Tarte Influencer Branding Case

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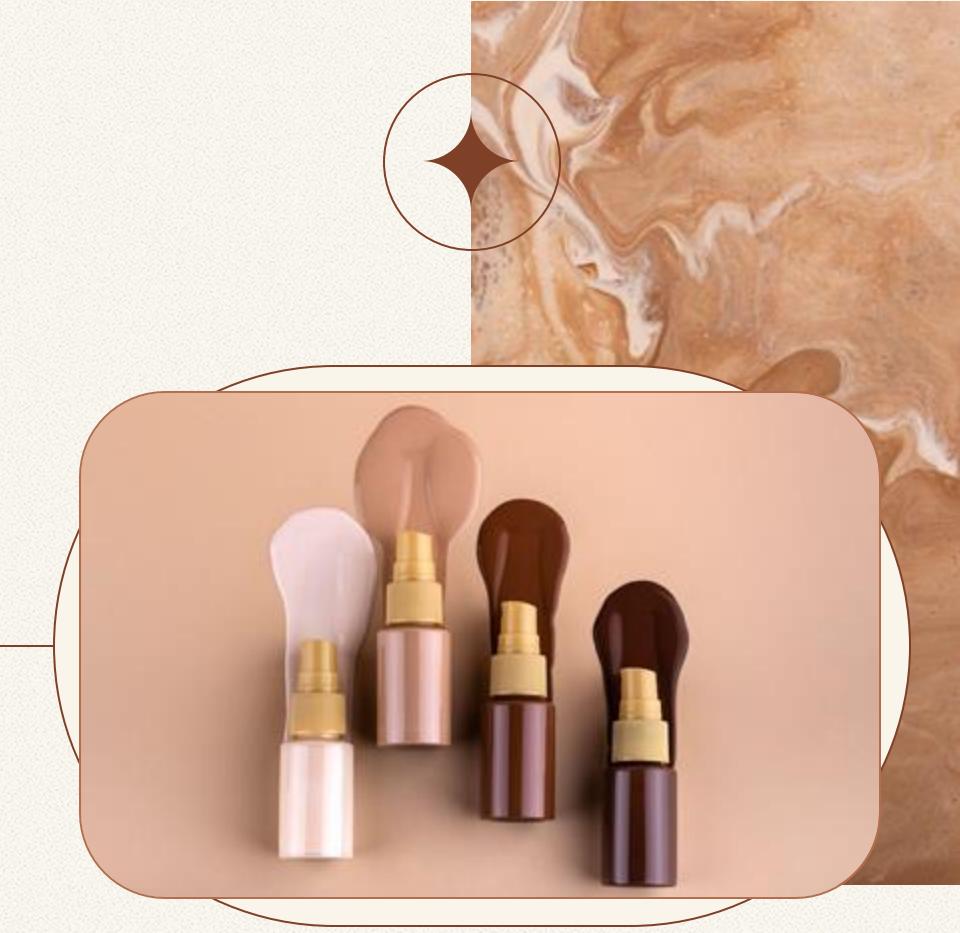
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Executive Summary

Decision:
Continue Tarte's brand trips with a redesigned, governance-led approach.

Why:
Brand trips remain Tarte's highest-impact marketing channel; the issue is execution, not strategy.
Key Fixes:
Standardize creator treatment and access
Implement transparent DEI criteria
Strengthen crisis communication and oversight
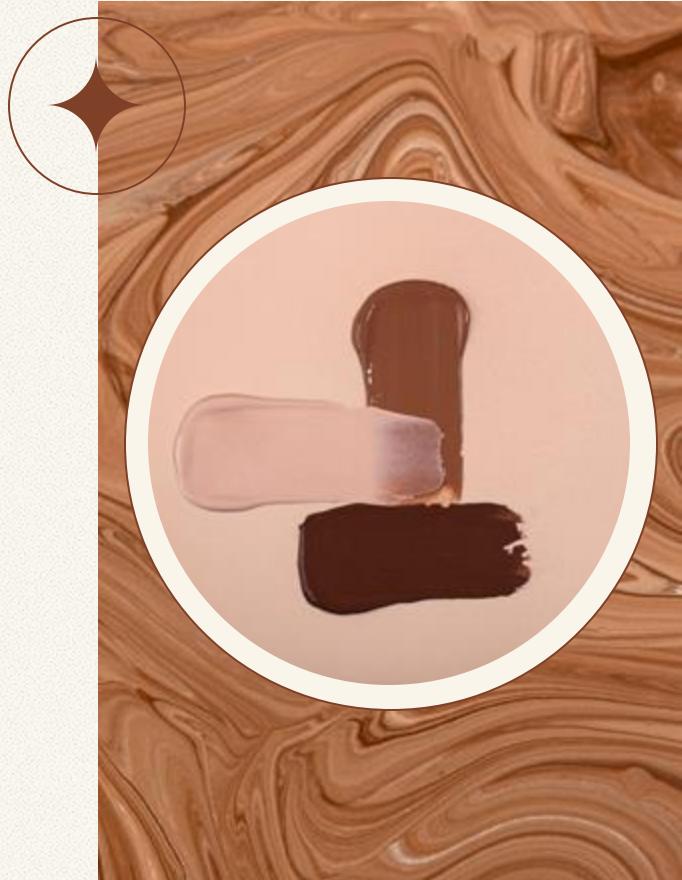
Outcome:
Preserve marketing ROI, reduce reputational risk, and realign brand trips with Tarte's values.

Problem Statement
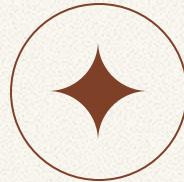
- Tarte is facing a **strategic marketing dilemma**: its influencer-led brand trip strategy, once a **high-ROI growth driver**, has become a **reputational liability**.
- Key issues include **perceived inequities**, **weak governance**, and **poor crisis response**.
- The company must decide whether to **continue, redesign, or discontinue** brand trips.
- Objectives are to **protect brand equity**, **align with DEI expectations**, and **sustain marketing effectiveness** in a **values-sensitive and economically constrained consumer environment**.

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Introduction

Introduction

Our company

o Tarte Cosmetics is an American makeup and beauty brand founded in 1999 by Maureen Kelly in New York City.

o By the early 2000s, Tarte had expanded into Sephora, one of the world's largest beauty retailers, gaining national visibility.

o From the start, Tarte differentiated itself by focusing on natural, high-performance ingredients such as seaberry and coconut, positioning itself as a cleaner alternative in the cosmetics industry.

o In 2014, Japanese cosmetics company Kosé Corporation acquired a 93.5% stake in Tarte for approximately $135 million, accelerating global expansion and strengthening operational capabilities.

Average Product Price

- Tarte Cosmetics
- Fenty Beauty
- Rare Beauty
- Too Faced
- Urban Decay
- ELF Cosmetics
- Glossier

4 Ps

Product

Core product- Cruelty free
Awareness product and Experience created through a luxury trip.
Issue – The inconsistency
Implication –When the product quality is questioned.

Price

Mid to premium cosmetic pricing.
Implicit price Signal.
If price is not equal to perceived value + values alignment, demand elasticity increases.

Place

Distribution Channels: Sephora, Ulta, Direct to Consumer (Online).
TikTok amplified the negative experiences.

Promotion

Primary Strategy: Influencer marketing via luxury trips
Low CPM relative to paid ads and organic reach.

Competition comparison

	Features	Value	Avg Product Price	Trial	Competence	Share
Tarte Cosmetics	Cruelty Free	Loyal Customer Base	$34	Limited	High	7 %
Fenty Beauty	Inclusivity – DEI	Strong Brand Image	$35	No	High	18%
Rare Beauty	Clean Makeup	Purpose Driven Marketing	$30	Limited	High	12%
Too Faced	Bold, Design	Trend Appeal	$34	No	Medium	10%
Urban Decay	Long Wear Formula	Product Durability	$36	Yes	High	15%
ELF Cosmetics	Affordable + Accessible	Best Prices	$10	Yes	Medium	20%
Glossier	Minimalistic Beauty	Community Loyalty	$28	Limited	Low – Medium	8%

SWOT ANALYSIS

Strengths

- High marketing ROI.
- Strong brand recognitions.
- Founder led authenticity.
- Early mover advantage.

Weakness

- Execution Inconsistency.
- Weak Crisis communication.
- Overreliance on influencers.
- DEI credibility Gap.

Opportunities

- Reposition trips around DEI and transparency.
- Shift to community first experience.
- Purpose-driven branding.
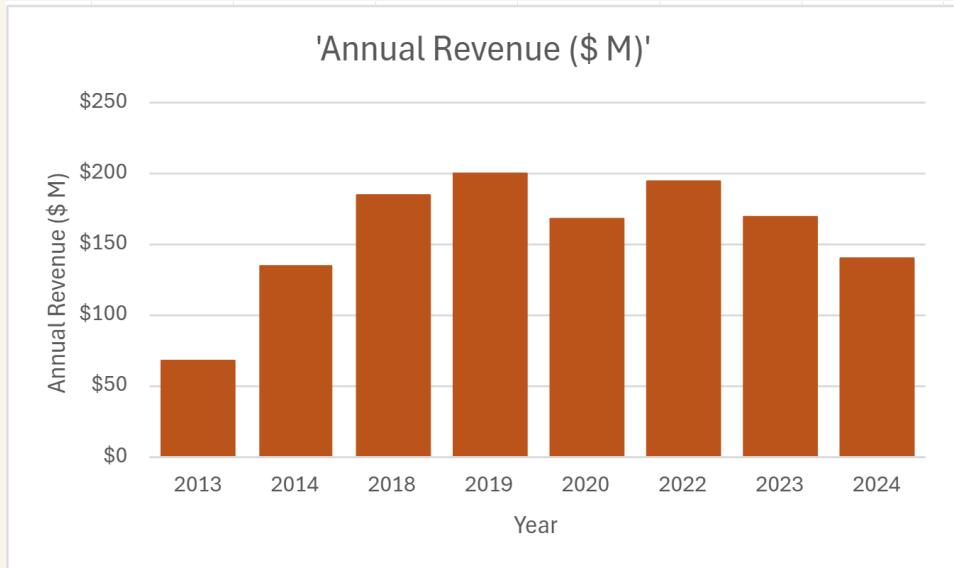
Threats

- Economic sensitivity.
- Platform amplification.
- Competitive differentiation.

Annual Revenue

Revenue Trend

o   Tarte Cosmetics has experienced **steady revenue growth** since its early years.

o   Annual revenue increased from **$68 million in 2013** to **$200 million in 2019**.

o   **Peak revenue of $200 million in 2019** occurred just before marketing controversies and global disruptions began impacting performance.

'Annual Revenue ($ M)'

Financial Analysis

Incremental Revenue Analysis.

Average Beauty Engagement: 1.92%
Average individuals behind views: 0.8
Viewership from the trip: 10 million
Customer reach: 8000000

Average customer purchase: 2
Average cost of product: $38

Actionable customers: 153600
Average sales during trip: 11673600

Cost per trip: 10000000

Profit generated: 1673600

Financial Analysis

	Average Purchase Value * Frequency of purchase per year* average customer lifespan
CLV	
Frequency of purchase	3
Average customer life span	5
Average purchase value	76
CLV	1140
Per trip	175104000

Scenario Analysis

Scenario	Conversion Rate	Avg Purchase	Customers	Revenue	Profit
Worst-Case	1%	$70	80,000	$5,600,000	($4,400,000)
Base Case	1.92%	$76	153,600	$11,673,600	$1,673,600
Best-Case	3%	$100	240,000	$24,000,000	$14,000,000

Option Analysis

Option	Cost	Revenue	Profit	Reach	Customers
Discontinue Trip	0	0	0	Low	Low
Community-First	2.5M	6.84M	4.34M	Medium	90,000
Continue Influencer Trip	10M	11.67M	1.67M	High	153,600

Strategic Rationale – Why Not Discontinue?

- Influencer trips drive **earned media** and organic reach.
- Generate **high engagement** and audience interaction.
- Enable **authentic product storytelling.**
- Competitors **continue leveraging influencers** → risk of falling behind.
- **Discontinuation = loss of share of voice** in a crowded, saturated market.
- *Bottom Line:* Stopping trips would undermine visibility, engagement, and brand relevance.

Recommendation

- **Objective:**
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  To bridge the gap between influencer marketing and authentic community engagement, while maintaining the reach and visibility that influencers provide.

- **Rationale:**
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  Recent trends indicate that audiences increasingly perceive influencers as less relatable. However, influencer reach remains a valuable asset for brand awareness and engagement. To address this, Tarte should evolve its influencer trips to combine both influencer influence and community participation.

- **Expected Impact:**

- Strengthens brand credibility and trust among a wider audience.
- Maintains influencer-driven reach while increasing engagement through relatable, community-driven content.
- Demonstrates Tarte's commitment to diversity, equity, and inclusion in a tangible, visible way.

Proposed Approach

Inclusive Trip Participation:
·Invite a mix of influencers and everyday community members (e.g., moms, students, young professionals).
·Community participants can be selected through a sign-up or random selection process to ensure diversity and authenticity.

Mentorship & Content Creation:
·Pair each influencer with a community participant to provide personalized guidance on using Tarte products.
·Example: A mom who struggles with everyday makeup is paired with an influencer who demonstrates how to use Tarte concealer and other essentials for a natural, practical look.
·Influencers document the process via daily content (videos, stories, reels) highlighting:
    ·Product education
    ·Practical tips for everyday makeup
    ·The relatable journey of learning with "real people"

Proposed Approach

Relatability & Reach:
·This approach allows Tarte to maintain influencer reach while increasing relatability by showcasing authentic, diverse experiences.
·Audiences see real people benefiting from Tarte products, making the brand more approachable and trustworthy.

Diversity, Equity & Inclusion (DEI) Initiatives:
·Address past criticisms regarding underrepresentation of BIPOC creators and unequal treatment.
·Implement structured initiatives, such as:
    ·Formal social impact statements, especially during key months (e.g., Black History Month)
    ·Internal company education on inclusivity and equitable treatment
    ·Public communication of actionable steps toward fostering inclusivity

Trip Format & Messaging Shift

From: Luxury flex → **To:** Value-driven experience
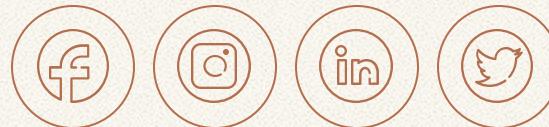
- ✦ Focus Areas:
- ✦ **Product education & storytelling** → teach, don't just showcase
- ✦ **Creator workshops & skill-building** → empower creators & participants
- ✦ **Community engagement** → everyday people included, not just influencers
- ✦ **Support local businesses & social impact** → align with brand values
- ✦ **Outcome:** Aspirational yet relatable; resonates without being tone-deaf

Risk Assessment & Mitigation

	Mitigation
Public backlash continues	Transparent DEI criteria
Tokenism accusations	Long-term creator relationships
FTC scrutiny	Standardized disclosure rules
Brand dilution	Tie trips directly to launches

Thanks!