Leveraging brand image in the cosmetics market

How premium brands create the illusion of luxury

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Abstract

<u>English</u>

The luxury business model is in its own league when compared to other more common types of business models. It allows for several benefits for companies that apply it, one of these benefits being boosted brand image. The purpose of this thesis is to show how non-luxury companies can use this business model and successfully adapt it in a way that boosts brand image, specifically for the market of cosmetics. While the idea that adopting this business model outside of luxury companies is not new, choosing a specific market such as cosmetics and analyzing how exactly this sort of leverage can be achieved had yet to be developed, meaning that its practical value was unproven. A qualitative approach was taken relying on a multiple case study of three premium cosmetics brands, Natasha Denona, NARS Cosmetics and Fenty Beauty, who are considered to be main players in the market and successful. Through this research, I found that these three brands leverage brand image through the application of the luxury business model, using distinct pricing strategies and communicating in a way that allows them to create the illusion of luxury.

<u>Keywords:</u> Luxury, premium, branding, communication, strategy, business model, cosmetics.

Português

O modelo de negócio do mercado de luxo diferencia-se inteiramente de outros modelos de negócio mais comuns. Aplicá-lo permite um leque de diversos benefícios para as empresas que o fazem, um desses benfícios sendo imagem de marca impulsionada. O objetivo desta tese é de demonstrar como empresas que não são de luxo conseguem utilizar o modelo de negócio de luxo e adaptá-lo com sucesso de forma a melhorar a imagem de marca, com foco específico no mercado de cosméticos. O conceito de empresas não-luxo adaptarem o modelo de negócio de luxo não é novo, contudo, escolher um mercado específico, neste caso cosméticos, e analizar como conseguem melhorar imagem de marca ainda não tinha sido desenvolvido, ou seja, o valor prático desta estratégia permanecia não comprovado. Foi feita uma análise qualitativa utilizando um estudo de casos múltiplos das marcas Natasha Denona, NARS Cosmetics e Fenty Beauty, empresas estas que são consideradas de grande renome e sucesso no mercado em questão. Através deste estudo, chego à conclusão que estas três marcas melhoram imagem de marca através da utilização do modelo de negócio de luxo, adoptando estratégias de pricing e communicação que os leva a criar a ilusão de luxo.

Palavras-chave: Luxo, premium, imagem de marca, comunicação, estratégia, modelo de negócios, cosmética.

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1. Introduction

Throughout the twentieth century, renowned luxury fashion houses such as Christian Dior, Chanel and Yves Saint Laurent ventured out into the cosmetics market, in search of a valuable horizontal integration that stayed true to their respective visions and brand values (Kapferer, 1997). This allowed new markets to be explored under the name of extremely well-known and widely desirable luxury brands, creating the opportunity for further corporate growth, without conceding previously existing products' exclusivity, hence growing without compromising brand desirability (Kapferer & Valette-Florence, 2016). These ventures are usually successful due to the fact that beauty products hold strong similarities to fashion and accessories as far as target consumers.

In modern society, the cosmetics industry has shown incredible potential, with aid of the popularity of social media influencers on platforms such as Twitter, YouTube or Instagram, the market has become undeniably attractive for companies to pursue (Ansarin & Ozuem, 2014). The market data presented an expected growth of 6.1% for 2018, as opposed to the recorded 5.8% growth in 2017. This growth was not expected to slow down for 2019 (EY, 2018). Consumption levels for makeup and skincare items have gone through the roof in recent years, essentially implying a potentially highly profitable source of revenue for companies looking to expand horizontally, especially considering the low entry barriers that the market holds (Leung et al., 2016), so although the number of competitors in the industry has grown exponentially since the start of the century, consumption has found a way to match that growth. Luxury companies are no exception to this horizontal integration, taking part in creating their own makeup lines that to this day exist and contribute to a significant portion of their revenue (Lee & Watkins, 2016; Kapferer, 1997).

The concept of luxury has existed for centuries and takes form in the shape of luxury houses, i.e. companies that stand behind one specific vision and brand identity, selling products to consumers who personally connect to that identity (Ko et al., 2019). While luxury products have definite value as status enhancing components, aiding in the showcase of a higher quality of life (Dubois & Ordabayeva, 2015), in more recent times, through the democratization of luxury (Hudders et al., 2013), this ideology has slowly shifted, moving away from a rich vs. poor perspective. This implies that more than just the highest social class can own a luxury product, allowing the companies to reach broader targets and grow their brands (Kapferer &

Valette-Florence, 2016). This proves to be a double-edged sword, as this growth has the potential to compromise exclusivity and rarity, which are important factors for the purchasing decisions of western consumers in luxury (Kapferer, 2012). This is often combated through strategies such as creating limited edition collections or forming several tiers of luxury within a brand, as Hermès does with their Birkin or Kelly bags (Kapferer, 2012). Horizontal expansion to other markets such as cosmetics is another one of these strategies that is viable for luxury brands (Kapferer & Valette-Florence, 2016). That being said, the luxury market is thriving more than ever, especially with the growth of the Asian market that, unlike the western market, values the ownership of luxury goods as a community, i.e. scarcity is not a defining factor for the purchasing decision of luxury consumer.

The marketing strategies for luxury brands are quite distinct from premium or lower end brands in that, rather than selling a product out of mere functionality, they sell a dream and the brand "aura" (Kapferer & Valette-Florence, 2016; Kapferer, 2012), to those who feel a personal connection to the specific brand (Heine, 2010). This connection is created by several factors that define luxury itself, such as brand symbolism, heritage or product uniqueness, and though researchers have not reached a consensus on a single definition of luxury, there are main topics that are widely known to be determining factors for a brand to reach this status (Ko et al., 2019). Selling this luxury dream is crucial to communication in luxury, and must be coherent throughout its markets, meaning that, for instance, a brand that sells both fashion and cosmetics communicates the same brand image in both markets, conveying similar messages across different product categories (Dall'Olmo Riley et al., 2015). This means that the woman who wears a Chanel outfit is the same woman who will wear Chanel makeup.

What has not been thoroughly developed in academic articles, is the fact that such communication strategies can be simulated by non-luxury brands in order to boost brand value. This phenomenon was briefly touched on by Jean-Noël Kapferer in his article "Abundant rarity: The key to luxury growth" (2012), which goes in depth on what describes the luxury business model and why it is unique. In this article, Kapferer mentions Apple, MINI and Nespresso as examples of companies outside the luxury sector, specifically within the premium category, that apply the luxury business model as a strategy to boost brand image and, consequently, sales and revenue.

Due to the popularization of premium brands borrowing the luxury business model, the multiple definitions of what luxury is (Ko et al., 2019) and, in general, a good brand image from non-luxury brands, the line between premium and luxury can sometimes be blurry. The cosmetics industry is no exception to this, as premium brands draw emphasis to the beauty of their products, in more ways than one, i.e. performance, packaging and general aesthetics. In fact, some companies are straightforward in their communication by claiming to be luxury, despite missing core attributes that usually define luxury, as will be developed further into this research.

Still, it is quite common, especially among beauty influencers, to hear the word "luxury" being used for several brands that in theory are premium. Considering the value of social status is one of the drivers for consumers to purchase luxury cosmetics brands (Ajitha & Sivakumar, 2017), influencers matter in defining which brands are luxury and which ones are not. Due to the fact that there are few studies on the luxury cosmetics market from a managerial perspective, this research looks to further investigate that division.

This dissertation focuses on filling the gap of understanding how premium brands apply the luxury business model in cosmetics to boost brand value in a way that may convince the consumer that they are indeed purchasing from a luxury brand. There are advantages as far as communication goes that luxury companies have over any other brand category in the market, which is why it is interesting to research the effects of this "borrowing" of the luxury business model. That being said, how do premium brands successfully create the illusion of luxury, that allows this leverage to be created?

In order to answer this research question, I adopted a qualitative approach, which seemed like the most viable approach to this study due to the richness of the information itself and the several points that contribute to the creation of the illusion of luxury, such as choice of spokespeople, keywords used in interviews, brand imagery, etc. More specifically, I conducted a multiple case study which allows for a more in-depth look into the three specific cases of Natasha Denona, NARS Cosmetics and Fenty Beauty and how or why they succeeded (or not) at leveraging their brand image. The ultimate goal is to understand how certain brands leverage their brand image and why this is beneficial for both the company itself and their respective customer base.

Through this research we learned that there are several ways to apply the luxury business model to non-luxury companies and that very small details can highly influence the public perception of a cosmetics brand. All in all, the borrowing of the luxury business model helps in boosting public perception of cosmetics brands in a way that allows them to compete with big brands such as Chanel or Dior, while selling a dream to the customer. Hence, a win-win situation is created, where the brand garners a more wide-spread customer-base and the customer him/herself feels like they are getting a taste of luxury and the specific dream and aura they feel a personal connection to.

The structure of the dissertation is the following. The first chapter reviews the available literature on luxury, the cosmetics market and premium brands. The literature review is followed by the methodology chapter, which goes deeper in detail on the choice of a qualitative approach, and how it guided the collection of the data relevant for the study, as well as how it was applied and analyzed.

The empirical setting comes next, providing an insight on the three brands chosen, Natasha Denona, NARS Cosmetics and Fenty Beauty.

The conclusion describes the relevance of the results and how they further develop the previous literature (literature review), in a way that allows for a deeper understanding of marketing strategies, branding and positioning decisions for the market of premium cosmetics.

2. Literature Review

In this chapter it is shown that, while the definition of luxury can be generalized throughout certain key attributes, such as premium pricing, symbolism or brand heritage, the ultimate assessment of whether or not a brand is luxury depends on the consumers' perception. We also show that while the cosmetics market has been in constant growth throughout the past decade, few studies on cosmetics brand strategies have been developed, meaning that the potential strategies applied by such companies must be translated from other markets. This in mind, outside the market of cosmetics, brands that are widely considered to be premium have been proven to take on luxury-like strategies, creating the illusion of luxury.

The outline of the chapter is the following. We will review the definition of luxury as opposed to premium, the managerial insights on the market of luxury and non-luxury cosmetics and, finally, the evidence on strategies that aid in creating the illusion of luxury.

2.1. – Defining luxury

As a concept, luxury has widely been considered as abstract and difficult to define (Ko et al., 2019). As the market is everchanging, what may once have been considered a luxurious and exclusive product to have, can nowadays be absolutely standard within the average household, such as televisions or personal computers (Mortelmans, 2005). On top of this, the aspects that society has innately perceived as crucial to the existence of luxury have not been constant throughout history, for instance, conspicuousness and extravagance were once the main attributes that defined luxury, through its democratization however, these factors, though still relevant, are no longer the main drivers of luxury (Hudders et al., 2013).

Through an appropriate analysis of the available literature on the definition of luxury in our current world, we can generally define it based on the following attributes, which have been adapted from the literature review on luxury developed by Ko et al. (2019), who describe a luxury brand with the following. These factors have been slightly readapted and grouped up in order to fit in more clearly with the analysis of the research question.

TABLE 1 – KO ET AL. (2019) ADAPTED LUXURY ATTRIBUTES LIST

	Original attribute	**Adapted attribute**
1	be high quality	High quality
2	offer authentic value via desired benefits, whether functional or emotional	High quality (functional value); symbolism and rarity (emotional value)
3	have a prestigious image within the market built on qualities such as artisan ship, craftsmanship, or service quality	Heritage and history; beauty and craftsmanship
4	be worthy of commanding a premium price	Premium pricing
5	be capable of inspiring a deep connection, or resonance, with the consumer	Beauty and craftsmanship; Symbolism and rarity

a) Premium pricing and high quality

Price perceptions can be a relative concept, as each individual person creates their own frameworks defined by their culture, social class, price sensitivity, among other causes. While some consumers may consider a 49$ eyeshadow palette by a premium brand sold at Sephora[1] relatively accessible and affordable, others will consider it a splurge item. This was supported by Kapferer & Laurent (2016) in their study of luxury pricing threshold, verifying price expectation heterogeneity among consumers. Having high prices is important in order to showcase higher quality, especially in the market of luxury consumables (Beverland, 2006), but it is not the only thing necessary to portray the expectations of elevated luxury quality. Nevertheless, price is widely considered as a relevant variable that impacts public perception of product and brand status (Godey et al., 2013) and can be a positive influence on perceived conspicuousness and brand distinctiveness (Parguel et al., 2016).

Luxury brands are seen as those whose products and services have the highest price to quality ratio in the market (Vigneron & Johnson, 2004), meaning that while high quality and brand standards are a necessity to maintain the luxury status, the quality alone does not justify the interest in luxury products, nor the sometimes extravagant pricing. Though the quality is usually extremely high, the pricing itself far overtakes it.

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[1] https://www.sephora.com/product/the-chocolate-bar-eye-palette-P384402?icid2=products%20grid:p384402

Superior quality aids in the creation of positive brand reputation, impacting brand value perception positively. Although this does not mean that any brand with consistently good quality products is automatically considered luxury, it is imperative for luxury brands, as it is one of the main factors that leads to consumers justifying the high price (Ko et al., 2019).

b) Heritage and history

Most luxury brands have a deep connections to the history of their specific culture (König et al., 2016). A luxury house like *Chanel* is well-known for the visionary behind it, Coco Chanel*,* who revolutionized fashion in French society. The art that Coco Chanel brought and the forward-thinking, never before seen clothing that she created was the driver to transforming feminine fashion standards from restricting corsets and dresses to casual chic, more laid-back garments. This implies that the brand is not just a company that sells product to consumers, it has a personality and a life of its own (Aaker, 1997), creating the desired and non-substitutable value-creating brand *aura.* While some brands rely on iconic figures to represent brand heritage, such as Coco Chanel, Christian Dior and Gianni Versace, others create their own history through specific brand attributes, symbols and continuously impeccable reputation and quality (Heine, 2010)*.*

c) Beauty and craftsmanship

It is a minimum expectation in the luxury business for brands to invest in creating novel and innovative designs, while staying true to their brand aesthetic (Fionda & Moore, 2009). If a consumer is paying a premium price, they expect to find personal value in the product. Every individual has their own taste and perception of beauty and it is the job of a luxury brand to produce something exquisite for their target audience, focusing on creating desirability due to the sheer beauty of the product (Heine, 2010).

As such designs take time and effort to fully create something beautiful and unique to the consumers, the luxury market is usually seen as slow to respond, as collections are standardly released bi-annually, through Fall/Winter and Spring/Summer collections (Miller, 2013). This allows fast fashion companies, such as H&M, Zara or Fashion Nova, who have adopted the model of not-so-subtle copying of the designs of luxury brands, to simulate the beauty of the luxury world, knowing the value of their products to the more frugal consumer

who still appreciates the appeal of forward-thinking design and who dream of owning a luxury piece that is outside their budget (Miller, 2013).

As Amatulli & Guido (p.130, 2011) put it, "Craftsmanship is synonymous with time and the specialized labor needed to produce an object of value, a symbol of tradition passed down from generation to generation the fruit of manual know-how", implying that the beauty does not solely lie in the design of the products, but in the entire process behind its conceptualization, including the artists and craftsmen who bring the luxurious pieces to life (Kapferer, 2014).

d) Symbolism and rarity

The value of a luxury good can be divided into four categories: financial (price), individual (hedonic), functional (utility) and social (status-seeking) (Vigneron & Johnson, 2004). This implies that there is more to brand differentiation than mere product attributes and functionality. One luxury brand differentiates itself from the other due to their individual or hedonic value, i.e. brand symbolism, allowing consumers who can find an even ground between their personal values and a brand's identity, to happily purchase from said brand, attaching emotion to the brand and the respective purchased product (Heine, 2010). However, it is important to point out the contradiction in various studies, as it is shown that in less individualistic countries symbolism has a lower effect on purchase intention (Ko et al., 2019), which is why this factor should be taken with a grain of salt depending on the cultures under analysis, specifically consumers of Asian origin.

Through the symbolic value acquired by purchasing a luxury product that one finds personal value in, consumers in individualistic markets use their purchases as forms of self-expression (Shukla & Purani, 2012, Hofstede, & Minkov, 1991). In cultures with high individualism, it is important to underline the value of uniqueness and product rarity, as there is a fine line between growth and desirability in western culture. For instance, if everyone would own the same Hermès bag, it would lose its appeal (Kapferer, 2012). This is not as much of an issue in more collectivistic cultures, who appreciate being part of a community.

2. – Luxury in the cosmetics market

Throughout the years, the beauty and cosmetics market has become more and more attractive for companies to enter, due to its high growth potential and low barriers to entry (EY 2018; Leung et al., 2016). Luxury fashion companies are no exception to this rule, as most have already entered the market as a way to create a horizontal brand extension (Som, 2015, Stankeviciute & Hoffmann, 2011, Kapferer, 1997) , allowing to explore a new industry while maintaining brand identity, creating financial growth and not compromising brand exclusivity (Kapferer, 2012). This venture into a new market, also known as category extension, is generally less common than line extensions (Dall'Olmo Riley et al., 2015), though it is very popular for luxury brands, such as *Yves Saint Laurent, Dior, Chanel* and *Lancôme,* to create a cosmetics line, since it is a safe option that does not deviate from the original brand image (Stankeviciute & Hoffmann, 2011).

Due to these low entry barriers, entering the market of cosmetics, is of relative ease to new companies to start their business and old companies who look to expand horizontally (Leung et al., 2016). Considering the increasing sales volume registered in the market, there seem to be a lot more reasons in favor of entering the cosmetics business than against. Luxury brands follow suit, looking to benefit from this market boom that has been growing consistently throughout the past decade (EY 2018). Indeed, luxury brands are highly desired due to the fact that they are simply considered to be luxury, gaining from this growth as much, or even more so than other brands. This has been studied by Ajitha & Sivakumar (2017), who conclude that the desire for social enhancement and attitude goes beyond just clothing or accessories and specifically affects the market of cosmetics. This implies that whether or not a cosmetics brand is considered to be luxury has a definitive impact on the consumers' purchasing decision.

Through the democratization of luxury, i.e. the fact that luxury is now more easily available for purchase and consumption to more people outside the elite social class (Ansarin & Ozuem, 2014), new ways for consumers to access brand and product information are surfacing. One of the main proponents of this democratization has been the rise of the digital market, specifically social media channels such as YouTube and Instagram. These platforms are used by influencers to review and/or promote products, either independently or through direct brand sponsorship. Despite the early resistance to this movement, luxury brands have found it beneficial for brand value and relevance to adopt such digital strategies (Heine, 2014). Studies have shown the relevant effects of social media influencers, such as bloggers, on future

purchase intent and brand value perceptions (Arrigo, 2018.; Gruen, Osmonbekov, & Czaplewski, 2006). Hence, the influence of social media beauty gurus has ceased to be overlooked by luxury brands, as more and more they become relevant figures in the industry as trendsetters and bring value to the term "influencer", particularly the growing industry of YouTube vlogging (Arrigo, 2018.; Lee & Watkins, 2016).

3. – Creating the illusion of luxury

The distinction between a luxury and a premium brand can be blurry and difficult to identify to the average consumer (Ko et al., 2019). It is relevant to understand the difference between hedonic and utilitarian products, as hedonism implies feeling, personal desire and utilitarianism represents function and necessity. Luxury brands need both in order to be perceived as prestige (Lyons & Wien, 2018). In contrast, premium brands usually provide de functional value, but lack the symbolism and emotion that consumers expect from luxury. Being premium usually stands for a more balanced quality/price ratio, while luxury would transcend this measurement, as quality alone does not compensate the price (Ko et al., 2019).

The luxury business model, whether it be for luxury cars, cosmetics, fashion or any other category, is different from that of any other market. It usually implies mainly in-house production and distribution, advertisements that sell a dream to everyone instead of a product to a specific target, increased average pricing to adjust to economic fluctuations and the importance of providing exceptional service (Kapferer, 2012). A lot of premium and fashion brands adopt this business model, creating a buying experience that could rival that of a luxury brand. This leads to the "illusion of luxury", where a non-luxury brand adjusts its strategy to communicate higher brand value to consumers, despite its premium product (Kapferer & Valette-Florence, 2016; Kapferer, 2012). Not much research has been focused on this topic in general, leaving the opportunity to study this phenomenon in each market in which premium and luxury brands operate. Looking at the available literature, one can find several strategies that result in boosting the brand image of luxury brands, thus being adaptable and able to be borrowed by premium brands to simulate the prestige status. These strategies are not exclusive to the cosmetics market.

One example of such strategies is price showcase, which has been proven to boost consumer value perceptions, demonstrating that seeing a high price for a luxury good influences

customers to value it more than otherwise (Parguel et al., 2016). In cosmetics this strategy is not common, yet the conclusion can be adapted in the same way as in other luxury markets, namely that high prices tend to generate association with luxury and prestige.

Second, one of the main ways to differentiate a luxury brand from its competition is by providing exceptional and unique services (Kapferer, 2012). Services can be standalone luxury experiences, such as staying in a five-star hotel (Lu, Berchoux, Marek, & Chen, 2015), or they can be complimentary to a product purchase, particularly the measured and pre-planned luxury experience of purchasing a high-end good, which generates emotion within consumers that will play a part in their future purchases and loyalties (Kim et al., 2016).

Further, communicating the desired brand image effectively and targeting the right audience plays a big part in brand perception, for which social media has a relevant role (Schivinski & Dabrowski, 2016). Social networks offer the opportunity for brands to communicate with their audience indirectly (Arrigo, 2018), choosing spokespersons to potentially showcase their products for free through Public Relations, i.e. the offering of free product for potential review, or through sponsored content. This can also backfire through the possibility of the influencer communicating a negative review on the product or service they have experienced with the brand, which leads to negative brand perceptions (Sen & Lerman, 2007).

While the concept of the illusion of luxury is not novel, exploring its effects and circumstances further has yet to be done with a structured approach. In this dissertation, I will explore this topic within the cosmetics market, looking to answer how premium cosmetics brands leverage their brand image applying the luxury business model, hence creating the illusion of luxury.

3. Methodology

This chapter looks to expose the methodological choices that will provide the tools to answer the research question. This includes explaining why a qualitative approach is taken, which companies were chosen for the case study and why, and how the data collection process was developed to ultimately lead to an accurate and appropriate data analysis.

3.1 – Research context and approach

I chose a qualitative approach to answer my research question. A qualitative approach is beneficial in this case, as it allows the grey area of the research question to be explored, granting a more detailed interpretation on subjects that would otherwise be more open-ended (Bettis et al., 2015). Through adopting a qualitative method for this dissertation, I can look to answer how each of the three brands under analysis apply the luxury business model and why, instead of just proving whether or not they do. Thus, instead of just testing a hypothesis of whether or not a brand is using symbolism or creating new heritage, for example, the qualitative research allows exploration on why a brand successfully conveys symbolism or how it creates heritage without the traditional connections to a fashion house in a way that boosts brand image.

The following research consists of a multiple case study on three different brands that are currently relevant in the cosmetics industry. A comparative multiple case study approach was chosen due to the fact that it allows for a less theoretical and more practical insight on reality of the market under analysis (Eisenhardt & Graebner, 2007; Eisenhardt, 1989), allowing a deeper look into the real life situation of the companies and their respective contexts. Comparing the brands will allow a more thorough understanding of the market and how companies operate within it. The goal of this analysis is to come to a solid conclusion on if these brands achieve the illusion of luxury, how they do it and why it is beneficial for them and their customers (Eisenhardt, 1989).

3.2 – Case selection

Natasha Denona, NARS Cosmetics and Fenty Beauty were chosen for the multiple case study at hand, as they provide different insights that are clearly observable through secondary data, such as archives and interviews (Eisenhardt, 1989). These three brands have strong similarities in that they are widely considered to be premium, they seem to apply their strategies in a way that simulates the luxury business model and they operate within the same market, targeting roughly the same customer, i.e. makeup loving women who enjoy cosmetics for more than just its functional value. On the other hand, the brands have underlying differences in their communication strategies and their approach to the market, which will be further explored in the results chapter. This allows for an interesting take on the application of the luxury business model in three different contexts, yet with the same goal in mind, i.e. company growth and brand value creation. This way it is possible to look at the differences in the way these three brands operate, making more evidence available to support the answer to the research question, and aiding in defining how this ultimately affects the results that will be presented.

The inspiration behind the research question at hand derived from Natasha Denona and their extremely highly priced products. Public perception of the brand is generally viewed as luxury or high-end, as supported by the information on their website, which will be further analyzed in the empirical setting of this dissertation. Knowledge on this subject was acquired throughout the few years in which the brand gained high popularity on YouTube within the beauty community and allowed for international expansion of the company. Seeing Natasha Denona setting the prices that they do, ultimately lead to the idea of studying the usage of strategic marketing as a tool to manipulate luxury brand value perceptions among consumers. The research question derived directly from the case selection of Natasha Denona.

The choice to analyze more than one company surfaced from the fact that it was not possible to personally interview executives of Natasha Denona, as there are few points of contact available, bearing in mind company size. Nevertheless, messages were sent through LinkedIn and Instagram without a reply back. Considering there would be no direct contact with the company, it made more sense to choose two more companies to research, allowing a slightly less detailed, more so observational analysis on three firms through secondary sources, such as interviews, YouTube videos and online reviews, rather than an extremely in-depth study on merely one company with few resources available. This turned out to be the better option, since more strategies and different circumstances can be analyzed for their implementation,

public perception and results, as previously proven (Eisenhardt, 1989). NARS Cosmetics and Fenty Beauty were ultimately chosen for their differing communication strategies. On top of this, they operate under huge corporations (NARS under Shiseido Group and Fenty under LVMH), in contrast to the independent Natasha Denona. Other options were considered for this multiple case study, such as Becca Cosmetics, Anastasia Beverly Hills and Tatcha, however, considering all the significant context differences for the brands, the three that were chosen made most sense as far as allowing for a widespread analysis of different strategies and approaches to the market.

3.3 – Data Collection

The following step was to gather information on each specific brand, which can be seen summarized in Table 1. For this research I relied solely on secondary data, considering the fact that publicly available interviews, brand reviews, YouTube videos and company-reported data all contained strong information that had relevant elements to build a case to answer the research question. The first source of data is interviews of the brands' spokespeople (Natasha Denona, François Nars and Rihanna). These interviews convey how the brand wishes to communicate with their audience, considering the interviewees are the face of their respective brand and represent the brands' image and aura. Furthermore, videos of launch events and brand presentations that had more information on brand history and product characteristics were found for Natasha Denona and Fenty Beauty.

Pondering the relevance of the topic at hand as far as the business context, the next step was to look for company archives and financial reports. Since Natasha Denona is a small New York based company, there were no files of official financial results available online, other than unreliable estimations of the values. Shiseido Group and LVMH both had their most recent financial reports available, though the information on their brands were divided into categories and not the individual brands, meaning Shiseido Group reported on growth for prestige beauty brands in general, which includes but is not exclusive to NARS Cosmetics. LVMH follows the same pattern, briefly shouting out Fenty Beauty individually, yet giving no concrete numbers on the performance of the brand as a stand-alone unit.

The next source of evidence was to watch YouTube videos by beauty influencers in an attempt to understand their opinions on each brand and whether or not they were luxury and if

the quality of their products stood up to that title. This proved difficult as there are millions of YouTube videos of that nature. There would be a need to filter them by several factors (relevance, influencer trustworthiness, sponsored content, etc.), so ultimately, I made the decision to look at customer reviews instead. This choice made more sense as the individual reviews found are summaries of the different factors under analysis, such as price/quality ratio, uniqueness or brand value perceptions and were much easier to filter through in order to find relevant information. The website I collected these reviews from was Sephora.com, the American website of the brand, as it had the most available customer reviews in English for the products, in contrast to their other websites such as Sephora.fr, the French variant of the website, which were also considered as a source for this research, but ultimately eliminated. Further, some other big retailers such as Ulta.com do not carry all three brands, leaving less space for accurate comparisons. The only other western retailer that sells all three brands is Selfridges.com, which does not allow customer reviews on their website. With choosing Sephora.com, I selected some of the most well-known products of each brand by sorting them by relevancy on the webpage, and ordered the reviews by "most relevant", allowing a better insight into general public opinions. From these top reviews, the ones that provided the best information on customer perception on the brand itself were chosen as part of the data to be collected.

Taking advantage of the information on Sephora.com, a price table for powder products, consisting of mostly eyeshadow palettes, was developed (Appendix X), since there is a large quantity of powder products, such as eye palettes and face palettes, available on the market, allowing for a more accurate analysis focused on brand comparison. In the case of Fenty Beauty, which only has one eyeshadow palette available, other powder products (highlighters) were included in the table, as they are the most comparable being pressed powder products as well. This table aids in studying how the companies price their products and if that truly reflects luxury in a way that is on par with well-known prestigious brands such as Yves Saint Laurent, Chanel and Dior. This allows a deeper understanding of the brands' strategy as far as pricing and justifying their quality, as well as the amount of product being sold for said price.

The final sources of evidence collected were the brands' websites, campaign images, spokespeople and packaging, which communicate brand image, beauty and craftsmanship, essential attributes that define luxury products, as seen in the literature review.

TABLE 2 – DATA COLLECTION TABLE

Data Source	Qty	Source	Data Type	Objective
Articles & Blogs	14	Article 1: "Why Is This Cult-Favorite Eye-Shadow Palette So Expensive?" by Kathleen Hou (The Cut)	*Interviews*: Focus on presenting heritage and getting to know the inspiration and the people who created the brand. The interviewee is the face of the company, hence portraying brand communication through their answers. In most cases they also provide information on product characteristics and how it is developed and where the idea started, which is all connected to heritage.	Provides general knowledge on product types and specific characteristics. Gives insight on brand heritage, which is a key indicator of luxury. Further, the brand communication strategy can be observed, though it is not directly communicated, and key words can be taken from the more personal answers.
		Blog 1: "THE BLONDE SALAD MEETS... NATASHA DENONA" by Chiara Ferragni (The Blonde Salad)		
		Blog 2: "WHO IS NATASHA DENONA AND WHAT DOES SHE WANT FROM US?" by Hollee Wood (HolleewoodHair)		
		Article 2: "The Real Story Behind François Nars and the Iconic Orgasm Blush" by Devon Abelman (Allure Magazine)		
		Blog 3: "AN INTERVIEW WITH FRANÇOIS NARS" by LatestinBeauty (LatestinBeauty)		
		Article 3: "exploring nars - francois nars interview" by Stephan Kamifuji (GenLux Magazine)		
		Article 4: "How François Nars Built an Empire While Toppling the Beauty Industry" by Lauren Valenti (Marie Claire)		
		Article 5: "In Conversation with François Nars: "Be Yourself, But More"" by Fajer Fahad (Vogue Arabia)		
		Article 6: "The Founder of Nars on Instagram Makeup, the Future of Beauty, and the Brand's Newest Collaboration" by Kathleen Hou (The Cut)		
		Article 7: "NARS Founder François Nars on Why 'Ugly' Isn't in His Vocabulary" by Kathleen Hou (The Cut)		
		Article 8: "Francois Nars, Beauty Industry King, Says Transparency is The Most Sexy" by Jane Larkworthy (W Magazine)		

		Article 9: "Rihanna Reveals The Inspiration Behind Her Makeup Line—And How She Gets Her Skin to Glow" by Kahlana Barfield Brown (InStyle.com)		
		Article 10: "Rihanna on Building a Beauty Empire: 'I'm Going To Push the Boundaries in This Industry'" by Cady Lang (Time.com)		
		Article 11: "IN CONVERSATION: RIHANNA" by Jeremy O. Harris (NY Times)		
	3	Video 1: "Straight From The Masterclass: Natasha Denona at SEPHORiA" by Sephora	*Videos:* Deeper description of the brand and the reasons it was created, adding personality to the mix, allowing for a more focused interpretation on brand values and style.	Goes deeper into the heritage and personal factor behind the brand, i.e. the inspiration, the personality and the attitude, which allows a deeper look into consumer brand perceptions and the beauty/style of each individual brand.
		Video 2: "Rihanna Talks New Fenty Beauty Line at NYFW" by E! Red Carpet & Award Shows		
		Video 3: "Fenty Beauty by Rihanna - Exclusive interview" by ParisModesen (readapted)		
Archival Data	2	"BUSINESS REVIEW AND COMMENTS ON THE HALF YEAR CONSOLIDATED FINANCIAL STATEMENTS OF LVMH GROUP" - LVMH	*Annual Reports*: Data on resource allocation strategies for big conglomerates, general information on results and growth	Allows a better understanding on the results of the companies and whether or not the communication they are reinforcing is working in their advantage.
		"2018 Results" - Shiseido		
Customer Opinions	-	https://www.sephora.com/	*Sephora Reviews*	Supports a deeper understanding of customer brand perception and price/quality ratio.
Observations	3	https://www.natashadenona.com/	*Website*	Shows the image of the brand in physical form. How do they want to look and what are they selling? Sets the standards of the brand (is the packaging good quality, are the images sophisticated) and allows the customer to
		https://www.narscosmetics.com/	*In-store displays*	

		https://www.fentybeauty.com/	*Packaging*	interpret brand value visually.

3.4 – Data Analysis

For the data analysis, I used the open coding method (Corbin & Strauss, 1990), finding key words and topics within the research question and the data collected. The process of coding and finding key topics to expand upon was entirely based on the recurrent themes across the data on the three brands, Natasha Denona, NARS Cosmetics and Fenty Beauty, meaning that I looked for statements, concepts and overall perceptions that are abundantly present in the data collected, and proceeded to categorize the data accordingly, in a way that would facilitate the interpretation of said data. The coding tables can be found in the appendix (appendix 8). The first three codes derived from the research question itself as important keywords to look for in the data collected.

The first code, <u>luxury</u>, is a natural first choice for data analysis, as it is the objective that the three brands strive towards. The goal is to look at companies that are not luxury, yet attempt to portray that status through brand strategies, meaning the application of the luxury business model outside of brands that are considered pure luxury. Finding those cues in the data is the first step to understand how luxury is communicated and whether or not customer perceive the brand as more than premium. A depiction of this can be found loud and clear in the Natasha Denona website (Appendix 1), which clearly states that their brand is "[…] *a luxury line of trend-setting products that has quickly achieved cult status in the global beauty market*" (Natasha Denona "About" page), evidently communicating the intention of a luxury brand image.

This leads to the second code, which is <u>illusion</u>, also mainly inspired by the research question. As mentioned, the goal of these non-luxury brands is to create the public perception of prestige status, hence manipulating brand value in the mind of the consumer and creating an illusion of luxury. This is the main code that is most important as far as finding cues in the available data, as it symbolizes the strategies the three brands under analysis use to achieve the

desired effect of increased brand value. As seen in appendix 1, Natasha Denona does not hide that they play off of the illusion created by their high pricing, stating "*The number of colors in each pan makes it not expensive. They're sometimes even cheaper than other brands if you break them down into individual colors*" (Article 1 - Interview of Natasha Denona).

Premium brands were set as the third code, as pure evidence that the brands under analysis are in fact not luxury is needed. Creating the illusion of luxury and "borrowing" the luxury business model is only possible if the brand at hand is not luxury by nature. There are subtle cues such as "*Rihanna's make-up line, Fenty Beauty, has garnered rave reviews since its launch in September, both for its quality-to-affordability ratio and its emphasis on inclusivity*" (Article 10 - Interview of Rihanna) that support the brand as premium.

In order for the illusion of luxury to be successfully achieved, consumer perception, the fourth code, is crucial, since the consumer is who the brand is communicating towards and, ultimately, the source of their sales and revenues. While this code can be found throughout several interviews, the most valuable source of data for consumer perception are the customer reviews on Sephora.com. Though most of them are evaluating a specific product, there are detectable cues within these reviews of how the customer views the brand, regardless of whether it is a positive or negative product review. In a review of the NARS Cosmetics Audacious Lipsticks a customer shared: "Luxury! These are kind of expensive for me, but I just love [them]…!", proving that one particular customer views NARS's product as luxurious. However, it is important to look at the other reviews and find a consensus on the general public opinion.

CiaoBella2
Age 45-54
Skin Tone Medium
Eye Color Brown

★★★★★   5 Nov 2014

Luxury!

These are kind of expensive for me, but I just love the feel, the colors, and the case which has a magnetic close. I have about 3 colors on my wish list, and every few months I buy one!

The final code is brand communication. This is the channel through which the companies showcase the positioning that they want the customer to perceive. This, of course, is interconnected with all the other codes, as it is the source of creating the illusion of luxury by premium brands to influence consumer perception, however, this code goes deeper into the actual communication strategy and specific keywords, messages or visuals the brands may use. For instance, the core message behind Fenty Beauty is the following: "*I want all women to feel*

great. We are women and we have challenges. We deserve to feel beautiful and I want women of all shades to feel included, and all races." (Video 2 interviewing Rihanna).

4. Empirical Setting

In this qualitative analysis of high-end brand strategies, it is important to look at companies that have a high perceived brand value by the customer, yet lack specific characteristics that have been previously defined as luxury, namely heritage and symbolism. For this purpose, three main players in the industry will be studied: Natasha Denona, NARS Cosmetics and Fenty Beauty.

4.1 – Natasha Denona

Named after its founder, Natasha Denona Make Up LLC. (henceforth referred to simply as Natasha Denona) is a color cosmetics brand based in New York, USA. Known for her immense talent in makeup application and raw, self-taught skills, Croatian native Natasha Denona made a name for herself in the makeup industry by executing unique looks on models, using novel techniques to aid in her broadly distinguishable style. This led to her widespread recognition among fashion photographers and editors, boosting Denona's career into the luxury powerhouse it is today, with her work being present in the top fashion magazines, editorials, campaigns and runways. Off the back of this leverage, Denona created the brand of her dreams, launching her infamous "*Blackest Black*" individual eyeshadow in 2013, inspired by her chemist mother who showed her the work she performed with kohl, an eye cosmetic used since the days of the Ancient Egypt.

Natasha Denona describes itself as "*a luxury line of trend-setting products that has quickly achieved cult status in the global beauty market*"[2], making it very clear to the consumer what type of brand image they intend to pursue. Promising to create forward-thinking products that are novel to the market with the highest quality ingredients, Denona focuses her brand image on being targeted to everyone who has a passion for makeup, communicating a broad range of easy to use products such as eyeshadow palettes and foundations that are launched under the Natasha Denona name.

Natasha Denona remains an independent brand outside of the big cosmetics corporations such as LVMH, Estée Lauder or L'Oréal, with only around 40 employees, most being makeup artists. Despite this, and considering the only recent foundation of the brand, Natasha Denona

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[2] https://www.natashadenona.com/about

steadily maintains worldwide growth, branching out to European retailers such as Sephora and CultBeauty as of 2018, and becoming widely well-known for high quality and luxe feeling products. Due to the company's dimension, specific information such as revenues, net sales and company growth remain unknown.

4.2 – NARS Cosmetics

François Nars, born and raised in France, launched his 12-shade lipstick line in 1994, creating NARS Cosmetics, which is now a well-known makeup and skincare company under the Shiseido company umbrella since the year 2000. Nars became well known in Paris for his innovative makeup style, pushing the boundaries of beauty for a more free, unique and personalized look for each individual. Nars believed in embracing yourself and emphasizing your unique style though quality makeup products as a tool of self-expression. Hence, NARS Cosmetics gained notoriety on the back of Nars' vision, with iconic products such as the "*Original 12"* lipstick collection, the "*Orgasm*" blush and "*The Multiple*" cream makeup sticks.

The self-proclaimed "fashion rebel" and his carefree style combined with company communication such as ad campaigns, spokesperson selection and, more indirectly, packaging style positions NARS Cosmetics as a high-end brand bordering on luxury. In Shiseido Group's brand page, NARS Cosmetics are classified as a prestige brand. On top of that, the brand image speaks for itself in creating the profile of the NARS consumer, i.e. someone who identifies with Nars' carefree spirit, wanting to use makeup to enhance natural beauty and as a way to express self-confidence and a rebellious nature.

In 2017, NARS Cosmetics expanded on their internationalization strategy to sell their products in China, a controversial decision for western consumers, considering China's strict restrictions on cosmetics and their required testing on animals before official launch in the country. Despite this, Shiseido Group registered a net sales growth for NARS cosmetics of 27% from 2017 to 2018 and it is expected to keep growing in 2019. Specific information on the geographical origin of such growth is unspecified, meaning there is no evidence of the potentially negative reaction of the western market as far as sales with the announcement of the retraction of the brand's cruelty free status. NARS Cosmetics is currently available for purchase in 30 countries and continues to be a big player in the makeup industry.

4.3 – Fenty Beauty

Robyn Rihanna Fenty, widely known as Rihanna, is a singer, actress and businesswoman from Barbados. Known for her edgy style and broadly influenced music styles, Rihanna became an icon in the music industry in the early 2000s. Since then, she has moved away from her music career and ventured out into different areas, creating her own nonprofit organization Clara Lionel Foundation, Fenty Beauty, in collaboration and equal revenue split with Kendo (LVMH), and her own fashion house also under the LVMH corporation.

Fenty Beauty gained worldwide recognition in 2017 when the brand launched, not just because of the celebrity figure as the face of the brand, but due to the launch of 40 shades of their debut product, the "*Pro Filt'R*" foundation, in a market where people of darker complexion have always struggled to feel included. Although Fenty Beauty was not the pioneer for such movements, with brands such as Makeup Forever and MAC Cosmetics having extensive shade ranges long before the creation of Fenty Beauty, having Rihanna as the representative of the brand aided in its message of empowerment and diversity for people of all skin tones, creating a conversation about inclusivity among the online beauty community that had not been as widespread before Fenty Beauty. Since then, brands including Maybelline, Too Faced and Urban Decay have answered by expanding the shade range of their complexion products, as consumer scrutiny awaited them otherwise, creating a new standard in the industry. Fenty Beauty itself, not to be outdone, expanded their 40 shades to a range of 50, with diversity becoming a strategy for brand perception and ultimately sales volume within the makeup industry. Fenty Beauty recorded sales of $72 million just in the first month of its launch, helping in boosting the total sales of cosmetics and fragrance from LVMH by 17% that same year. The official revenue for Fenty Beauty totaled $570 million in 2018, a rarity among new brands.

Since 2017, the widely positive reception of the brand and its message in combination with the image of Rihanna allowed Fenty Beauty to expand outside the scope of the United States, with the brand being available in Sephora in European countries such as France, Portugal, Italy and Poland, as well as Asian countries among them Kuwait, Thailand and Singapore, luxury UK retailers such a Harvey Nichols and recent expansion to Hong Kong, Macau and South Korea.

5. Results

In this chapter, I answer the following research question: how do premium cosmetics brand successfully create the illusion of luxury? The results are structured according to the four main categories that define luxury: quality and price, history and heritage, beauty and craftsmanship, symbolism and rarity.

5.1 – Pricing and quality

The first factor to analyze per the literature review is how a company prices their products, reflecting directly on brand image (Godey et al., 2013), as well as if the quality is up to par with the luxury standard (Ko et al., 2019), far exceeding what might be considered as an "appropriate" price/quality ratio.

Looking at the pricing table (appendix 1), there is a lot to be said about price variations even within a single brand. Natasha Denona is well-known for being extremely expensive, with eyeshadow palettes costing as much as $239.00. However, breaking down the cost per each gram that Natasha Denona palettes contains, it is very clear that, while the retail price of an item is considerably high, the price of the actual powder in regard to how much you are effectively buying is significantly more affordable, at an average cost per gram of $3.90. Considering the premium brands in the table average at a price per gram of $3.02, while luxury brands average at $8.62, it is very clear that Natasha Denona prices are not what they seem at first glance. It is unclear whether this is intentionally done to create the "illusion" of a more luxurious brand. Natasha Denona herself addresses the topic: "*The number of colors in each pan makes it not expensive. They're sometimes even cheaper than other brands if you break them down into individual colors*" (Article 1 - Interview of Natasha Denona). Regardless, customer generally have the perception that Denona's brand is extravagantly priced, as evidenced in the following statement: "*But doesn't it seem weird to you that a lesser-known makeup company with insanely high prices would just show up and blow the competition away? What's so special about this eyeshadow? Is it made of diamonds or something?*" (Hollee Wood, Blog 2). This is also apparent in the review below.

As far as quality is concerned, Natasha Denona ranks at a 4.35 out of 5 stars for their top 10 products ordered by relevancy at Sephora.com, receiving mostly good reviews from their consumers. The previous quote from the blogpost of HolleewoodHair also shows that the quality of the brand is well-received and competitive with high-end and luxury formulas.

Looking at the broken-down values for NARS Cosmetics, they average at $4.76, which is still closer to the premium price range than the luxury average of $8.62 per gram. However, it is important to note that the two most expensive palettes in NARS's collection are mini palettes, which on average price a lot higher per gram, even though the retail price is obviously lower. This is a strategy adopted by most cosmetics companies, from drugstore to luxury, as a way to boost the price up a bit, while offering the customer a smaller product, which itself can have benefits for different types of consumers, such as being travel-friendly.

NARS Cosmetics is known for having very popular products that are considered cult-classics among the beauty community, such as the "*Radiant Creamy Concealer*" and their blushes, specifically the provocatively named "*Orgasm*" shade. This is very apparent when looking at the amount of reviews on the Sephora website, for instance the blushes received 17541 reviews total. The top 10 products on the website average at a rating of 4.26 stars, a positive value for the brand. However, the brand shows some inconsistencies as far as quality, as the eyeshadow palettes alone only average at a 3.5-star rating.

At an average of $4.00 per gram, Fenty Beauty too keep their prices moderately low when compared to companies such as Yves Saint Laurent, Tom Ford or Chanel. Rather than

there being a focus on the price, however, the brand draws a lot of focus to the quality of the products themselves: "*First and foremost you want it to be of incredible quality*" (Video 3 interviewing Rihanna). The consumers seem to agree with this statement, as stated in article 10 from Time.com, written by Cady Lang "*Rihanna's make-up line, Fenty Beauty, has garnered rave reviews since its launch in September, both for its quality-to-affordability ratio and its emphasis on inclusivity*", mentioning a reasonable price/quality ratio, signifying the fact that the brand is premium. To further support this, customers on Sephora.com rank Fenty Beauty's top 10 most relevant products at 4.23 out of 5 stars.

5.2 – Heritage and history

Heritage is crucial to the traditional luxury houses, as it draws inspiration and portrays the dream that was previously dreamt by the likes of Coco Chanel, Yves Saint Laurent and Christian Dior. Heritage is said to be inimitable, created from the roots of the brand's history. Usually, the richer the history, the stronger the brand's personality and aura (Heine, 2010), which is why it is notoriously challenging to create a new brand and successfully replicate this luxury aura with very little history.

Nevertheless, Natasha Denona attempts to create a new sense of heritage behind her brand by sharing her story. The brand's website, natashadenona.com, has its own page titled "*About*" filled with information on the story of Natasha Denona, and how she grew up with dancing and loving makeup, having a chemist mother that introduced her to kohl, the material that inspired her first product, the "*Blackest Black*" single eyeshadow, and how she went on to become a well-known professional in the industry, creating makeup looks for luxury campaigns and high-end magazines, while being entirely self-taught (full website transcription in appendix 3). Natasha Denona retells this story on several occasions, claiming her love for makeup and inspiration behind her individual products:

> "*In my teens I was both a dancer and a painter and at the time we used to do our own makeup for stage.*" (The Blonde Salad, Blog 1 - Interview of Natasha Denona).*;*

> "*I understood from the beginning that makeup was what I loved the most and my other passions gave me so much knowledge about it!*" (The Blonde Salad, Blog 1 - Interview of Natasha Denona).;

> "*My mum was a chemist and, even though we were often fighting when I studied it at school (she laughs), she influenced me a lot.*" (The Blonde Salad, Blog 1 - Interview of Natasha Denona).

> "*She even attributes the inspiration for her Blackest Black Gold Rush eyeshadow to her mother working with black coal in the lab*" (HolleewoodHair, Blog 2).

> "*I am Croatian by origin and when I visit my mother in Croatia, she has like a [terrace] in front of the sunset [...], when I had this makeup line I just had to create a sunset palette*" (The Blonde Salad, Blog 1 - Interview of Natasha Denona).

NARS Cosmetics also relies on the backstory of its creator, François Nars, retelling his story through several interviews, while his website is divided into two sections that could be viewed as sources of heritage portrayal. The narscosmetics.com "About NARS" page is rich with imagery of his work as a makeup artist and photographer, along with specific quotes that define him and his brand, such as "*I don't believe in blank beauty. I need character and personality*", or "*I want to bring a new eye to beauty*" (appendix 4a). In contrast, the "François Nars" page on the same website (appendix 4b) contains more information on his vision for beauty and draws emphasis to his reputation in the industry with quotes such as the following:

> "*François Nars' lifetime of achievements as a revolutionary makeup artist, photographer, and creative visionary have left a permanent mark on the fashion and beauty industries worldwide, earning him the renowned "Ordre National de la Légion d'Honneur" (National Order of the Legion of Honour) in 2016*".

François Nars only goes deeper into his personal history through interviews, including sharing his struggles "*There was no money and it was not easy. Thank God, my parents helped me.*", but ultimately sharing his rise to success "*[People started using NARS's lipsticks] all over their faces after seeing it in the credits for model Carolyn Murphy's monochromatic look in the March 1996 issue of Harper's Bazaar.*" (Devon Abelman, Article 2). Along with this, his personal rise to fame as a makeup artist is also referenced: "*He came to prominence through collaborating with Marc Jacobs', creating some of the most memorable makeup looks.*" (Sephan Kamifuji, Article 3); "*[He entered the industry] in Paris, with heavy hitters such as photographer Paoli Roversi and designer Yves Saint Laurent taking a chance on him, then in New York City in the '80s—a golden age to be young and creative*" (Lauren Valenti, article 4).

Fenty Beauty has a different sort of public figure behind the brand, namely Rihanna who is mostly known as being a popstar and has no direct attachment to the cosmetics industry. While her name holds value, it is not the traditional form of heritage that new brands attempt to create. What differentiates this brand is that it seems to be creating heritage backwards, meaning that first came the inception of Fenty Beauty as Rihanna's premium makeup line sold at Sephora stores worldwide, and only after came the creation of Fenty, which is Rihanna's luxury fashion house in collaboration with LVMH, as introduced by the article from NY Times: "*For her next act, the pop star will become the first black woman in charge of a major luxury fashion house in Paris*" (Jeremy O. Harris, Article 11).

5.3 – Beauty and craftsmanship

In cosmetics, the beauty of the product is in its quality, which has already been discussed in this chapter, but also in the design and aesthetics of the packaging, which goes hand-in-hand with the craftsmanship that should portray luxury, and brand imagery in general, i.e. ad campaigns, website images and in-store exhibitors. For pictures on the following mentioned products see appendix 6.

Natasha Denona goes for a simple, yet impactful design, creating thin palettes that vary slightly in size and are colored based on the theme of the collection itself, i.e. the Gold palette has metallic Gold outer packaging, the Lila palette has purple packaging and the Sunrise palette is a red metallic the mimics the early morning sky. The material of the packaging itself, though, varies depending on the palette, with more recent collections such as the Biba and the Sunrise palette being encased in a plastic container, rather the hard foam material used for past iterations. While there are some exceptions, most people seem to agree that the Natasha Denona palettes have luxurious packaging, as seen below for reviews of the Lila and the Gold palette.

PaletteJunkie
INSIDER ROOKIE

Eye Color Brown
Hair color Brunette
Skin Tone Porcelain
Skin Type Dry

★★★★★   15 Feb 2018

Sooo worth it!

I've been waiting and saving for this palette since I first saw it and I'm so happy I did. The colors take no time to blend, they practically blend themselves! The shimmers are beautiful and apply best with fingers which is no bother to me, and the colors go so well together. My only complaint would be that there's no base color like a beige or something but I have those in other palettes so it's no worry. The packaging and eyeshadows are absolute quality, so happy.

In contrast Natasha Denona mini palettes all come in the same type of clear plastic packaging, going for a more simplistic approach, much like the lipsticks and other items from the brand that go for a more white-based, clean look. Not much information on customer perception of this type of packaging is available through the online reviews, meaning that likely it does not stand out to the consumer as a big selling-point. The remaining imagery of Natasha Denona is coherent throughout the several points of contact with the customer, relying on looks done by Natasha Denona herself using her own products on models, mostly with big focus on the eyeshadows and making the models' eyes be the center of attention (appendix 5)

NARS Cosmetics has made an impact on the industry with iconic products and packaging. The sleek, simple, black, soft-touch velvet packaging is coherent throughout the whole original cosmetics line, from blushes to lipsticks, becoming part of the NARS brand image. However, few things are said about the packaging of these products, suggesting that while it is satisfactory, it is not a stand-out element of the products. In some of NARS's latest collections the brand has moved away from the simple packaging and done more themed, colorful cases for their products, sometimes using glitter, metallic effects or even textured, protruding packaging (appendix 6). This type of packaging immediately garners more attention, as the recently released *Inferno* palette out of merely 8 reviews, 2 of them mention the packaging, while it is very hard to find such thoughts in reviews from products using the classic packaging.

Despite NARS's recent venture into color, the essence of the brand has, for the most part, been monochromatic, with focus on black and white imagery with pops of color, as is still the case for the in-store displays and most of narscosmetics.com, boosting brand status by shooting the likes of Naomi Campbell as the face of the brand.

The packaging of Fenty Beauty highly depends on the product at hand, playing up the edginess that goes hand-in-hand with Rihanna's name. Products like the *Gloss Bomb* or the *Match Stix* come in hexagonal packaging, while the *Pro Filt'r Instant Retouch Setting Powder* has an octagonal shape. The color of the packaging goes between white, nude, beige and rose, contrasting the edgy shapes with a more feminine color-story and is generally well-received and noticed by consumer.

Fentybeauty.com stays in line with the aesthetics of the packaging, going for a contrast of white, soft pink and black, with edgy designs in the background (appendix 6). The models used in showcasing Fenty Beauty products are of all races, further driving the vision of inclusivity in cosmetics for all.

5.4 – Symbolism and rarity

Symbolism in luxury is what connects the consumer to a specific brand on an emotional level, transcending mere functional value and turning a product into something irreplaceable. As discussed in the literature review, this implies a personal connection between a customer's characteristics and the identity of the brand they are choosing to purchase from.

The market of cosmetics differs from fashion, accessories, cars and other luxury goods in that when you use them, there is no real way for others to identify what brand of cosmetics you are wearing, while with other types of products it's very clear, for instance, if you are driving a Porsche, a Lamborghini or a Rolls Royce. What this implies is that, in order for a consumer to be willing to spend a high-end or luxury price tag on a cosmetics brand, the value needs to be mainly symbolic, as there are little opportunities to extract any social value from the products. This is directly connected to brand communication strategies and how they influence the consumers' view of the brands and their respective products.

Natasha Denona as a makeup artist represents forward-thinking eyeshadow looks to make the eyes stand out. Purchasing one of her eyeshadow palettes means the customer gets a specialized product, knowing that it has been developed, used and approved by a master, meaning they will work for virtually anyone "*My dream was to create products that were professional but very easy to use for everyday women and that's what I do today.*" (The Blonde Salad, Blog 1 – Interview of Natasha Denona). To the beauty lover, owning a Natasha Denona eyeshadow palette makes you part of an exclusive group of people who are lovers of color and artistic makeup styles that Natasha Denona as a person represents as well "*Exploding onto the market, Natasha's elevated eyeshadow palettes flew to the top of must-have lists—including Allure's Best of Beauty 2018—and a cult following was born*" (natashadenona.com "About" page). As usually such looks are hard to create, the company created easy to use eyeshadows, so even the regular woman can have a taste of the professional makeup artistry dream "*Denona wants nothing more than for her makeup to be useful to professionals, makeup fanatics and the typical everyday woman.*" (Hollee Wood, Blog 2). Through the release of more affordable palettes that simultaneously offer less product, such as the Sunrise palette, Natasha Denona takes advantage of the leverage created by their high prices and offers the average consumer the opportunity to experience their brand as well, as shown in the review below. This way, a sense of exclusivity and rarity is created, attached to the special symbolic value that is owning

a luxurious palette with the Natasha Denona name on it, turning the items into more than just mere products, but rather a whole experience.

lippielovrr
ROUGE | ROOKIE I

Eye Color Blue
Hair color Blonde
Skin Tone Light
Skin Type Combination

★★★★★   26 May 2019

wow , a must have

I am so impressed with this palette and overjoyed that Natasha has finally released a palette that's affordable. I own 3 full size and 3 mini NE palettes and the pans are somewhere in between both sizes but it's a very nice size palette overall. Definitely not "small" The pigment is POPPING! Wow! The purples / maroons are so beautiful and the shimmers look so nice layered on top or even alone . Everything applies like butter and blended effortlessly . I love the colour story ! There are beautiful crease shades as well as stunning colourful shades . This is the best palette for the price that I own. Hands down. I also own a lot of PMG & 100's of other high end brands but only ND & PMG's formulas are truly worthy of being "luxury " makeup. This is a must have

matnkat
ROUGE | ROOKIE I

Age 35-44
Eye Color Blue
Hair color Blonde
Skin Tone Light
Skin Type Combination

★★★★★   9 Jun 2019

Natasha, please make all your palettes this size.

Natasha, please make all your palettes this size. I have almost all of the ND palettes, and NEVER do I hit pan. Using her shadows is an experience. The colors are so pigmented, so smooth, I rarely run into a color that is difficult to work with. I think more people would buy her palettes if they were this size, and this price. The shadows are about half the size as her big palettes, but they are still big, they are not small like the mini palettes. This is the way to sell luxury shadows.

NARS Cosmetics is notorious for creating special products that become cult classics in the industry, with items such as their blushes garnering over 17.500 reviews on Sephora.com (appendix 2). Most cosmetics companies, regardless of whether they are affordable, high-end or luxury, offer powder blushes, but no blush is as iconic as the "*Orgasm*" blush by NARS. As a product that is recommended by the likes of the Duchess of Sussex, Meghan Markle, even those who do not rate this product as 5 stars acknowledge its cult favorite status.

MirandaSiera
VIB | ROOKIE I

Eye Color Brown
Hair color Black
Skin Tone Olive
Skin Type Normal

★★★☆☆   6 Sep 2017

Color: Orgasm

Underwhelming

Maybe it's because my skin tone is a tan/olive color, but I found this to be very underwhelming...not sure how its a cult fav.

MrsParkerH
INSIDER | ROOKIE I

Eye Color Brown
Hair color Black
Skin Tone Dark
Skin Type Dry

★★★★★   31 May 2018

Color: Orgasm

The Markle Sparkle

I love NARS blush in Orgasm! Listen, I know I should have a better reason to have bought this than that the Duchess of Sussex herself, Meghan Markle, named it as a favorite. But I don't. And I'm happy. This blush gives me a rosey, bright cheek without needing extra highlighter.

While it is possible to get similar blushes in the market, especially with the aid of social media influencers who often recommend alternatives, the iconic status of certain NARS products is undeniable, which extends to the brand itself and creates a brand image of being an industry pioneer, allowing the consumer to connect on the deeper level with a NARS item. These products are directly connected to the vision of François Nars, who claims "*As an artist, I was frustrated with not being able to find the best products or the best colors and I thought it would be fun to create my own makeup line*", further driving the point that the products that NARS offer are irreplaceable and have a lot more value other than pure functionality, as no other brand can sell Nars' true vision.

Fenty Beauty revolutionized the industry as far as complexion products, creating a foundation shade range for their *Pro Filt'r Soft Matte* foundation that was inclusive to most skin-tones, being the first brand to successfully communicate inclusivity for all races with their first ever brand launch. This launch was showcased as representing far more than a simple makeup line that had a celebrity behind it, rather "*The way that women are getting emotional at the counter because they found their shade for the first time, it has become a celebration*" (Video 3 interviewing Rihanna). Therefore, purchasing from Fenty Beauty can be perceived as being part of a bigger movement that implies inclusivity and love of all people, which goes beyond the foundation line and is coherent throughout the whole brand, as is shown by the review of the Fenty Beauty *Gloss Bomb* below.

KbettyAk
(VIB) (ROOKIE I)

Eye Color Brown
Hair color Brunette
Skin Tone Deep
Skin Type Combination

★★★★★   21 Jun 2018

Color: Fenty Glow

It's flattering on everyone!

Never met a gloss quite like this one. Slides on smooth with an extra wide wand to cover the entire lip in one swoop. A little sticky, then perfectfully melts into the lip with a glossy, shiny shimmery finish. Somehow this looks good on every skin color, I'm dark, my daughter is olive tone, and my bff is ivory. It's like Sisterhood of the Traveling Lip Gloss.

5.5 – Comparison

According to the four previously studied categories that define luxury, all three of the brands at hand are, in fact, objectively not luxury.

While Natasha Denona has notoriously high price tags, these are essentially justified by the amount of product sold, and while there is a dream attached to the brand represented by the symbolism of owning a Natasha Denona palette, as previously identified, the makeup line itself

is a professional one, which still allows the brand to be seen as luxurious, as the company itself chooses to communicate, nevertheless this creates a grey area that allows for different interpretations.

Similarly, NARS Cosmetics emphasizes the luxury background of François Nars and his career in the industry, yet the products the brand provides have stood the test of time as icons throughout the years. Nevertheless, the pricing of NARS is consistent with other premium cosmetics brands and the quality of the products are generally perceived as high, although specific products such as their eyeshadow palettes receive less favorable reviews. The simplicity of the brand packaging communicates a more premium approach to the brand's marketing strategy, yet special limited-edition items and the incorporation of muses such as Naomi Campbell in their campaigns contradict this.

Out of the three, Fenty Beauty is most clearly premium, with less obvious cues on their status leveraging attempts. The pricing and quality are at expected premium level, heritage is mostly invalid due to the creator's background, while packaging and brand image subtly push towards a luxurious feeling, yet this is not enough to claim that Fenty Beauty is making intentional attempts at leveraging their brand towards luxury. With the creation of the fashion house, Fenty, and its direct connection to Rihanna, a link is created between both brands, essentially in the same way that fashion houses like Chanel do, except in the opposite chronological order. It is possible that the creation of a luxury house with the exact same name as the now famous cosmetics brand was a move to deliberately boost brand value for Fenty Beauty. What truly differentiated Fenty Beauty from other brands though, is the revolution it created in the market, which immediately placed the brand on a pedestal.

TABLE 3 – LUXURY INDICATORS SUMMARY

Factor	Natasha Denona	NARS Cosmetics	Fenty Beauty
Premium Pricing	Apparent luxury pricing at first glance, not the case broken down cost per gram	Industry standard	Industry standard
High Quality	Yes	Split opinions, mostly positive	Yes, potential positive bias towards Rihanna
Heritage and History	Creation of new heritage through association with a makeup artist	Creation of new heritage through association with a makeup artist	Revolutionizing the industry. Creation of Fenty fashion house with LVMH
Beauty and Craftsmanship	Themed or white packaging usually praised by costumers	Simplistic packaging, sleek design. Unique limited-edition items	Angular, edgy packaging to reflect Rihanna's personality
Symbolism and Rarity	Owning a ND item makes you part of an "exclusive" group of makeup lovers	Iconic, industry-favorite products that are irreplaceable	Revolutionizing the industry, connection to Rihanna who is a lot more than just a pop artist

5.6 - Discussion

The gap in the available literature that I wanted to fill with this dissertation is the application of "borrowing" the luxury business model (Kapferer & Valette-Florence, 2016; Kapferer, 2012) within the market of premium cosmetics. The main takeaway from this research is that premium cosmetics brands can take at least one specific factor that defines luxury, i.e. premium pricing and high quality, heritage and history, beauty and craftsmanship or symbolism and rarity, and emphasize them in a way that will distort their brand image positively, while not necessarily fully committing to the luxury image. This means that premium cosmetics brands can have high prices, in a way that shifts the public-perception of the brand's quality, as long as there is a justification for those high prices. Creating new heritage to make up for the fact that there is no traditional connection to luxury history is another way to leverage brand image and generate trust and hedonic value from the brand. This connects directly to symbolism and rarity, as the brand creates an ultimate way of differentiation that is inimitable, which is done through

communicating a particular vision and selling that vision to those who would find personal attachment to it. This can be done through specific messages that connect with a particular target audience. Lastly, beauty and craftsmanship can be wielded by giving special attention to details such as the design of packaging, the displays in retail stores or the general aesthetics of the brand, which plays a big part in how the customers perceive brand value.

There are a few factors within this analysis that leave room for debate. What exactly defines luxury? What is luxury in cosmetics? Are these brands truly attempting to create an "illusion" of luxury, or is it subconscious? Is their goal to actually become a luxury brand and create brand value that competes with Lancôme or Yves Saint Laurent? This study was based on fixed assumptions that guided the way to the results above, but in essence, luxury products are meant to represent a dream and a brand "aura" that far transcends functionality or logic (Kapferer, 2012). So, it is important to understand, whether or not these three brands are in fact selling a dream.

Natasha Denona sells a dream of belonging to an exclusive beauty community, using beautifully packaged makeup that will last a very long time, as it comes with a large amount of product, and knowing it is high quality from being created by a master in the industry.

NARS sells his own name, which in itself has become an symbol of beauty, as his star products have withstood the test of time and continue to be considered some of the best in the market, with a creator behind it that lived and breathed French heritage among the elite in the late 20th century.

Fenty Beauty sells the feeling of inclusion and the illusion that by using their products, the consumer can look and feel as empowered as a huge superstar such as Rihanna, who is turning into a creator and muse in the luxury fashion sector as well.

All in all, these three brands are considered to be premium, yet they seem to be a step above their competition, such as Too Faced or Urban Decay, as they represent a clearer purpose and a more specific point-of-view that represents brand identity on a larger scale. This in mind, they are selling that identity with their customer base, creating the sought-after luxury dream, while boosting brand image and, consequently, sales volume, creating a win-win situation for the company and their clients.

6. Conclusion

The goal of this dissertation was to show how premium cosmetics brands can create the illusion of luxury. This gap exists in current research, as the topic of the luxury business model and how it can be adapted by companies that are not luxury has not been developed outside of the market-generalized views and discussions of Kapferer (2016, 2012).

This case study presented three premium brands that used the luxury business model to leverage brand image, creating additional value in the eyes of the consumer. Through the presented results, it is clear that the brands have different way of creating the illusion, thus the nature of different brand status perceptions. Natasha Denona and NARS Cosmetics are the two brands that more successfully, and evidently more deliberately attempt to create the leveraged effect. Fenty Beauty is not as direct on their approach to pursue the luxury brand perception, yet manages to create that brand image in the consumers' minds.

The market of luxury continues to thrive and be a strong source of revenue on a corporate level, while providing the customer-base their dream products that are long-lasting and hold personal value. Cosmetics is no exception to this. Natasha Denona, NARS Cosmetics and Fenty Beauty sell a dream in their own way, staying true to brand image and vision. Though some indicators that define luxury may be lacking in their companies, they provide the customer with the dream that they want to buy, going beyond that which is the pure functionality of a product, creating an illusion of luxury, some more clearly than others.

A limitation of this dissertation is lack of primary insight on company strategy and their intention as far as brand image. While most of this can be seen and interpreted from an outside perspective, i.e. secondary data, there is still a chance for misinterpretation. Understanding the mind and the ideas of the executives behind the brand would have further shone light on the theory, for instance, within this research it is still unclear if Fenty Beauty intends on becoming a luxury cosmetics brand or not.

The current state of the market is a restriction on the conclusions drawn from the analysis as well, because the cosmetics market continues to grow throughout the years (EY, 2018), meaning that revenue increases for the companies under analysis should be taken with a grain of salt, seeing as most brands in cosmetics are likely experiencing similar levels of growth. To counter this, an in-depth market analysis and prediction on the state of the industry in the future

would be helpful in understanding which brands are truly cementing themselves as main players, and which brands would be able to survive once this market boom comes to a halt, whether it is in the near future or not.

There is a lot of room left for exploration on the topic at hand, specifically the definition of premium as opposed to luxury, specificities of the modern cosmetics markets, as well as consumer purchasing decisions based on brand image and marketing tools in an over-saturated market. For Fenty Beauty in specific, it would be interesting to analyze whether the establishment of the luxury fashion house two years after Fenty Beauty was created has specific effects on altering customer perceptions from premium to luxury. For this to have been effective, an analysis on customer perception before and after the launch of the fashion house would be necessary. The same effect could be achieved by getting public opinion from those who are not aware of the existence of Rihanna's more recent venture.

On top of this, developing the topic of premium brands borrowing the luxury business model in order to create the illusion of luxury and boost brand image is relevant to be discussed for other markets that could potentially use this type of strategy to benefit both them and their customers. As implied by Kapferer (2012), this could be explored in the market of electronics (Apple), cars (MINI) and even food and beverages (Nespresso).

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8. Appendix

1 - Pricing Table

Luxury?	Brand	Product Type	Product Name	Total Price	# shades	g/shade	Total g	Price per g
No	Natasha Denona	Eyeshadow Palette	Eyeshadow Palette 28	$239.00	28	2.5	70	$3.41
No	Natasha Denona	Eyeshadow Palette	Gold	$129.00	15	2.5	37.5	$3.44
No	Natasha Denona	Eyeshadow Palette	Star	$129.00	18	2.26	40.68	$3.17
No	Natasha Denona	Eyeshadow Palette	Camel	$48.00	5	2.26	11.3	$4.25
No	Natasha Denona	Eyeshadow Palette	Sunrise	$65.00	15	1.2833	19.25	$3.38
No	Natasha Denona	Eyeshadow Palette	Mini Nude	$25.00	5	0.8	4	$6.25
No	Natasha Denona	Eyeshadow Palette	Metropolis	$129.00	28	1.36	38.08	$3.39
No	NARS Cosmetics	Eyeshadow Palette	Ignited Eyshadow	$59.00	12	1.4	16.8	$3.51
No	NARS Cosmetics	Face Palette	Summer Lights	$59.00	6	4.5	27	$2.19
No	NARS Cosmetics	Eyeshadow Palette	Inferno	$59.00	12	1.5	18	$3.28
No	NARS Cosmetics	Eyeshadow Palette	Wanted Mini	$25.00	6	0.7	4.2	$5.95
No	NARS Cosmetics	Eyeshadow Palette	Voyageur Eyeshadow	$32.00	6	0.6	3.6	$8.89
No	Fenty Beauty	Eyeshadow Palette	Moroccan Spice	$59.00	16	0.9	14.4	$4.10
No	Fenty Beauty	Highlighter Palette	Killawat Foil Freestyle	$54.00	7	2.8	19.6	$2.76
No	Fenty Beauty	Highlighter Palette	Killaway Freestyle Highlighter Duo	$36.00	2	3.5	7	$5.14
Yes	Pat McGrath Labs	Eyeshadow Palette	Mothership V - Bronze Seduction	$125.00	10	1.32	13.2	$9.47
Yes	Yves Saint Laurent	Eyeshadow Palette	Couture Palette	$60.00	5	1.00	5	$12.00
Yes	Dior	Eyeshadow Palette	5 Couleurs	$62.00	5	1.36	6.8	$9.12
Yes	Lancôme	Eyeshadow Palette	Monsieur Big	$49.00	12	0.80	9.6	$5.10
Yes	Chanel	Eyeshadow Palette	Les 4 Ombres	$57.00	4	2.00	8	$7.13
Yes	Tom Ford	Eyeshadow Palette	Eye Color Quad	$88.00	4	2.48	9.9	$8.89
No	Too Faced	Eyeshadow Palette	Chocolate Bar Palette	$49.00	16	1.0938	17.5	$2.80
No	Ciaté London	Eyeshadow Palette	Chloe Morello Pretty, Fun & Fearless	$42.00	15	1.00	15	$2.80
No	Huda Beauty	Eyeshadow Palette	New Nudes	$65.00	18	1.0944	19.7	$3.30
No	Kat von D	Eyeshadow Palette	Shade + Light	$48.00	12	1.4125	16.95	$2.83
No	Tarte	Eyeshadow Palette	Tartelette in Bloom	$39.00	12	1.5	18	$2.17
No	Urban Decay	Eyeshadow Palette	Naked3 Palette	$54.00	12	1.41	16.92	$3.19
No	Anastasia Beverly Hills	Eyeshadow Palette	Soft Glam Eyeshdow Palette	$42.00	14	0.74	10.36	$4.05

Comments

- Fenty Beauty Killawat Foil Freestyle palette and Lancôme Monsieur Big Palette are limited edition;
- Natasha Denona Mini Nude, NARS Wanted and Voyageur are mini eyeshadow palettes;
- Chanel Les 4 Ombres was not available on Sephora.com, the price was taken from Selfridges.com and converted to USD from GBP;
- Average price per g for Natasha Denona, NARS and Fenty Beauty is $4.21;
- Average price per g for luxury brands is $8.62;
- Average price per g for other premium brands is $3.02.

2 - Sephora.com Rating Table (out of 5 stars)

Brand	Product Type	Product Name	# reviews	Rating out of 5 stars
Natasha Denona	Eyeshadow Palette	Mini Lila	349	4
Natasha Denona	Eyeshadow Palette	Metropolis	145	4.3
Natasha Denona	Eyeshadow Palette	Sunrise	356	4.8
Natasha Denona	Eyeshadow Palette	Mini Nude	282	4.5
Natasha Denona	Eyeshadow Palette	Mini Gold	108	4.5
Natasha Denona	Eyeshadow Palette	Biba	310	4.4
Natasha Denona	Eyeshadow Palette	Gold	344	4.5
Natasha Denona	Eyeshadow Palette	Eyeshadow Palette 5	200	4.1
Natasha Denona	Eyeshadow Palette	Sunset	345	4.5
Natasha Denona	Eyeshadow Palette	Mini Sunset	350	3.9
NARS Cosmetics	Eyeshadow Palette	Ignited Eyshadow	150	3.6
NARS Cosmetics	Face Palette	Summer Lights	33	4.6
NARS Cosmetics	Eyeshadow Palette	Voyageur Eyeshadow	53	4.1
NARS Cosmetics	Lip Balm	Orgasm Afterglow	637	3.9
NARS Cosmetics	Concealer	Radiant Creamy Concealer	11292	4.3
NARS Cosmetics	Blush	Blush	17541	4.7
NARS Cosmetics	Powder	Light Reflecting Pressed Setting Powder	718	4
NARS Cosmetics	Lipstick	Velvet Matte Pencil	5137	4.5
NARS Cosmetics	Foundation	Natural Radiant Longwear	2915	3.7
NARS Cosmetics	Foundation	Sheer Glow	4784	4.2
NARS Cosmetics	Foundation	Pure Radiant Tinted Moisturizer	2805	4.4
NARS Cosmetics	Concealer	Soft Matte Complete Concealer	1821	4.4
NARS Cosmetics	Lipstick	Powermatte Lip Pigment	1284	4.5
Fenty Beauty	Foundation	Pro Filt'r Soft Matte	14777	4.1
Fenty Beauty	Eyeshadow Palette	Morrocan Spice	260	4.2
Fenty Beauty	Lip Gloss	Gloss Bomb	9407	4.7
Fenty Beauty	Highlighter Palette	Killawat Foil Freestyle	225	4.5
Fenty Beauty	Lipstick	Stunna Lip Paint	4441	4.3
Fenty Beauty	Foundation	Pro Filt'r Hydrating	1038	3.6
Fenty Beauty	Contour	Match Stix	1401	4.2
Fenty Beauty	Highlighter	Killawat Freestyle Duo	3288	4.6
Fenty Beauty	Concelaer	Pro Filt'r Instant Retouch	1403	3.9
Fenty Beauty	Powder	Pro Filt'r Instant Retouch	1147	4.2

- Top 10 bestsellers (algorithm used by Sephora.com unknown);

- No palettes included in NARS's top 10, added for coherent analysis;

- Average rating

  o Natasha Denona: 4.35

  o NARS Cosmetics: 4.26

  o Fenty Beauty: 4.23

3 – natashadenona.com "About" page transcription

"Beauty entrepreneur, working makeup artist, and creative director of her own brand, Natasha Denona is the visionary behind Natasha Denona Makeup International[CR1] , a luxury line of trend-setting products that has quickly achieved cult status in the global beauty market. Designed for professional makeup artists and everyday women alike, her award-winning formulas are poised at the cutting edge of modern beauty.

Born in Croatia in 1970 and raised in Germany, Natasha inherited a love for the arts and a keen scientific mind from her mother, a chemist and technical illustrator who would often bring Natasha with her to the lab. A student of dance from a young age, Natasha's first experience with makeup artistry happened backstage, where she showed a precocious ability to apply her own stage makeup. In a few years' time—while performing as a soloist under renowned French director Jérôme Savary—Natasha was creating innovative stage looks for the entire company. Entering the world of high fashion as a model at the age of 18, her makeup skills continued to evolve. Absorbing all there was to learn behind the scenes at fashion shows and shoots, she studied every detail, developing a heightened awareness of texture, color, and how light interacts with the face.

After becoming a mother Natasha made the decision to step offstage and focus her energy on makeup artistry. Within a year she had created a groundbreaking portfolio using well-known actresses and models. Entirely self-taught, her raw talent had evolved into an immediately recognizable style that was nothing short of revolutionary. Bold but accessible, Natasha's portfolio caught the eye of leading fashion photographers, and she was soon topping the list of must-have artists. Over the next 10 years Natasha became an internationally recognized leader in her industry, producing multiple luxury fashion campaigns and covers for leading magazines.

With a client-base that ran the spectrum from ordinary women to supermodel Bar Rafaeli, Natasha noticed a demand for products that bridged the technological savvy of a makeup artist's kit with the ease of everyday makeup. From early experiences in her mother's lab to years spent working with women around the world, Natasha drew from her unique skill set to personally develop never-before-seen formulas made of the highest quality ingredients. Exploding onto the market, Natasha's elevated eyeshadow palettes flew to the top of must-have lists—including Allure's Best of Beauty 2018—and a cult following was born. Richly

pigmented, highly blendable, easy-to-use, and comfortable for the everyday woman to wear, these palettes formed the cornerstone of her brand.

Following on the heels of this success, Natasha continues to bring trend-setting formulations from the lab to an ever-growing fanbase, while also sharing her skills at events like SEPHORiA—where she presented top-rated Masterclasses in 2018 and 2019—and during popular appearances at The Makeup Show. From social media tutorials to online engagement, she values the role of educator and innovator, and remains devoted to helping makeup lovers around the world tell their own individual beauty story."

4 – narscosmetics.com

a) "About NARS" page
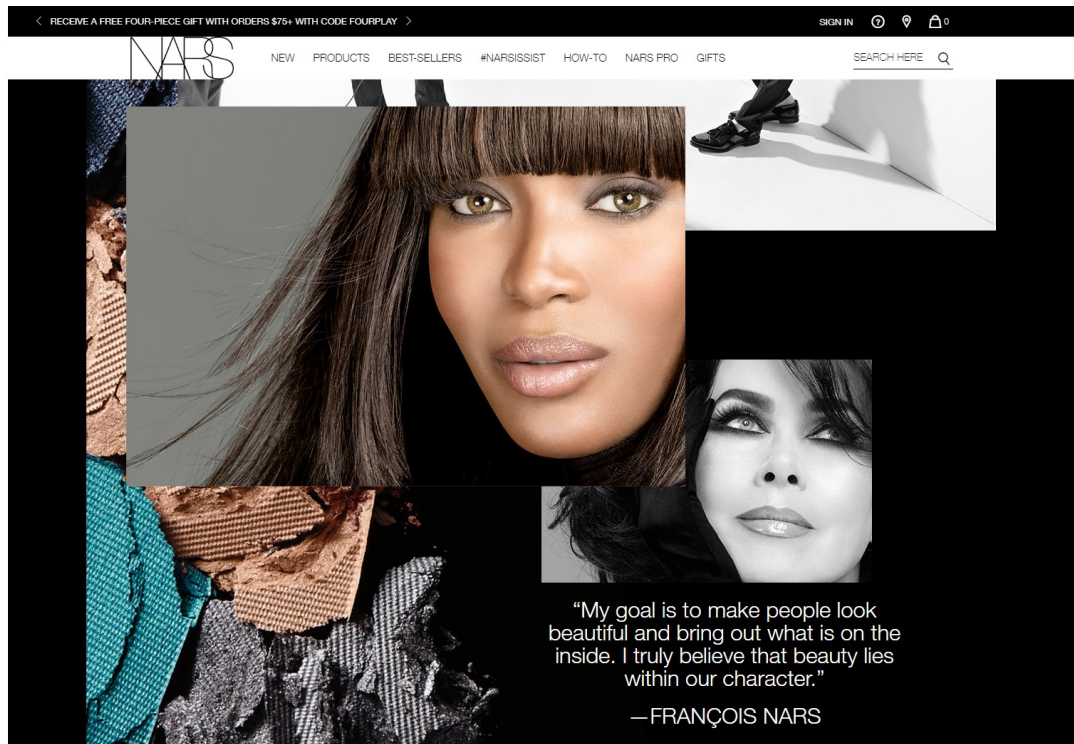
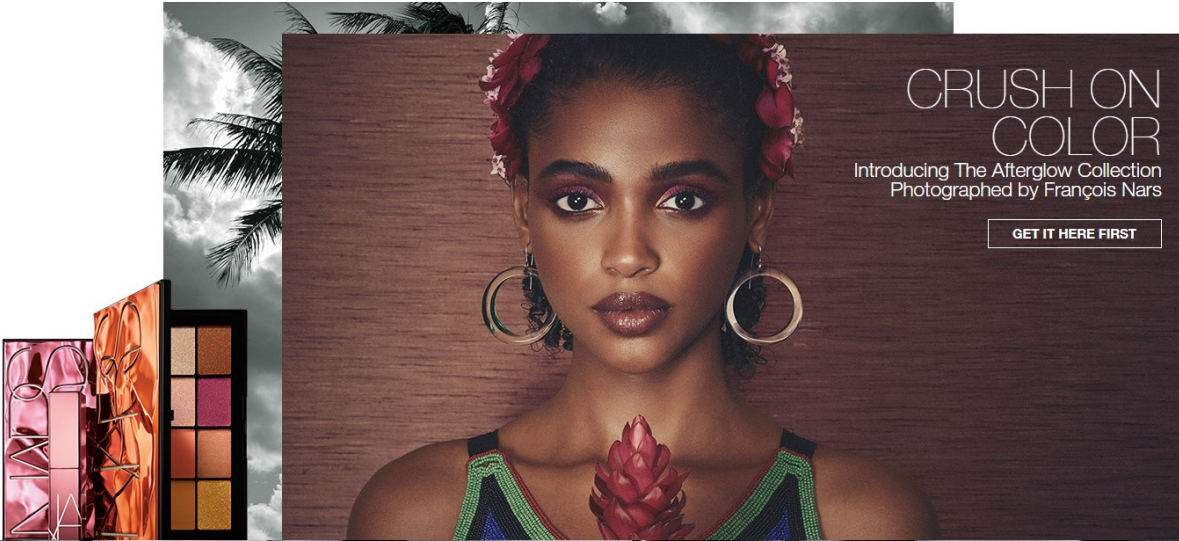## b) "François Nars" page
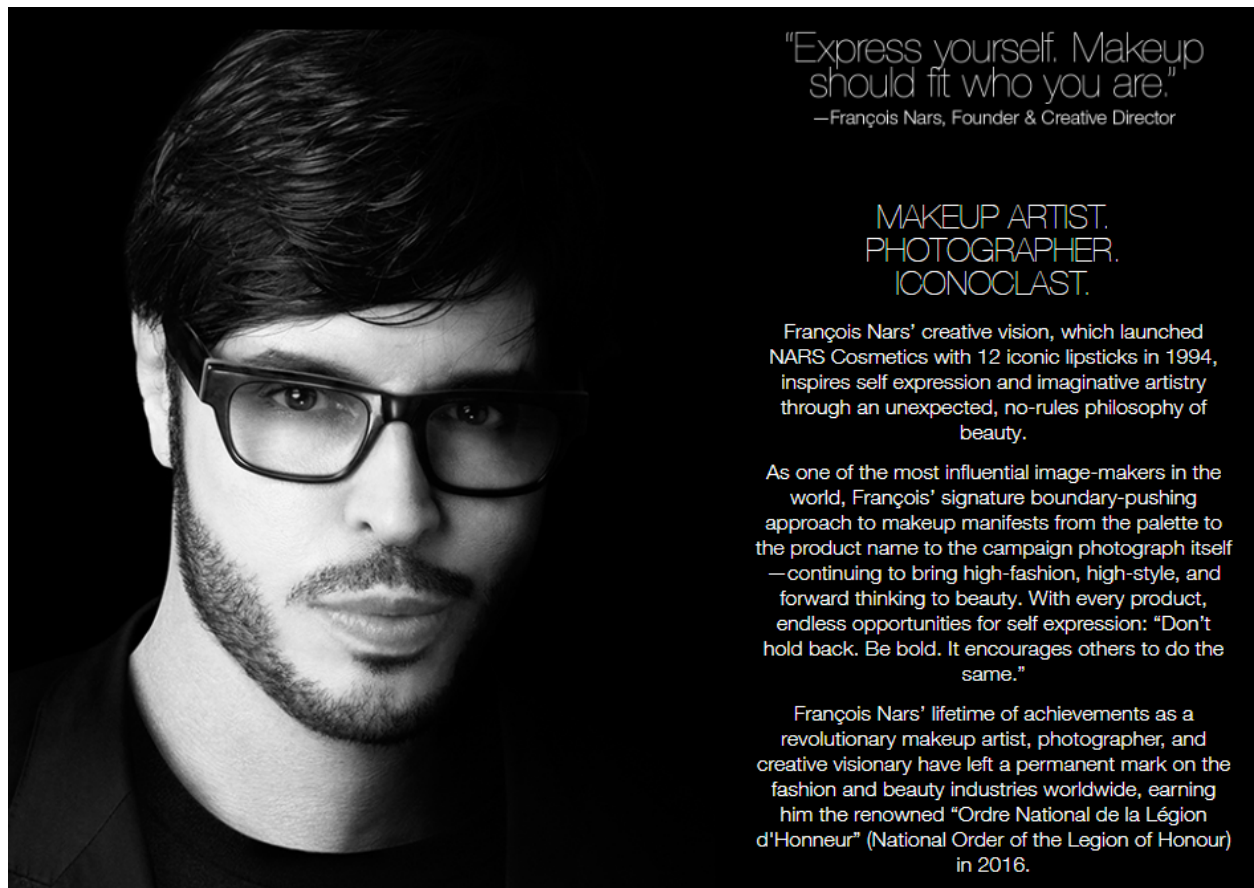
5 - Brand Imagery

Natasha Denona

Metropolis website

US Sephora display

NARS Cosmetics

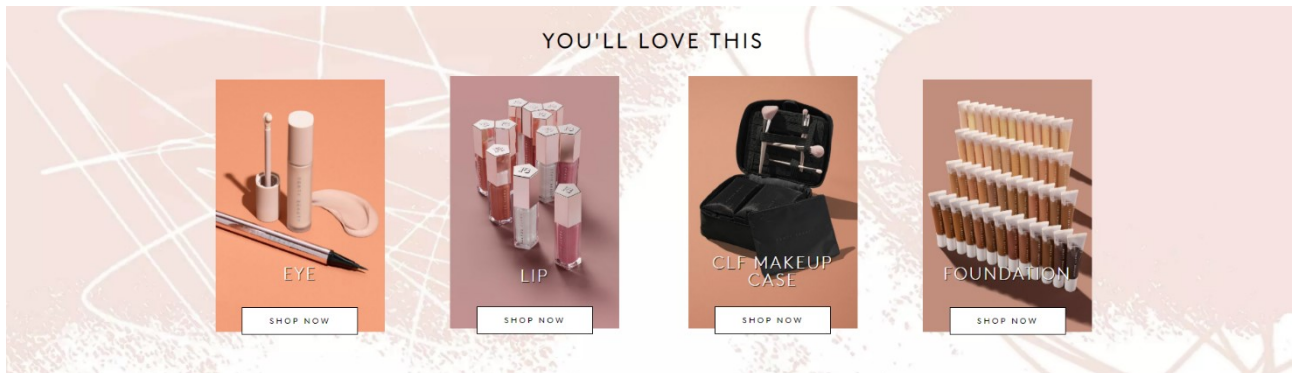
Limited Edition collection image

"About" web-page

Fenty Beauty

Website front page

Sephora display (from Fenty Beauty Instagram)

6 – Packaging (taken from brands' official Instagram accounts)
Natasha Denona

Gold Palette

Mini Coral Palette

Biba Palette

I Need a Nude Lipsticks

Sunrise Palette

Sunset, Lila, Star and 28 palettes

NARS Cosmetics

Single Eyeshadows

Blushes

Limited Edition Inferno Palette

Exposed Cheek Palette with wave pattern (product and packaging)

Fenty Beauty
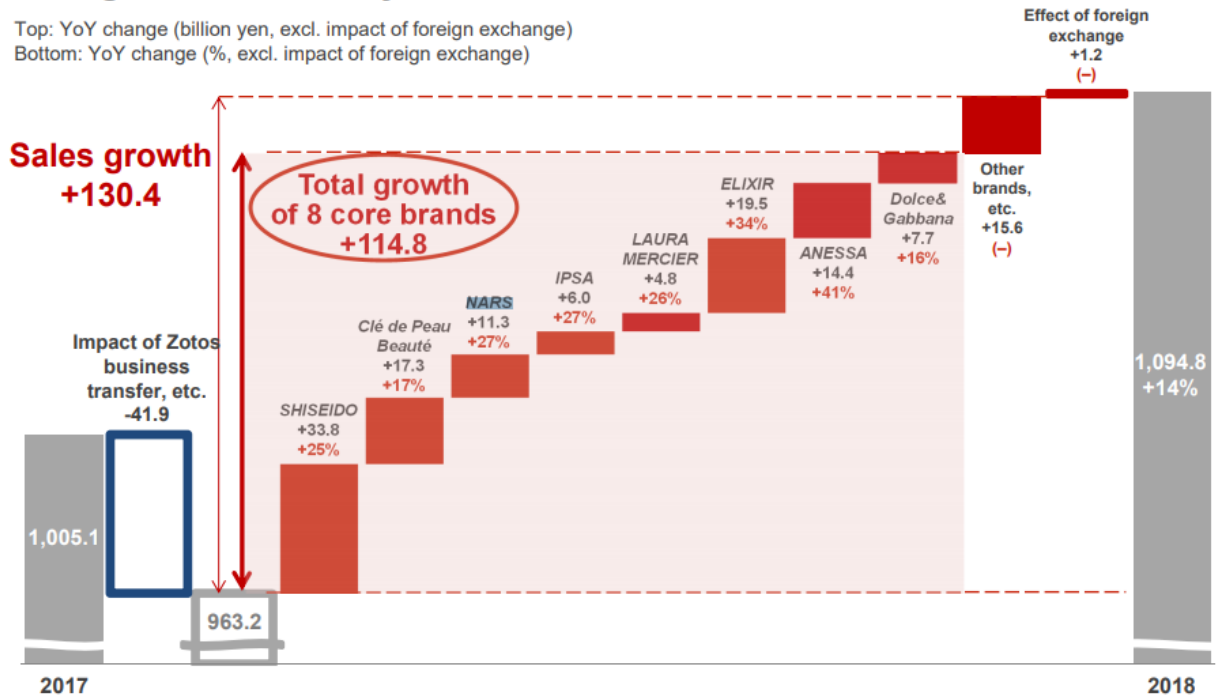
Mini Gloss Bomb

Diamond Bomb II Highlighter

Pro Filt'r Soft Matte Foundation

Sales Growth of Approx. ¥115.0 Bn in Eight Core Brands, Accounting for 90% of Total Sales Growth

Change in net sales by brand

Top: YoY change (billion yen, excl. impact of foreign exchange)
Bottom: YoY change (%, excl. impact of foreign exchange)

Effect of foreign exchange +1.2 (–)

Sales growth +130.4

Total growth of 8 core brands +114.8

ELIXIR +19.5 +34%

LAURA MERCIER +4.8 +26%

IPSA +6.0 +27%

NARS +11.3 +27%

Clé de Peau Beauté +17.3 +17%

SHISEIDO +33.8 +25%

ANESSA +14.4 +41%

Dolce& Gabbana +7.7 +16%

Other brands, etc. +15.6 (–)

Impact of Zotos business transfer, etc. −41.9

1,005.1

963.2

1,094.8 +14%

2017

2018

*YoY change and YoY change (%) for each brand is calculated based on initial exchange rate assumptions.

8 - Natasha Denona Coding Table

Code	Natasha Denona		
	Article1	Blog 1	Document 1
	https://www.thecut.com/2018/11/interview-makeup-artist-natasha-denona-on-eye-shadow.html	https://www.theblondesalad.com/en-EG/beauty/the-blonde-salad-meets-natasha-denona	natashadenona.com/about
Luxury	"I also actually formulate every single shade" ; "We use the best materials in the world, I never touch cheap ingredients."	"I understood from the beginning that makeup was what I loved"	"Over the next 10 years Natasha became an internationally recognized leader in her industry, producing multiple luxury fashion campaigns and covers for leading magazines."; "a luxury line of trend-setting products that has quickly achieved cult status in the global beauty market"
Illusion	"The number of colors in each pan makes it not expensive. They're sometimes even cheaper than other brands if you break them down into individual colors"		
Premium Brands	"My line is a professional line, so I didn't want to make mini eye shadows. But the minis I make now are for beauty junkies who love them and can't afford huge palettes" (lack of exclusivity)		"With a client-base that ran the spectrum from ordinary women to supermodel Bar Rafaeli"
Consumer Perception*	Fans effuse that the products are "gorgeous," "totally worth it," and "unbelievably soft," despite their luxury price point.		"Exploding onto the market, Natasha's elevated eyeshadow palettes flew to the top of must-have lists—including Allure's Best of Beauty 2018—and a cult following was born."
Brand Communication	"My line is a professional line, so I didn't want to make mini eye shadows. But the minis I make now are for beauty junkies who love them and can't afford huge palettes"	My dream was to create products that were professional but very easy to use for everyday women and that's what I do today.	"From social media tutorials to online engagement, she values the role of educator and innovator, and remains devoted to helping makeup lovers around the world tell their own individual beauty story."

Code	Video 1 https://www.youtube.com/watch?v=pOnz56uw2xU	Blog 2 https://www.holleewoodhair.com/natasha-denona/
Luxury	"I made these palettes [...] for my students"	
Illusion		But doesn't it seem weird to you that a lesser-known makeup company with insanely high prices would just show up and blow the competition away? What's so special about this eyeshadow? Is it made of diamonds or something?
Premium Brands	"I thought about all these types of different undertones and shades iin opne palette, so it will be really easy for makeup artists to use them; and I've also done a couple of small ones [...] in the same shades, so it would be really easy for everyone to use"	Even though this makeup may seem unobtainable, Natasha Denona really just has the average lady in mind. "It's very important for me to create products that are very useful for everyday women"
Consumer Perception*	"Some YouTubers were really in love with [the palettes]"	But doesn't it seem weird to you that a lesser-known makeup company with insanely high prices would just show up and blow the competition away? What's so special about this eyeshadow? Is it made of diamonds or something?
Brand Communication	"I thought about all these types of different undertones and shades iin opne palette, so it will be really easy for makeup artists to use them"	Denona wants nothing more than for her makeup to be useful to professionals, makeup fanatics and the typical everyday woman.

Code	Article 2 https://www.allure.com/story/francois-nars-interview-makeup-brand-history	Blog 3 https://www.latestinbeauty.com/blog/an-interview-with-francois-nars/	Article 3 http://www.genlux.com/exclusive-interview-francois-nars
Luxury	"I knew "orgasm" was the shade name for a shimmery pinky-peach blush that was (and still is) a staple in my mom's makeup bag before I learned it's a euphoric, sexual feeling.", "Nars knew exactly what he wanted and making adjustments thrilled him", ""When you blush, automatically it's a feeling," he explains. "So I thought I'd give those names to blushes. Some of them could be more sexual, more naughty.""	"To this day, [Nars's] creative expression and bold originality still reigns all over the world. ", "She was beyond artistic! I am lucky to have learned a little bit of everything from these muses and remember all the things they taught me throughout my childhood. ", "NARS has been a brand that I've adored for years (the Laguna bronzer is my HG), so to own a piece of beauty history is incredible." – Harri, Brand & Campaign Manager; "Timeless. Stands the test of time. Gives you the opportunity to be expressive with colour. To me, that's NARS." – Jem, Editor & Social Media Manager	**Entire interview**
Illusion	Most were based on custom-mixed lipsticks Nars Frankensteined out of other bands and kept in a little palette in his kit. "I had favorites, so when I created those I said I want those colors to be in the line right away," Nars recalls. "They were the colors I would apply on models the most."		
Premium Brands	Even though it was born out of a high-fashion photo shoot, Nars promises you can do your makeup with it with your eyes closed — on the subway, in a taxi, at your desk.; "It achieves coverage, it's non-drying, it has a great range of shades, and a great formula. There's no mystery. When a product works, it works." (funciton)	There wasn't just one woman in my mind when I started brand. The idea driving us was always about offering a line of makeup that was modern, audacious and iconic to women everywhere.	
Consumer Perception*	"[…]makeup artist brands are loved, I think. Makeup artists, we really know what we're talking about."	"NARS has been a brand that I've adored for years (the Laguna bronzer is my HG), so to own a piece of beauty history is incredible." – Harri, Brand & Campaign Manager; "Timeless. Stands the test of time. Gives you the opportunity to be expressive with colour. To me, that's NARS." – Jem, Editor & Social Media Manager	
Brand Communication	"Do what we wanted, what we feel" was the concept given to the makeup artists on set, Nars says.; "Sometimes you create something without realizing you're creating something. That's why makeup artist brands are loved, I think.", Concealer is also a boring word that probably shouldn't apply to makeup, according to Nars. "Because when you conceal, you're hiding, and hiding is never good," he explains. "We should invent a different word." If anyone could come up with one, I trust François Nars can do it.	"As an artist, I was frustrated with not being able to find the best products or the best colours and I thought it would be fun to create my own makeup line."	**Entire interview**

Code	NARS Cosmetics	
	Article 4 https://www.marieclaire.com/beauty/a12464020/francois-nars-interview/	Article 5 https://en.vogue.me/beauty/francois-nars-interview-rizzoli-book-launch/
Luxury	"Long before you could book a job based off of your Instagram following, Nars established himself in the '80s and early '90s as a go-to collaborator—and trusted confidante—for designers, supermodels, and celebrities."; "I try to give names that are either from songs, places, movies, or names of people that I love. It gives the product some significance, some weight. It's beyond just a tube of stupid makeup"; "I always value the quality; I don't want to make products that are cheap or not holding well."	Mary Phillips, shares with Vogue Arabia, "In all of the fashion magazines that I read growing up, I remember seeing his name continuously, and his looks were always so edgy and so stunning—right away you knew what was his work. ; You never know which color will be a bestseller. I designed the first Orgasm blush the way I design all my colors and it just happened that Nars fans fell in love with the name and the color. It didn't seem that daring, but everyone loved it.; "Be daring and don't be scared to express yourself. Go for a transformation. Be yourself, but more."
Illusion		
Premium Brands		Makeup should be thought of in the same way as a wardrobe. It is an accessory. I always encourage women to keep a basic wardrobe of colors that you really love. Keep them all year and add from different collections or seasons.
Consumer Perception*		
Brand Communication	"I try to keep NARS what it is while keeping it on edge. You want to keep it going on and on and on so that it's a brand that's timeless."	François Nars is recognized worldwide for his use of high pigmented color along with timeless, minimalistic packaging and branding, but most importantly, for his ability to make women feel special time and time again; Celebrity makeup artist Mario Dedivanovic, shares with Vogue Arabia, "François Nars is the ultimate inspiration. His work is modern and provocative and so tasteful. The same goes for his brand. He is a true innovator."

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Code	Article 6	Article 7	Article 8
	https://www.thecut.com/2017/10/franois-nars-instagram-makeup-man-ray-holiday-interview.html	https://www.thecut.com/2016/08/francois-nars-beauty-interview-new-book.html	https://www.wmagazine.com/story/francois-nars-interview
Luxury	"I always feel a bit nostalgic of the past when there was more mystery", "Man Ray's work is so accurate and incredibly modern. I hate the word modern, but it's true. In my casting and my selection for people who I love and who have influenced me, I look at people who could create and be part of what is going on today."	"I like shocking, but I don't like to shock as an automatic process. Sometimes it happens, but it's not my main drive. Sometimes people are shocked by the name of Orgasm blush, but I did not do it thinking. Oh, it's only to shock. But shocking sometimes is a good thing, I think it attracts a lot of attention, if it's done well.", "In France, we say "ugly beauty." I don't really think about ugly and beauty. I'm looking for interesting people."	"I can't remember the first time, but I've worked with supermodels almost from day one. I met Iman and Jerry Hall and all those girls in the late Seventies right when I started working at the fashion shows in Paris as an assistant. In the Eighties, when I came to New York, I remember my first covers with [Richard] Avedon and Brooke Shields, and Isabella Rosselini, because at the time she used to work a lot with Avedon. Those were the supermodels of the Eighties. Then we created the girls like Linda, Cindy, Christy and all that. Then Kate. All my life, I was always surrounded by those fabulous girls."
Illusion			
Premium Brands	"It's quite an incredible market, there's a mass globalization of makeup around the world. I try to stick to my vision."	"I always try to find interesting colors because I think a makeup line should have both these sides — tons of colors and neutrals. I am against lines of makeup that only use neutrals or makeup colors. I think that's a total bore. It's like going to a jewelry store and there's only one color of stone."	
Consumer Perception*			
Brand Communication			

Code	Fenty Beauty		
	Video 2 https://www.youtube.com/watch?v=x9g8lNls84E	Video 3 https://www.youtube.com/watch?v=NQD1pIJPUiA	Article 9 https://www.instyle.com/beauty/makeup/fenty-beauty-by-rihanna-interview
Luxury		"First and foremost you want it to be of incredible quality"; "I wouldn't say that that was, like, a marketing plan, that's just my passion"; "Women have made Fenty Beauty this example, they're like "this is what we want, you see she is making these shades" and for me, I didn't do it for the celebration, I did it because it is how I genuinely feel"	"Rihanna says her mom, who worked at a cosmetics counter back in the day, inspired her passion for makeup and perfume."; "Now 29, and with a few credits of her own under her belt (pop icon, designer, actress), Rihanna has channeled her lifelong love of maquillage into Fenty Beauty"
Illusion			
Premium Brands		"First and foremost you want it to be of incredible quality and you want everybody to have a piece of that"; "I feel like all of my friends and all of my fans should be able to have a piece of the product"	
Consumer Perception*		"The way that women are getting emotional at the counter because they found their shade for the first time, it has become a celebration"	"Fenty Beauty, her hot new line that has earned raves from both the industry and the general public since it launched in September."
Brand Communication	"I want all women to feel great. We are women and we have challenges. We deserve to feel beautiful and I want women of all shades to feel included, and all races. That's really what was important for me, within choosing the shades and how many we were going to make. I don't want to sell anything I don't believe in and quite frankly I enjoy it, and it's makeup so it's fun"	"Of course I wanted to include everyone, I didn't want to exclude anyone"; "All women should be able to have their own shade of foundation, it's that simple. I just want to be creative, have something that was fun and of incredible quality"	"You have all these ideas of things you want for yourself, and for me, beauty was a natural fit because makeup is such a huge part of my career and image. I wanted to do a line for years, but it needed to be credible, something that industry pros and girls around the world would respect."; "I wanted everyone to feel included. We actually started with foundation because it's the very first makeup product I fell in love with."

Code	Article 10 https://time.com/5026366/rihanna-fenty-beauty-best-inventions-2017/	Article 11 https://www.nytimes.com/interactive/2019/05/20/t-magazine/rihanna-fenty-louis-vuitton.html (Fashion)	LVMH 2019 1st Half Financial Report https://www.lvmh.com/shareholders/agenda/2019-first-half-results/
Luxury	"I have 100 percent involvement in this process, which is what makes this so special and very fun. I have so much creative freedom from products to packaging, and that's really the only way this brand will stay true to my vision for it."	"the first luxury fashion house the conglomerate has created from scratch"; "I've been slowly evolving throughout the fashion world. First wearing it, buying it, being recognized for my style and then collaborating with brands. I never just wanted to put my name on something and sell my license. I'm very hands-on, so I wanted to take it slowly and gain respect as a designer."	Continuing the relationship between LVMH and Rihanna, in May Fenty – the singer's newly created fashion house – launched its website and opened two pop-up stores in Paris and New York
Illusion			"Fenty Beauty by Rihanna reaped the benefits of a very extensive innovation plan"; "Fenty Beauty by Rihanna will intensify its efforts to gain market share in Asia."
Premium Brands	"Rihanna's make-up line, Fenty Beauty, has garnered rave reviews since its launch in September, both for its quality-to-affordability ratio and its emphasis on inclusivity"		
Consumer Perception*	"I never could have anticipated the emotional connection that women are having with the products and the brand as a whole. Some are finding their shade of foundation for the first time, getting emotional at the counter. That's something I will never get over."		
Brand Communication	"Now that Fenty Beauty has been named one of TIME's 25 Best Inventions of 2017, we caught up with its superstar creator to talk about how and why she's building a beauty empire, and what's in store for the future."		