



A New Business Model To The Influencer Market: Embrace

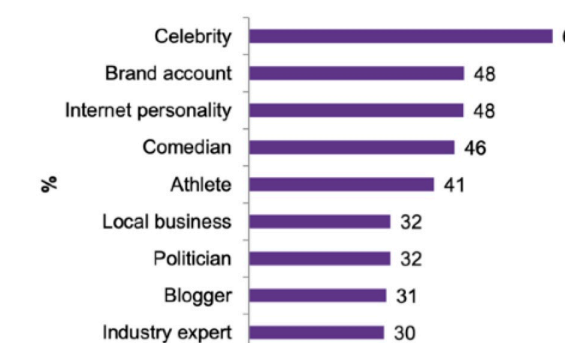
Brand Developing 2020

Brand name: Embrave

Built upon thorough research of the rising Influencer market, beauty industry and the potential target customers, Embrave is a new business model that offers influencer branded beauty products online. And by developing the 4Ps and creating a comprehensive business plan for Embrave, I got to evaluate the possibility whether this new business could work successfully.

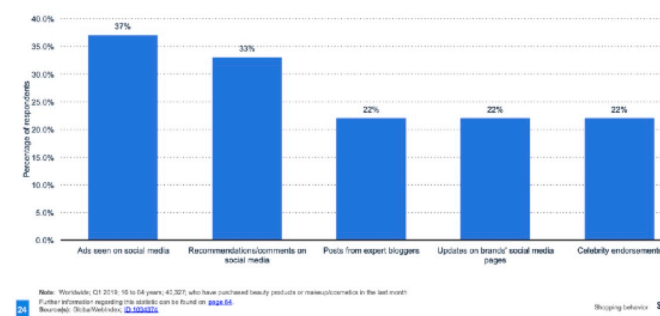
From one of Mintel's research on over 1,000 people aged 18 years old and above, the most followed account on social media after celebrity and brand account is internet personality, having a 48% of followers which is the same as brand account and only 19% less than celebrity. Among the people who do follow internet personality, most are people who age between 18 to 34. (Mintel)

"Which of the following types of people or accounts do you follow on social media?"

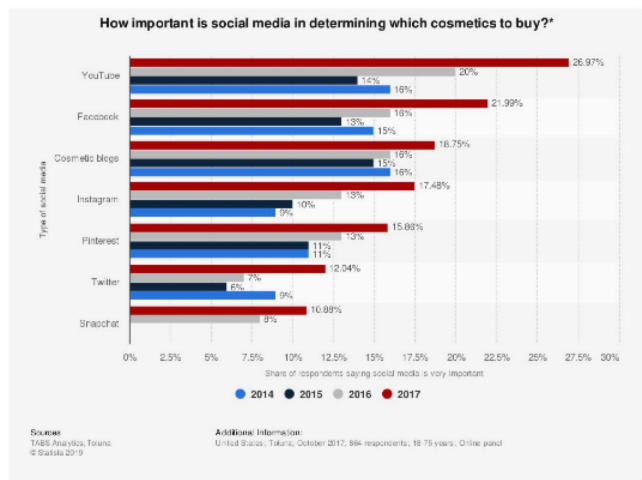


Base: 1,027 internet users aged 18+ who follow people they do not personally know on social media
Source: Lightspeed/Mintel

Online beauty brand discovery channels among global buyers 2019

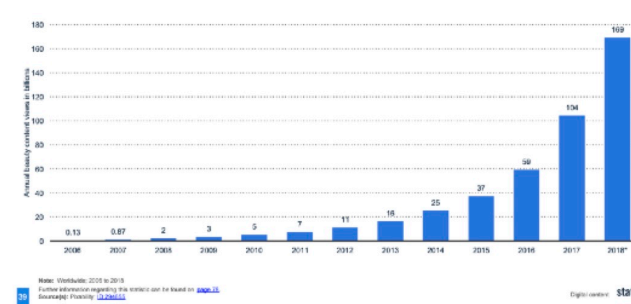


In terms of the discovery channels, social media also counts as the top platform to help customers recognize or get informed about a brand, from advertisement to recommendations or comments from others and updates from brands. Also, there is a huge growth from 2016 to 2017 that social media has really starting to shift customer's decision on buying cosmetics, according to Statista's report '*Cosmetics consumer behavior in the U.S.*' in 2019. YouTube is topped as the first for the channel that grows the most, with a 6.97% growth. Followed by Facebook with 5.99% of growth and Instagram at 4.48%. Interestingly, Instagram is actually listed as third after the cosmetic blogs with a growth of 2.75% but still remains as a strong platform to encourage people to buy. (Statista)

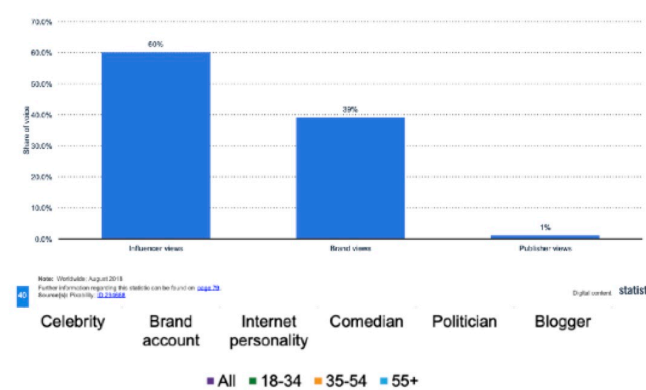


It is not a surprise that YouTube saw the most growth in 2017, compared to other social media channels. In the Statista's findings in '*Cosmetics consumer behavior in the U.S.*' in 2019, YouTube had a tremendous growth on beauty-related content views. They had around 59 billions views in 2017 and went straightly up to 169 billion vies in 2018, which is almost 2 times higher in amount. Within the vies conducted in 2018, Influencer's content count 60% whereas brands count 39% only. Therefore, we can definitely tell that the Influencers' power is there and it is really shifting the way people reach for the information and suggestion. (Statista)

YouTube: annual beauty content views 2009-2018

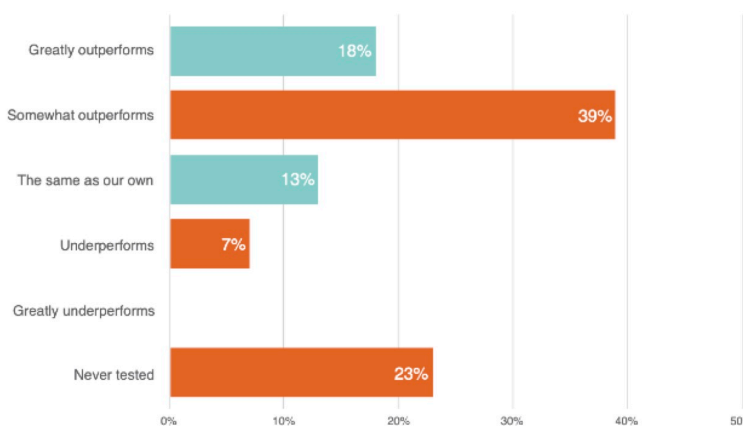


YouTube: beauty content share of views 2018



With the fast growing amount of Influencers, whether they're micro, macro or mega, the Influencer marketing industry is also arising at the same time. Business Insider also points out that the industry is estimated to grow to \$15 billion by 2022. (Business Insider) Brands are investing more on Influencers as well. They choose either to sponsor them, collaborate with them or even help them develop their own product lines. According to an Influencer marketing firm, Lingia, 75% of marketers currently use Influencer content. And 57% of the ones who've tested the effect of authentic content that the Influencers create out-perform brand-created content. (Lingia)

How does your influencer content perform in relation to your brand-created content when you use it in other channels?



Opportunities identification

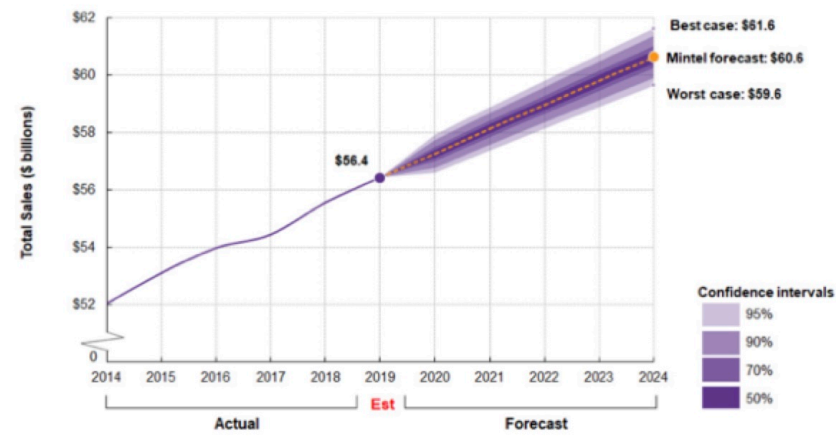
IV. MARKET RESEARCH

• About beauty industry

Size of the industry

The beauty industry experienced small but stable growth in the last 5 years and will continue to do so. The beauty sales is expected to grow 7% and surpass \$60 billion by 2024, according to Mintel. However, the products that are driving sales are shifting from color cosmetics to skincare and other reflective of trends impacting the beauty category. As far as the breakdown of the market, mass merchandisers actually take the most of the share, standing 41%, following by beauty retailers at 16% and non-category stores at 15%. (Mintel)

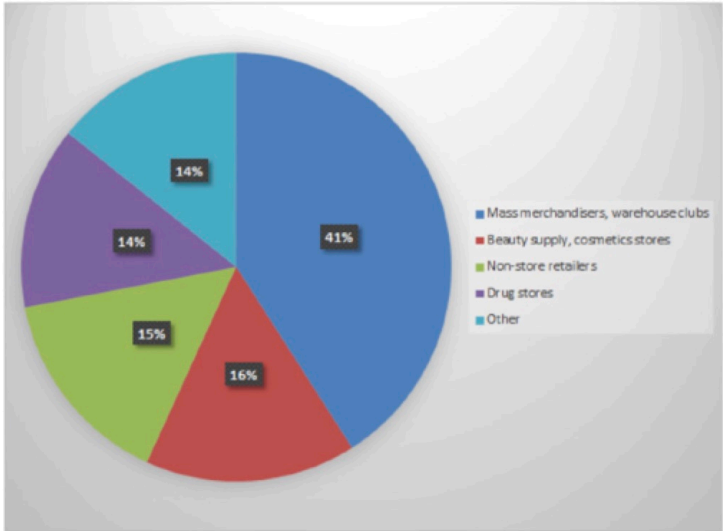
FIGURE 1: TOTAL US SALES AND FAN CHART FORECAST OF BEAUTY PRODUCTS, AT CURRENT PRICES, 2014-24



Source: based on IRI InfoScan® Reviews; US Census Bureau, Economic Census/Mintel

8/80

FIGURE 3: DISTRIBUTION OF SALES OF BEAUTY AND PERSONAL CARE PRODUCTS, BY RETAIL CHANNEL, 2017



Source: US Census Bureau, Economic Census/Mintel

Source: Mintel / Beauty Retailing / Oct 2019

Industry trends: Clean beauty & CBD beauty

Since the customers nowadays pay more attention to environmental-friendly products, natural and clean beauty are no longer just the buzz words in the industry anymore. From niche and indie brands to even mainstream retailers, they are all leaning toward the clean beauty trend. Not only can we see more and more emerging indie brands focusing on clean beauty such as Kosas and Honest, beauty giant Sephora is also expanding its clean beauty focus. Some clean beauty brands and products are now available in store and also hold a specific area online for customers to shop. And the mass merchandisers like Target and Walmart also adopted the trend in order to attract new customers and sustain its beauty sales. Target for example, launched its own clean brands, including personal care line Smartly and a men's grooming line Good Fellow & Co. They're also one of the first retailers to carry Versed, a new line of clean skin care. Beauty magazine, Allure, features a list of annually selected picks every year. And the first time in 2019, they added a new category which is the clean category. In this section, Allure partnered with toxicologists, dermatologists and chemists to share products that are free from 15 ingredients. (Mintel)

Interestingly, not only did clean beauty caught both consumers and merchants' eye, CBD beauty is another new trend that is gaining traction in the beauty industry. In July 2019, Sephora started to sell an assortment of CBD-based skincare from the brand Lord Jones in more than 170 stores and online. Luxury department store Barney's isn't behind the trend either. They began to sell a CBD-based face serum and sheet masks from the brand Beboe Therapies in its stores and online since April 2019, which is even 3 months ahead than Sephora. These moves show that an interest in CBD beauty is growing and is a trend that could not be ignored. (Mintel)

New-ins to the business

Additionally, established designer brands are also expanding its market into the beauty section. Tory Burch partnered up with Shiseido to develop further beauty lines that is to be launched in 2020 and Victoria Beckham also announced her beauty line, Victoria Beckham Beauty, on her S/S 2020 fashion show. And high-end luxury brand Hermès just launched their lip collection this March in 2019. For the celebrity side, Lady Gaga cooperated with Amazon and launched a beauty line called Haus Laboratoires in July 2019. Selena Gomez also announced earlier in February 2020 that she will be launching a beauty brand named Rare Beauty in summer 2020, in partnership with Sephora. (WWD)

Rihanna's beauty brand, Fenty Beauty, is a great example of celebrity brand's success. The brand reported \$100 million in sales in its first few weeks and generated an estimated \$570 million in revenue in 2018, according to Forbes. This is probably thanks to the solid followers that Rihanna has originally, but also is because Fenty Beauty is doing something different than other brands. By providing up to 40 shades of foundation, Fenty Beauty shows that they embrace a broad customer base whom coming from various backgrounds and ethnicities. Jefferies' research analyst Stephanie Wissink says: "Not only did [Fenty Beauty] achieve meaningful sales, but it potentially changed the industry permanently." And indeed, what Fenty Beauty does bring in a new breeze in the industry which is the importance of inclusivity has been gaining more focus nowadays. In sum, these moves show celebrities and well-known designers are ready to take up shares in the beauty market. (Forbes)

9/80

Growing customer segment

Another key focus to look at is men's adoption of beauty use. According to Allied Market Research, the men's personal care industry is predicted to hit \$166 billion by 2022. (Allied Market Research) Men's skincare products sales alone also saw a 7% increase in 2018 and the category is currently valued at \$122 million, according to market researcher NPD group. (NPD) In the market, there are more and more brands that are taking actions to attract more male customers. One of the high-end designer brand, Chanel launched its first made-for-men skincare and cosmetics line called Boy De Chanel in September 2018. Beauty brands like Charlotte Tilbury and Fenty Beauty both introduced tutorials for guys who want to use makeup subtly for a more groomed appearance. Other gender neutral brands such as Panacea, Youth to the People, Non Gender Specific and Context are emerging to the market as well. (Mintel) A survey conducted by Euromonitor shows that more than 56% of U.S. respondents admitted to using some sort of facial cosmetic like foundation, concealer or BB cream at least once in 2018. (Euromonitor) In South Korea, there are over 44K YouTube videos indicating 'male idol makeup' and they are mostly created by teenage boys. The Korean E-commerce giant, Gmarket, also reports that the sales of color cosmetics to male teenagers increased by 71% in 2017, compared to 2016's 13%. (WGSN)

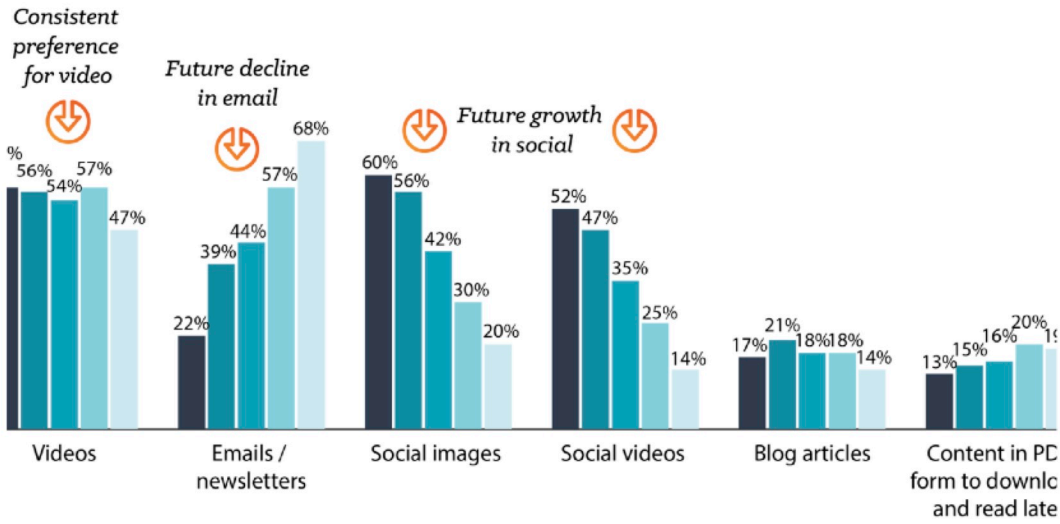
• About influencer marketing

The growing importance of social media

The rise of digital marketing shifts customers from being influenced or advertised by traditional route of TV, radio, billboard and print media into various online platforms' advertising, with different method applied at the same time. Social media especially, stands out the most among all. The founder and CEO of Digital Beverly Marketing Solutions shares on Forbes.com about which 3 trends will going to be most popular in 2020. This includes voice searches and digital assistant, video content and the various usage of social media. The later two are strongly tighten up with social media. (Forbes)

What kind of content do you want to see from a brand or business you support?

18 to 24 25 to 34 35 to 44 45 to 54 55 or older



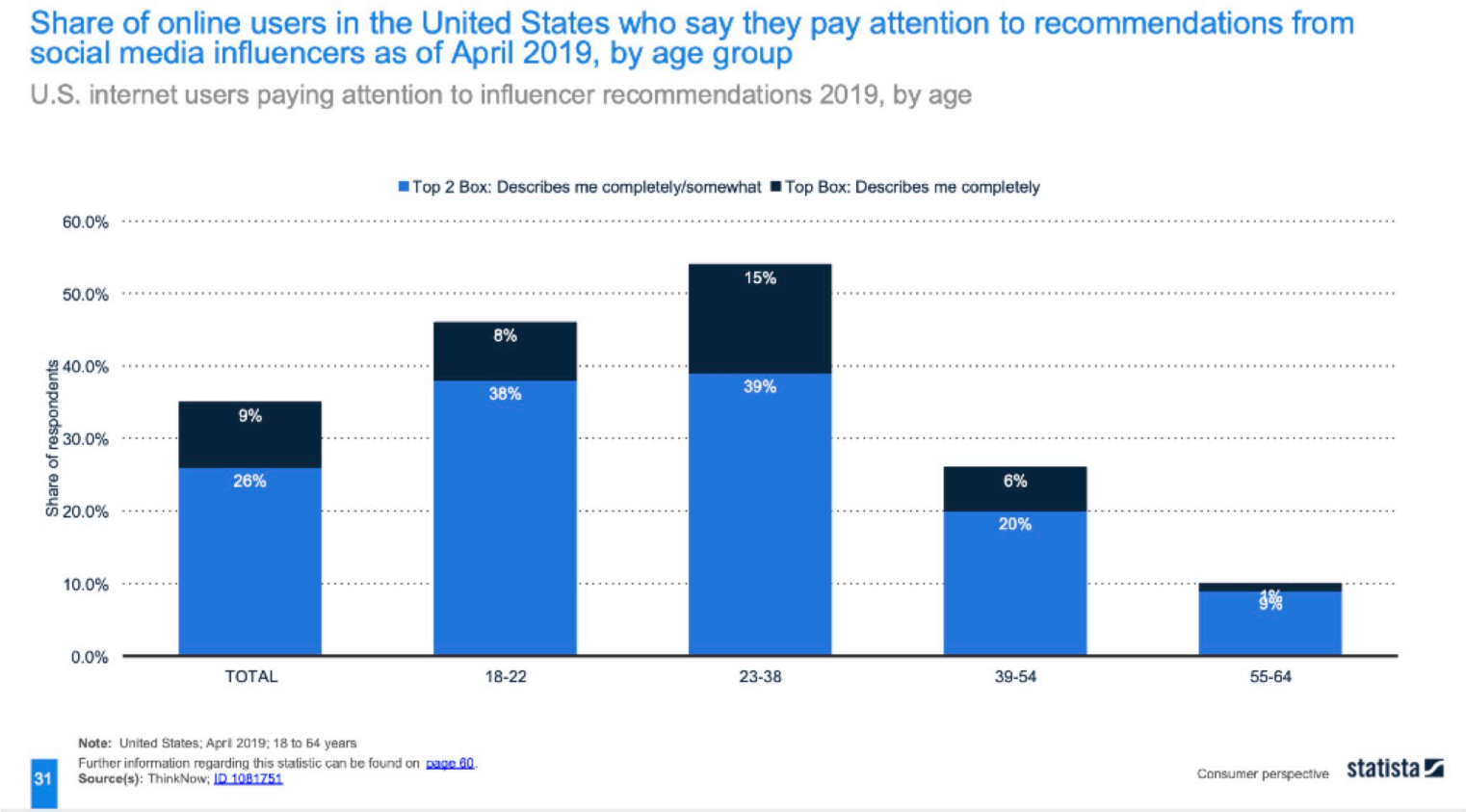
1010 consumers in the US, Germany, Colombia, and Mexico
HubSpot Content Trends Survey, Q3 2017

HUBSPOT RESEARCH

10/80

Source: HubSpot / Content Trends: Preferences Emerge Along Generational Fault Lines / Q3 2017

Facebook and YouTube are two major social media platforms that popularize video content. The study conducted by HubSpot in 2017 ‘Content Trends: Preferences Emerge Along Generational Fault Lines’ shows that around 50% of users from different age groups (age 18-55+) want to see more video content from businesses they support. And very surprisingly, YouTube is listed as the second largest search engine, according to Alexa’s ‘The top 500 sites on the web’ study. (HubSpot) According to another study made by eMarketer in 2018, the number of YouTube views in the U.S. in 2018 was 192 millions and 197 millions in 2019. Furthermore, it is expected to grow to 210 million by 2022. (eMarketer) Although, this is not an extreme growth, the number is stably increasing. As for the reasons why the users are leaning toward YouTube, getting entertainment has 82% of responses of 15 years and older, according to a research by AudienceProject in 2019. (AudienceProject) Users watch a variety of videos on YouTube and a majority of these videos are produced by ordinary people. The ones that gain more views and subscribers than others slowly become channels to follow where people listen and trust their opinions, simply agree with their lifestyle choices or just having fun while watching their content. And these are the personalities that gradually turn into micro influencers, then grow to macro or become the mega influencers. The same method applies to other social media such as Instagram. A total 35% of people say they pay attention to recommendations from social media influencers, shown in Statista’s study ‘Influencer Marketing’. Among all respondents, people who aged 23 to 38 are the ones that pay the most attention to influencers, with 54%. And those who aged 18 to 22 are the second largest group with a percentage of 46%.(Statista)



Source: Statista / Influencer marketing / 2020

Is it worthy?

But what exactly do people buy due to a famous internet personality’s recommendation? Clothing and shoes are the most bought items, with a 38% and 34% of response. Then it is food & drinks at 33%, consumer electronics at 28% and books, movies, music & games at 27%. Then it is cosmetics & body care at 26% which is listed as top 6. As much as 38% of respondents bought clothing because they’ve seen influencers advertise them, there are also 37% of people who have never bought or used anything because of such recommendations. (Statista)

Nevertheless, Invest Conversion Optimization Company actually finds out that influencer marketing delivers 11 times higher return on investment (ROI) than traditional form of digital marketing and that there are 48% of marketers in the US planning to add on their budget for influencer-focused campaigns. (Invest Conversion Optimization Company) In fact, many of the big named fashion and beauty brands are focusing on related actives and developing strategies accordingly. For example, the CEO of The Estee Lauder Company, Fabrizio Freda, said that the company spent around 75% of its marketing budget on digital and influencers, including high profile spokespersons and micro-influencers. LVMH also built a new in-house agency for its Benefit brand to connect its marketing teams and digital influencers. This is expected to be a move to help them to see a better return on investment. (CNBC) Although Adweek points out there is a \$1.3 billion influencer fraud which is a problem that one can’t ignore, 39% of marketers still expect the influencer marketing budget to be increased. And only 10% of the respondents think the amount would decrease, according to Statista’s report ‘Influencer Marketing’ in 2020. (Adweek)

Moreover, as mentioned above, YouTube is not only the platform that stands as the second largest search engine, it is also the social media that has the highest amount of cost paid per influencer marketing post. Though it did drop down 2 times lower in 2018 at an average spent of \$4,000, it went back again to around \$6,700 in 2019 which is 5 times more than Instagram, Facebook and Twitter. From here, we can understand that companies are willing to invest more on influencer marketing and are even expecting the market to grow. Various platforms also show the effectiveness of the influencer marketing through statistics. However, the result may not meet the time and money invests into such marketing and could fall behind expectation as well. (Alexa)

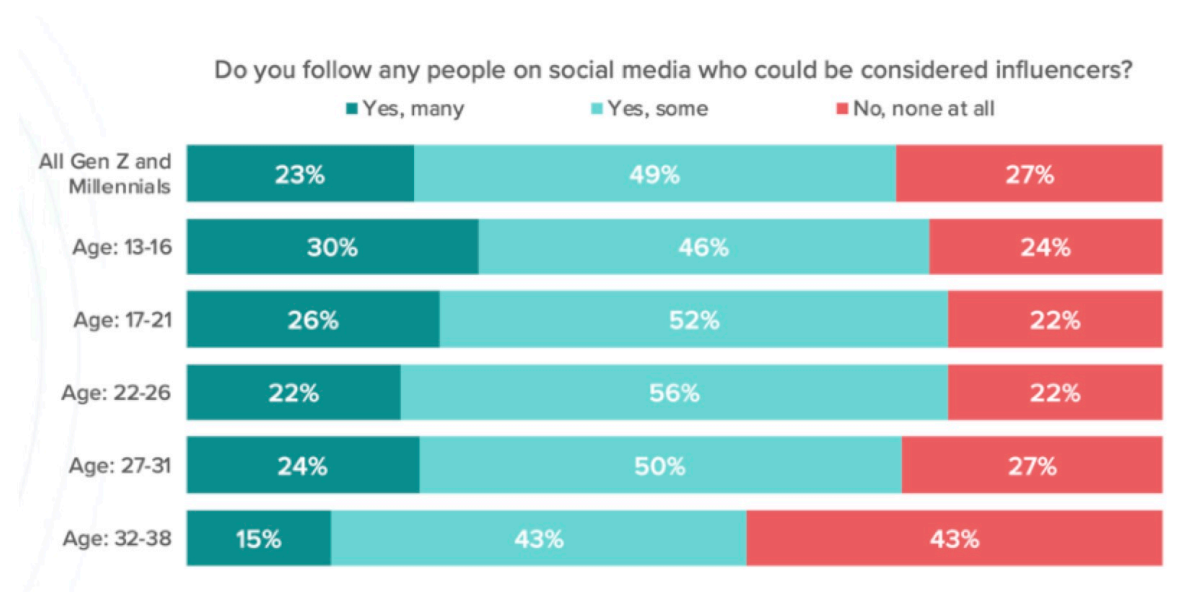
What to look out

When brands look for influencer to collaborate, to represent them or to advertise their products, they don’t necessarily count followers as their very first reason. The quality of the content, the target audience and the engagement rate are the top 3 deterring factors for marketers seeking for cooperation with influencers, according to a conducted research made by Statista. (Statista) At the same time, it’s the engagement, impressions, brand awareness, clicks and conversions that matter to the marketer. These are the top 5 tactics of how marketers measure the success of the influencer marketing programs, according to Linqia’s study ‘The State of Influencer Marketing in 2019’. (Linqia) As far as effectiveness, Instagram post has the highest amount, at 78%, following by Instagram stories at 73%, YouTube video at 56% and Instagram video at 54%, from Statista. (Statista) As much as the effectiveness the marketers hope to gain, they’re also facing challenges like spotting fake followers and inauthentic engagement, social algorithm changes making content less visible and building an always-on strategy, rather than one-off campaign are the top 3 concerns for marketers. (Invesp)

• About Influencer followers

With a survey answered from global respondents conducted by Olapic, Baby Boomers who age between 55 and 61 can not identify any definition of influencer. They are predicted as the age group who are least engaged with influencers. And Millennials are the ones engaged the most. (Olapic)

Females surveyed were more likely to use Instagram to follow influencers whereas males prefer YouTube. When breakdown by age, 25-34 year-olds like to follow influencers on Facebook and 19-24 year-olds prefer using Instagram to follow influencers. Another survey made by Morning Consult conducting over 2,000 13-38 years-old respondents' answers, shows 72% of Gen Z and Millennials follow influencers. And the younger they are, the more they follow. (Morning Consult)



Source: Morning Consult / The influencer report / 2019

Authenticity and personalization are the top reasons why people follow influencers. A student from University of Texas doing an Intern at Medium, shares her thoughts on the ‘why’ of people following influencers. There are 4 major points. The first one is interest. People follow others who share the same interest as theirs or doing things they would want to do. The second is entertainment. Followers seek for unique personalities with strong voices who are like friends they can talk with. The content are casual yet interesting. The third one is relatability. Not only do these followers want to see the bright side of the influencers, they want to know their downsides where they can actually relate to as well. This shows that they’re true human being, not just someone stand behind the screen acting it out. The last one is inspiration. Sometimes, people follow these influencers because they want to be inspired. As seeing the content the influencers create, they can somehow push one into a better self. (Medium)

Interestingly enough, not only do people follow influencers, some of them are also interested into becoming one of them. Growing up with social media, Gen Z are the group that are most willing to become a micro influencer. From Morning Consult’s report ‘The Influencer Report’, 11% of Gen Z and 12% of Millennials say influencer label fits them. The top reasons motivate them to become influencer are making difference in the world, having flexible hours, sharing ideas with a large audience and interesting or fun work. (Morning Consult)

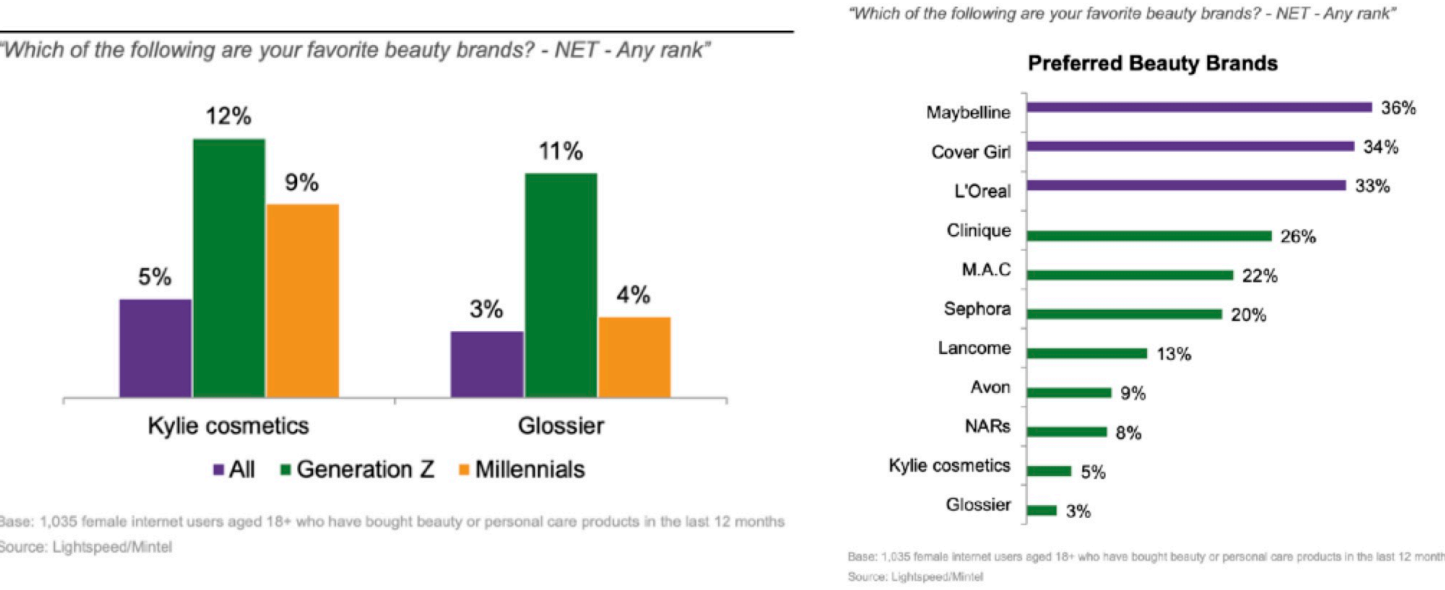
price, following by brand and ingredients. Especially the younger shoppers, notably those with higher income, can be less conscious about price but pay more attention to the ingredients. This group of shoppers also prioritize environmental impact and packaging. Also, social media’s influence on determine customers’ cosmetic buying decision has a tremendous growth in 2017 compared to last 3 years, according to Statista. (Statista)

Types of shoppers

In the study ‘Beauty Retailing’ conducted by Mintel in 2019, we come across that there are two types of beauty shoppers. In this case, these are the internet users who’re age above 18 and who have bought beauty or personal care products in the past 12 months. And the two types are established, routine beauties and experimental enthusiasts. Majority of shoppers stay with their routines, stick to the same products and brands as they mature. They have high brand loyalty and do not have the desire to discover other alternatives. On the other hand, younger shoppers like to have fun with their routines. They’re curious, more experimental and like to shop based on trends of interests of the moment. (Mintel)

Preferable brands

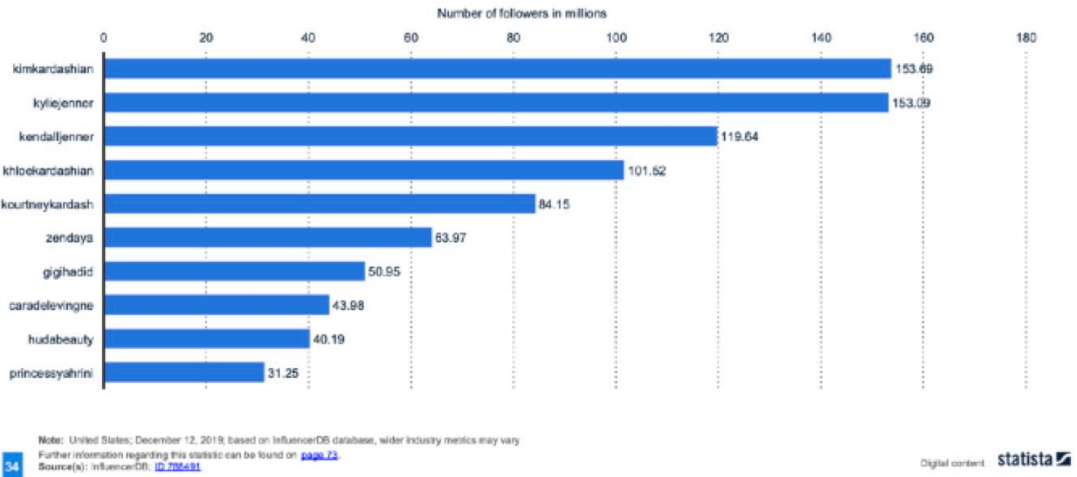
When asked which beauty brands are preferable for the shoppers, answers vary as their age groups are different as well. From one of Mintel’s recent report, younger consumers are exploring variety and embrace trendy brands like Glossier and Kylie Cosmetics whereas more mature shoppers tend to stick with their established favorites. (Mintel)In fact, Kylie Cosmetics is actually rank as the second most followed beauty brands on Instagram as of September 2019. And it’s the only Influencer brand that is listed in the top 10, according to Statista. (Statista) How young women like to check blogs, social media and look for instructional videos before buying could be shown through these statistics as well. Also, curated product picks, items chosen by Influencers or experts are also some appealing point for them. However, certain iconic and heritage brands still remain as strong players for shoppers at different ages. (Mintel)



Source: Mintel / Internet Influencers / Feb 2019

Most-followed fashion and beauty influencers on Instagram in the United States as of December 2019

Most popular fashion & beauty influencers on Instagram in the U.S. 2019



Note: United States, December 12, 2019. Based on InfluencerDB database, wider industry metrics may vary. Further information regarding this statistic can be found on [page 13](#).
Source(s): InfluencerDB, [@princessyahrin](#)

Digital content statista

Source: Statista / Cosmetics consumer behavior in the U.S. / 2019

Customer Understanding

• Potential Target Customers: Generation Z & Millennials

Knowing that people who age between 18 to 34 are the ones who follow most of the internet personality, and that this similar age group of beauty shoppers, those who shop beauty or personal items, are the ones who're interested in trying out new and a variety of products, we can further and strongly suggest the older Generation Z and younger Millennials would be our potential customers. (Morning Consult) Although many of the Generation Z are still very very young or in their teens, this generation has a spending power of \$34 billion, according to Yplulse. (Yplulse) WGSN Beauty also found that the Gen Zers spend \$368 annually on beauty, with skincare being a leading driver. (WGSN) And their spending power's YoY growth is 18%. As for the Millennials, Yplulse's study shows that their spending power in 2020 would be \$2.5 trillion. (Yplulse)

How do they spend

Though expecting to have a high spending power, Generation Z actually spend very carefully. According to WWD, this generation favors savings as a means of ensuring long-term lifestyle stability. Students take different approach when pursuing higher education. Instead of giving themselves the heavy student debt, they're using strategic tactic like taking alternative degree programs to find success. These risk-cautious group of members prefer spending money on the necessities and seek to understand the value of any given purchase. (WWD)

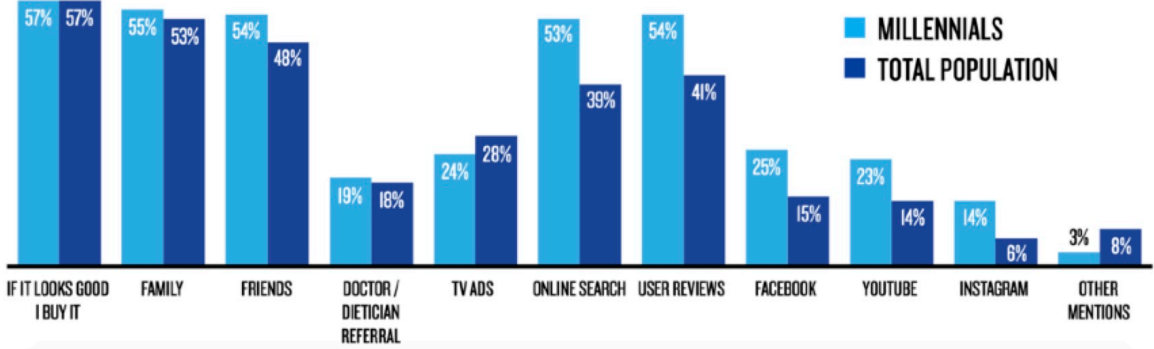
As for Millennials, according the author of *Millennials Are Not Aliens*, Gui Costin, Millennials consider social responsibility and environmental friendliness when considering their purchase. 75% of them consider being authenticity, local sourcing, having ethical production and giving back to the society is very important. Many of them spend on coffee, to eat out and to buy clothes for reasons beyond basic needs. Moreover, over 50% of Millennials spend money on Uber or taxis. This is more than Gen X's 29% and Baby Boomers' 15%. Their yearly spend is mostly on groceries, gas, restaurants, cellphone and other interests including electronics and clothing. (Forbes) Another category they're willing to spend on is wellness, according to Monitoring Future. They're exercising more, eating smarter and smoking less compared to previous generations. (Monitoring Future)

Defining

Potential Target Market

When it comes to health and beauty shopping, Millennials tend to rely on friends and social media when doing research about it. They also like to check user reviews than to seek advice from family and friends, according to Nilsen's report 'Millennials on Millennials' in 2018. They're also active mobile buyers, having 40% of its purchase through mobile phone and 49% on desktop or laptop. Goldman Sachs's report about Millennials in 2020 also mentions how this generation is turning to brands that can offer maximum convenience at the lowest cost. 57% of them would compare price in store when they shop. For them, quality is a very important factor when buying things but price is even more important for them compared to other generation. (Nilsen)

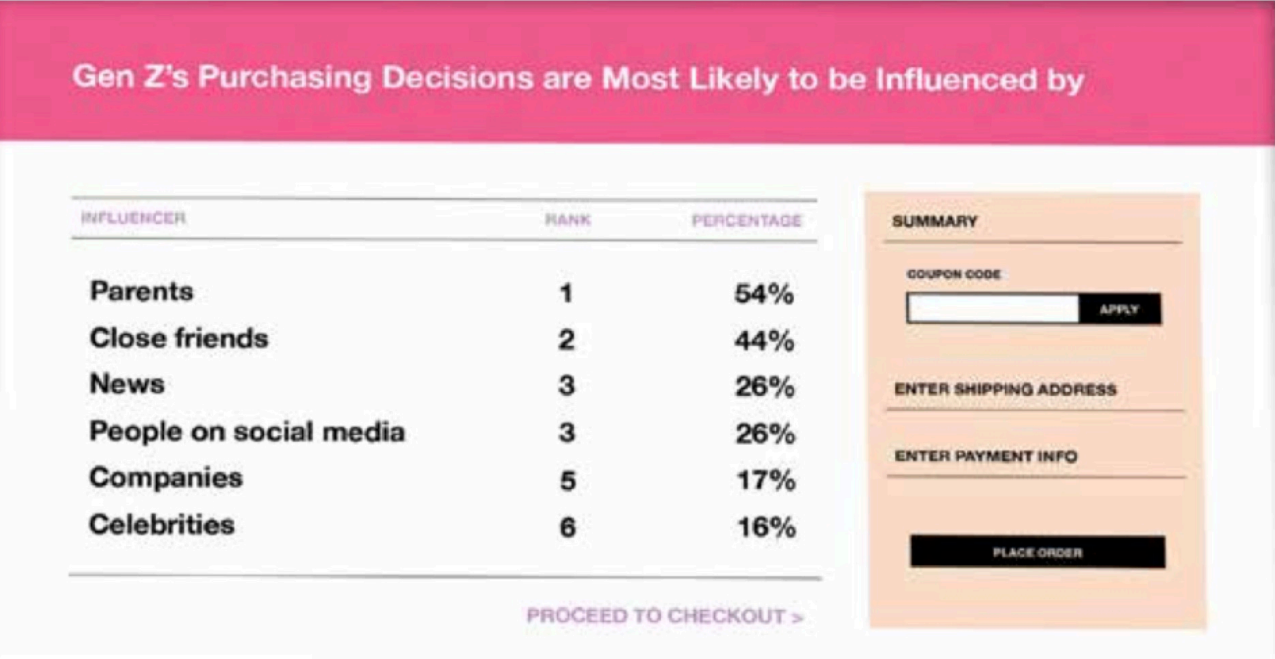
PERCENT CLAIMING THEY USE SOURCE WHEN SHOPPING FOR COMMON ITEMS



Source: Nilsen / Millennials on Millennials / 2018

What influence them

Generation Z is a very digitally attached demographic. almost 50% of Gen Zers spend around 10 hours a day connected online and almost 80% of them say they feel distressed when they're away from their personal electronic devices, reporting from Cone Communication. (Cone Communication) From researcher Kantar's consumer study shared with Mobile Marketer, 44% of Generation Z has made a purchase decision based on a recommendation from a social Influencer, whereas the general population only conducts 26%. (Mobile Marketer) Cone Communication also found 26% of this generation is likely to be influenced by people on social media. Interestingly, the younger side of Gen Zers who're age between 13 and 15 are most influenced by their parents. Parents become less prominent and friends and companies grow importance as they grow older when they're 18 or 19.(Cone Communication) In addition, nearly 3/4 of Gen Zers and Millennials follow Influencers online, with teenagers following multiple accounts, according to Mobile Marketer. (Mobile Marker) What's more, the products that the Influencers are promoting make their followers 56% more likely to purchase, found by Morning Consult. And 49% of those surveyed said an Influencer's relatability drives them to buy. (Morning Consult)



Source: Cone Communications / How to Speak Z / 2017

Most preferred social media platform & content type

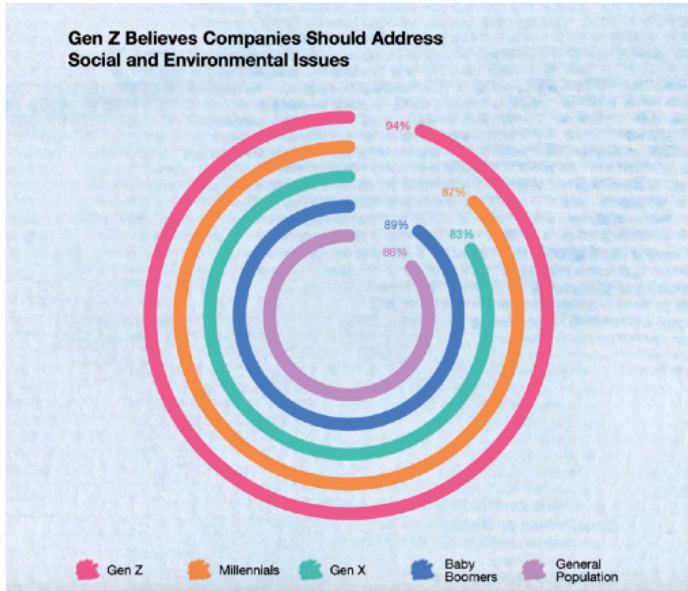
Researcher Kantar again, found that the most popular social media apps among Generation Z are Facebook (62%), Instagram (55%), YouTube (54%) and Snapchat (52%). (WWD) Though Facebook does have the highest amount of usage, many of the research indicates that Instagram is the most popular app for Influencer campaigns. Indeed, 76% of them discover brands through Instagram, according to WGSN beauty. (WGSN) Moreover, a half amount of teen interviewees can tell whether a brand is for them based on their social media accounts. Meanwhile, the younger Gen Zers who're around 13 to 16 year-old actually use the social video app TikTok more than Facebook, according to Morning Consult. (Morning Consult) The live-streaming platform owned by Amazon, Twitch, is another popular destination for this younger part of demographics. Yet, study found that both TikTok and Twitch are not the dominant services for following Influencers. Men lean toward YouTube for following gaming and fitness channels while women like to follow beauty and fashion accounts on Instagram. Overall, this generation prefer videos, pictures or stories when looking into content, according to Cone Communications. Streaming content is most preferable for them.

Very similar to Gen Z, Millennials are also heavy social media users. Their preferable platforms include Facebook, YouTube and Instagram. They also use Snapchat, Twitter and Pinterest but not as often as the former three. (Cone Communication)

High issue awareness

To the Gen Zers, social media is not just platforms to absorb new information or to engage with others, it is also somewhere they speak up their voices and share their ideas or beliefs. 81% of the Gen Zers believe they can make an impact on social and environmental issues through social media, and almost 60% of them believe supporting issues online is more effective at making a difference than doing something in the reality.

Being highly exposure to huge amount of social issues on a daily basis, this could be one of the explanation why this generation is more product-driven than brand-driven, according to WGSN's *Gen Z: Building New Beauty* report in 2019. (WGSN) Many of the study do show that Generation Z seek for eco-friendly or sustainable optioned products such as buying unpackaged, reusable and refillable items. They're also the one that look into ethical values like prioritizing animal welfare and favoring plant-based diets. Results found by Morning Conduct in its 2018 *Consumer Trends in Food and Beverage Industry* report shows 29% of US consumers aged 18 to 21 claim the word "vegan" on products makes them more appealing, compared to only 14% of Baby Boomers. Therefore, vegan beauty and cruelty-free production is gaining not just the awareness but growing increase interest among young people as well. (Morning Conduct)



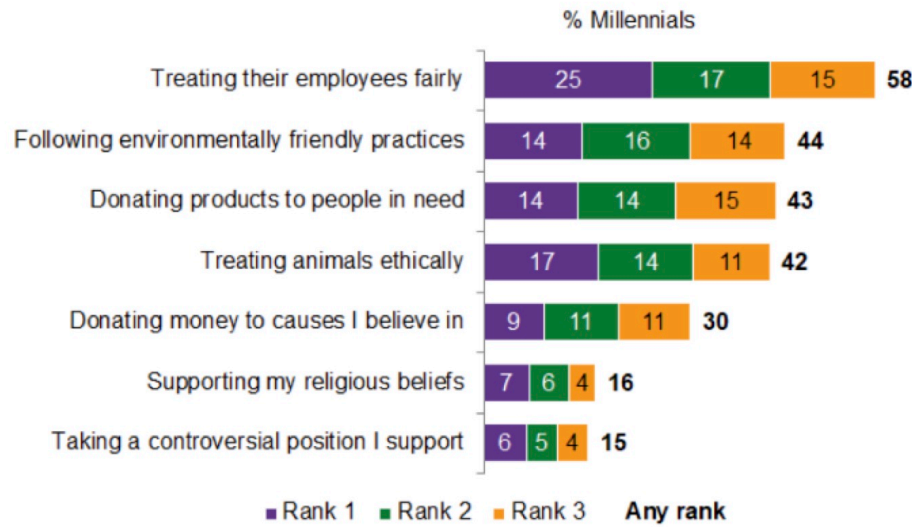
Source: Cone Communications / How to Speak Z / 2017

Gen Zers are also the ones that embrace inclusivity the most among different generations. They value diversity in all forms. According to Mckinsey's findings in 2018, 7 out of 10 Gen Zers say it is important to defend causes related to identity. They're also more interested in subjects related to human rights, race and ethnicity, lesbian, gay, bisexual and transgender issues and feminism. (McKinsey) In addition, 52% of the demographic think it is natural for every individual to belong to different groups and to move between them. In Cone Communications' study, 85% of mature female Gen Z aged 18 to 19 are most likely to want companies to support social justice issues. However, at the same time, this means they're also more likely to boycott a brand based on company values. (Cone Communication)

As for the Millennials as well, they believe brands reinforce personal values. According to Mintel's report on Millennials in 2019, they found out that generosity and willingness to change are important values for them. For example, they want companies to treat their employees fairly, following environmentally friendly practices, donating products to people in need and more. As much as they care about social issues such as gun right, racial equality or women's issues, they're more concern about whether they're able to get affordable healthcare and affordable education. (Mintel)

FIGURE 71: BEST WAYS FOR BRANDS TO REPRESENT VALUES, AMONG MILLENNIALS, MARCH 2019

"Which of the following are the best ways for a brand or company to show that they represent your personal values? Please select up to three responses and rank in order with 1 being best."



Base: 989 internet users aged 25-42

Source: Lightspeed/Mintel

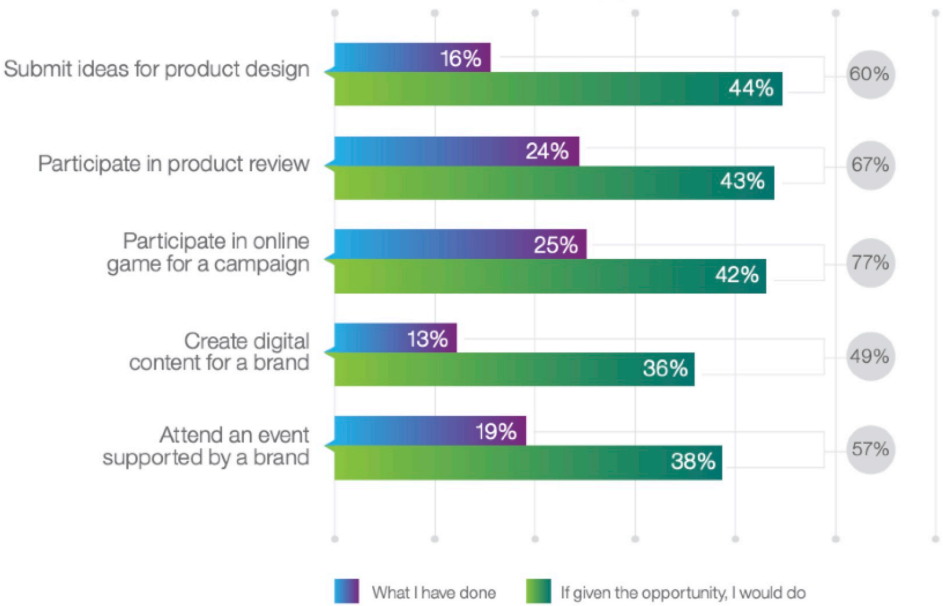
Source: Mintel / Marketing to Millennials / 2019

The value believers

The Gen Zers have strong opinions and would like their voices to be heard. They believe in brands that share the same values as theirs. From IBM's survey to Gen Zers, many of them show strong interest in submitting ideas for product design, participating in product review and participating in online game for a campaign if giving the opportunities. This shows how they would like to engage more with the brands and that they hope their opinions would be listened. At the same time, being real is very important for them. If a company claimed to be sustainable but when got searched from google, child labor images appeared. Then, this label will loose trust from the generation. When brands are slow to engage or break their promises, the Gen Zers will quickly switch to a competitor. (IBM)

Also, even though Gen Zers are the most active users on Instagram, the engagement rates for Instagram Influencers are declining, measured by InfluencerDB, an Influencer marketing company based in Europe. (InfluencerDB) One of the reason why the rate is declining is due to the overloaded sponsored posts. And this again shows how Gen Zers, or Instagram users in general, are avoiding or even against non-authentic content. As much as instagrammable packaging designs is a key appealing point for them, they would not be blindly buying them just because of that. (NRF)

Gen Zers indicate they want to contribute and have more active brand engagements



Source: NRF / Gen Z Brand Relationships / 2017

In sum, the Gen Zers seek for quality, authenticity, engagement and transparency when looking for a brand or a product to buy. Mintel Analysts actually developed a name for this generation: AVID, an acronym that stands for Approaching adulthood, Video driven, Influencer aware and Digitally native consumers. Mintel's Global Colour Cosmetics and Fragrance Analyst, Charlotte Libby, points out that AVID's beauty knowledge is still growing and their tastes are constantly changing. Indeed, compared to other generations, Generation Z are less likely to be brand loyal as traditionally defined, according to one of IBM's report. However, paying attention to the demand of this generation and respond to their beliefs would help better reach to this group of customers. (Mintel)

Giovana Lopez

Age: 26
Education: Bachelor's degree
Job: Executive assistant
Income: \$51, 720/ yr
Location: Seattle, WA
Ethnicity: Hispanic

Giovana Lopez is originally from San Diego and moved to Seattle to study Education, Communités and Organization at University of Washington. She chose to stay in Seattle and started to work as an executive assistant at a tech company after since her graduation.

She is a very hard-working young woman and always pushes herself to the widest she can. Having an education background allows her to be patient with her team and boss. She's also very good at time arrangement and understands perfectly the relationship between her boss and the clients they're working for. Therefore, she is able to build phenomenal schedules for her boss. Plus, she's a perfectionist so everything needs to be controllable for her.

She loves to hang out with her friends whenever she has the free time. Exploring new restaurants became a hobby of hers since college. If she's not having fun outside, she spends a lot of time shopping online at home. Although she doesn't spend a lot on beauty monthly but she enjoys watching beauty and lifestyle videos on YouTube. When she really wants to try out a product, she would look for specific retailers to shop. She rather spends a little bit more to pay for a brand she trusts, than buying from unknown discounted retailer.

She does not have a favorite brand since she shops here and there. The usual price points would be either moderate or better. She rarely splurges on luxury items.

Characteristics

Humorous, compassionate, hard-working, talktive and perfectionist.



Preferable Apps



Target Customer Boards Building

Christine Lee

Age: 20
Education: Currently in pursuing a bachelor's degree
Job: Student
Income: From parents & \$250/wk
Location: Boston, MA
Ethnicity: Asian

Christine Lee was born in Malaysia but moved to Boston with her parents at the age of 6. She's currently taking a communication program at Boston University. She's a very bright and optimistic girl who loves to hang out with friends and family. She's very out-going and she's done a couple internships at advertising and media related companies already. She's also a bookworm. She enjoys reading a lot, of all kinds of books.

She's also very active on social media, creating funny videos of herself and post it on both Instagram and TikTok. She has gained a good amount of followers and she loves to engage with them as well. This is a community that she has been building since high school.

Christine is also very adventurous and likes to experiment with new things. This is something that she personally likes but it is also a way for her to find inspiration for her content on social media. For example, she currently subscribes to HelloFresh, a food box service, and Nuuly, a clothing subscription. And she would share her true opinions based on her experiences with her audience. She's now looking out for other new services or any kind of products/ items to try on.

As for her career plan, she would love to move to New York after she graduates from school. The reason why she picks the city is because it's very close to her hometown. And it's also where many opportunities are at.



Preferable Apps



Characteristics

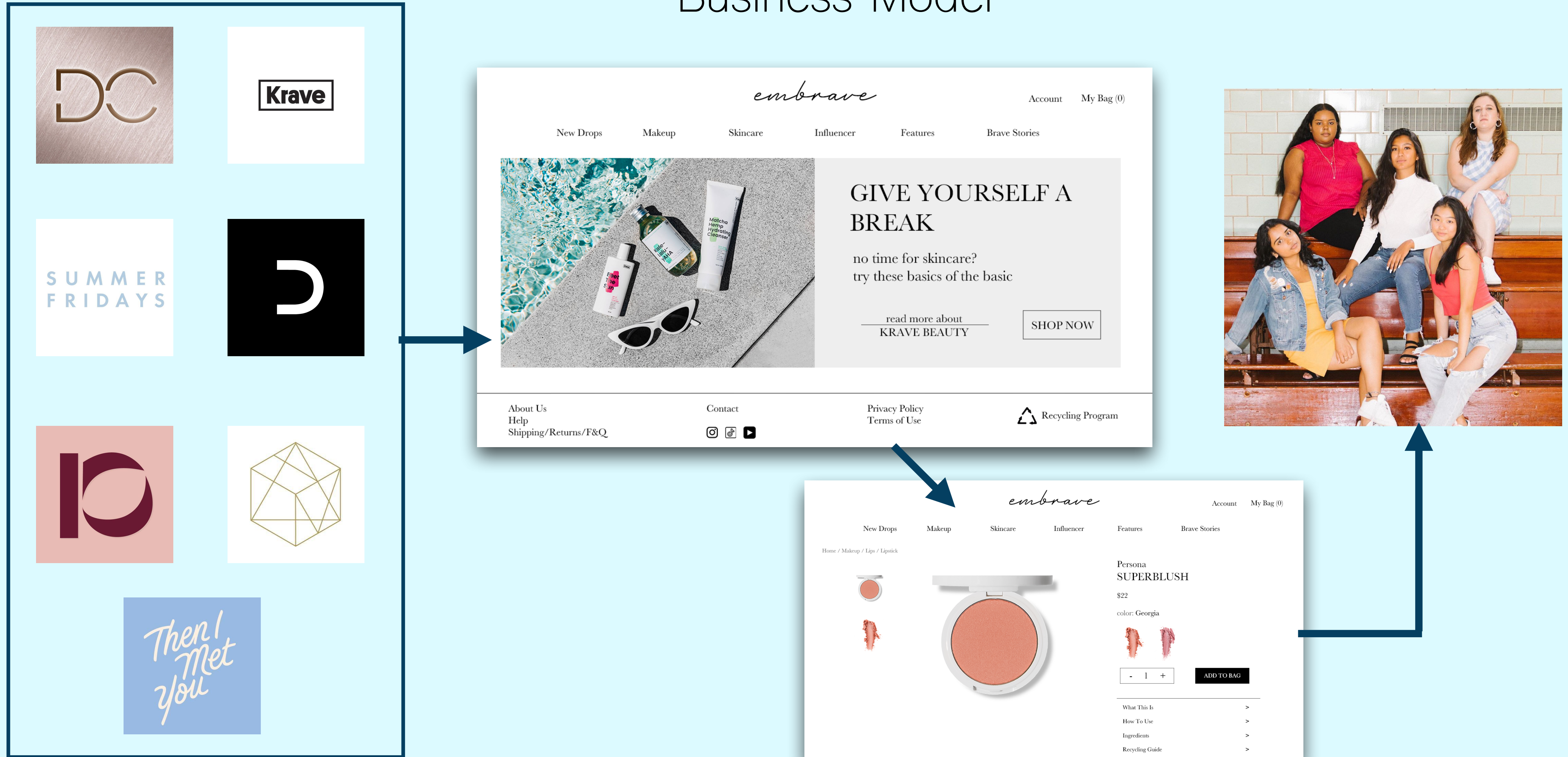
Out-going, optimistic, productive, adventurous and fun.

embrave



Logo design

Business Model



Embrave is a B2C online retailer buying wholesale from 7 influencer brands and retail it on the website to both Millennials and Generation Z as they're the ones that follow influencers the most.



Packaging design

embrace

Account

My Bag (0)

New Drops

Makeup

Skincare

Influencer

Features

Brave Stories



GIVE YOURSELF A BREAK

no time for skincare?
try these basics of the basic

read more about
KRAVE BEAUTY

SHOP NOW

About Us
Help
Shipping/Returns/F&Q

Contact



Privacy Policy
Terms of Use



Recycling Program

Homepage design

embrace

Account

My Bag (0)

New Drops

Makeup

Skincare

Influencer

Features

Brave Stories

Home / Makeup / Lips / Lipstick



Persona SUPERBLUSH

\$22

color: Georgia



- 1 +

ADD TO BAG

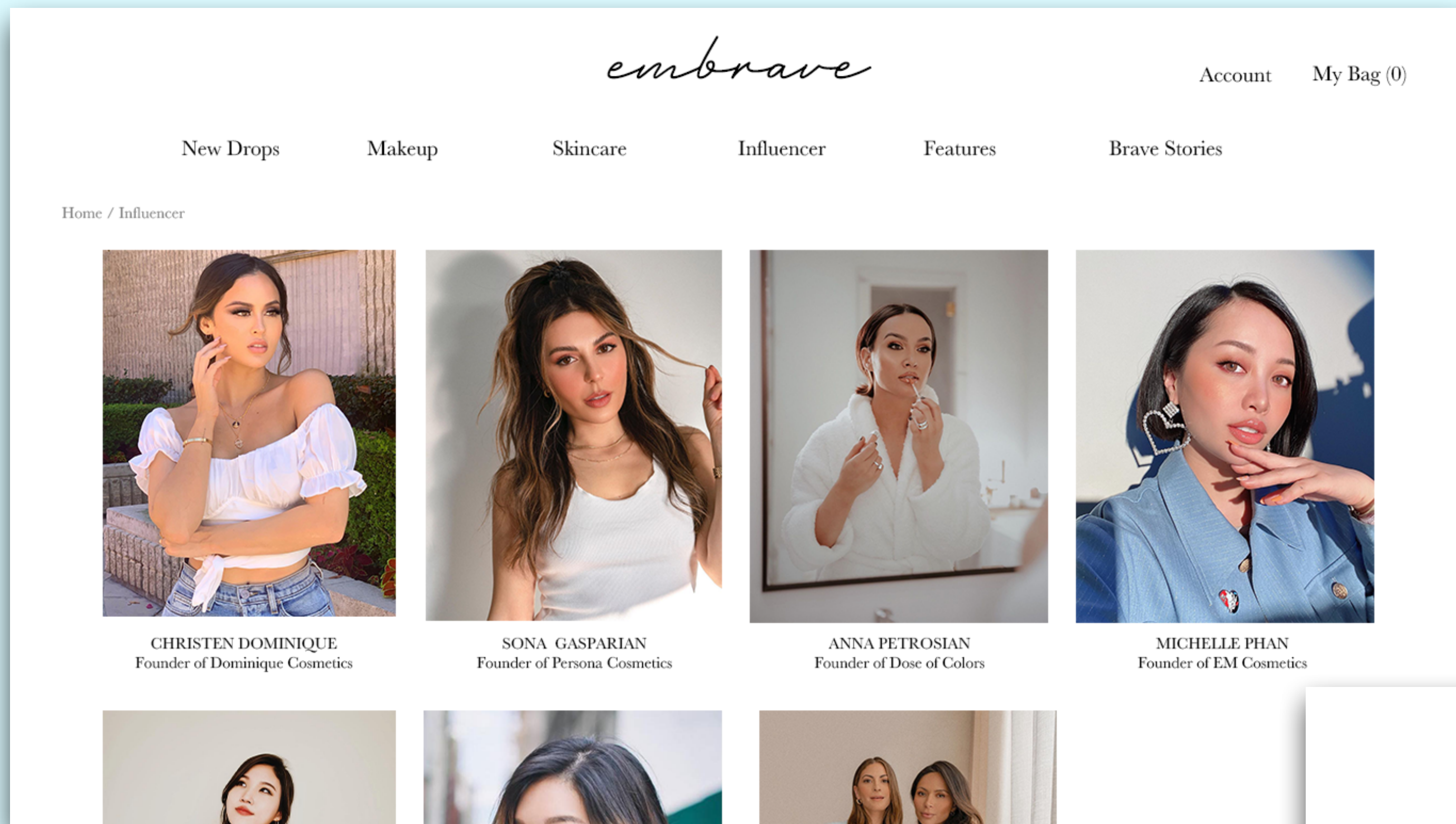
What This Is >

How To Use >

Ingredients >

Recycling Guide >

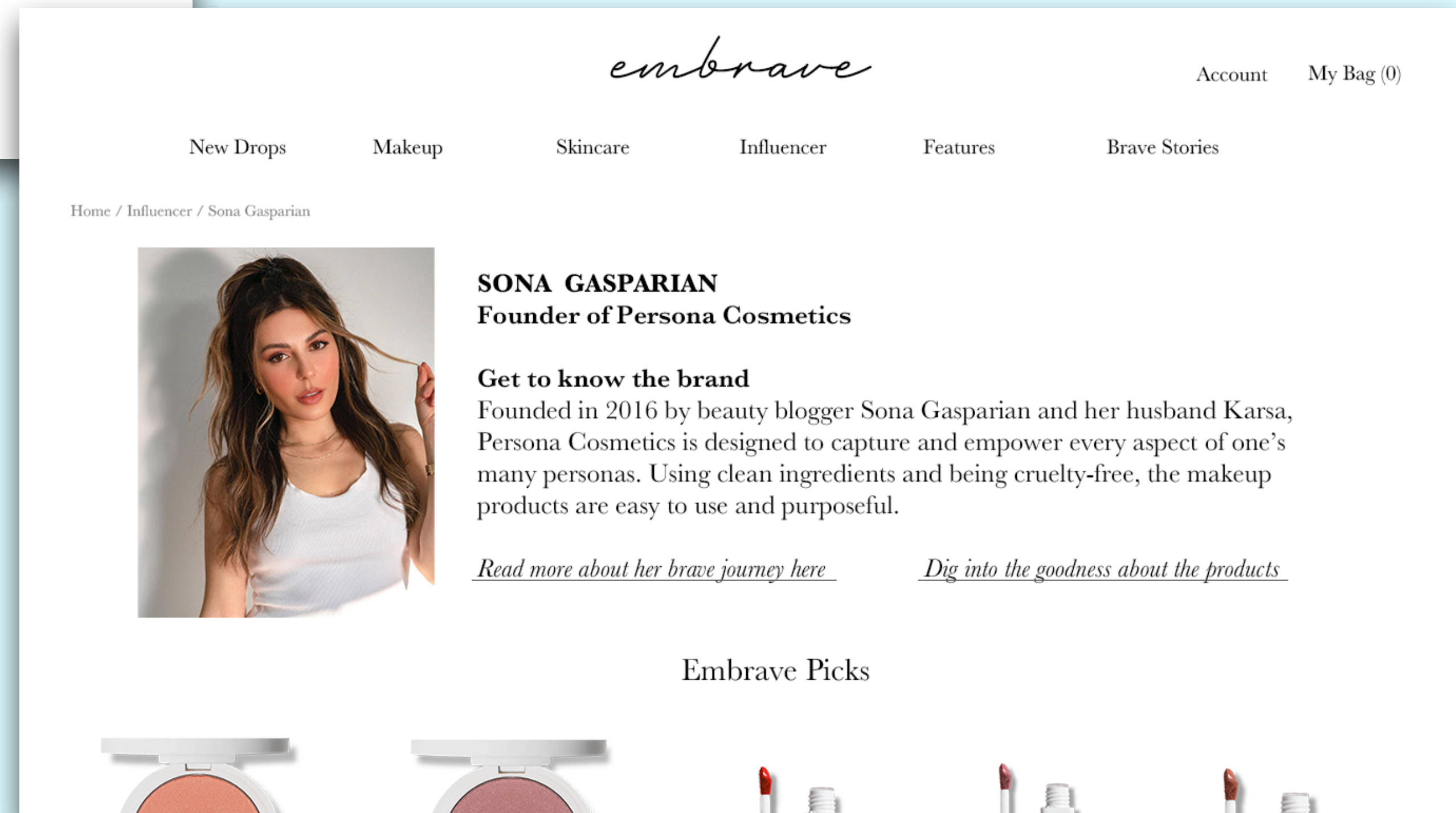
Product page design



Influencer page design

This page refers to the traditional category of brands. And this gives customer an overview of what influencer brands do we curate.

Once customers click a certain image of an influencer, they'll get to read a short brief of the brand, the founder and the products Embrace carries from this brand.



embrace

Account My Bag (0)

New Drops

Makeup

Skincare

Influencer

Features

Brave Stories

Home / Brave Stories



A Conversation with Michelle Phan

Those tears and joys behind the brand

EM Cosmetics Journey

All the pretty little things about the start

Dig In: How Your Favorite Lippies Are Made

A suggested read for lip junkies

More BTS stories from Michelle Phan and EM Cosmetics

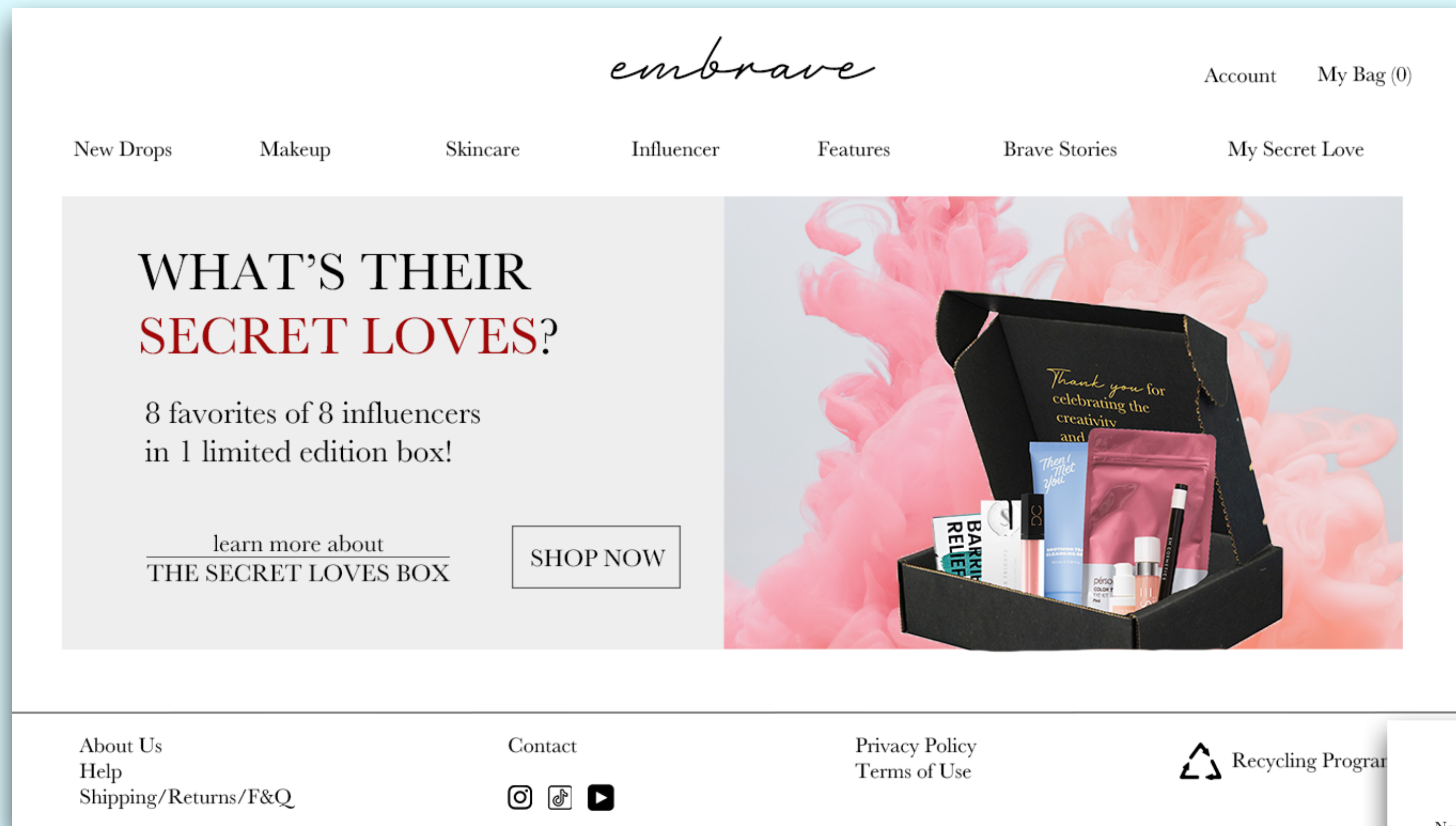
A Conversation with Anna Petrosian

How passion drives a dream come true

Here is where we would post insight stories of the influencer, their brands and their products. We would like to share customers more of their meaningful stories instead of selling the products directly to the customers.

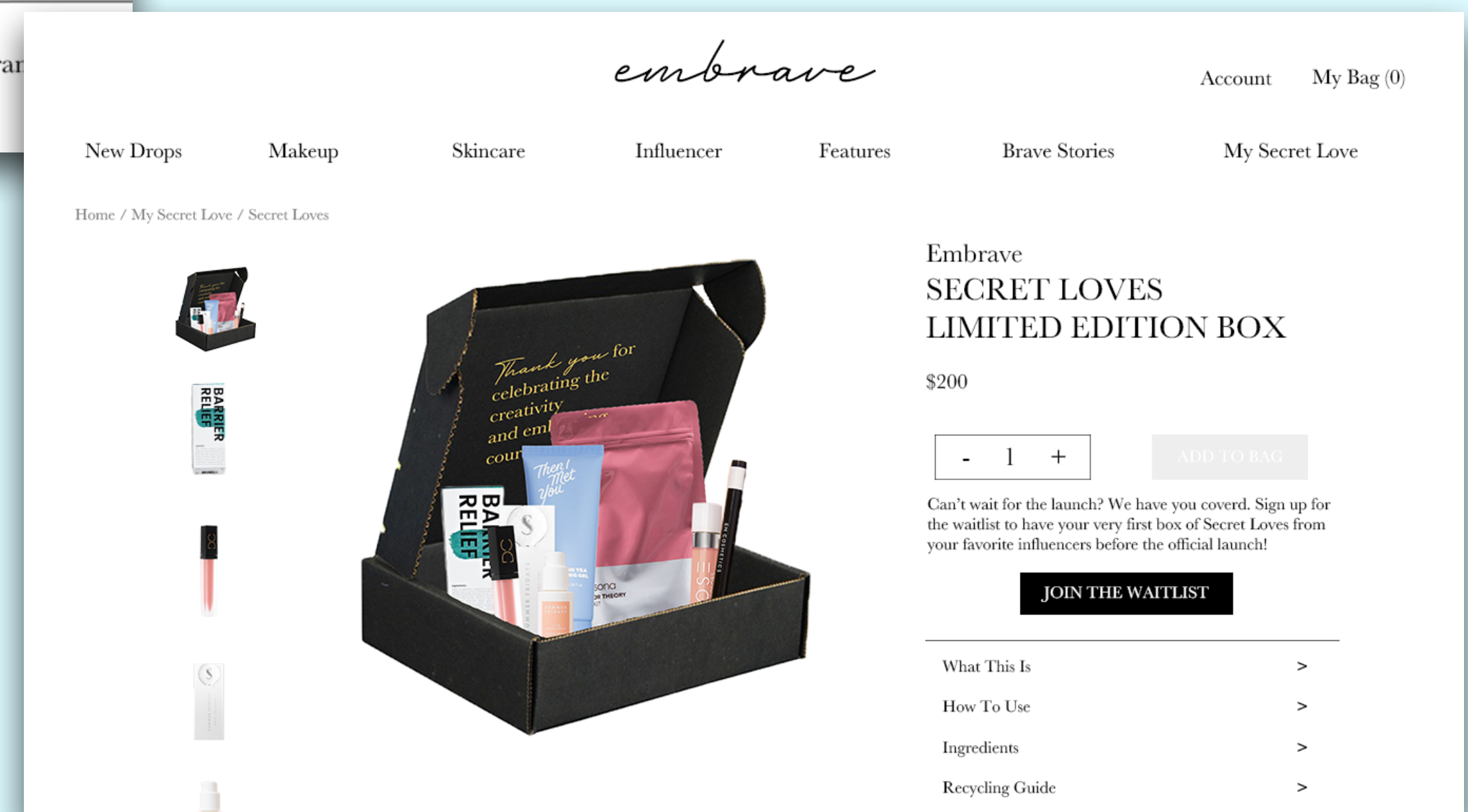
Educating the value of these influencer brands is one of the core mission of Embrace.

Brave stories page design

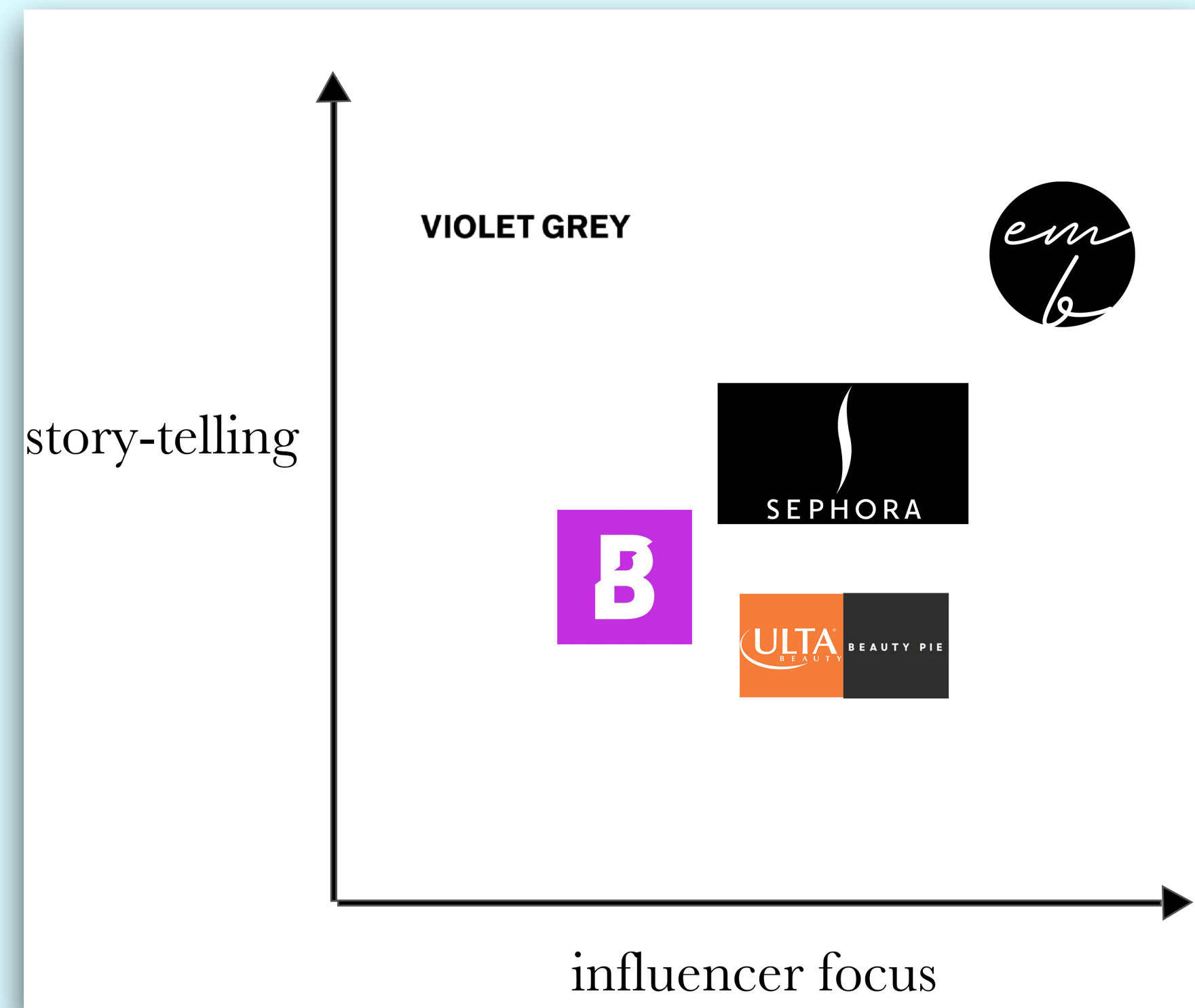
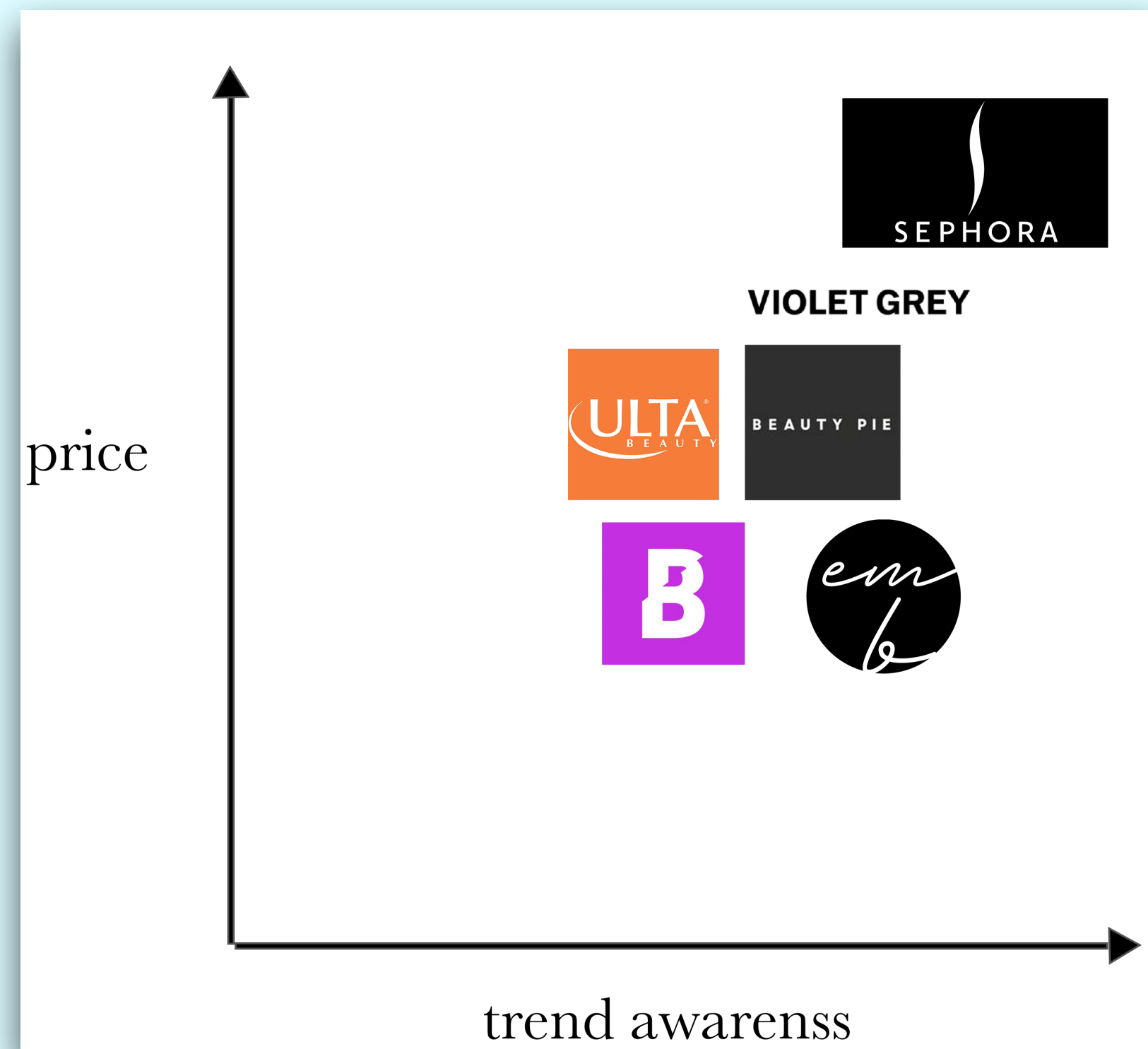


Launch campaign designs

With the title “My Secret Love”, we would invite influencers to share their secretly loved products with us and assemble them together as a limited edition box ready for pre-ordering and sell.



Brand positioning



Embrave's biggest competitive advantage is being the first platform to specialize on selling influencer-branded products.

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Target customer persona board # 1

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Preferable Apps



Characteristics

Out-going, optimistic, productive, adventurous and fun.

Target customer persona board #2

Work Cited:

Dose of Colors, Dominique Cosmetics, Persona Cosmetics, EM Cosmetics, Krave Beauty, Summer Fridays and Then I Met You's official website, Facebook and Instagram. Instagram (@annapetrosian_, @christendominique, @sonagasparian, @michellephan, @liahyoo, @marianna_hewitt, @laurengores and @charlottecho)

Software used: Photoshop