


ESTÉE LAUDER



When I thought I
couldn't go on, I
forced myself to
keep going. My
success is based on
persistence, not
luck. - Estée Lauder

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Introduction

"I never dreamed about success. I worked for it." Estée Lauder, the creator of her namesake company, was a pioneering entrepreneur and marketer who transformed the cosmetics sector. As a bold challenger, she showcased that achieving the extraordinary was feasible for those with audacious dreams and the courage to pursue them. (Estée Lauder Companies, 2023). Estée Lauder's fervent love for beauty drove her to establish the Estée Lauder Companies with her husband in 1946, now a global leader in prestige beauty. Born as Josephine Esther Mentzer in Queens, New York, she gleaned foundational marketing principles in her father's hardware store, emphasising assertive selling, perfectionism, and the promotion of quality products. Immersed in the world of fashion and beauty from an early age, Estée apprenticed with her uncle, a European skin specialist, during World War I, mastering the art of crafting lotions and skin creams. Her innovative marketing, unwavering commitment to quality, and understanding of her audience propelled her to pioneer marketing strategies in the beauty industry. (Grayson, 2013)

The Marketing Genius

Estée Lauder initiated her foray into beauty sales by showcasing skincare and makeup in salons, skilfully demonstrating her products to women seated beneath hair dryers. With innate instincts, she excelled as both a saleswoman and marketer, in her words "Knowing What Women Want" was the key. She believed that to make a sale, you had to touch the consumer. (Estée Lauder Companies, 2023). As a great marketer, she incorporated the 3Es of consumer behaviour into her business plan by enabling the customer, enticing them to try her products and enriching the overall experience by providing personalised services. This led to the enhanced pro-brand behaviour of the customers making them brand loyalists and brand advocates. This benefitted the company by bringing in higher revenues and partner opportunities. (Appendix Exhibit A). Estée personally attended every store opening, dedicating a week to train beauty advisors in effective sales techniques and merchandise presentation—a commitment detailed in her autobiography, *Estée: A Success Story*. (Lauder, 1985, p. 29). They spent the money on samples, which they gave away at events. Her vision was far from the marketing myopia as she didn't consider her brand as just a commodity but a unique offering for her customers. In the 1950s, women's fragrances were typically reserved for special occasions. Seeking to redefine perfume purchases, Estée Lauder introduced Youth-Dew in 1953—an innovative bath oil that also functioned as a skin perfume. This ground-breaking product revolutionised fragrance sales, propelling the fledgling start-up into a thriving multimillion-dollar business. She tapped the Global human motivations of enjoyment and self-efficacy by providing sensory and behavioural gratification, enticing and empowering them through experiential and functional benefits. (Appendix Exhibit C).

Long before the prevalence of social media, Estée Lauder executed word-of-mouth campaigns, advocating the mantra "*Telephone, Telegraph, Tell a Woman*," relying on satisfied women to naturally promote her products. This philosophy can be correlated to the Social

Comparison Theory (Festinger 1954) which centres on the belief that individuals are driven to gain accurate self-evaluations as a way of self-enhancement. Estée was confident about the changing landscape and standards of beauty during that time and, thus, was able to leverage the social comparison theory. (Gruder C.L., 1971). Lauder recognised the importance of allowing consumers to experience her products first-hand. She introduced the concept of "try before you buy" by offering samples and consultations at department stores, allowing potential customers to test the products and see their benefits. She took the 'Gift with Purchase' idea to new heights, elevating it to become standard industry practice. *"The gift-with-purchase strategy not only became an Estée Lauder trademark but also grew to become standard practice in the cosmetic industry and is still done today, contributing as much as 30% of some companies' annual sales volumes."* (Women's Wear Daily, 2020).

Lauders shifted from salon concession stands to a focus on high-end department stores, where Estée personally trained sales associates and engaged with customers. Introducing partner-oriented marketing, the brand fostered trust with employees and enhanced customer value, ensuring continual investment for enduring brand loyalty. Prioritising skin care, the company exclusively sold products through prestigious outlets, emphasising luxury and exclusivity. Estée strategically targeted affluent women, positioning her products as enhancers of beauty and confidence, cultivating a sense of exclusivity and desire around the brand. (Investopedia, 2023). When the Estée Lauder brand entered advertising, Estée prioritised print images that were both aspirational and relatable. Choosing a pale turquoise hue for the brand's jars, she believed it exuded luxury. She had a vision about the brand and was way ahead of her time to create a consistent brand image. Recognising the impact of celebrities on consumer behaviour, she collaborated with icons, leveraging their glamour. By 1962, with the means for advertising, Estée Lauder Cosmetics pioneered the concept of the "Estée Lauder woman," featuring the same model across all campaigns. (The New York Times, 2020).

Moreover, Estée Lauder directed the establishment of five more brands, including Aramis, Clinique, Prescriptive, Lab Series, and Origin. She consistently emphasised the imperative that the company's products must be crafted from the finest-quality ingredients. (Estée Lauder Companies Inc., 2023). Recognising an untapped market among men, Estée Lauder initiated the development of male-oriented products. Employing the Benefit case approach, she identified a consumer need, seized a business opportunity, and established a compelling value proposition for the brand in that specific niche. The company further introduced a premium skincare line for men named LAB SERIES, a brand that presently achieves sales of four products "every minute somewhere in the world." (Estée Lauder Companies Inc., 2023). She believed that educating women about proper skincare was essential to building a loyal customer base. In the 1960s, the company began branching out geographically. As they expanded globally, the brand maintained a keen understanding of local cultures and preferences. This adaptability allowed the company to resonate with diverse audiences while maintaining a consistent brand image. She embodied concept communication and removed any barriers in the transaction by maintaining a consistent product, distribution and pricing

strategy for the brand while also maintaining complementarity within the brand in different offerings. (Appendix Exhibit B).

Key Takeaways

Estée Lauder's legacy provides invaluable lessons for aspiring marketers. Her profound understanding of the target audience enabled the effective tailoring of marketing strategies. Positioning herself as the brand's face, she forged a personal connection, showing sophistication and a commitment to quality. Associating the brand with her persona added a human touch. (ChatGPT, 2023). Lauder's unwavering commitment to quality and innovation led to substantial investments in research and development and ensured products that were not only effective but also luxurious which signals that aspiring marketers should prioritise quality and innovation for product differentiation.

Her emphasis on building enduring customer relationships underscores the importance of customer-centric approaches. Providing attentive service and personalised recommendations cultivates customer loyalty. Her early adoption of multi-channel marketing, strategically utilising various distribution channels, exemplifies an omnichannel approach that enhances accessibility to diverse customer segments. (Google Bard, 2023)

Lauder's meticulous crafting of a brand identity aligned with the target audience's values is a crucial lesson for marketers. Establishing a consistent, recognisable brand identity fosters audience resonance. Moreover, her timeless marketing messages, focus on enduring values of beauty and self-expression. This long-term perspective contributes to the success of a brand in a dynamic market landscape. Aspiring marketers can draw inspiration from Estée Lauder's multifaceted strategies, learning the art of resonating with audiences, prioritising quality, embracing multi-channel approaches, and maintaining a timeless brand identity.

Conclusion

Estée Lauder's impact on marketing is indisputable. Her ground-breaking strategies, unwavering dedication to quality, and profound understanding of her target audience not only revolutionised the cosmetics sector but also established a benchmark for marketers across diverse industries. Aspiring marketers can learn valuable insights from Lauder's principles to formulate effective strategies, foster audience connection, build brand loyalty, and navigate the dynamic realm of marketing. Recognised as the sole woman on Time magazine's 1998 list of the 20 most influential business people of the 20th century, Estée Lauder's success as both a marketer and entrepreneur lies in seamlessly blending timeless principles with innovative approaches. Her brand continues to inspire marketers globally, emphasising the significance of prioritising quality, forging personal connections, and embracing innovation. In an evolving beauty industry and marketing landscape, the enduring lessons from Estée Lauder's triumph serve as a guiding light for those aspiring to leave a lasting imprint in the realms of business and marketing.

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Open AI ChatGPT (2023) ChatGPT edited paragraphs to be more concise and professional, 25 November.

Google Bard (2023) paraphrased text to be more concise and professional, 26 November.

Appendix

Exhibit A: 3Es – Enable, Entice, Enrich (CB lecture Slides Week 2)

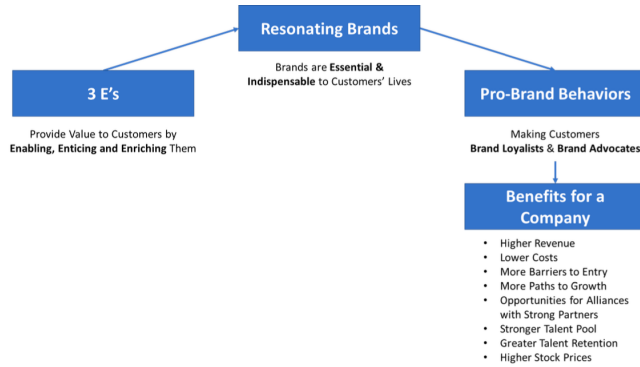


Exhibit B: Consistency and Complementarity (CB lecture Slides Week 2)

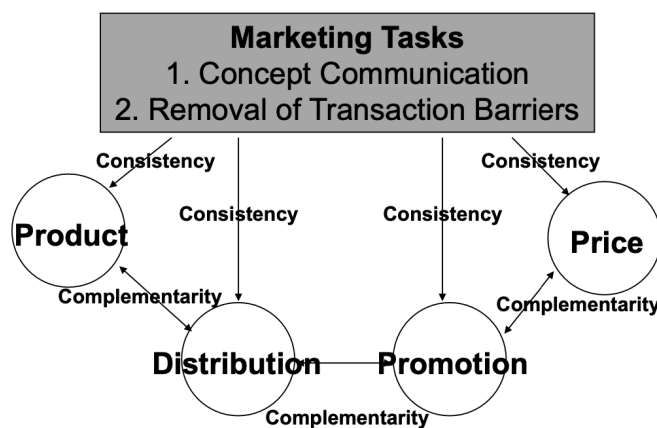


Exhibit C: Global Human Motivation (CB lecture Slides Week 5)

