MAC Attack

Leonard Lauder, Chairman of Estee Lauder, noted that during the deflated economy following the 2001 terrorist attacks in the USA, sales of lipstick increased. The theory was postulated that in order to boost morale, consumers purchase an inexpensive item as a treat, to act as a substitute for a big-ticket item. Lipstick helps a woman look composed even when her bank account is in the red. Charles Revlon, founder of Revlon, famously said, “In the factory we make lipstick, in our advertising we sell hope.”

The use of cosmetics by women is not new. The ancient Egyptians used copper and lead ore to beautify themselves, and burnt matches to darken their eyes and applied berries to stain their lips. From the 1500s to the 1800s a powder called ceruse was used to cover facial imperfections. This was necessary in the early days when faces were pitted by smallpox. Ceruse was made using ground lead mixed with egg white to bind the powder. However, there were many downsides to using this application, as it caused eyebrows and hairlines to recede, and in some cases leading to death as the potion thinned the skin. By the 19th century Queen Victoria declared makeup as improper and vulgar, and should only be used by actors on the stage.

Early film made dark colours darker and light colours lighter so actors used a mixture of lard, talcum powder and pigment to reduce these effects. By 1914 a Jewish Polish immigrant, Max Factor, who had settled in Hollywood, introduced a new greasepaint which was used by the silent film comedians. He also invented an eyebrow pencil, lip gloss and concealer. As the telescopic power of cameras increased he developed new formulas for the actors.

In the 1920s film sets changed, with carbon arc lights being replaced by incandescent lighting; consequently the light was more diffuse and not so bright, so Max Factor adapted his products. In the same decade studios started using panchromatic film which improved the appearance of colours at the light end of the spectrum. Max Factor developed a hair dye for blonde hair, made famous by Jean Harlow, giving rise to the platinum blonde. However, any member of the public who attempted to copy the stars by wearing makeup were chastised, as it was thought that only prostitutes wore lipstick and powder.

When technicolour film was introduced and the magnification of cameras developed, make-up was used to make actors look attractive but at the same time natural. In the 1930s Factor developed a pancake makeup to make the skin even in colour and texture, more than it naturally was, which was a big innovation. It was so successful actresses stole it to use at home. Initially Max Factor resisted the temptation to market the product to the public but after persistence from his sons and pressure from actresses, in 1930 he successfully promoted the product. He coined the term “make-up” as a name for the product, linking it to theatre and film. Upon the success of Factor’s pancake make-up other manufacturers, such as Helena Rubenstein, Elizabeth Arden and Charles Revlon, introduced similar products to the market.

In the last 20 years the global beauty market has grown on average 4.5% annually, with an estimated turnover now reaching US$170 billion. There are five main segments in the market, namely skincare, haircare, colour (make-up), fragrances and toiletries. The colour cosmetic (make-up) market is the third largest segment in terms of sales.

Make-up Art Cosmetics, or MAC, was developed in Toronto, Canada by Frank Toskan, a make-up artist and photographer, and Frank Angelo, who was a beauty salon owner. They wanted to develop colours that would shoot well under the glare and heat of photographic
studio lighting. The pair mixed colours in their kitchen and sold them from the hair salon to photographers, make-up artists and models. Through word of mouth and over time, the products’ popularity grew, so in March 1984 Toskan and Angelo opened a counter in a department store in Toronto.

In contrast to the competition, the counter was staffed with professional make-up artists, which was an industry innovation. While other companies relied on traditional advertising, gift with purchase promotions, and sampling, MAC concentrated on the customer’s point of purchase experience. MAC positioned itself as the ultimate colour authority with Madonna using an intense red lipstick on a photoshoot. The inspiration of their first 24 lipstick colours came from the 24 Crayola crayon pack. MAC’s motto is “All Ages, All Races, All Sexes”, but due to their playful, edgy, often outrageous with a sense of drag and theatre in their stores, they appeal to a younger crowd.

In 1995 Estée Lauder bought a 51% share of the company, which allowed for further distribution of MAC eye shadows, lipsticks, lip gloss, concealers, foundations and nail polish. In 1998 Estée Lauder bought the remaining shares, which meant further expansion. Currently there are 1500 store locations in 78 different countries.

MAC’s focus for charity is HIV/Aids organizations. Their Viva Glam programme, which is supported by celebrities such as Linda Evangelista, Liza Minnelli, Pamela Anderson and Catherine Deneuve, donates 100% of all sales to the charity.

MAC has a history of collaborating with pop-culture figures, for example Rihanna (musician), Gareth Pugh (designer), and Cindy Sherman (artist). The Glamorous Goddess range was inspired by Beyoncé and will be retired once one million of the colours are sold. Lorde is the latest celebrity to endorse MAC. She is a musician who has sold over a million copies of her album Pure Heroine, won two grammys and has signature dark lips. Lorde works closely with a New Zealand MAC senior artist, Amber Dreadon, who travels with her whilst on tour. Lorde is now working with MAC to create a limited edition cosmetic line.

Questions

1. What role do celebrities play in the promotion of MAC?
2. How has MAC influenced consumer’s’ decision-making process?
3. How did MAC position their brand in the market?

The MAC Attack case draws on information contained in:


