



**MARY KAY
CASE COMPETITION**

Key Consumer Insights

Our team held a 22-person focus group, in addition to the creation of a 28-question survey with 102 responses, to pinpoint key consumer insights relevant to Mary Kay products and careers, consumer purchasing behaviors, and the direct selling business model. Below you will find our most actionable insights that will be used in the construction of our proposed cohesive marketing campaign.

Perception of Mary Kay

Brand Association

It was essential to understand what the audience's baseline understanding and perception of the Mary Kay brand and business model as a whole. We began by asking how many of the audience members had initially heard of Mary Kay, with 73% reporting that they had heard of the brand. It is important to note that the audience included individuals from outside of the United States as well.

Digging deeper, we asked the open-ended question "What is the first thing that comes to mind when you hear 'Mary Kay'?" and found an overwhelming trend: a majority of the audience had associated the brand with older generations. From phrases such as "my 50-year-old aunt uses this" or "my grandma uses it," it became very clear that this was the primary viewpoint of the brand among 18-24 year olds.

Mary Kay Product Discovery

Interestingly enough, despite the perception that Mary Kay products were suited for individuals of older generations, 23% of the focus group audience had actually used Mary Kay products in the past. A common theme discovered was that the individuals who had used Mary Kay had not actively sought out Mary Kay products, but rather were introduced to the brand by an older relative. We learned that the users were introduced to the brand either due to the fact that their relatives worked for Mary Kay or another family member had been already using the brand.

Feedback on Mary Kay Products

100% of the focus group respondents that had interacted with Mary Kay products had reported positive feedback. They appeared to enjoy the skin care products, and appreciated the

wide variety and selection of products. The most commonly used product appeared to be Mary Kay's face wash.

Usage and Life Cycle of Mary Kay Products

As the discussion below mentions primary use cases, despite the positive feedback, many individuals who had interacted with Mary Kay products, individuals began shifting away from Mary Kay skin care products due to the fact that their acne was no longer an issue. Additionally, it appears that when they became older, they began exploring other brands rather than simply the brands that were introduced to them from a younger age.

General Product and Purchasing Insight

Skin Care and Makeup Routine Discoveries and Behaviors

We learned the primary reasons why individuals even began seeking makeup and/or skin care products. For skin care, individuals were going through puberty, and began to experience the effects of acne. Additionally, some reported that after reading through teen magazines, they began to become more aware of skin care routines and products. It was reported that the average age the participants began getting involved in skin care routines and utilizing products ranged from 10 to 15 years old. Our survey revealed that 69.15% of respondents had engaged in a skin care routine. Out of this 69.15% who engaged in a routine, 68.97% responded with "almost always" engaging in a skin care routine.

Regarding make up, the motivations differed slightly. It appeared that the primary use case was because peers began using makeup, which influenced individuals to tap into this sphere. It was also reported that role models', such as older siblings, and their usage influenced trial. 88.34% of our survey respondents had used makeup, with 53.57% using on a daily basis.

Our focus group revealed that the average age individuals began to use makeup was similar to that of skin care, but the age at which individuals felt that they were really able to master makeup was much older. A consensus of the group showed that individuals felt that it took about 5 years for them to have mastered make up, ranging from 15 to 20 years old.

Popular Products

The most popular makeup products were foundation/concealer (13.70%) and mascara (13.31%). For skin care, it appeared that the top two primary motivators for purchasing skin care products were "moisturizing" at 22.43% and "hygiene" at 20.09%.

Special Events Makeup

Although 50% of our survey respondents reported that they self-identified as either advanced or intermediate in terms of their skill level of makeup, 61.90% reported that they have gotten their makeup done by a professional. The overwhelming response was that individuals preferred to get their makeup done by a professional for events such as weddings, prom, birthdays, and other special events.

The Importance of a Balance Between In-Person vs. Online Consultation and Research

Although 89.29% of the survey respondents prefer purchasing makeup in-person, it is very clear that many individuals still will utilize online resources, such as websites and YouTube videos, and conduct research before they enter a store to make a final purchase. 53.25% of the survey respondents claimed that they reference YouTube or blogs when making either skincare or makeup decisions. Our focus group revealed that it was uncommon for individuals to simply walk into a store to simply explore products.

Employee-Side Insights

Perception of Mary Kay IBCs and General Beauty Consultants

There was mixed feedback as to the role of beauty consultants. Some individuals reported that having a beauty consultant or sales representative enhanced their shopping experience. Others appeared that while some can be helpful, they preferred the type that had a “consultative” type of approach rather than “I have a quota I need to hit.” What was very clear was that the types of consultants that resonated with individuals were the ones that they could relate to. This explains why so many makeup and skin care users reference YouTube tutorials and follow beauty icons. These icons reflect who they are (skin tone, age, etc) and therefore are more willing to trust their feedback. This might pose an issue if Mary Kay consultants lack diversity and are generally older.

Another key insight is that many consumers look for credentials of consultants. This establishes an objective way for consumers to assess the competency of a consultant. This suggests why consumers trust and use professional makeup artists for makeup decisions or dermatologists for skin care decisions.

Motivations Behind Part-Time Careers

60% of survey respondents, 92.86% in the age range of 18-24, had reported that they had done someone else's makeup, and 75% reported that they were students. In the focus group, several participants had held or were currently holding part-time jobs in addition to attending school. The consensus was that these individuals worked part-time jobs that required no more than 20 hours.

Popular responses for motivators behind enjoyable part-time jobs included flexibility, bonuses and perks, teamwork, and opportunities for future professional development. This must be taken into consideration in order to pitch Mary Kay IBC positions to college students, particularly the dimension of setting one's own hours.

Perception of Direct Selling Channel

Opportunity for Mary Kay Parties

After explaining Mary Kay parties, the focus group respondents, 40.91% stated that they would be interested in attending a party. In order to increase and encourage attendance, it will be essential for the target audience to feel as if Mary Kay IBCs gain trust. This can be established by ensuring diversity and perhaps requiring IBCs to pass some type of certification in order to establish qualifications.

Incorporation into Cohesive Marketing Plan

Key Takeaways

- We will pay extra attention to the balance between online and in-store purchasing behaviors, using these as complements rather than competing forces.
- We will incorporate the idea of special events makeup as this appears to be a profitable way to integrate Mary Kay parties.
- We will focus on diversity and qualifications when addressing how to attract more successful IBCs. Additionally, the importance of flex time will be addressed.

SWOT Analysis

SWOT ANALYSIS



Strategy

Our strategy for getting not only more consumers of Mary Kay, but more IBCs joining, is to make it easier for potential customers to get the products in their hands. We believe that when consumers experience the superior quality of Mary Kay they will be more likely to become a return user, and that those who foster positive relationships with their IBC will be more likely to become an IBC him or herself. To achieve this goal, our aim is to invest in different channels and promotions and specialize IBCs.

The channels and promotions we want to invest in come in three parts. The first, Mary Kay Kits. We believe that a great way to get more consumers is to give them samples of Mary Kay. But rather than giving them any samples, we make sure the samples are personalized to their needs, and are products that they are likely to use and want to reuse.

To ensure we select the correct products, consumers will first go online to the Mary Kay website, where they have the option to take a short quiz that helps not only the consumer get the right products for their needs and lifestyle, but allows Mary Kay to capture consumer data that can be helpful in future product releases. Once the consumer takes the quiz, they will be able to get a box of samples at a discount, which will also include one surprise sample selected by the specialized IBC they matched with. In the consumer's box, a card is included that includes the information of the IBC to contact if they want new products.

The buyer then uses the card to set up a meeting with the IBC, either in person, via webinar, or over the phone. They are treated to a consultation where the expert IBC specialized for their needs helps them figure out what products are most relevant to them. From this information an IBC can create another kit of products to send the consumers, these full sized and at full price. The buyer opens the kit, loves it and the personalization put into the process, and wants more products over and over again.

From here the IBC should continue to nurture the relationship. After successful lead nurturing, the IBC should offer to co-host a party with the consumer. At the party, the IBC can bring their individual products, as well as relevant ready-made Mary Kay Kits, such as 'Girls Night Out,' 'The Blushing Bride,' and 'Prom Night Goals,' to attract more consumers. Should the consumer continue to have a positive relationship with the IBC and Mary Kay as a whole the IBC should consider approaching the consumer about the possibilities of joining his or her team, sharing the benefits of becoming an IBC with them.

Our second channel we want to invest in is the educational channel. Our research shows that younger consumers are interested in doing research before they purchase products. They turn to blogs and YouTube to consume their information about brands, but also to learn about makeup as a whole. In fact, 46.4% percentage of our survey respondents consider themselves beginners or average when it comes to makeup and want to learn more (see Appendix Exhibit D). To learn about makeup, they turn to the Internet.

This is why we think Mary Kay should invest in their educational platform, especially through a blog and YouTube channel. Here is where Mary Kay has the opportunity to show their expertise and establish themselves as a thought leader in the industry. The blogs and videos should cater to a beginner audience, taking the tone of an older friend or sister teaching you how to apply makeup and enhance your natural beauty. To start general topics such as "How to Make

Your Lipstick Long-Lasting,” “Finding Your Perfection Foundation Skin Tone Match,” and “Smokey Eye for Beginners” should be considered, as well as specific seasonal and easily sharable content such as “Nailing That Vampire Halloween Look” and “Beating Winter Skin Blues.”

The third and final channel we believe Mary Kay should invest in is native advertising and beauty influencers. While Mary Kay will be building their educational content on their own site, it is important they share their knowledge on websites where their consumers are. Because of this, Mary Kay should write content for websites such as The Everygirl, BuzzFeed, and Girlboss which cater to the female millennial market. Through native advertising Mary Kay would get the opportunity to provide a value to their consumers in the form of content they are interested in while at the same time promoting themselves.

In addition to this, Mary Kay should also reach out to influencers within the beauty industry, such as Nikki de Jager, I Covet Thee, Shayla Mitchell, and Christelle Lim. These influencers have followers that trust their opinion, and having some of these beauty influencers post about Mary Kay products they used and enjoyed will encourage some new consumers to check out Mary Kay and consider what products might work best for them. Even when the influencer mentions it their post is sponsored, consumers still trust that they would only recommend products they themselves enjoyed, making Mary Kay seem like something those within the beauty industry use.

The second part of our overarching strategy is to specialize IBCs. If each IBC were to have an area of makeup they were able to call themselves an expert in, it would help not only inspire consumer confidence but also help connect IBCs with consumers based off of their interests. Having an IBC that matches a consumer’s interest is very important. If a consumer is interested only in natural looking everyday makeup but the IBC she is matched with loves intense eye looks, chances are they will not connect and form as strong of a bond as two people with similar makeup interests. By saying IBCs are experts in specific makeup strategies, it also helps elevate IBCs status. By making them seem more like professional makeup artists, consumers are more likely to trust their opinion, which will result in more purchases.

By adopting a strategy of investing in different channels and IBC specialization, we envision Mary Kay increasing not only their customer base, but the number of IBCs as well. By adopting new channels and promotions with Mary Kay Kits, educational content, and sponsored

content, as well as making each IBC appear more elite, Mary Kay can increase their consumer base with 18-24 year olds without alienating their current consumers.

Personal Beauty Experience and Party of the Future

Our target market prefers to shop for their products in person, with our survey revealing that 89% of respondents prefer to buy makeup in person (see Exhibit B). However, our focus group revealed that college students feel uncomfortable reaching out to IBCs as the program stands. There is a fear of having to talk to a person when unsure about what products they might like. The concern lies in the potential of having to say no if products are not what the shopper desires.

To contradict this fear, we recommend starting the buying process with a customized, online quiz that would be hosted on the Mary Kay website. Mary Kay can create a '**Beauty by You Quiz**' that allows the participant to describe their traits and makeup preferences in order to build a perfectly personalized beauty kit filled with their personalized samples, that they can then purchase online on a discount. The overall price of all the products would be less than buying each product individually. This gives buyers the opportunity to interact with Mary Kay initially without any one-on-one contact, easing any stress buyers might have. In a similar vein, the next step would be a consultation that could potentially be online. This helps introduce the IBCs while letting the consumers feel as though they have more control over the situation.

In addition to giving consumers the new way to interact with IBCs, the way we want to match up IBCs adds an additional element of personalization. Our advice is that Mary Kay should give IBCs the opportunity to specialize in certain areas. For example, an IBC could be specialized in special event makeup, such as weddings and proms. Through the customization element of the quiz, Mary Kay has the ability to know what consumers are looking for. With this information, they can connect prospective buyers with IBCs who are experts in what they are looking for. This would increase the likelihood of buyers feeling as though the IBCs understand them, and increases the likelihood that down the line a consumer would feel comfortable having their IBC through a party in their home.

This strategy does not alienate either the current consumer base nor the current IBCs. Current consumers can continue working their current IBCs in the capacity that they are comfortable with. They can also access the Mary Kay Kits for special events, as this is not

exclusive solely for prospects. Additionally, this new strategy will actually help to highlight the strengths of IBCs. This strategy, by assigning IBCs to specific prospects based off of their strengths, helps define how each IBC adds value. For example, some IBCs who have been selling for the company for many years who overall had an idea of what they wanted to specialize in can now put a clearer title on this.

This specialization helps IBCs provide a more customized beauty experience. IBCs can purchase product strategically so that they can upsell more easily, and stock up on the product that is most relevant to the majority of their customized transactions. This increases the probability that each IBC can profit from their transactions.

In a digital world, it is becoming more and more difficult to have meaningful face to face customer relationships. While these kinds of relationships are extremely valuable, Mary Kay will need to reinvent some of their processes to accommodate this increasingly technical world. Luckily, there are some processes that can refresh the Mary Kay IBC strategy while maintaining their strong positioning and tactics. For instance, the quiz would encourage these relationships. By having an IBC create a customized kit, they have the opportunity to form a bond with the customer because the customer feels as though the IBC understands their wants and needs.

In addition, since each new interested customer will fill out a quiz for their personalized beauty kit, there is an opportunity to personalize both the customer and the IBC experience more than ever. Using the information gained from the kit, this data can be used to pair the perfect IBC for each person. The selected IBC will then choose a 'surprise' beauty product they think will help their potential new customer. The surprise product will ensure a positive experience with Mary Kay during initial and crucial touchpoints. This nurtures a unique business to customer relationship that ensures that each customer feels like they are being prioritized with the perfect consultant selection. This encourages customers to recommend Mary Kay to friends and it really improves their experience.

Finally, another way to reinvent the IBC and party experience, the IBCs can attach their business card to their chosen 'surprise' product that has a link that sends the customer to a video chat or chat room (the customer can choose which to use) where they can contact the IBC. In addition, when their package has been delivered the IBCs can send out a personal email that also provides the link to talk with them. Since Mary Kay wants to shift their target to a more millennial-focus, it is important to allow the new customers to choose the format of their initial

interactions with the IBCs. Because of the digital world, people are less inclined to talk with salespeople be it face to face or through video chat. The chat room option can help them interact a little easier with the IBCs and ensure Mary Kay is not too pushy with their sales. As the client gets more comfortable with the IBC they can then move to ‘parties’ such as webinars that help them learn new techniques on how to apply makeup or simply just advice giving webinars. The client will always have the option to have in-person parties, but webinars will be more convenient for people with busy lifestyles.

These tweaks to help adjust to a digital world will ensure that Mary Kay reaches the target market they want to and effectively too. It will make the customer feel like the priority and have good experiences with Mary Kay.

In order to increase the usage of the Mary Kay product, the quiz can promote Mary Kay as a makeup company that supports and accommodates every need of each individual person, since everyone is unique (in skin tone, makeup preference and skin care needs). This quiz can be promoted through social channels such as Facebook Ads, Sponsored Instagram Posts, YouTube Ads and Google AdWords. Besides the conventional approaches to digital marketing Mary Kay can reach out to beauty bloggers and social influencers and request that they try the quiz out and provide a blunt and critical review of the Mary Kay product. During our focus group, the participants who had tried Mary Kay found the product to be high quality the only issue was the price made the product less realistic for a college student’s beauty routine. Mary Kay can provide free products to these beauty bloggers who take the quiz and these social influencers can push the ‘Mary Kay Kits’ to the people who enjoy watching beauty bloggers and love to learn about new makeup ideas and trends.

Besides the quiz and the social influencers Mary Kay can take an extra step with regards to the customized kits. When each kit is created, it can assign the quiz-taker an IBC that has similar characteristics to the quiz-taker as well as similar makeup preferences. This assigned IBC can then choose one free ‘surprise’ product they think can enhance the individual’s look or skincare and beauty routine. This surprise product will have a pretty ribbon on it with the IBC’s card attached and a link (or code to a closed off area in the website) to a personalized webinar with their assigned IBC. The card on the surprise product can read “*Annabelle thought this product would look amazing on you! Join her online to tell her if you loved the product or simply to get more beauty advice.*” Each card could have a slightly altered message depending on the

surprise product they chose (i.e. *Annabelle thought this product would help your skin glow* -- if the individual mentioned they wanted to improve their skincare).

Once people obtained their kits and surprise product, the assigned IBC could reach out to them via an email that contained a link to their personalized webinar. Mary Kay could also consider including an option to do a live chat initially, with the IBC instead of a webinar since people tend to be skeptical and distrusting.

These kits and the assigned IBC should provide an extra touch and enhance personal connections Mary Kay has with its customers. Individuals will think of Mary Kay and think of the IBC going the 'extra mile' to provide a free sample of makeup they think will help and to offer more advice on how to use the product or purchase similar products.

Digital Customer Experience and Cohesive Marketing Plan

Key Takeaways

- Campaign messaging and creative should bring the redefined personal beauty experience and party to life and be relevant to females ages 18-24 years old without alienating Mary Kay's current consumers and sales force.
- Efforts should drive consumers to connect with an IBC for the overall IBC experience to try products before they buy either in person or online.
- Marketing support should include recommendations for media, events, partnerships, realistic influencer outreach, promotions and sampling opportunities.
- The heaviest emphasis should be placed on social/PR/digital promotions and other non-traditional elements.

Quiz

We'll ask questions to help segment the users to understand their needs. We intend on breaking down the questions into 'Basics,' 'Lifestyle,' and 'Goals.' See Exhibit G for an example of questions to ask during the quiz.

These different groups of questions will help fit respondents into different buyer personas that IBCs can reference in order to select the best products for the Mary Kay Kit they will receive.

Facebook Ad

To drive consumers to the quiz we recommend Mary Kay advertise heavily on Facebook with Facebook ads. This provides the opportunity to target consumers that are more likely to be interested in not only makeup and skincare, but are also within the desired target demographics. An example of an advertisement we would recommend running can be seen in Exhibit E.

Mary Kay Kit

The physical kit will be the first tangible interaction a majority of consumers will have with the Mary Kay brand. While they will digitally get the opportunity to explore the Mary Kay brand, we think it is important to have the kit be an extension the Mary Kay aesthetic. The goal is to have the Mary Kay Kit be something people want to share on social platforms and have influencers excited to feature in videos. An example of the kit can be seen in Exhibit F.

Keywords and Google Ads

We recommend you utilize Google AdWords to ensure that your target audience can easily find and access the Beauty by You quiz. You should conduct keyword research to help determine which keywords are associated with the largest search volume. Once you narrow down your keyword list, you can create AdWords copy only restrained by the specifications (best practices such as less text). In order to ensure that the ad will be displayed, it is recommended that you bid competitively. To do this, you can look at bidding for each day, and modify your budget as necessary. Please reference Appendix Exhibit A for examples of advertisements.

Measures of Success

The main metrics we will use to track and measure the success of our recommendations will be quiz completion, total sales, click through rates, and webinar sign up rates, each depending upon the relevant program.

The core metric we will be using is quiz completion and subsequent sale numbers. Our biggest campaign surrounds the adoption of Mary Kay Kits, and thus this is what is most important to track. For this, two key pieces are important to measure. The first is quiz completion. Once potential customers arrive on Mary Kay's quiz page, it is important to see how many people complete the quiz. If this number starts to lag, we will be able to better adapt the quiz based on where we find people are bouncing.

The second metric that is important to us is the sale numbers that result from the Mary Kay Kits. Our goal is to make money while promoting the kits, so while they will be discounted,

we also want to make sure we are not losing money during this promotion. Repurchasing rates are also essential to track with these sales statistics. If we aren't finding that people are purchasing other Mary Kay products as a result of the kits, then we need to use this information to determine why that is and adjust appropriately.

We will use Facebook ads to promote the quiz. As a result, we will examine click through rates to see how many people are engaging with ads. This can help us determine not only if we are targeting the right people, but whether or not the ads are most effective. We can use this information to continually improve our targeting and ad choices.

As the final element of the Mary Kay Kits, we want to see how many of the people who receive kits and repurchase do so through the IBCs. Currently, consumers have the option of buying products directly from the website, but we want to encourage them to form a strong relationship with IBC. Therefore, we want to track the rate at which consumers who receive the Mary Kay Kits set up a meeting with their IBC, whether it be via webinar, in person, or over the phone. We think these interactions are what make Mary Kay a valuable and strong brand and want to encourage as many people as possible to develop these relationships.

Appendix

Exhibit A: Google AdWords Ads

Need A New Makeup Look? - marykay.com

Ad www.marykay.com/kits

Discover New Favorites And Take The Beauty By You Quiz Today!

Shake Up Your Makeup Look - marykay.com

Ad www.marykay.com/kits

Find Your Personalized Beauty Kit With Mary Kay's Beauty By You Quiz

Need Skincare Advice? - marykay.com

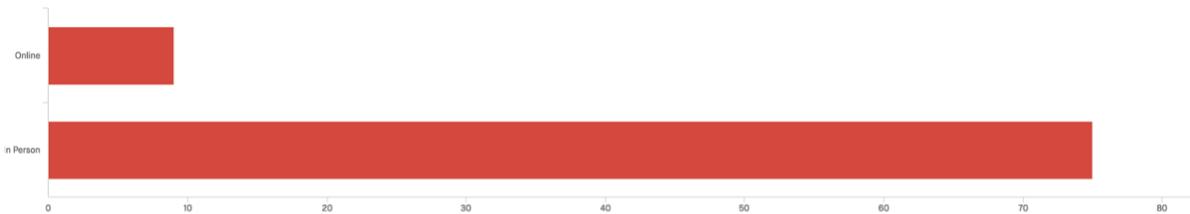
Ad www.marykay.com/kits

Take The Beauty By You Quiz To Find The Products Best For Your Skin

Exhibit B: Survey Results on Shopping Preferences

Q12 - Do you prefer purchasing makeup online or in person?

Page Options ▾



#	Field	Choice Count
1	Online	10.71% 9
2	In Person	89.29% 75

Exhibit C: Survey Results on Makeup Advice

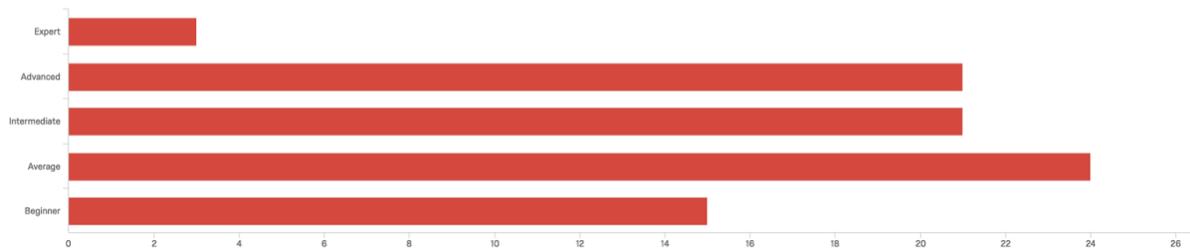
#	Field	Extremely Likely	Moderately likely	Slightly likely	Neither likely nor unlikely	Slightly unlikely	Moderately unlikely	Extremely unlikely	Total
1	Friend	37.66% 29	31.17% 24	19.48% 15	3.90% 3	5.19% 4	1.30% 1	1.30% 1	77
2	Family Member	21.05% 16	27.63% 21	25.00% 19	5.26% 4	10.53% 8	6.58% 5	3.95% 3	76
3	YouTuber/Influencer	22.37% 17	25.00% 19	28.95% 22	7.89% 6	5.26% 4	1.32% 1	9.21% 7	76
4	In Store Representative	18.42% 14	22.37% 17	30.26% 23	10.53% 8	5.26% 4	7.89% 6	5.26% 4	76
5	Makeup Artist	34.67% 26	30.67% 23	20.00% 15	5.33% 4	4.00% 3	1.33% 1	4.00% 3	75
6	Magazine	9.33% 7	16.00% 12	29.33% 22	14.67% 11	14.67% 11	5.33% 4	10.67% 8	75
7	Blogs	12.00% 9	28.00% 21	22.67% 17	18.67% 14	4.00% 3	2.67% 2	12.00% 9	75

Showing Rows: 1 - 7 Of 7

Exhibit D: Survey Results on Makeup Skill

Q4 - Rate your skill at makeup

Page Options ▾



#	Field	Choice Count
1	Expert	3.57% 3
2	Advanced	25.00% 21
3	Intermediate	25.00% 21
4	Average	28.57% 24
5	Beginner	17.86% 15

84

Exhibit E: Facebook Ad

What's Your Personal Beauty Look?

Take the Quiz

MARY KAY



Exhibit F: Box Design:



Exhibit G: “Beauty By You” Quiz

BEAUTY BY YOU QUIZ

MAKE YOUR MARY KAY KIT

BASICS

Gets to know the basics of the consumer, such as their skill level and coloring

LIFESTYLE

Gets to know what brought them to the quiz as well as how they currently use products

GOALS

Gets to what they are looking to use products for, which helps the product selection

QUESTIONS

basics **When it comes to make up you are:**

- a. A beginner! Looking to explore my options
- b. Pretty advanced
- c. Looking to try something new and get inspired!
- d. Minimal if we are being completely honest

lifestyle **What's on your mind?**

- a. Specific need - I have a goal, cap, or concern I want to fill
- b. General - I want to get the basics down
- c. Discovery - I want something new

goals **What are you looking to explore? (Check up to three)**

- a. Anti-aging
- b. Trendy makeup
- c. Everyday look
- d. New looks
- e. Anti-acne
- f. Lighter makeup
- g. Special event makeup