

Marketing paper –  
mac cosmetics –  
product and place  
strategy flashcard



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Working on a simple all encompassing Brand Positioning of Makeup for All ages, all races, all sexes, its brand values project MAC Makeup as attitudinally hip, artfully irreverent, dedicated fully to the art of self-decoration and the realization of the Individual. The brand personality is cosmopolitan, innovative, irreverent, Original, which has almost created a Cult like following. Loved by women of all ages, it is one of the few fashion brands which truly transcend age. (Viral Marketing, November 9, 2007). MAC fits into the classification of consumer products known as “ shopping products”.

A shopping reduce is usually more expensive than a convenience product and is found in fewer stores. Consumers usually buy a shopping product only after comparing several brands or stores on style, practicality, price and lifestyle comparability. They are willing to invest some effort into this process to get the desired benefits. There are two types of shopping products: homogeneous and heterogeneous. MAC is perceived as a heterogeneous product because consumers perceive it as being essentially different – for example, furniture, housing, clothing and universities. MAKE 200 – Student Edition, 2013. Lamb/Hair/McDaniel) As one of the 25 individual cosmetic brands that are owned by Estee Lauder cosmetics, MAC varies in use and performance and meets the needs of specific market of women with its products. (MAKE 200 – student Edition, 2013. Lamb, 'Hath/McDaniel). From the very beginning the marketing strategy was to create makeup for makeup artists for fashion, movies and theatre. Endorsement through word of mouth was generated by Glenn away cosmetics to makeup artists who

worked with top models and actresses In the early years of the Franks venture.

The early adopters are still what gives MAC its solid foundation in the industry. As well over the years, MAC away from the safe and obvious. This is where they captured the industry professional as well as the upwardly mobile woman who loves fashion and looking good. Through the maturity stage, MAC has transitions beautifully and marketing its brand where it is accepted and loved by women from all social and economic classes. They have a keen sensitivity to pop culture and helps to guide what they do.

Since its philosophy is to create makeup for all ages, sexes and races, it has never shied away from affiliations with controversial artists and personalities that are known the world over (Love to Know Makeup. Michaels, Jodie. Www.lovetoknowmakeup. Com). MAC is currently in its maturity stage. It is a well received brand that is currently expanding its product presence into other countries outside of the United States. Many of these countries are impoverished, such as Nigeria, but it has not stopped MAC from going against what is considered to be normal to create new clients and expand its market.

Because the North America market has been struggling, they felt it was wise to take chance out of the country to capture new markets (Coleman-Locker, Lauren. 2013). Paper #3 – Place Strategy Place, or distribution, strategies are concerned with making products available when and where customers want them. A part of this P – place – is physical distribution, which involves all the business activities concerned with storing and transporting raw materials or

finished products. The goal is to make sure products arrive in usable condition at designated places when needed. (MAKE 200 – Student Edition, 2013.

Lamb/Hair/McDaniel). MAC uses distinct placement strategies to distribute its product. MAC Cosmetics intensive distribution takes place at mainly all MAC Pro store's, major department stores or international perfumeries, (Nordstrom, Dillard's, Macy's, Bloomingdale's, Neiman Marcus). This allows them maximum coverage and keeps the product available in every outlet where the potential customers might want to buy it. If buyers are unwilling to search for a product, it's very accessible. They accomplished this by placing it in the types of stores that their target market frequents. MAKE 200 – Student Edition, 2013. Lamb/Hair/McDaniel). The only difference between the MAC Pro Stores and the department store counters is the variety of products that are available. Because MAC was first created to cater to the needs of the make-up industry professionals, it's lines within the PRO stores cater to those needs. There you will find, pigments, palettes, some primers, air brush machines along with old and new limited edition items that are specific to their store and will not be found at the department store counters. This is the only distribution that MAC uses.

They do not use wholesalers, and although many inquire about becoming a wholesalers, they currently only use the aforementioned type of placement for their products. ( MAC Cosmetics Frequently Asked Questions. Specialty stores. The department stores carry a wide variety of shopping and specialty goods, including apparel, cosmetics, housewares, electronics and sometime furniture. Macy's, Nordstrom, Neiman Marcus, and some of the larger US <https://assignbuster.com/marketing-paper-mac-cosmetics-product-place-strategy-flashcard/>

department stores that carry MAC. On an international level they are carried in perfumeries. (McKinney, Lauren. Www. Wordless. Com, April 30, 2012.

MAC Promotion Proposal) (MAKE – 200, 2013. Student Edition.

Lamb/Hair/McDaniel) After much research I was unable to find the shipping information for MAC. I do know that currently they are unable to ship cosmetics out of the United States to foreign entries and they ask that clients go to the stores nearest to them in their country. Outside of the stores, MAC has a strong on-line presence with clients purchasing products. You can ship same day, next day, two day or just standard mail which takes up to 5-7 business days. These products are all shipped within the US.

The cost of the shipping depends on how soon you want your product to arrive and can range in price from \$5. 00 to \$17. 00 for product ranging in price from \$0-\$50 USA dollars. A standard package over \$50 US dollars is free and is minimal cost for same and next day service. (MAC Cosmetics. Shipping & Handling Fee, 2013. Www. Mastectomies. Com) MAC ' s distribution process has worked very well for the company over its 29 year existence. Customer service is there #1 concern, and not just selling the products to women, but making sure they know how to confidently wear them, and wear them well.

The make-up artist at the counter is their most valuable asset, the president of the company will brag. It is there one on one approach to the customer that has made it a company that is demanding to be noticed both in and out of the United States. (Esteem Lauder News. Company Newsletter, 2013. Wry. Stewardesses. Com) Works Cited 1 . McKinney, Lauren. Www. Wordless.

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Com. April 30, 2012. MAC Promotion Proposal. 2. Balance, Mel. ISSUE. MAC Cosmetics Brand Analysis. 3. Viral Marketing. Wwww. Variegating. Com. November 9, 2007 4. MAKE 200. Student Edition, 2013. Lamb/Hair/McDaniel. Page 214, 234-235. . Michaels, Jody. Love to Know Makeup (website) Company History MAC Cosmetics. 6. Wisped, the free encyclopedia. MAC Cosmetics. 7. Coleman-Locker, Lauren. (March 21, 2013) Bloomberg Businesslike. With MAC, Estee Lauder Enters Emerging Markets 8. Estee Lauder News, 2013. Company Newsletter. Wwww. Stepladder. Com. MAKE 200 – papers 2 & 3 Professor Rich Lewis September 24, 2013 1 . MAC is sold in 66 countries across the globe in 1000 outlets. 2. MAC's founder says " I don't have the luxury of communicating with my clients, so therefore my salespeople are the link between my philosophy and their customers. This is the reason why MAC assistants on shop counters are trained to advice customers on makeup techniques, formulas, and latest trends. Proving the fact that the brand pull is so strong that consumers flock these few stores to buy MAC cosmetics giving it a cult like following. So when a mass market brand like L'Oreal or a premium brand like Cliques spend lions on advertising, a brand like MAC does it all by inspiring its stakeholders in non intrusive and subtle ways without spending a fortune on advertising. In 1994 MAC started retail industry first charity called MAC AIDS fund.

In 1994, Mac was one of the first to bring charity to retail sector. They started MAC AIDS fund for men, women and children affected by AIDS. The same year they launched VIVA GLAM lipstick. MAC decided that every cent of the selling price of the VIVA GLAM lipsticks would go to the AIDS Fund. VIVA Gleam's first lipstick was red in color which symbolizes the fight against

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AIDS/HIVE throughout the world. With a total of six shades of Viva Glam lipstick and two shades of Viva Glam 'lipase' now sold worldwide, and through the annual Kids Helping Kids Card Program, Cosmetics has provided over \$95 million (US) to date for the AIDS Fund.

MAC pays for the ads and its production, the packaging, the shipping and of course their lost profit margin out of their own pocket. It worked wonders for the MAC brand as the offer was refreshingly straightforward " Every cent of the selling price of MAC Viva Glam Lipstick and Lipase is donated to the MAC AIDS Fund to support men, women and children living with HIVE and AIDS. MAC holds Viva Glam gala and fundraiser annually to raise funds for its charity and VIVA GLAM lipstick has become one of the fashion world's most glamorous and successful fundraising initiatives of all time.

From the beginning the brand has targeted the premium segments with its pricing. Regular introduction of new trendsetting ranges and colors kept the excitement alive like the latest one is ' Antiquities' inspired by antique look. MAC has done some Periodic ads featuring unlikely celebrities such as flamboyant entertainer RuPaul and Elton John. In 1995, RuPaul was signed to a modeling contract for MAC cosmetics, making him the first drag queen supermodel. MAC has never shied away from affiliations with controversial artists.

PR strategies used by MAC: reviewed by various beauty websites and beauty bloggers which is one very powerful SEO tool and increase the credibility of the brand. A few examples are as below: <http://afterburner.com/2007/10/praying-to-god-of-Mac>. HTML Off late MAC has started heavy

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usage of PC advertising. Search for cosmetics or any beauty related term on the Internet and you can see MAC all over the Internet. Marketing Tactics used by MAC over time: 1 . Halloween: 25 different looks for Halloween-? from ghoulish to feminine to downright scary-? highlighted on its Web site, Mastectomies. Mom and at all M. A. C. Counters. 2. Back to MAC: “ Because we share your commitment to the environment, accepts returns of its primary packaging through the Back to Program. By returning six primary packaging containers to a counter or Cosmetics Online, you receive a free Lipstick of your choice as our thanks to you. 3. Barbie colors cosmetics line of cosmetics: MAC has teamed up with Matter to launch a Barbie line. The line is intended for adults, and comes with its own limited- edition MAC-themed Barbie doll 4. Temporary websites dedicated to a particular new launch like [http:// www. Robersonville. Com/](http://www.Robersonville.Com/) 5. Bamboo – Bamboo is Loon’s first free for all Fashion Club in East London. Bamboo isn’t serious, poses or full of egos; it’s fun, inclusive and unpretentious club unlike fashion which is meant to be exclusive. The fashion ethos at Bamboo is simple: if all else is luxury brands, don’t try and compete – be different, be brilliant on your own terms, create something out of nothing and feed off the sense of community surrounding you. Its frequented by fashion celebrities and is aid to have revived Loon’s fashion scene and London Fashion Week.

MAC has tied up with it in smart way by selling MAC and Bamboo co-branded T-shirts. Team 4: MAC Cosmetics MEDS 3850 Promotion of Apparel and Home Furnishings Promotion Campaign Report This promotion plan for MAC Cosmetics seeks to improve the innovative promotions that MAC is already implementing and add new ideas to the mix. The overall goal of the plan is to

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get MAC to its full potential through the use of fresh advertising and marketing techniques that will fully showcase the company's many unseen strengths.

The MAC brand has many different opportunities in its current field and target market and can be further pushed to its entire capability to achieve a wider range of consumers. Other opportunities for MAC include using new forms of advertising to reach new cohorts of consumers, showing how MAC can transition from a daytime look to a nighttime look, and, of course, implementing most of MAC's current promotions in a new and improved way. MAC's new promotion plan will use its current strengths to its advantage and help redirect the brand so the strengths do not pose any sort of threat to its overall success.

MAC's competitors range from drug store makeup brands to higher end, more luxurious brands. MAC's position relative to its competitors is extremely important to the future of the company and its promotions. MAC has always been seen as a more expensive and more avian-garden brand. Through this new promotion plan, the company will be repositioned to reach more consumers that might have been scared to try MAC products due to its perceived extravagance.

The target market for MAC Cosmetics will experience some changes with this new promotion plan as we strive to include a more conservative, mature consumer. While redirecting this brand, the plan will work to keep the original target market by simply using tactics to appeal to a broader range of individuals. The new promotion plan for MAC will focus on print advertising,

direct mail, and interactive advertising. The plan is to focus on MAC's current promotions and further develop these ideas into successful marketing tactics.

This new plan will add a new look to the print advertisements that MAC is already executing, send out direct mail-outs to customers to develop more brand loyalty and appeal to new consumers, and introduce the concept of interactive media to the brand through smart phone applications, interactive store kiosks, and mall events.

2. Preliminary Research: 2. 1 Current Marketing Plan Frank Task founded MAC Cosmetics in 1984 ("The MAC Cosmetic," 2007). He was a photographer from Canada who wanted to invent a cosmetic product that was more artistic and achieved the right look for stage lighting conditions.

The cosmetics company is one of the few brands on the market that has colors for all skin tones. MAC has created over 160 lipsticks and 150 eye shadows to date, while also creating limited edition lines ("The History behind," 2006). According to Viral Marketing "The Brand personality is cosmopolitan, innovative, irreverent, original, which has almost brands which truly transcend age ("The MAC Cosmetic," 2007). " MAC's current promotion plan is to portray this personality to their niche market through word of mouth, which Task did so by giving the products to top notch make up artist who work with models and actresses.

Through this MAC has built a well-known reputation for itself with using very little advertising. In 1994, once MAC's name had become better known, MAC started a new charitable promotion plan, the MAC AIDS Fund. Their new line

VIVA LA GLAM, which was a lipstick where every cent went towards men, women and children fighting against AIDS. The first lipstick was the color red, which symbolizes the fight against AIDS throughout the world. MAC has always used celebrity endorsements to advertise for VIVA LA GLAM.

Currently they have been using Lady GAGA for their advertisement, GAGA is a woman who has struggled with her sexuality, hence why she is the perfect person to represent for the MAC AIDS Fund. MAC has provided \$128 million dollars towards the MAC AIDS Fund, while paying for their own advertisements, packaging, and shipping out of their own pocket “ The History behind,” 2006). MAC also gives back to the community by being environmentally friendly through their BACK 2 MAC campaign. The BACK 2 MAC campaign helps the environment by encouraging consumers to recycle their old cosmetic containers.

When a consumer returns six of their old MAC containers they will receive a free lipstick of their choice. The BACK 2 MAC campaign is not only helping out the environment but also giving their customers an opportunity to try out a product that they might not necessarily buy with their own money. MAC is sold in 66 countries around the world and in 1, 000 outlets (“ The MAC Cosmetic,” 2007). MAC is considered a high quality cosmetic company, selling their products in a higher price range.

With their average pricing ranging anywhere from fifteen to twenty dollars for their basic make up, and for a more high end products it can price much more than that. MAC products are often sold in more high-end malls generally having their own stores. If you were to see MAC in a department

store it would be a more luxurious department store such as Nordstrom and Dillard's. 2. 2 Target Market Analysis Since MAC was founded as a product made for an artistic community based off of stage lighting, it is geared towards more off niche market segment. MAC is a cosmetic company meant for all ages, sexes, and races.

But when said that it is meant towards all ages, sexes, and races it is not always meant for your average everyday makeup. It is targeted to the more artistic person, who is daring to be different and innovative. As stated earlier in the paper, MAC is a more "cult" like culture. Their products are more vibrant and out there, which is meant for a very small segment in the cosmetics market. MAC doesn't attract the consumer who is looking for cosmetics that they could wear to work or school, they attract the consumer who is artistic and independent in their life style.

While MAC does have it's charitable organizations through MAC AIDS Fund and BACK 2 MAC to draw in consumers who are willing to give back to their community while also doing something for themselves. MAC doesn't advertise these organizations well enough to bring in new consumers who are looking for a cosmetic company who gives back, it is more known to their already existing consumers and that is what MAC wants to achieve through this promotional campaign, to broaden MAC's customers.

They have a strong customer loyalty through their existing consumers, but MAC needs to draw in new consumers. The way to do this is to change their promotional strategies and use more than just word-of-mouth. 3. Situational Analysis 3. 1 Internal Factors MAC's current promotion campaign consists of

word-of-mouth, magazine ads, online merely \$7, 795. MM on advertisement each year, which is nothing compared to what other cosmetic companies spend for advertisement, estimated at 2. 7 billion yearly (Laotian, 2010). MAC relies on word-of-mouth and letting loyal consumers spread their love of MAC Cosmetics. “ M. A. C word-of-mouth promotional strategy helps M. A. C cosmetics promote itself by “ letting the brand speak for itself. This particular strategy has been used by M. A. C since it was first introduced to famous celebrities, which allowed M. A. C to be exposed to the public and become one of the most famous cosmetic lines today (Laotian, 2010). ” MAC uses celebrity endorsements in almost all of their magazine advertisements. “ M. A.

C is well-known because of the celebrity exposure it gets from high rank clientele. ” Some of MAC’s current celebrity endorsements include Lady Gaga, Boy George, Ferrier, Cindy Lapper and many more (Celebrity Endorsement Ads, 2011). MAC is very successful at promoting its cosmetics wrought social media like Faceable, Twitter and Youth. MAC currently has Faceable likes and 57, 535 Twitter followers (Fan page List, 2011). MAC Cosmetics Youth channel consists of promotional videos featuring celebrities as well as how to videos from MAC makeup artists (MAC Cosmetic’s Channel, 2011).

MAC has also had successful promotions through creating product partnerships with other brands such as Hello Kitty, Barbie, Wonder Woman, Lilly Pulitzer and Alice + Allots (Template, 2010). SOOT Analysts STRENGTHS: MACS current promotion campaign VIVA GLAM has helped MAC AIDS fund raise 202 million dollars since 1994. MAC promotes its products to all ages, <https://assignbuster.com/marketing-paper-mac-cosmetics-product-place-strategy-flashcard/>

sexes and races by using endorsements from different celebrities like Lady Gaga, Boy George, Ill Kim, Pamela Anderson, Johnny Weir, Missy Elliot, Ferrier and many more. MAC has made itself really well known by using bright flashy advertisements.

MAC currently has 2, 420, 685 Faceable likes and 57, 535 Twitter followers (Fan Page List, 2011). WEAKNESSES: MAC only advertises their products online and with magazine ads, not utilizing other forms of promotion. MAC primarily uses extreme makeup in their advertisements, which doesn't attract a broad audience of people. MAC doesn't promote their BACK 2 MAC recycling program very well and many consumers don't know what it is. MAC primarily focuses their promotions on their VIVA GLAM line of products and not all of the other lines they carry.

OPPORTUNITIES: By using other forms of advertising, such as direct mail, kiosks and a phone application MAC will reach more consumers. By informing consumers about the BACK 2 MAC program MAC will recycle more used containers and get more consumers shopping in their stores. By showing advertisements with day time makeup looks MAC will attract more conservative women who want to wear their keep to work and out at night. By using other celebrities like Jennifer Animation who aren't as flashy as MACS current endorsers MAC will attract the consumer who wants to wear her makeup a little more modestly.

THREATS: By using multiple advertising outlets MAC could possibly over saturate their consumers with too many advertisements. By showing how MAC makeup can be used for daytime looks consumers may too closely

compare MAC to other makeup brands buy MAC products with coupons or during sales promotions and not at full price, which could cost MAC some revenue. While giving free samples and complementary speakers will draw consumers into MAC they may just take what is free and not make any purchases, losing revenue for MAC.

### SOOT Analysis

## 3. 2 External Factors

### 3. 2. 1 Market

#### 3. 2. 1. 1 General Dynamics

MAC is known for taking a bold approach to cosmetics and not being timid by what the standard is to achieve beauty. They were founded as a cosmetic line for artists and that still stays true today. The company's dynamic reflects a daring side to cosmetics and allows make-up artists to be free of creativity and ideas. MAC has been very successful in producing a quality brand but with such an extreme dynamic look it can shy off the everyday consumer. The industry of cosmetics is various in all different types of products while marketing to all different types of consumers.

Instead of taking the "match-match" approach that most cosmetic company's do with matching the right eye shadow with the appropriate eye color, MAC used a more untraditional route (Harris, 2011).

### 3. 2. 1. 2

#### Consumer Behavior

This industry is all about enhancing and beauty with products that make the skin more even, the eyes more radiant and the lips more luscious. Although MAC offers products that do what all the traditional make up lines do, MAC takes the meaning of tatty and mixes it with art.

They advertise these traditional products in a unique way by favoring the art side by adding words like "studio" and "glamour" into their product names (Harris, 2011). Although MAC has a solid product it is seen that a softer

approach would be in their benefit. A softer approach will draw in the

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everyday consumer instead of having the feeling of intimidation. The consumer demands that their cosmetics boost their self-esteem and enhance their feature to help them feel more beautiful. In the narrow product category of art make up there are changes that could be an advantage to companies with this category.

When advertising art make up it creates a very small target market and can eliminate possible sales. MAC should try and shy away from a narrow market and market to a more general audience. Instead of using gallant ad campaigns with bold celebrities, maybe consider putting an average consumer in an ad to show the versatility of the products (Arose, 2009). As it could appear MAC could use different promotion strategies to achieve this goal of relating more to the traditional consumer. The promotions that they have now are good ideas but not implemented well enough to increase revenue.