brand founders such as Josie Maran and Laura Mercier

IV. **Sephora Flash:** effectively Sephora's version of Amazon Prime, customers pay \$10 annually for 2-day shipping on all orders. VIB Rouge members (who spend \$1000+ annually) are enrolled to Flash shipping for free.

Unlike many other similar retailers with strong digital marketing and retail strategies, Sephora also focuses heavily on its in-store experience. The brand has thrived thus far for its ability to remove

the sometimes intimidating atmosphere of a make-up counter and sales' assistant, making over 230 brands (ranging from ultra high-end to medium-end, cult to underground) available to customers in the same place. In-house beauty bars, color IQ matching tools, and personnel on hand at every turn all come together to make the physical Sephora shopping experience unique, and almost culturally important. The retailer also has an extensive and rewarding loyalty program, whereby regular shoppers can earn and redeem points in exchange for exclusive samples as well as take part in seasonal discounts.





## PERSONAL INTERACTION

Sephora played a huge role in my teenage life and immersion into the beauty world. The first time I went into one, I was sixteen, and was blown away by the wealth of options. Any girl who loved beauty shopped at Sephora. In a sense it became a sort of status symbol, proof of just how much of a beauty aficionado one really was. When I got to college, it was the loyalty membership program, and all the tangible perks from it, that made my Sephora experience special. In my experience, Sephora's strength lies in its ability to tie in its digital and physical store experiences so that both are immersive and offer the shopper something additional to gain. In store, shoppers have the


advantage of having one-on-one consultations with beauty experts, make-up tutorials and beauty makeovers. Online, they have access to thousands of product reviews, as well as photos of other customers with a product on and online tutorials. For me, Sephora has become my biggest resource when it comes to beauty. I have come to trust the retail brand itself so much so that I have faith in whatever brands it carries, as I believe they are Sephora-approved. Despite an influx of subscription beauty box companies, and competition from online-retailer Ulta, Sephora remains one-of-a-kind in the service and products it offers, and as a young woman and beauty-enthusiast, I feel I can go in there and find whatever I need for any beauty, skin or hair issue I may have.







other-worldly” aura. The only advantage to purchasing them appears to be that they often are cheaper than the other brands in the store, and I am not sure this is enough to make them culturally as successful as the independent brands they carry.



The image displays a variety of Sephora-branded beauty products. In the foreground, there is a black and white striped shopping bag with the Sephora logo. Next to it is a large bottle of 'GLAMGLOW' skincare product. Several makeup items are scattered around, including two round compacts of 'SEPHORA' blush or powder, a tube of 'SEPHORA' lipstick, and a tube of 'SEPHORA' mascara. In the background, there are more products, some of which are partially obscured, including a bottle of 'SEPHORA' foundation and a tube of 'SEPHORA' concealer. The products are arranged on a white background, and the text 'the beauty look book.' is visible in the bottom right corner.



## BACKGROUND

Brainchild of DIY Youtube and Instagram sensation, Farah Dhukai and her husband Sal Ali, Farsali first shot to fame with their Rose Elixir, a moisturizing multipurpose facial oil touted for its skincare properties, slowly introducing more products to their offerings, including their Unicorn Essence and Volcanic Elixir.

## TRENDS EMBODIED

The brand rose to prominence quickly thanks to wide distribution to beauty bloggers and make up artists on social media, who would not necessarily review products directly, but simply add them to their make-up routines, quickly making them “must-haves”. On social media, the oils are always placed in “luxé” backgrounds, and come in gold-tone packaging. Marketed as a luxury beauty product, it also manages to fall into the aspirational make-up/skincare category.



Dhukai's heavy social capital (5.6M Instagram followers, 1.7M Youtube subscribers) and solid online reputation as a DIY beauty guru have given her immense credibility in the promotion of the oil. She regularly posts skincare and makeup tutorials with homemade concoctions, and to the public, these oils felt like a personal offering from Dhukai. Farsali is now shipped worldwide and available for sale in popular beauty retailer, Sephora.

### PERSONAL INTERACTION

As a beauty and skincare enthusiast, I have followed Farah Dhukai's journey for many years now. Her DIY tutorials that always work, and her kind, sweet nature, have endeared her to many subscribers. When I began to see Farsali oils all over Instagram, and especially on Dhukai's page, I was intrigued, as she comes across as one of the more genuine social media influencers and tends not to advertise products she doesn't genuinely love. To me, after having seen her present so many home-made concoctions in her tutorials, it felt that these oils were a personal offering of hers. What I especially appreciated was that she did not push any of the products on subscribers, and acknowledged that similar oils

could be used in their place. In a virtual world that has become concentrated with sponsorships and product placements, many influencers have lost their credibility, collaborating with any and every brand that approaches them. Dhukai's choice to remain genuine has bolstered her reputation and given her product added credibility in my eyes.

### DISRUPTION POSED TO INDUSTRY

Farsali's strength lies in its links co-founder Farah Dhukai and in the company's profound understanding of social media virality and influence. Working through carefully chosen social media influencers with appeal to different target markets, the company has been able to segment and target different demographics, positioning themselves as leaders in the luxury skincare oil sector.





## BACKGROUND

HudaBeauty is the brainchild of “number-one beauty influencer on Instagram”, Huda Kattan, a Dubai-based beauty blogger with 20.6M Instagram followers and 1.8M Youtube subscribers. Starting a blog after losing her job in finance, Kattan first completed a course for makeup artists, slowly building a following on her blog and then on Instagram and YouTube.

After moving to Dubai, and with a small investment from her sister, Kattan designed and oversaw the manufacture of her own signature false lashes, meeting with Sephora and securing a retail deal with the multi-brand chain. The lashes quickly sold out and Kattan was able to expand her offering to lip pencils, lipsticks and an eyeshadow palette.

## TRENDS EMBODIED

Her willingness to collaborate with other social media influencers, often featuring their products or tutorials on her page, has



broadened Kattan's influence, helping her penetrate several demographic groups and strengthen her following. It has also led to several key influencers (including previously mentioned Farah Dhukai) featuring her products so ubiquitously that they have become staples in the online make-up world.

### PERSONAL INTERACTION

Huda Kattan remains an inspiration to many in the beauty world, including myself. Despite her surging popularity, she remains incredibly down to earth, and is refreshingly honest about her insecurities, cosmetic procedures, and how much make-up she likes to wear. Make-up shaming is a trend that has fast gotten old, and my favorite thing about the beauty community online is the celebratory aspect of the

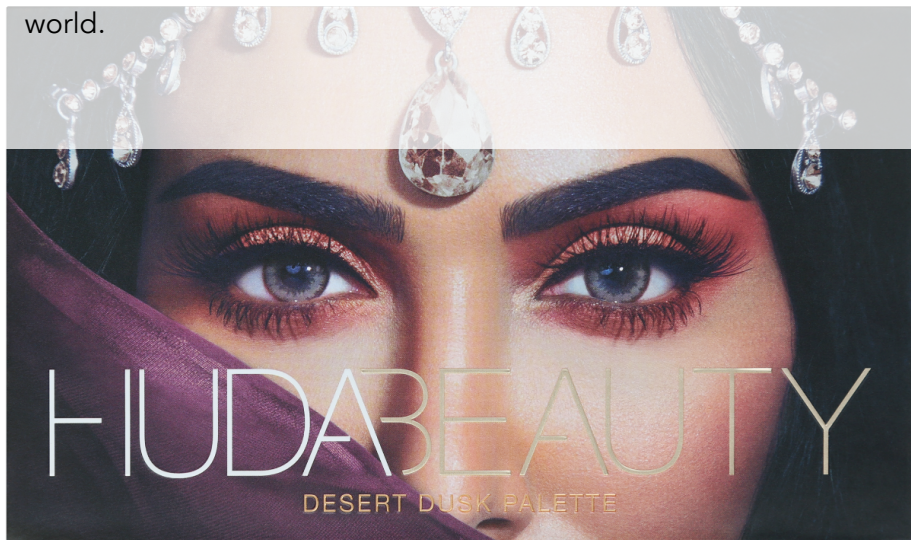


make-up process. Kattan has embraced and tried all sorts of new trends, including contouring, baking, and matte liquid lipsticks, and I love that about her. It is refreshing to see someone with less mainstream features on social media, who promotes and supports other beauty bloggers and make-up artists of all races and genders. Even to this day, despite having 20.6 million Instagram followers, Kattan will still like and respond to followers' comments, mine included. It is this special relationship with her audience that pulls them to purchase her products - it feels like buying from and supporting a close friend.

### DISRUPTION POSED TO INDUSTRY

Kattan's ever increasing popularity is helped by the level of engagement she has with followers; she regularly supports up-and-coming bloggers and make up artists, reposting their photos and videos on her Instagram page, responding to followers' comments and carrying out giveaways. It is this exchange of capital that is so interesting - fans, bloggers and make up artists will trade in financial

capital (i.e. money, by purchasing Hudabeauty products), in return of social capital (i.e. being featured on her page and therefore gaining wide, global exposure). Her willingness to collaborate with other social media influencers, often featuring their products or tutorials on her page, has broadened Kattan's influence, helping her penetrate several demographic groups and strengthen her following. It has also led to several key influencers (including previously mentioned Farah Dhukai) featuring her products so ubiquitously that they have become staples in the online make-up world.





Niche Market Targeting

## BACKGROUND

Bevel is a luxury men's shaving brand, targeted at middle to high-income men of color and specific issues they have when shaving. The brand began hinging on the idea that people of color are usually catered to by mainstream beauty companies as an afterthought, or as a "niche" group, when they actually form a large percentage of cosmetics spend relative to their population percentage. By creating a luxury-based cosmetics brand (Walker & Co.), founder Tristan Walker has shifted focus to an often-ignored section of the market that has long had to settle for sub-par quality or narrow choice when it comes to cosmetics.

## TRENDS EMBODIED

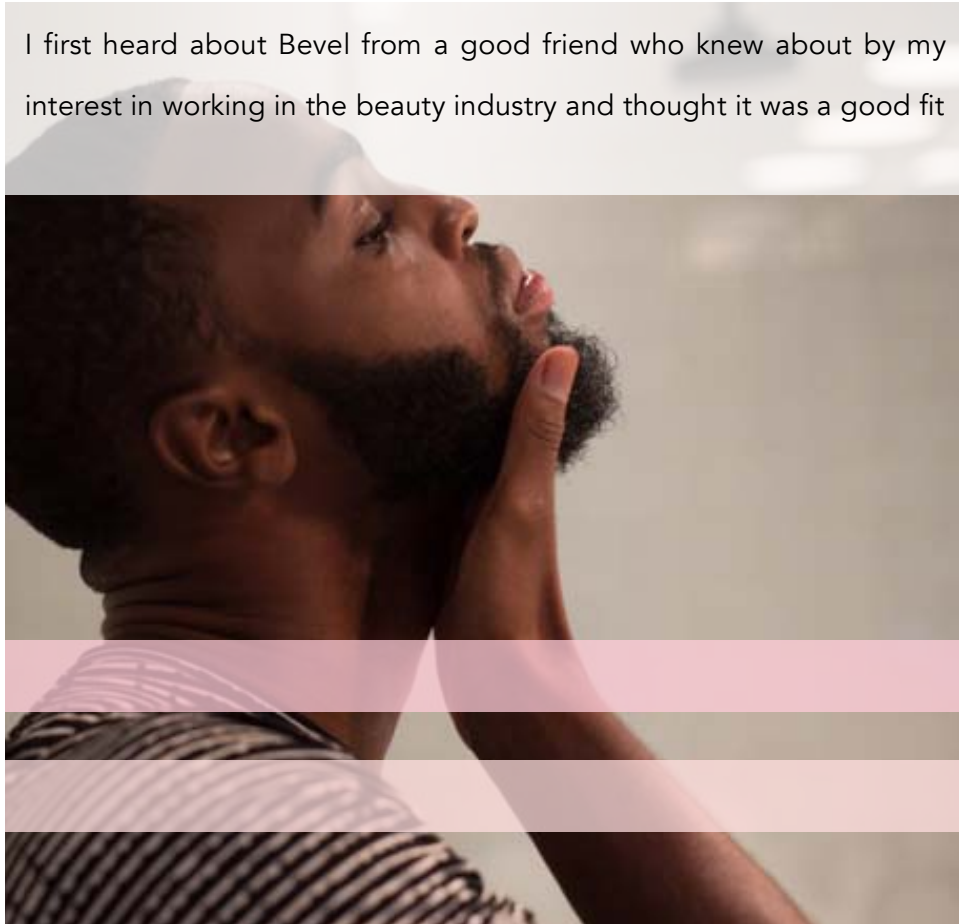
Bevel specifically operates as a subscription-based service, in order to allow new users enough time to see the benefits of the shaving system. Customers are also encouraged to purchase the entire kit (brush, razor, blades, priming oil, shaving cream and restoring balm) for best results and at a cheaper price than



purchasing products separately. For \$89.85 and shipping of \$4.95, customers receive a 3-month supply of products that make up the entire shaving kit. Walker prefers to see the cosmetics company as more of a tech company, focusing on the firm's ability to communicate with their customers, anticipate their needs and in turn satisfy those needs. This requires not only digital expertise, but scientific expertise too, to ensure product efficacy.

## PERSONAL INTERACTION

I first heard about Bevel from a good friend who knew about by my interest in working in the beauty industry and thought it was a good fit



as I fall within the niche sector the company is currently targeting. From my perspective, the brand has uncovered a gold mine - minorities such as African-Americans or people of African descent are often seen as a very niche sector when we actually form a large percentage of the average cosmetics spend. Personally, nothing is more upsetting than trying to find a foundation or concealer, and either being told that I am "too dark" or being sold something with undertones that do not in reality match my skintone. It makes me feel alienated and alternative to the mainstream idea of what a woman should look like. To hear that an entire beauty house dedicated to people who look like me has been launched and continues to grow is heartening.

## DISRUPTION POSED TO INDUSTRY

Bevel has capitalized heavily on the industry's tendency to class minorities as a physically small market when they in fact form a large, lucrative one. Segmenting and targeting customers by ethnicity (in this case African-American), and catering to their specific needs give the company all the attractiveness of a small,

anti-corporate, “niche” company, while allowing them to grow to meet demand. Add to this the company’s technology-heavy approach to business (relying heavily on data analytics, digital marketing and scientifically formulated products), and you have a cutting-edge company poised to rapidly gain market share from the bigger beauty behemoths.





## 3.9 *Amore Pacific*

K-Beauty Made Mainstream

### BACKGROUND

K Beauty has steadily risen in popularity since 2015, and AmorePacific has been at the forefront of its widespread expansion, particularly in the US. The company has a “house of brands” structure, housing several premium and mass-market brands, including the popular LaNeige, the company’s eponymous line, and the nature-based Innisfree line. AmorePacific products are carried by several US-based retailers, most notably in Nordstrom and Sephora, which announced the arrival of K-Beauty as more than a trend in its spring seasonal booklet sent out to customers. With this kind of backing, the company has gained familiarity with american consumers, aiming to re-attempt entry into the European market

### TRENDS EMBODIED

The company has seen incredible success in China, especially after careful observation of Chinese women’s needs (make-up that was easy to apply and portable, as they led busy





professional lives) and creating products that catered to those needs. Their Cushion Foundation has been particularly successful, appearing in several regional influencers's blog posts and YouTube videos. The firm touts product innovation as being central to its growth and ethos, manufacturing new offerings with a fast turnaround time to allow them to keep up with the latest trends in the beauty industry.

## PERSONAL INTERACTION

I can still remember when Sephora announced the arrival of K-Beauty as more than a trend in its spring seasonal booklet in 2015. I was fascinated by this foreign, high-tech beauty. It was around the

time that BB crèmes had taken the beauty world by storm, and everyone wanted more. I would see K-Beauty products in make-up tutorials, in blog posts and on Facebook adverts. The only thing that I found unsettling, was the Korean beauty standard of "white", "pure" skin. When I attempted to find BB crèmes from K-Beauty brands, I would find two or three shades, all for very fair skin. It was interesting and difficult to reconcile this idea of beauty with mine, but I was still somewhat intrigued by Korean skincare. As K-Beauty brands attempt to gain increasing market share in countries such as the US, it will be interesting to see how they appeal to the ethnically diverse population there.

## DISRUPTION POSED TO THE INDUSTRY

As a house of brands, AmorePacific has the advantage of appealing to a variety of market segments, enabling the company to target a wide range of potential customers. The company has succeeded at popularizing K-Beauty and making it easily accessible, particularly in

China (where demand is high), and in North America (where interest is high and awareness increasing). Partnerships with influencers and increased advertising have also helped make several of the firm's brands more widely known.





# **3.10 KKW Beauty**

When Social Media Royalty Goes Commercial

## **BACKGROUND**

Conceived by reality TV star, Kim Kardashian, KKW Beauty debuted with a splash, inviting all major beauty bloggers and influencers to Kardashian's house for a previewing so that they could review before anyone else could. A specific number of signature "contour kits" were released, and sold out in 2.5 hours, enhancing the perception of exclusivity around the brand.

## **TRENDS EMBODIED**

Kardashian-West has come to represent aspirational, modern-day luxury. Since the release of her infamous sex tape in 2003, she and her family have fascinated millions in and outside the USA. The family arguably redefined the concept of reality TV, starring in their own multi-million dollar series, "Keeping Up With The Kardashians". Kardashian-West diligently updates all her social media, consistently looking glamorous and wearing or collaborating with all the biggest names in fashion, such as Olivier Rousteing (Balmain), and Riccardo Tisci (Givenchy). She is known for popularizing the make-up trends of



“contouring”, “highlighting”, “baking” and “strobing”, which has contributed heavily to her immediate success as a beauty entrepreneur. Controversial or not, she is a modern day pop-culture icon, and audiences have quickly come to feel that having hers or one of her sisters’ products gives them access to their beautiful, glamorous lives. Photographs of beautifully manicured nails holding the KKW Contour Kit or Kylie Jenner lip kits are not uncommon all over social media.



## PERSONAL INTERACTION

Regardless of what you think of her, it is difficult to dismiss Kim Kardashian-West’s cementing as a pop culture icon the world over. Kardashian-West has surpassed the role of celebrity, and is in herself, a powerful brand. I still remember when her reality show first started - it would have been hard to imagine then, just how much of a role she would play in the beauty and fashion worlds. Within a decade, Kardashian-West has been able to win credibility as an influencer, arguably popularizing the make-up trends of “contouring”, “highlighting”, “baking” and “strobing”. Regardless of my personal views on some of her life choices, I admire her business acumen and success at staying relevant in a world that is fast-paced and unforgiving. With incredible foresight, Kardashian-West developed robust online personas on Twitter and Instagram, keeping her at the forefront of conversation on major platforms. Growing up, her beauty and continual “glam” was something aspirational to my friends and I. She always looked perfect and lived a life that was unusual by any standards – always with her glam



squad, always on trend, meeting with designers, sitting front row at fashion shows. Anyone would want to step into her shoes for a day just to understand the exuberance and excess that seemed to pervade her lifestyle. I think that is one of the key reasons we haven't seen the last of KKW Beauty. Celebrities are celebrities because they are so unusual and lead lives that are extraordinary. Kim became and transcended the status of celebrity because of exactly that, and her make-up provides one portal for fans - and critics alike - to access and attempt to understand her somewhat phenomenal world.

## DISRUPTION POSED TO INDUSTRY

The Kim Kardashian effect is a phenomenon all on its own. The sheer power of Kardashian's brand means that any products she attaches her name to (particularly ones to do with her signature image - heavy contouring), do well commercially. One of the original examples of a social media "influencer", Kardashian has the ability to bring new products to market with speed, generating hype digitally and easily. This power and exceptional online presence is not something all companies can boast of. Despite heavy product saturation in the cosmetics industry, Kardashian retains the ability to penetrate the market, thanks to her significant brand equity.

---

## ***4.0 Conclusion & Reflections***

---





## ***Conclusion | Reflections***

What is beauty? Where has it been, and more importantly, where is it going? The industry and its respective products have become emblematic of something much more than fashion; they have become a means of self-expression, of self-identification, of rebellion. They provide the intangible thread that binds billions of people around the globe together, and with the invention and incredible growth of the Internet and social media, this effect has been made more profound, more powerful.

I grew up playing with my mother's cosmetics as soon as I could stand. At the time, make-up was something that only adults used, proof that a person was a grown-up. When I turned thirteen, it became a way to fit in. By the time I was seventeen, YouTube and Instagram had transformed beauty into something much more

personal, much more expressive. Suddenly, anyone could wear make-up and share it online - women, men, old people, young people. Beauty gained more meaning, and it had more impact. Online, I found personalities who were my voice, whose blogs and YouTube channels carved out a virtual space where my interests, feelings and inspirations were realized.

The Earth is no longer round; social media has flattened it, leveling the playing field so that 25 year-old fashion or beauty enthusiasts in New York or LA or London have as much virtual clout and influence as 50 year-old globally respected brands. The reality is humbling, but also empowering - brands and personalities alike can now touch every corner of the globe. Combined with a strong command of data analytics, this omnipresence allows a level of business intelligence never seen before. Many firms realize this, and are designing detailed online strategies, partnering with social media influencers and rapidly tapping into data analytics-backed intelligence.

Caught in the midst of all this innovation, I have witnessed the evolution of virtual personalities into multi-media moguls. Blogging, vlogging, and everything in between, have become serious, lucrative business. In the rush to commercialize what started out as genuine interaction and an exchange of creativity, however, brands

must remember to stay (or become) human, real. A blogger may have millions of followers on Instagram, but if they start to promote a line of watches that every blogger is promoting for pay, they begin to lose credibility. In this digital age, credibility is the most valuable currency a brand or internet personality can have; it is what wields true power to attract, to influence. A brand that retains credibility, forming strong, select relationships with bloggers or personalities that truly embody and emulate their beliefs, will be one that has more and longer-lasting influence. The brands that have always affected me greatly have always been those that have engaged with me online, forging an emotional connection, and linking me with other customers to form a wider community. These are the brands that I stay loyal to, because they enrich my life in more ways than one.

Beyond forming emotional bonds however, it is the brands that have invited me to have immersive and enlightening shopping experiences that have made the biggest mark on me. On a short tour of Parisian beauty boutiques, from Chanel to Guerlain to Fragonard, I was left most engaged with brands where my turnaround time in-store was long, where I was allowed to engage physically with the products, where I actually learned about the brand history and could feel like I was buying into it. When a purchase becomes imbued with far more than a product, I find myself far more drawn to the brand, and in turn, far more likely to return.

Above all, beauty is individual, personal. Our self-care routines have come to embody sacred rituals that reinforce our sense of self, and this self can be black, white, or brown. It can have kinky, ebony curls, or straight, blonde locks. It can be an athlete, or a banker, or a rockstar. It can be anything, and having products out there that will cater perfectly to us, whatever we look like, however we want to feel, wherever we want to go, is what will make beauty truly universal. This gravitation toward customization, the “un-nicheing” of niche markets so to speak, is what will render the beauty industry the perfect utopia, available to all.

Thus, in answer to my first question, I believe that beauty is the culmination of all that is simultaneously real and abstract. It is infused with our hopes, dreams, desires, and fears. It helps us identify, self-select, and transform. In short, it defines many limits of our human experience. It is important for the industry not to take this power for granted, nor to dilute it with purely commercial intent. By tapping into the human aspect of beauty, by building communities and not just masses of customers, and by actually interacting with them, brands can render beauty authentic, the true reflection of today’s diverse, and - pun intended - beautiful, society.

# Quartier Libre

PIONEERING – CONNECTING - TRIGGERING

Established in early 2013 by former consultants in strategy, Quartier Libre is a unique organization providing advice, studies and tailored explorations that help leaders to rethink their management, strategy and their businesses in light of the changes taking place in the today's world.

- Companies come to us when they seek inspired and effective responses to their strategic problems or organizational needs.
- We draw our inspiration from changes in technology, ways of life and models of working.
- We draw further inspiration from exploration journeys across 25 cities visited on 3 continents - endeavoring to meet the people and businesses that create real solutions to specific problems in a world in turmoil

WWW.CHOISIRQUARTIERLIBRE.COM

Quartier Libre has the opportunity to work with brilliant young people, such as Sefa, coming from different countries and cultures. After having organized talks about innovation in the luxury sector, we hired Sefa to work on this specific topic for the beauty industry, especially for young consumers. We didn't want to publish a comprehensive report but the point of view of young woman studying innovation strategy at the MIT, living in Accra, London and Boston and travelling around the world.

Because we believe more in the value of a unique and embodied point of a view than in an impersonal report we are happy to share this insight with you. It is not an answer, not a recommendation but it can be a source of inspiration, which must be the beginning of any uncommon strategy reflection.

Contacts

Clément Berardi : [clement.berardi@q-l.fr](mailto:clement.berardi@q-l.fr)

Julien Eymeri : [julien.eymeri@q-l.fr](mailto:julien.eymeri@q-l.fr)