



F E N T Y B E A U T Y
B Y R I H A N N A

Analysis & Recommendation



Written By:

Morgan Peller, Mallory Spayd, Eknoor Sethi,
Phillip Denne, & Mackenzie Simmons

Dr. Carnes and Dr. Ash
Strategic Management
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Overview

External & Internal Environment

Fenty Beauty is a cosmetics brand founded by famous musician Rihanna with a “Beauty for All” vision. Through a VRIO analysis, we determined internal strengths (Exhibit B). The first internal strength is Fenty Beauty’s partnership with its holding company, LVMH. LVMH holds a 50% stake in the brand and sells through its luxury retailer, Sephora (Forbes). Therefore, Fenty Beauty has been able to create effective marketing campaigns that reach large audiences. Since its launch in 2017, Fenty has been able to form 1600+ points of sale in 17 countries with 40 foundation shades in order to gain a sizable market share within the cosmetics and beauty industry (LVMH).



Through a STEEP Analysis, we determined Fenty Beauty’s external factors (Exhibit A). An external opportunity that Fenty Beauty can focus on is that 15% of heterosexual men 18-65 currently use male makeup, and an additional 17% would consider using it in the future” (Ipsos). In addition, many male-identifying celebrities such as Harry Styles, Pharrell Williams, and Billy Porter wear makeup, which has helped to normalize men wearing makeup in their everyday lives. Another external trend is that “Twenty-three percent of men said they’d be more likely to try makeup if brands had dedicated products just for men” (Piacenza). Overall, the external environment is trending towards male makeup, which provides an opportunity for Fenty Beauty to capitalize on.

Executive Summary / Firm Recommendations

For the next phase of Fenty Beauty’s life cycle, our team recommends the company introduce a men’s cosmetic line to expand its customer base and further drive sales. Fenty Beauty has previously focused on the women’s market, but there is a market for men’s makeup as well. As society has become more open-minded, there has been a shift in societal attitudes toward gender norms. Men are no longer expected to conform to traditionalist ideals of masculinity. They are able to express themselves in ways that were once considered feminine. Due to the dissipating stigma around men wearing makeup, there is an increasing trend of men willing to try makeup.

It is important that Fenty Beauty creates an entirely new line exclusively dedicated to men, as men have expressed interest in purchasing products specifically designed for male skin. The men’s personal care market has grown by 9.4% this past year and is now worth \$63.5 billion. Comparing the trend with men’s personal care products to the men’s cosmetic industry, we expect a similar trend of growth within the market that can reach approximately 10 billion in the next five years (“Men’s Personal Care”). As the cosmetics industry continues to expand and evolve, Fenty can assess and capitalize on the demands and trends by forming new marketing campaigns centered around men’s makeup products while mitigating potential weaknesses and threats going forward.

Strategic Recommendation:

3-Year Plan

Introduction

After analyzing the demands and trends of the cosmetic market, our team has curated recommendations to increase the profitability and customer reach of Rihanna's beauty brand, Fenty. Our team's overall recommendation is to expand Fenty's target market to reach the male-identifying demographic. The first phase would be to analyze the demand for makeup products and how often they are being sought after by men. After doing so, Fenty would certify the men's cosmetic line with qualities that are important to those who identify as men, such as a "facial hair friendly" certification to clarify the quality and target market of the male cosmetic line. Furthermore, a survey would be conducted and sent out to men to estimate the sales demand and to ensure the product's availability for the men's cosmetic line launch.

The second phase would be to design the men's cosmetic line and what products it would consist of. Our team recommends that the initial product line consists of a men's starter kit to capture the new demographic. Further, the men's line would consist of products that are geared toward men to suit their skin's textures. The third phase would deal with social media advertising, including ambassadors to promote Fenty's new men's cosmetics line. Rihanna's partner, A\$AP Rocky, would be a key factor in the promotion of this new line, as well as bringing awareness to it, due to his wide fan base and loyal following. Advertising that A\$AP Rocky himself is partaking in applying makeup on a daily basis from Fenty's brand will influence his supporters to try it as well. Fenty can also onboard different heterosexual and male-identifying ambassadors to promote men's use of Fenty products. Now, we provide an overview of consumer trends and detail the steps to implement the recommendation.

Phase 1: Analyze Demand / Trends

Based on the prior strategic actions to take Fenty Beauty to a new level of business, a three year plan has been devised to expand Fenty Beauty's customer demographic. Seeing as recent studies have discovered that 32% of men are open to using cosmetics regularly there is a clear untapped market waiting to be fulfilled (Aragon). Fenty Beauty is known for their diverse makeup that suits skin of all shades and textures. Therefore, applying that same inclusive concept to men's makeup will not only increase Fenty sales, but show support for the men's cosmetic market.

Fenty's claim to fame has been its CEO Rihanna, who has promoted self-love, inclusivity, diversity, equity, and the importance of representation. Therefore, her social media campaigns have already included a male presence. Fenty expanding to include a male line would not seem out of place nor exclude the existing customers, rather it would include a larger demographic in the customer base.

Previous research has shown that men are searching for cosmetic lines that are suited and developed to specifically meet their needs. At this time, there is no drug-store cosmetic brand to carry an exclusive men's line catered to men's skin textures, facial features, and facial hair. Additionally, there are few overall makeup brands to carry men's makeup lines, such as Chanel, but their men's collections are extremely limited with products and offer little to no variation for skin shades and textures – which is something Fenty can and will provide due to its brand values.

Studies have shown that men are significantly more inclined to wear makeup if the product is cultivated specifically for their demographic and to meet their needs (Piacenza). It is so critical to create a new product specifically designed for men

because their skin is very different from women. War Paint describes skin differences in saying, “Men's skin tends to produce more oil than women's, we have larger pores, and we produce more collagen, which keeps our skin firm. We also have thicker facial hair to contend with,” (What's the Difference). Therefore, after using existing data about men's interest and desire for cosmetic products, further analysis will be conducted to determine which ingredients to use to ensure it meets the needs of men of all ages and skin types.

Phase 2: Formulation of Men's Line of Product

Based on the data collected in the phase of analyzing demand and market trends, production of the men's cosmetic line will begin about three months into year 1. An R&D team will be designated to the creation of the products that men showed high interest in such as foundation, concealer, tinted moisturizer, eyeliner, lip balm, eyebrow pencil, and eyeshadow. With these products in mind, the team will be producing a formula to suit men's skin of all shades and textures. Initially, Fenty can create a lower-priced sample starter pack of men's products to test each of the products in the potential line before investing in a full-sized men's product line.

As these products begin to fruition, focus groups will be conducted to see where the products are meeting expectations and where they are falling short. As feedback is received on the product line, the development team will be modifying and improving the products until 75% of the focus groups say they would try or purchase the cosmetic products and the team feels confident about the product and its success on the market.

Phase 3: Bring to Market/Spreading Awareness

As year 2 begins, Fenty's cosmetic line for men will be launched to market in stores such as Sephora and Ulta, and on the Fenty website. The product release will include full-size versions of each product that was developed, foundation, concealer, tinted moisturizer, eyeliner, lip balm, eyebrow pencil, and eyeshadow, as well as a men's starter kit. This starter kit will allow men who are interested in men's makeup but don't know where to start exposure to the greatest variety of Fenty products. This bag will include the travel size of all of the men's products offered in all of the shades of foundation and concealer to ensure men of all skin shades have access to this starter kit. This starter kit will introduce a way to explore men's makeup in a noninteracting manner and create future customers for full-size products that suit consumers' individual needs.

In this new product line launch, Fenty's target audience is men under the age of 30. To best reach this audience, we recommend promoting through social media channels and using influencers to spread awareness. Fenty can utilize Rihanna's partner, A\$AP Rocky, to promote Fenty's new men's cosmetic line. A\$AP Rocky has a large following and fan base, and due to his connection to Rihanna, his promotion of Fenty's new men's line will open up to a larger demographic, and A\$AP Rocky can advertise the cosmetic line and its products on his social media.



Along with this, Fenty should increase its use of men in advertisements on social media to increase awareness of these new products. Onboarding male influencers and ambassadors that identify as heterosexual or in the LGBTQ+ community to promote men's usage of Fenty products, and how men that identify in various different ways can all use the products. Fenty can reach current customers by posting content on its own social media platforms. To reach a larger audience that includes men, Fenty can send the new products to male influencers in exchange for a video demonstrating how the product works. Some influencers with a large following in this space include Jeffree Star, Mario Dedivanovic, and Bretman Rock. Each influencer will be provided with a unique link that gives their audience a 10% discount code on their first men's line purchase. This will increase awareness of the product, as well as attract more individuals to purchase the products.

Phase 4: Review/Modify

As year 2 comes to a close, and the makeup brand has been on the shelf for about a year, Fenty will receive a large amount of feedback from users of the products as well as individuals who refuse to use the products. Feedback from both parties needs to be considered, to see how improvement can be made to the product. Additionally, it will highlight other gaps in the market where Fenty beauty can provide products for consumers and expand the cosmetic line, whether it's more shades, more products, or more product variation. Responses to this feedback is imperative for the future success of Fenty's men's line, as they continue to grow and improve and revolutionize the Men's cosmetic industry.

In terms of mitigating risks, it is important to note that the recent anti-LGBTQ+ legislation could discourage some men from wearing makeup due to it potentially being perceived as emasculating. Discriminatory laws and policies create environments that are hostile toward the LGBTQ+ community, making it more difficult to express themselves freely. However, Rihanna's promotion of these issues will call attention to the brand in the media, as there is a societal push for CEOs to speak out on social injustices and responsibilities, as 56% of consumers have no respect for CEOs who remain silent on social issues, and 64% of consumers say it is extremely important for CEOs to take positions on social issues (Bersin). Fenty Beauty has previously established itself as one of the most inclusive makeup brand, and can continue to do so by launching a men's makeup line. Fenty Beauty can communicate their views to consumers through participation in the men's cosmetic industry as well as hiring diverse models of all sexuality, gender identity, and races.

Appendix

EXHIBIT A

STEEP

Sociocultural

1. Societal Attitudes: As society has become open-minded, there has been a shift in societal attitudes toward gender norms. Men are no longer expected to conform to traditionalist ideals of masculinity. They are able to express themselves in ways that were once considered feminine. Due to the dissipating stigma around men wearing makeup, there is an increasing trend of men willing to try makeup, as “15% of heterosexual men 18-65 currently use male makeup, and an additional 17% would consider using in the future” (Ipsos).
2. Celebrity endorsements: Many male celebrities such as Harry Styles, Pharrell Williams, and Billy Porter wear makeup, which has helped to normalize men wearing makeup in their everyday lives.

Political/Legal

1. Recent anti-LGBTQ+ legislation could discourage some men from wearing makeup because it could be perceived as feminine. Discriminatory laws and policies create environments that are hostile toward the LGBTQ+ community, making it more difficult to express themselves freely.
2. There is a societal push for CEOs to speak out on social injustices and responsibilities. 56% of consumers have no respect for CEOs who remain silent on social issues, and 64% of consumers say it is extremely important for CEOs to take positions on social issues (Bersin).

Appendix

EXHIBIT B

VRIO Component	Resource/Capability 1: Inclusive Marketing Approach	Resource/Capability 2: High Quality Products
Valuable	<p>Yes “unprecedented spotlight on the need for diverse beauty products” (TIME)</p> <p>helped the brand make >\$500M in sales in the first year (Yahoo Finance)</p> <p>The average unit price of foundation is \$9.64, but Fenty charges \$40 because of the value created through offering 50 shades (Statista).</p>	<p>Yes spent 2+ years creating the right formulations for inclusive products</p> <p>47% of women research ingredients in concerns of health risks and to ensure they’re safe and co-ethical (“Ingredient Trends in Beauty and Personal Care”)</p>
Rare	<p>Yes Fenty had a unique positioning strategy, creating products in alignment w/the “Beauty for All” vision</p>	<p>Yes forming HQ products through rare ingredients was a “personal process” dedicated to being a “complete sensorial experience” (Fenty)</p> <p>break down of what ingredients are featured, where they’re from, and how they’re used</p>
Imitability	<p>Yes virtually the first brand in the industry to adopt this inclusive approach and make it popular</p>	<p>Yes clean ingredients Fenty uses relative to Rihanna’s upbringing</p> <p>Large amounts of capital due to the success of the founder and world-class partnership make it simpler to find and implement rare ingredients like Vitamin-C rich cherry from the homeland of Barbados, Australian Lemon Myrtle, and Kalahari melon (Fenty)</p>
Organized to Capture Value	<p>Yes looking to gain revenue and market share by appealing to more skin tones so that “women everywhere would be included” (LVMH)</p>	<p>Yes all products are “extensively tested” for safety, allergy, third-party safety review (Fenty), helping brand use HQ products as differentiation strategy; helped brand expand with innovation of Savage x Fenty</p>

Appendix

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