

KIKO SOCIAL E-COMMERCE PLAN

During the pandemic, e-commerce becomes the most used channel to shop for fashion products. KIKO MILANO, one of the beauty brands which has already opened its market in North America, has developed various online channels. However, the brand still has a low awareness among the region. This project contains research of the brand and what situation pandemic bring to the industry. It also includes analysis of the brands' situation in the US market and what can be possibly developed to have better local market. Based on the information, I proposed a social e-commerce plan for the brand in order to be more local in the North America market and create better customer experience online.

Yingying Chen. Project 03

BRAND INTRODUCTION

- Italian cosmetic brand
- Established and founded by Percassi in 1997
- Italian cosmetic brand
- Made in Italy
- To be the budget-friendly and most innovative cosmetics brand all women can use
- More than 1200 high-quality products, including make-up, beauty accessories and skincare products
- " Be what you ant to be "
- More than 900 stores in 21 countries and its online presence in 32 nation
- Creativity and quality

BRAND'S IMAGE



Colorful

Quality

Creativity in product design

Innovation in technology



Approachable

CATEGORIES



MAKE-UP

Face: 54
Eyes: 89
Lips: 40
Hands: 32
Total: 215

SKIN CARE

Face: 69
Lips: 9
Hands & Feet: 5
Total: 83



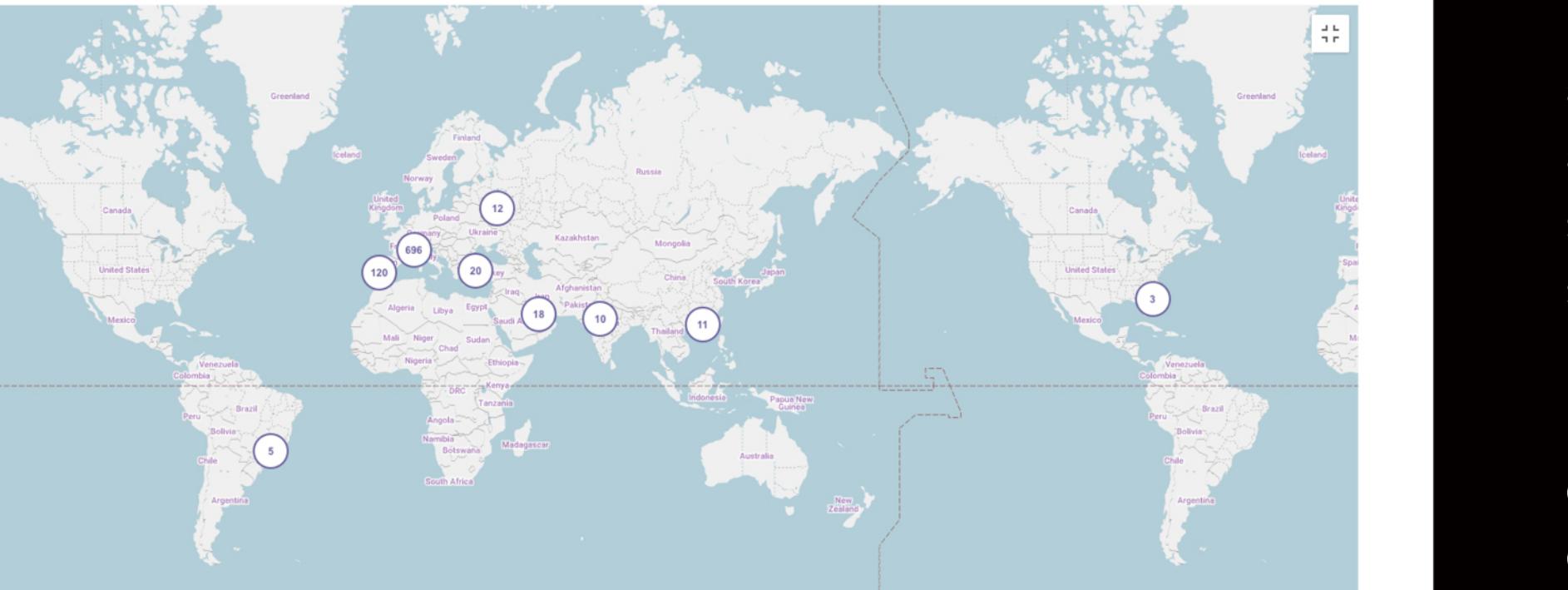
ACCESSORIES

Face: 14
Eyes: 4
Hand Care: 20
Brushes: 55
Travel Containers: 3
Make Up Cases: 9
Total: 105



01 The Current Market Status of KIKO Milano in US Market

MARKET

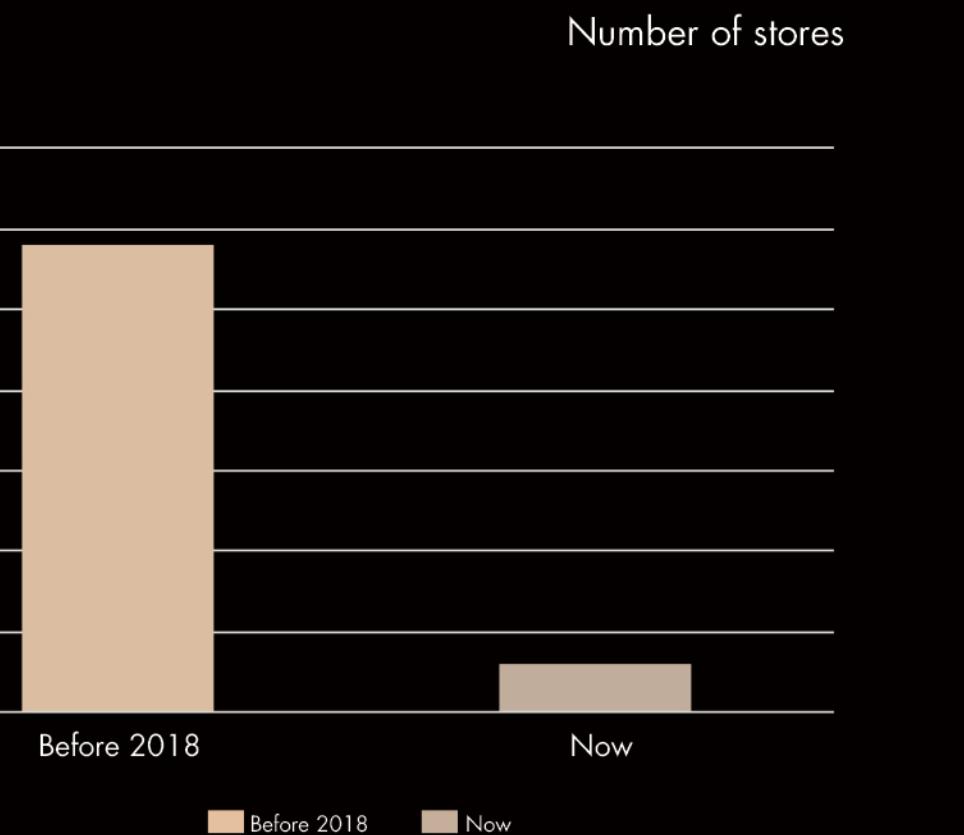


Available countries and regions: 42

Main markets: European countries

New develop area: United States, India

MARKET IN US



Source: Retail Dive, 2018, Beauty retailer Kiko USA files for bankruptcy

DATA & FACTS

- As of March of 2020, 60 percent of consumers in the US that they need to be careful how they spend their money and more than one-third of them stating that the pandemic is even impacting their ability to make financial ends meet.
- In Italy, the number of items in discounts is up to 20 percent year-on-year.
- Almost a quarter of US and European customers expect to increase their spend via social channels in April 2020.
- 44 percent of US and European consumers expect to decrease online purchases overall, which is not far behind the 49 percent who expect to decrease offline purchase of April 2020.

DIFFICULTIES

- Have lower awareness compare to other beauty brands in the United States
- Needs to compete with local beauty brands retailers which are familiar with the market in the United States
- COVID-19 pandemic related
 - Lower demands from the customers
 - Have less in-person interaction with customers
 - Hard to access the actual products because of closed offline stores
 - Delayed of shipping can affect the launching of new collections and products

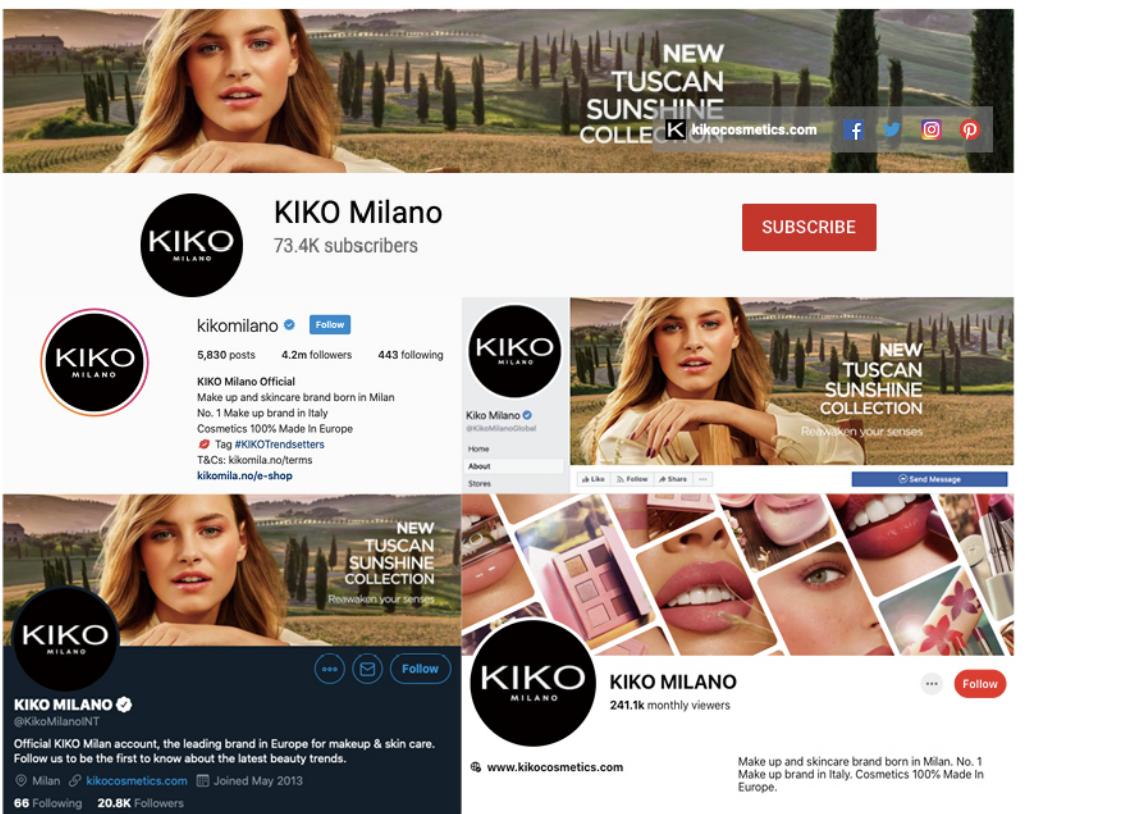
POSSIBLE SOLUTIONS

- Focusing on beauty products development especially lipsticks and nailcare
- Having appropriate discount strategies in different selling channels
- Pay more attention on developing online retail channels such as official websites, mobile apps and e-retailers
- Having innovative products based on emerged consumer's trends
- Applying new marketing strategies and future-proof digital plans
- Example: Skincare brand Kiehl's is set to launch virtual consultations to guide users on the products that are best-suited to their needs.**

01

SOCIAL MEDIA PROMOTION

- Kiko have opened accounts in **Facebook, Instagram, Twitter, Pinterest, and YouTube**. They post very regularly in the platforms.
- The posts mainly contain the products, close-up try-ons, and tutorials by makeup bloggers.



- Take "Tuscan Sunshine" collection as an example, they shared it on every platform they have with video or photos. Also, they used it as frontpage background for some platforms as you see in the former slides.
- However, except for Pinterest, they only posted one post to promote the collection. What's more, this collection is not the newest and it still lasts on the front pages while there's newer collection to promote.

Instagram

Followers: 4.2m
Tuscan Sunshine
Posts: 11
Likes: 670,632
Comments: 2,049



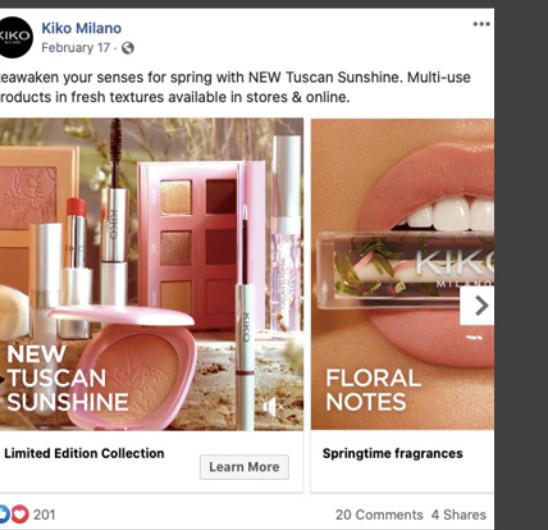
Twitter

Followers: 20.8k
Tuscan Sunshine
Retweet: 3
Likes: 17



Facebook

Likes: 4.7k
Tuscan Sunshine
Likes: 201
Comments: 21
Share: 4



YouTube

Followers: 73.3k
Tuscan Sunshine
Views: 3.1k Likes: 74.
Comments: 4



SALES CHANNELS COMPARISON

Amount of Tuscan Sunshine Product

Offline Stores	Official Website	Kiko App	Amazon	Ulta Beauty
Face	6	6	0	4
Eyes	4	4	0	4
Lips	2	1	0	2
Hands	1	0	0	0
Skin Care	4	0	0	0
Accessories	1	0	0	0

Sales Channel & Social Media

Tuscan Sunshine (as example):

- Most Popular Social Media: Instagram
- Least Popular Social Media: YouTube
- Most Product Contained: Official Website
- Least Product Contained: Amazon



Advantages

- Promotion images in Instagram and Pinterest are variable and contain great demonstrations of the products
- Multiple sales channels offers convenience to the customers

Disadvantages

- Biased amount of posts in different social media causes information inequality to different platforms' audience, which leads to the lost of potential customers
- The amount of products in new collections is inefficient in channels like Kiko Milano App and Amazon, which cuts down the possibility for customer to purchase products
- Although it is normal that he stockists contain fewer products, there's no specialty to attract customers to purchase product before they aware of the brand

TARGET CUSTOMER

- Mainly 20 – 35 years old
- Urban
- Trendy
- Fashion-oriented
- Makeup lover / Makeup needed



02 The Fast Beauty Market in US

KIKO'S POSITION

KIKO' s Positioning Map

- Have lower price range than all brands
- Have higher exclusivity than all brands
- Have more retail channels than Colourpop



ANALYSIS

Customer

- Affected by the social media and trends
- Price, location, special sales, unique products, and rewards program are main factors for them to make purchase

After COVID-19 Pandemic

- Having preference in using e-commerce to shop for beauty products
- Getting products on time without delayed
- Having lower demands in beauty products and deduction in beauty costs

	Kiko Milano	MAC	Colourpop	Benefit	Ulta Beauty	Sephora
Iconic Products	Lipsticks Nailcare	Lipsticks Foundations	Lipsticks Eyeshadows	Brow Pencils Primers	None	None
Average Price Range	\$4 - \$32	\$10 - \$70	\$5 - \$34	\$12 - \$54	\$2.5 - \$192	\$2.5 - \$192
Retail Channels	Offline stores Official site Stockists	Offline stores Official site Stockists	Official site Stockists	Offline stores Official site Stockists	Offline stores Official site	Offline stores Official site

Strength

- Having higher exclusivity than competitors
- Having a lower price range which more customers can afford
- Having various retail channels for more customers to reach
- Having different social media accounts for promotion and collaboration with different beauty influencers on tutorials and promotions

Weakness

- Not enough promotion for products through different channels
- Having lower popularity than competitors in the US
- Lack of unique products that stand for the brand to compete in the US
- Being too exclusive and too limited on product promotion

Opportunities

- E-commerce and social platform development
- Increase in eye and nailcare products due to mask using

Threats

- Lack of local developing experience and strong local competitors
- Lack of attention on social media and app development
- Decreased in facial and lip products due to mask using

Development Strategy

Strength & Opportunities

- Strengthen social media platforms and improve e-commerce retail channels
- According to COVID-19, held related online social events (e.g. Influencers' mask make-up challenge/ mask make-up competition)

Weakness & Opportunities

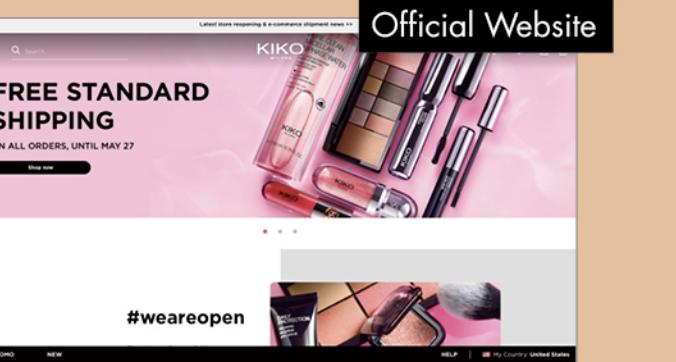
- Collaborate with local influencers on promotion (e.g. Taking charge of social media account for one day)
- Having collaboration with local influencers on new collections

Weakness & Threats

- Promotion localization (e.g. Holliday makeup tutorials)

03 Social E-commerce Plan

CHANNELS TO DEVELOP



Official Website

CHANNEL ANALYSIS

Official Website

Strength

- Created by the company and has the full collection of products
- Contains try-on feature which can help customers make decision
- Exclusive events and discounts to attract customers

Weakness

- Low potential to develop new customers
- Not enough interaction with customer
- Limited choices on payment types
- The try-on technology are not applicable for all types of products

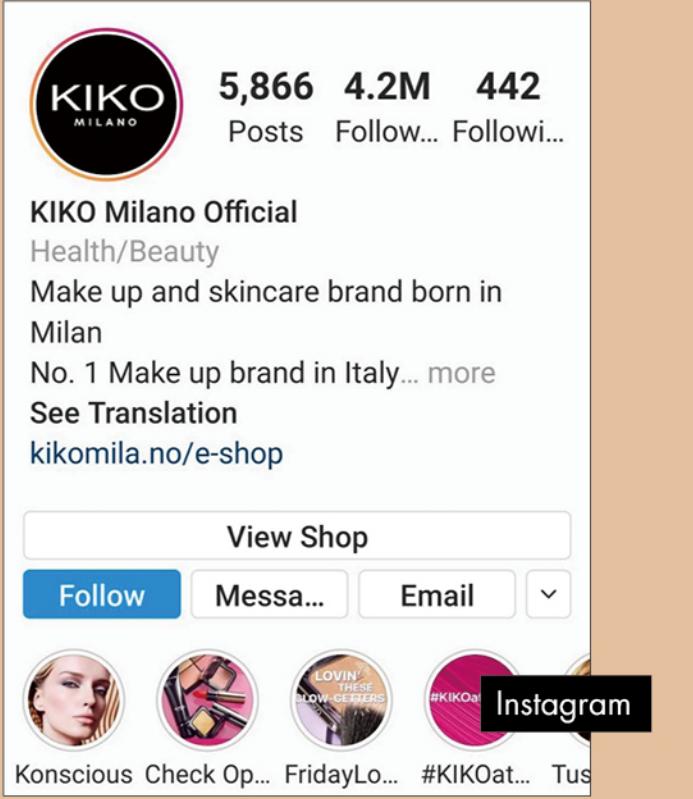
Instagram

Strength

- High potential to develop new customers and noticeable to the public
- Convenient to know related information about the brand
- Interact with customers actively and offer great customer experience

Weakness

- Does not contain all types of products
- Restricted by the brand's characteristics
- No additional abilities besides promotion



Konscious Check Op... FridayLo... #KIKOat... Tus...

CHANNEL ANALYSIS IMPROVEMENT

Try-on Feature

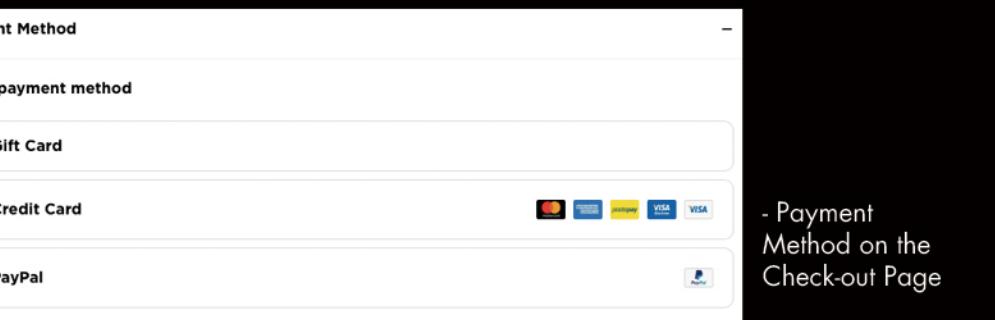
- Try-on is a special feature in the official website. It helps customers to try on the products virtually before they make decision
- However, this feature is not evenly used on all types of products. There are many products still cannot access to the feature which can affect customer's decision on purchase



- Same type of product, one includes try-on ability, another is not

Payment Type

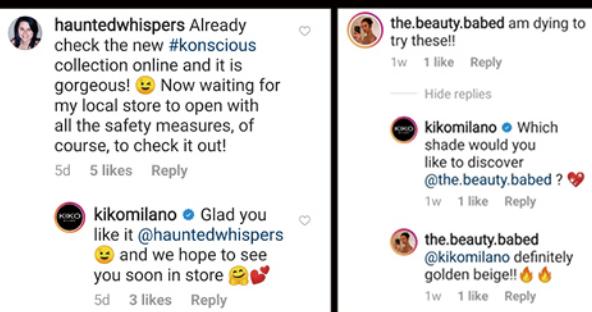
- Through the official website there are only three types available for payment: Gift Card, Credit Card, and PayPal which can exclude customers that are not available from these options.
- There are more options need to be opened such as Venmo and Klara, and Alipay which use for non-local consumers.



- Payment Method on the Check-out Page

Customer Interaction

- The brand often posts their products images and tutorials through Instagram. The brand can communicate directly through comment section and these interaction actually creates a better customer experience.
- Whereas, official website is weak in customer interaction. It is hard to see connection with consumers. Most reviews are in non-English languages which is hard for others to reference.



- Some replies in comment section on Instagram

CHANNEL ANALYSIS SUMMARY

- Due to the pandemic situation, e-commerce is the primary choice for the customers to shop
- The online platforms of the brand are not efficient and still need to grow more to be efficient
- The try-on feature that used in the website still needs to be developed till all products are applicable

Project Aim

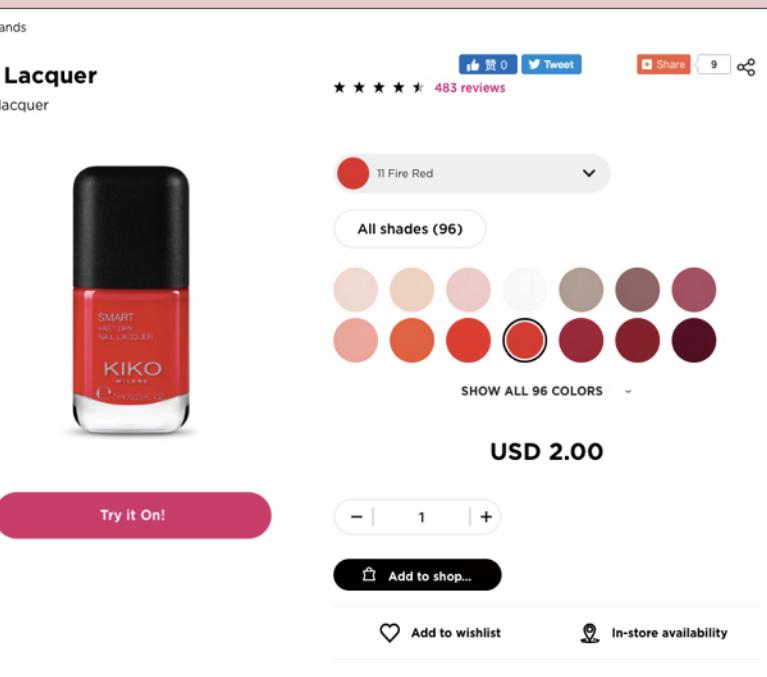
Nowadays, e-commerce is an important part of our life especially during the pandemic period now. It is necessary for the brand to develop the online platforms and create better shopping experience for consumers in order to attract more customers and improve reputation. What's more, online shopping becomes the primary choice of people to shop for beauty products during quarantine.

This project aims to improve two major online platforms that Kiko is using: official website and Instagram by a social e-commerce plan for better customer experience in North America.

OFFICIAL WEBSITE DEVELOPMENT

Improvement of the try-on feature

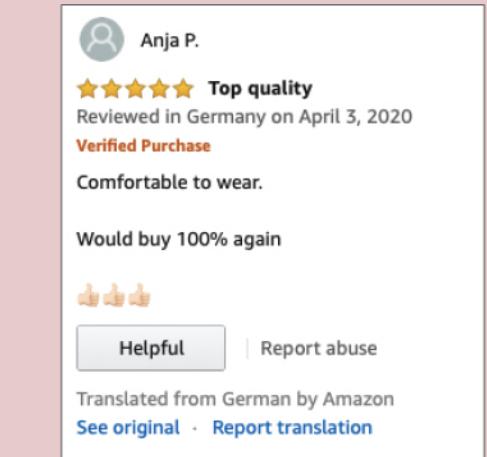
- Try-on feature is a great tool for customers to know about what they will expect of the products before purchase. Whereas, the feature doesn't use in all products
- The feature covers in mainly lip and eyes products. It is not applicable in all nails and facial products which the feature is also essential to them. In addition, the capacity of some products' the try-on effect are still low and need to be emphasized
- Make the try-on feature applicable for all types of products and increase the capacity of products that need to



- A potential demonstration of nailcare's try-on feature

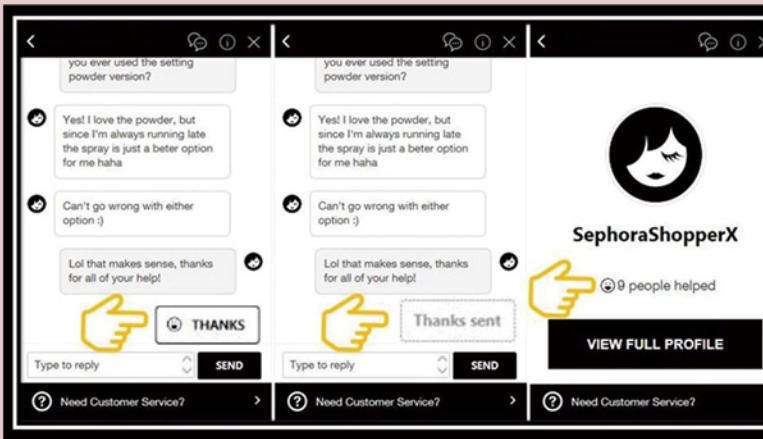
Interactive Elements

- Since the official website is weak in interaction, adding new interactive factors is great for creating better shopping environment
- Unify collection promotion schedule as same as on social media such as Instagram



- Adding self-translation feature for non-English comments translation in order to let customers know more opinions on the products

◀ A applicable feature for the comments



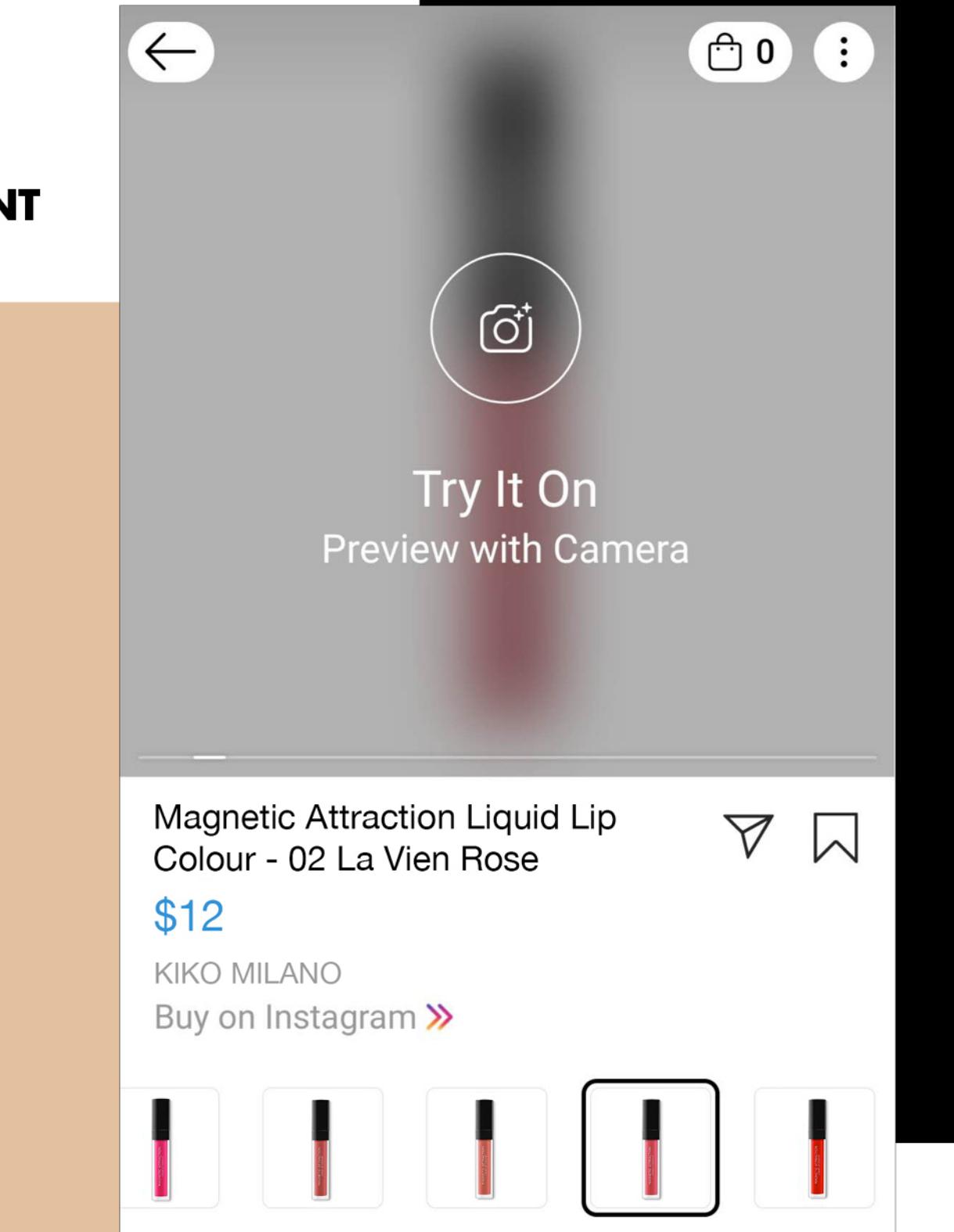
A example of the chat room from Sephora ▶

INSTAGRAM DEVELOPMENT

Reinforce Checkout Feature

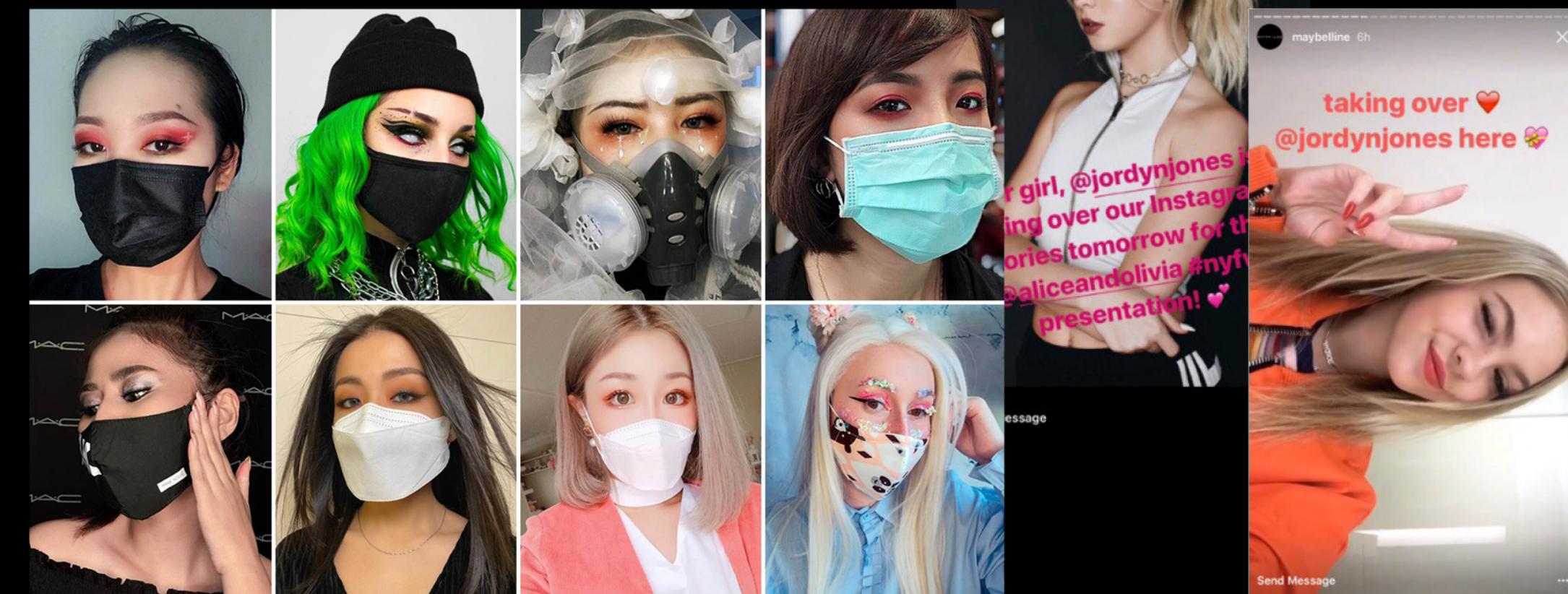
- The brand's Checkout feature in the Instagram right now still redirects to the official website. It is not an efficient method to use this feature such as the delay of new product listed on Instagram will make consumers lost interests to purchase
- Settle in the actual function of the feature which is shopping through Instagram
- Update new collection's products to the platform together with the promotion schedule

- A demonstration of Kiko's Instagram Checkout



Local Influencer Marketing

- Held interactive events according to the time period's situations and festivals
- Mask Make Up Challenge for local influencers during pandemic period
- Beauty tutorials on nailcare and makeup for open challenges
- Let local influencers to takeover Instagram account in different time



- Some examples of Mask makeup challenge from influencers

- A example of account taking over