

# Digital Marketing in the Makeup Industry - Attraction and Retention of Generation Z

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## ABSTRACT

This study investigates the changing nature of marketing, especially by the makeup industry, as Generation Z increasingly employs its growing purchasing power. What do attraction and retention marketing tactics look like as brands seek to win Generation Z consumers? The research investigated the significance of Generation Z's purchasing power, and found that younger consumers value personal connections, authenticity, and engaging with brands over digital platforms. Specifically, in the makeup industry, social media, beauty influencer partnerships, and storytelling are employed to attract Generation Z. Brand communities, satisfying consumers, and loyalty programs are used to retain the younger consumers. A case study of the makeup brand Glossier illustrates how a digitally native brand uses digital tactics to win over the tech-savvy generation.

## **Background**

### The Rise of Generation Z

The shift of purchasing power is starting to lean towards Generation Z, born 1997 - 2012, as opposed to Millennials, born 1981 - 1996. Generation Z's purchasing power has caused this demographic to be a new target of brands aiming to win them over. While many brands may still target Millennials as their main demographic, the potential of Generation Z has not gone unnoticed (Fromm and Read, 2018). The recent shift of purchasing power has led marketers to integrate new tactics to reach out to the new generation. This generation is different from others, since the majority have been brought up solely in the digital era. Generation Z is on the rise, passionate to see brands go all out and prepared to engage.

### Digital Marketing for Digital Natives

Generation Z is a generation of "digital natives." The birth of social media has flourished in the current digital age (Widyanto and Agusti, 2020). The digital age represents a time where information is available to a wide variety of people, made possible through digital technology (Thomas, 2019). Generation Z on average spends 8 hours a day on their mobile devices (Vuleta, 2022). This makes digital channels an ideal place for brands to market themselves and their products towards these younger consumers. Marketing as a whole is known to have an impact on the different aspects on Generation Z's attitudes as well (Duffett, 2017). Social media has allowed brand-consumer relationships to be deeper and more effective. Expedient development of media channels is important for digital marketers, as it is beneficial for their campaigns to be swift whilst adapting to the digital media, which allows brands to connect with consumers on a digital level. An example of this can be demonstrated in the makeup industry.

## The Expansion of the Makeup Industry

By 2025, the predicted value of the makeup industry is expected to be around \$716B USD, compared to its present day value at \$511B USD (Bhargava, 2021). The upward growth combined with the impact of Generation Z's purchasing power can be a helpful asset to this industry in the near future. To win over the generation, brands are targeting Generation Z through pop-up stores, beauty influencers, trends, digital media, and lower price points (Vischhover, 2019). Statistics show that global spending on beauty advertising is at \$7.7B per year, which is expected to rise annually (Guttmann, 2021). The high amount of spending fuels digital marketing, which brings them one step closer to attracting and retaining younger consumers.

## Methodology

A literature review was conducted to gather information on how makeup brands use digital marketing, specifically to attract Generation Z consumers, and to investigate the impact of digital marketing on Generation Z customer retention and attraction. Additionally, further reading was done to explore the topic in a deeper context. A case study was also completed to provide an example of all the tactics researched.

The following questions determined the objective of this research:

1. How do makeup brands attract and retain consumers?
2. What strategies can brands, specifically brands in the beauty industry, employ to attract and retain Generation Z consumers?
3. How do makeup brands utilize digital marketing?
4. What is the impact of digital marketing on Generation Z?

## Literature Review

A literature review was conducted, looking for primarily academic research to explore what academic work has been done on the topic. Google Scholar was the primary search engine. The research question investigated digital marketing in the makeup industry, and how it was used to attract and retain Generation Z. The following keywords were used in combination or on their own to find papers specific to my topic: makeup brands, attraction, retention, young consumers, satisfaction, digital marketing, loyalty, and Generation Z. 27 papers were found, but 16 were selected for this research. The literature review revealed that no academic papers have yet been published which answer all elements of the research question posed for this paper. Therefore, information from 16 existing academic sources was compiled to develop an answer to the research question.

The table below illustrates representative examples of the academic literature reviewed for this study.

### *Sample List of Research - Representative of the Paper*

Study	Themes
Stockinger and Ozuem (2018)	Impacts of social media and customer retention on beauty industry
Denton (2019)	Media using psychology of persuasion to influence young consumers to purchase beauty products
Upamannyu and Bhakar (2014)	Impact of customer satisfaction on brand image and loyalty regarding cosmetic products

Widyanto and Agusti (2020)	Beauty influencers impact purchase intention of Generation Z
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## Further Reading

The further reading was conducted to explore the topic in a broader context. Trade publications, blogs, and articles were identified and reviewed. The main focus of these non-academic sources was to gain a deeper perspective and understanding of the research question. The most prominent outcomes from the readings held information about the basis of digital marketing, significance of the makeup industry, along with Generation Z attraction and retention tactics.

The table below illustrates representative examples of the non academic literature reviewed for this study:

### *Sample List of Research - Representative of the Paper*

Study	Themes
Bhargava (2021); <i>Article</i>	How beauty and cosmetic brands are using marketing to win customers
Vidiera, et al. (2013); <i>Trade Publication</i>	Digital marketing in general
Wischhover (2019); <i>Article</i>	How prestige beauty brands are winning over Gen Z
Arévalo (2020); <i>Blog</i>	Why building a community is important for beauty brands

## Case Study

A case study can more deeply illustrate the point derived from the literature review and the further research. Because this study investigates the unique characteristics of Generation Z and the relationship between Generation Z and digital marketing from the makeup industry, the makeup brand Glossier was an obvious choice to feature in a case study. Multiple makeup brand websites were consulted in an effort to find a brand that, based on the research, would be expected to resonate with Generation Z. Glossier seemed to fit due to their brand image and values on their website. Information from blogs and the Glossier website built an understanding of the brand and its values. The tone and nature of Glossier’s Instagram posts and Youtube video campaigns clearly mirrored the tactics that the research showed most resonated with Generation Z. All of this research was then compiled into a case study.

## Results and Discussion

### Attraction in the Digital Age

Customer attraction is defined as a strategy to draw consumers towards a brand and its products through marketing. Attracting customers builds recognition for the brand, increases purchases, and connects with possible customers (Gold, 2020). The growth of digital media has scaled these connections, helping brands stand out from competitors in the market (Videira, *et al*).

### *Social Media*

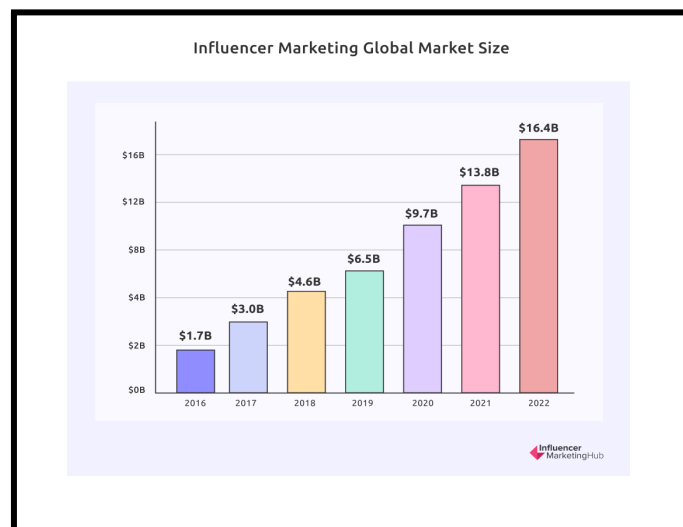
Social media is a component of digital marketing. In recent years, it has become a common outlet for brands, including brands in the makeup industry to market themselves. Social media marketing has had a

profound impact on younger consumers due to the persuasive tactics brands use to market their beauty

products. Statistics show that 50% of Generation Z utilizes social media daily, while compared to Millennials at a 44% (Watson, 2022). These young consumers spend more time on social media compared to other generations, making it easier for digital marketing to have an impact on the cognitive, affective, and behavioral sides to their attitudes (Duffett, 2017). Social media has proved itself to be a cornerstone of how makeup brands market to Generation Z.

### *Beauty Influencers*

Based on data from the Digital Marketing Institute, 70% of teens place their trust in influencers as opposed to celebrities, while roughly 50% of these consumers rely on reviews and recommendations from influencers when shopping for beauty products (The Digital Marketing Institute, 2021). As a term, beauty influencers have a large presence on social media, and utilize their platforms to endorse a brand. Beauty influencers market the brand and their products through reviews, giveaways, events, and tutorials. When a brand decides to partner with an influencer, they must consider credibility, expertise, reputation, and persuasive abilities (Widyanto and Agusti, 2020). This method for customer attraction has been proven to be effective, and has a positive influence on the purchase intention of Generation Z consumers.



**Figure 1.** Annual growth of influencer marketing (Influencer Marketing Hub, 2022).

### *Storytelling*

Storytelling in the makeup industry creates emotional connections developed by consumers based on what they view online, mainly used to develop bonds and gain attention (Bhargava, 2021). Brands have recognized the power of storytelling, and its potential to enhance consumers relationships with the brand (Singh and Sonnenburg, 2012). Due to the impacts of the digital age and social media, the consumers have shifted from listeners to a more active role. Storytelling impacts consumers by connecting them to the brand, and illustrates the brand's values and what they stand for in an engaging manner. Generation Z is unique when compared to previous generations, as the demographic is attracted to brands that go above and beyond simply selling their products (Banerjee, 2020). Generation Z is a generation of digital natives, who have grown up viewing content which is why they look for authenticity when it comes to a brand and their principles.

The process of marketing to possible consumers allows brands to acquire them. Social media, partnerships with beauty influencers, and creative storytelling are all major tactics used by the makeup industry.

This generates attraction for the brand, allowing them to build a bigger consumer base. Customer attraction is a prerequisite for the next step brands take: creating trust and loyalty with consumers, to ensure long lasting brand-consumer relationships (Ellegaard and Ritter, 2006).

## Retention in the Digital Age

Customer retention occurs when consumers decide to stay loyal to the brand by repeating their purchases despite competitors in the market. Keeping the customers returning consistently is more valuable for the brand than a one time purchase. Retaining Generation Z consumers poses a challenge for the makeup industry, as the generation is relatively newer than others, and their behavior towards brand loyalty must be understood (Marques, 2018).

Digitalization has allowed consumers to be more informed about a brand by having access to more information, and gaining loyalty is one of a brand's most valuable assets in their journey to survive, to stand out from others. Brand communities, satisfying the customer, and loyalty programs are key factors of brand loyalty.

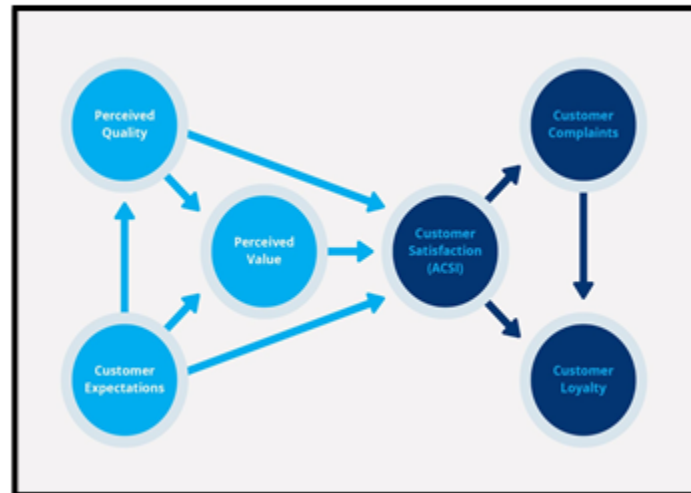
### *Brand Communities*

Brand communities are groups of loyal customers to a company, and use the given platform to produce and share content, ideas, and connect with others (Arévalo, 2020). These communities help beauty brands stand out, as it allows their customers to be seen as valuable members, instead of data from sales. Brand communities based on social media influence customer relationships with the brand and what it has to offer, and most importantly loyalty. These influences have been shown to be positive, leading to brand trust, which has positive impacts on loyalty as a whole (Laroche et al., 2012). Since communities may be built on the media, it is beneficial since it can have effects on customer retention and a wider market share, and can even be utilized as an advertisement tool. Retention can be strengthened thoroughly by positive experiences associated with the brand, effective communication, commitment, and groups the brand has created online (Stoking-er and Ozuem, 2018). The communities can spark inspiration and satisfaction among Generation Z individuals, who value uniqueness, connection, and community (MacRae 2022).

### *Customer Satisfaction*

Customer satisfaction is a crucial component of customer retention, impacting sales and long-lasting relationships with customers. Like retention, satisfaction too has its own factors that make up the term. In the makeup industry, shopping experience, service, privacy, individualized features, and rewards construct how content a customer is after their experience with the brand (Ngyuen, 2014). Generation Z, known for being tech-savvy, looks for high quality websites, and brands that are able to show off social and functional values. This plays a role in gaining their satisfaction which can eventually secure loyalty (Ayuni, 2018).

Additionally, perceived beauty product quality impacts perceived value, which work together to have an influence of customer satisfaction, leading to the larger variable of retention and loyalty (Karisadani *et al.*, 2021). Makeup brands prioritize and do not overlook satisfaction levels of customers, as its impacts on customer retention work in favor of the brand, and its existing reputation.



**Figure 2.** American customer satisfaction framework (American Customer Satisfaction Index, 2022).

### *Loyalty Programs*

After makeup brands successfully attract consumers, they make extensive use of loyalty programs to retain those consumers (Gustafsson, 2015). Participants who take on an active role in these digital loyalty programs are more loyal behaviorally and affectively compared to non-participants (Gómez et al., 2006). Digital outlets are the powerhouse for Generation Z, meaning digital consumer loyalty programs are a beneficial tool for consumer engagement and loyalty with the brand (Wise Marketer Staff, 2021). Loyalty programs should do more than just involve consumers, they should utilize tactics based on the shared values of Generation Z (Woolnough-Rai, 2021). Loyalty programs can also entail point reward systems, discounts, community elements, gifts, and exclusive access to beauty products which increase the chances of repeating customers, therefore obtaining customer retention.

The following list shows the top 5 makeup brands in the US, each of which has their own unique loyalty program.

1. L'Oréal Paris - Worth It Rewards
2. Charlotte Tilbury - Charlotte's Loyalty Program
3. Glossier - The Glossier Referral Program
4. Lancôme - Elite Rewards
5. Morphe - Morphe Rewards

### Significance of Customer Retention

Retention tactics build a long lasting relationship between consumers and brands, which keep consumers purchasing time and time again. This relationship is important not only because the brand generates sales, but also because it cannot be replicated by competitors in the market. While attraction is necessary for reaching audiences, retention engages and personalizes a connection over a longer period of time. Winning Generation Z in the long term can help the makeup industry expand, since the young consumers have years of growing purchasing power ahead of them.

### Case Study – Glossier

Glossier was used in this case study as a digitally native beauty brand that works well with Generation Z.



Attraction and retention tactics researched for this paper were demonstrated in a real life context, to show a visual as to how they play out. The case study ties the concepts from Glossier back to the research topic, by providing an example.

## Beauty Blog to Billion Dollar Brand

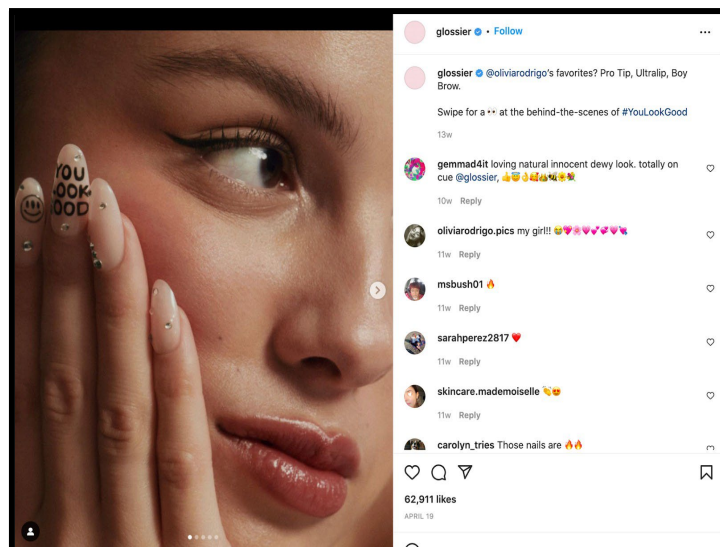
Emily Weiss, the Founder and Executive Chairwomen of Glossier, started working as a fashion assistant for Vogue. In 2010, while still at Vogue, she created a beauty blog called “Into the Gloss.” The blog would serve as the building blocks for Glossier, a makeup and skincare company now worth \$1.8 billion. Her approach for marketing relied upon social media. Nowadays, Glossier has built a large social media presence, and has been recognized as a top beauty brand by Allure, Teen Vogue, and Glamour (Danziger, 2018). Glossier is primarily known for their creative content executed through the media, centering around personal and real connections with their consumers.

## You Look Good - Campaign

### *Components of the Campaign*

Glossier launched a video to represent their campaign, featuring a carefree Rodrigo doing her makeup, stressing the point where it makes her feel the best and enhances her features. The slogan, “You Look Good”, was consistently repeated throughout the video. The campaign centers around being natural and authentic, going along with Glossier’s idea of a people-first beauty approach (Grimes, 2022). Both the campaign and the brand make it a point to celebrate who you really are, what you strive to be, and looking good.

Liu  *You Look Good with Olivia Rodrigo | Glossier*



**Figure 3.** Glossier {[@glossier](#)}. (2022, April 19). {Photograph}. Instagram.

<https://www.instagram.com/p/CciXp1nsl43/?hl=en>

### *The Celebrity Partnership*

Glossier launched their Spring 2022 campaign, titled “You Look Good”, partnering up with Olivia Rodrigo to be the face of their campaign (Lee, 2022). Rodrigo has been known to influence Generation Z with her

music, and the 19 year old star has won 3 grammy awards, released a documentary on Disney+, and hosted a global tour of her album, Sour (Belkin, 2021). Rodrigo brought her influence over to the beauty industry when she became Glossier's very first celebrity partner. In addition to the campaign, Glossier created a makeup set of Rodrigo's favorites to be purchased as well.

## Glossier Resonates with Generation Z

Glossier, a digital-native company continues to highlight their customer-first approach to their business (Arévalo, 2022). The brand utilizes social media to connect with customers, through informing them about questions, suggesting products, and other means to develop a meaningful relationship. Glossier was built upon the statement that beauty isn't built alone, it is activated when consumers become more engaged in the process (Glossier, 2014). For example, Glossier's Milky Jelly Cleanser was made solely based upon the responses they received from their consumers' ideas to what they wanted (Brown, 2022). Glossier's principles of authenticity and real life is what Generation Z values, making them particularly successful with the generation due to shared beliefs.

## Conclusion

By analyzing the way makeup companies use digital marketing to attract and retain Generation Z consumers, this paper established that there are a variety of tactics put to use to achieve this. Through information gathered in the literature review, brands make use of partnerships with influencers to acquire an audience while telling a story to build an emotional connection, all based upon social media. To keep the customers in a meaningful relationship with the brand, customer satisfaction is prioritized to keep the consumers content. Communities curated by the brand further the connections to be made with the customer base, and loyalty programs reward loyal customers, keeping them coming back for more. An insight to Glossier showed how a digitally native brand uses these strategies to remain successful against Generation Z. The customer attraction and retention tactics used together develop a strong consumer-brand bond, allowing the brand to thrive in the market against competition.

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