

Analyzing Kylie Cosmetics' Marketing Strategies and Charting its Future Path

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Abstract. This investigation derives into evaluating the current marketing strategies of Kylie Cosmetic, one of the well-known celebrities originated cosmetic brands started in 2015 and now values over 1.7 billion US dollars. The brand first specialized in selling lipsticks and progressively developed other cosmetic products for expansion. The performances of Kylie Cosmetic are intimately associated with Kylie Jenner, a reality star with over hundred million followers on social media, and its effective use of social media marketing as the main channel of communication. However, Kylie Cosmetics has been gradually outcompeted by its competitors with declining sales while competitors doubled in years. This situation is more noticeable in recent years as the taste and preferences rapidly change in the cosmetic market. This research will explore opportunities and areas for improvement for Kylie Cosmetic to remain competitive in the highly intense cosmetic market by comparing the brand to its several top competitors, especially Fenty Beauty, a cosmetic brand that is highly similar to Kylie Cosmetic.

1. Introduction

Cosmetic/beauty and personal care market in the U.S has grown to reach a market size of USD 91.34 billion in 2023, and is expected to continue expanding to USD 104 billion in 2028. With the huge potential to grow, the market attracts new entrants to enter, including celebrities, which increasingly escalates the level of competitiveness in the beauty market. According to data provided by Trade Algo, a market research platform, over 50 celebrities and influencers, such as tennis prodigy Naomi Osaka and singer Lady Gaga, have launched cosmetic, haircare and skincare brands in only the past three years. Kylie cosmetic, founded by Kylie Jenner, a member of the Kardashian family, had been rated as one of the fastest-growing beauty brands ever as it took less than two years for Kylie to reach an estimated \$630million sales since the launch of Kylie's \$29 lipsticks in 2015 [1]. Undeniably, the immediate financial returns are intimately associated with her identity as a notable celebrity figure, which gives the brand prior competitive advantages (i.e brand awareness, customer loyalty). With such a high start-out, Kylie cosmetic is projected to rake in \$1 billion in lifetime sales by 2022, anticipated by a well-known fashion-industry trade journal, known as the "Bible of fashion".

2. Cosmetic market

Kylie cosmetic started in 2015 by launching the collection of three liquid lipsticks with corresponding lip liners in one ready-to-go kit and followed by introduction of other cosmetic products majoring face,

eyes, eyebrows and noses to broaden the product line. The recent new products include matte lip crayons, gloss drip, classic matte palette, high gloss and tinted butter balm. The recent collections are gloss glow, kris collection and birthday collection. Birthday collections, together with holiday collection, valentine collection, Christmas collection and Halloween collection are all annual collection series available yearly, with new design and new product in different years. Besides these regular collections, Kylie cosmetics collaborate and partner with her Kardashian sisters, friends and internationally renowned fashion brands to introduce co-branded products. For instance, Kylie x Kendall, Kris collection, Koko collection, Kourtney collection, Kylie x Jordyn and partnership with Kim's brand KKW. Kylie Cosmetics also partners with luxury clothing brand Balmain to target new customers. These partnerships severely bring exposure and natural attention for Kylie cosmetics in terms of brand awareness. Introducing new products satisfies customer's needs for other cosmetic products to complete their make-up. Kylie Cosmetics' official website includes products for lips, face, eyes and eyebrows with apparently more products in the lips section. Kylie cosmetic introduced a variety of lip related products other than liquid lipsticks, for instance, lipsticks, lip glosses, lip balms, lip blushes, lip shine lacquers, lip crayons, lip liners and lip care to satisfy all different preference and demands of its customers. In comparison, less products are listed under face, eyes and eyebrows. What's noticeable is that Kylie Cosmetics does not provide foundation or any relevant products.

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2.1 Price

All lips relevant products are priced between \$23-\$27 dollars, similar to most of its competitors (Perfect Dairy, Huda Beauty) and with more products available as its competitors mostly only provide lipsticks or lipgloss. However, in terms of face, eyes, and eyebrows products, Huda Beauty and Perfect Dairy have more options for customers to choose from and offer foundation [2]. Kylie cosmetic adopts product bundle pricing, which a bundle of lips collection is more cost-effective than purchasing only one lipsticks. The original price for the set will be canceled with the discounted price listed beside to assist clients in seeing the difference between the current price and the original pricing, as well as the amount of savings they will receive. For newly signed-up customers, Kylie cosmetic provides discounts for them when they create an account on the official websites - 15% off via using particular code on their next order which incentives newly signed-up customers to place an order to use the discount.

2.2 Promotion

Kylie cosmetic's marketing strategies differ from the traditional marketing strategies by heavily focusing on social media communication and advertising other than traditional promotion methods. With over 4.7 billion social media users, accounting for nearly 60% of the world population, social media have become an essential platform for information exchange and further development of globalization. Kylie Jenner as the fourth most followed account on instagram had successfully converted her popularity into actual sale revenue by possessing competitive advantage over its competitors. Majority of Kylie cosmetics orders are sourced from direct websites selling online. The official website requires customers to first create an account with limited personal information (email and password) needed only. This severely shortens the purchasing process. Acknowledging customer emails enables Kylie Cosmetics to contact new customers for information updates, launching of new products, providing personal discount codes and introducing products. A discount code will be sent to a newly signed-up account with organized product categories available below for customers to directly browse interested products. However, for gmail users, promotional materials will be automatically categorized into the 'promotion' section if not actively opened to check and cause miss of information for customers. Within the eight different social network channels Kylie Cosmetic are on, Instagram solely obtains 63.57% of the social media traffic. This is because the target audience for Kylie cosmetics is primarily young women who are rapidly updated and notified with the latest fashion and beauty taste. Over 52% of Kylie cosmetics' customers are composed of young and mature females aged between 18 to 34. Similarly, over 60% of instagram users are aged between 18 to 34, reported by statista. With over 27.5 million followers, Kylie cosmetic uses its official account on instagram to soon communicate, engage and

update their main targeting customers about new information regarding their brand. Instagram provides bloggers with user-friendly functions, such as instagram stories, highlights, posts and tagged posts. Kylie cosmetics showcase the latest collection using stories and organize stories into highlights that are easier for customers to access while interested. Posts allow the Kylie cosmetic to insert links that direct transfers the users to the official website for further information by shortening the steps till purchase. In addition, the official website posts behind-scene stories and Kylie Jenner herself using all Kylie cosmetics to complete her makeup in order to educate, interest and engage with the customers. Besides, the official account often posts ordinary people trying on their products, using plain folks to showcase that the cosmetic product is of appeal and value to everyone. Apart from using the official account to secure and update the existing customers, Kylie Jenner uses her personal instagram account to promote Kylie cosmetic products whenever a new product or collection is launched to expose the brand to more potential customers. For example, Kylie together with Kendall, sisters in the Kardarshain family, launches a collective collection 'Kylie x Kendall'. With nearly 700M followers collectively, this collection was sold out in nearly eight hours after being introduced. This has been proved successful according to the data provided on statista as over 60% of the cosmetic and beauty users in the U.S are aware of the brand. Kylie Jenner is a key character in the Kardashian family, with over hundred million fans on social media, she solely experiences great social media traffic and attention, so does her sisters. Several collections partnering with other members of the Kardashian family drew lots of public attention on social media via posting to announce the collaboration and free media coverage. For instance, when Kylie first started Kylie cosmetic by introducing the lip kit set, she shared the origin reason for starting the brand - her lack of confidence and insecurity about her lips. The public was previously having a controversial discussion regarding the change in her lips as most people suspect that she had a lip filler surgery to pump up her lips. Kylie introduced the lipkit set during the public discussion and gained significant attention. With Kardashian family members as the main channel to expose Kylie cosmetics to the general social media users, Kylie Cosmetics also collaborated with nano and micro-influencers to build buzz outside of the Kardashian following, particularly among a more diverse audience.

2.3 Place

Kylie Cosmetic is basically operated online via official website as it does not have an offline physical store until March 2023, the first Kylie Cosmetic store opened in Sydney airports. Cosmetic products directly sell through its official website from business to customers without partnering with any e-commerces and retailers such as beauty collection stores. In this way, Kylie Cosmetic directly controls customer shopping experience and its relationship with their customers. However, with limited

purchasing channels, potential customers overseas may find it difficult to purchase products from Kylie Cosmetic via its official website [3].

3.Revenue

Despite generating skyrocket sales revenue throughout the years, direct selling through official websites of Kylie cosmetics and Kylie Skin have significantly reduced by almost 80% in the US, so as the sales revenue generated, since the start of 2017, according to the graphical presentation by ecommerceDB. While the sales revenue generated by Fenty Beauty, one of the top competitors of Kylie cosmetics, started by Rihanna, singer with over 150 million followers on instagram had doubled in 2022, stated in the end of year report of LVMH. Reflected by the reduction in sales revenues and amount of online order placed, Kylie cosmetic is gradually outcompeted by its main competitors in the cosmetic market with less purchase made by customers [4].

4.Competitor (SWOT) Analysis

Fenty Beauty is a cosmetic brand that is multidimensionally similar to Kylie Cosmetics in that it was founded by a globally influential celebrity and generates constantly increasing sales revenue yearly. During its first month, Fenty Beauty outsold Kylie Cosmetics by a wide margin. Fenty Beauty is currently valued at roughly \$17 billion, while Kylie Cosmetics is valued at \$1.2 billion following the acquisition of a controlling share by Coty, Inc. Comparing Kylie Cosmetic to Fenty Beauty allows discoveries for unserved areas, competitiveness and area for improvement in terms of strategies.

4.1 Strengths (Internal):

As the second-highest-selling singer, Rihanna, the originator, has a large and loyal fan base, which will naturally bring public attention to the brand and drive sales. With her contagious and positive image as a singer, fans believe every message given, so her supporters are likely to be converted into brand customers. Fenty Beauty values inclusiveness and diversity. The goal statement of the brand is to include women everywhere. The business has included the theme of diversity into the majority of its ads. With relevant notion widely promoted in the U.S, Fenty Beauty correspond with the general preference in the market. This effective brand message brings the brand more customers aligned with its brand values. Fenty Beauty discovered a gap in the beauty industry: people of colour had long been excluded. They had a difficult time finding a color that suited their skin tone. The business first released its Pro Filt'R foundation in 40 colors to accommodate diverse skin tones, but it quickly expanded the collection to 50 shades. The foundation now comes in 59 different hues. Fenty Beauty's other products also come in a variety of hues. The brand's diverse product line boosts its

competitiveness and distinguishes it from other beauty companies, allowing it to win over many consumers, particularly people of color who struggle to find the perfect shade.

4.2 Weaknesses

The goal statement of the brand, "so that women everywhere would be included," highlights women's inclusion. However the male group are left unmentioned in its goal and yet men accounts for around 26% of visits to its websites. Advertisements and marketing campaign fails to communicate with its male customers, which unmatched its brand message of inclusiveness. Another demographic that Fenty Beauty has not served is those who were satisfy with the current shades on the market prior to the brand. Fenty Beauty makes a concerted attempt to live up to its dedication to diversity and inclusion, but it falls short of making its other advantages obvious.

4.3 Opportunities

Fenty Beauty recently collaborates with YouTube, Instagram and TikTok influencers to expose its products to customers out of the fanbase. Gen Z as the brand's top targeting group, tends to "use social media to seek inspiration" while shopping, the brand may explore cooperating with more influencers in the future. After the pandemic, customer's purchasing preference and habitats have alter from pose-covid period as a consequence of economic instability and inflation [5].

4.4 Threats

The present cosmetic market is highly competitive with endless new entrants and competitive rivalry. Other famous celebrities such as Kylie Jenner and Selena Gomez also owns a cosmetic brand and even earns a price advantage as compared to Fenty Beauty. After the introduction of Fenty Beauty, other cosmetic brands such as L'Oreal, Huda Beauty, and Estee Lauder soon caters to the current notion of inclusiveness and diversity by expanding the shade range of their current product. This pose a threat to Fenty Beauty's revenue as it is no longer the only cosmetic brand that offer various foundation shades [6].

5.SWOT Analysis for Kylie Cosmetic

5.1 Strengths

Kylie has a large number of fans on her social media sites. She has nearly 200 million Instagram followers. She uses this platform to show off her cosmetic abilities, clothing, travels, and her daughter Stormi. She engages with her fans and always delivers on their desires. She even has an Instagram account dedicated to her beauty company [6]. She has nearly 25 million followers on her account. Her brand's growth and success are aided by her

name and familiarity. She always tweets sneak peaks of her new beauty collections as well as photos of herself wearing her products. Her followers are fascinated by her cosmetics and rituals. In addition, the collaboration with her Kardashian sisters and international fashion brands brings huge exposure of her brands to the public. Kylie Cosmetics started selling a set of lipkit and progressively introduced cosmetic products for other face areas. Kylie Cosmetics provides various types of cosmetic products ranging from lips, face, eyes and eyebrows, especially lips products. Kylie Cosmetics releases over 10 different types of lips products for customers to choose from according to their preferences. In 2023, Kylie Cosmetic introduced innovative functional cosmetic products, such as the new 8 hour wear and lasting color lip formula that serves customers who care about being clean, convenient and quality.

5.2 Weaknesses

Kylie Cosmetic is only available on its own official website and at Sydney Airport. According to Statista market insights, offline purchasing channels occupied over 75% of cosmetic revenues. With limited physical opportunities for potential customers to try-on, the brand is less exposed to the general cosmetic customers. In addition, for customers out of the U.S, especially in Asian countries, shipping and contacting will be even more difficult online, causing a worse-off shopping experience [7].

5.3 Opportunities

Kylie Cosmetic post education makeup tutorials of Kylie Jenner solely or together with the other Kardashian sisters. Kylie cosmetics do collaborate with nano and micro influencers but not other mega influencers or celebrities to expand her clientele. Kylie Cosmetic may organize video filming of Kylie Jenner together with cosmetic mega influencers, with one questioning and one answering. This video format can also respond to the public suspicions that the brand is not professional enough as the originator started it in her seventeens [8].

5.4 Threats

The rapid growth rate of the cosmetic market attracts new entrants and urge existing brands to continuously innovate to remain competitive in the market. In comparison to its top competitors, Kylie cosmetic specialize in introducing lips relevant products but fall short of other cosmetic products such as foundation to satisfy other cosmetic demands of its customers [9]. Other competitors, such as Huda Beauty, Perfect Diary, although have lesser lips product range but experience price advantage than Kylie Cosmetic [10].

6. Conclusion

To sum up, Kylie Cosmetics as one of the fast grown beauty brands has a detailed marketing strategy,

especially promotion and marketing, it involves and adopt the latest social media marketing, influencer marketing in effective manners to expose and promote the brand to the public. Its official website, one of the two purchasing channels, is constantly upgraded with new technologies to better serve its customers with awesome and unforgettable online shopping experience that is user-friendly. In addition, the brand connect and engage with every single customers that signed up on its official websites for information update and shopping experience feedback. Besides, with eight social media channels, Kylie Cosmetic get in touches with social media users rapidly and receives customer's feedback for improvements. This also enables that not only its signed-up customers on its official website receives information updates, but also all the social media followers and users. Kylie Jenner, the originator, also regularly post tutorial videos, share her makeup process and notice the public for launching of new products. All those aspects are contributors to the current achievements of Kylie Cosmetic. However, what's concerning is the constant downward sales revenue trend since this start of 2017. A major reason analysed via the competitor analysis conducted is its lack of differentiation, effective brand message and quality concern in compared to its top competitor Fenty Beauty. Nevertheless, Kylie Cosmetic do have lots of opportunities to grow by introducing innovative products to cater to customer's needs after the global pandemic, continue expand its product range, develop sustainable responsibilities, and reposition its core brand value to target a broader customer base besides its fans. By satisfying customer needs and discovering unique selling point to differentiate its brand from other competitors, Kylie Cosmetic increases its competitiveness within the intense cosmetic market. With leveled up competitiveness, sales revenues will potentially be increased with the increase in loyal customer base.

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