Dermacol Global Marketing Strategy Thursday, June 8, 2023 By Ren Eck, Riley Schroeder, Chloe Offer and Sarang Kang

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Introduction

Our marketing strategy to bring Dermacol to the United States begins with the product. We're focusing on the 16H Lip Colour, which some of our members have recently gotten and had time to try. We can attest that this lipstick is truly long-lasting, and sometimes even lasts throughout a night's rest. Our target audience for this lipstick is concertgoers and musicians that are on TikTok. One of our members, Chloe, has been to over 100 concerts in her lifetime and has had her fair share of lipstick smearing during a show. She is excited to bring this product to the U.S. market through channels like TikTok to spread the word about this powerful lipstick.

Part I Mapping

Historical Insights

For at least 5,000 years, lipstick has been a provocative tool for gender expression. The right shade will define your lips, brighten your smile, and perhaps even prepare those around you to hear what you have to say. Colors and ingredients have changed over centuries, but the intention remains: everyone wants to look their best.

In the United States, 20th-century makeup specifically sold ideas of independence and female empowerment. As journalist Rachel Felder explains, "Women's rights movements spread across Europe, New Zealand, and Australia, with British and American organizers often sharing tactics, their solidarity extended to their makeup." Suffragettes would wear red lipstick because it was synonymous with power and strength.

Nowadays, makeup videos have now become their own medium of feminine solidarity. TikTok has become the center of it. Many of these videos of dancing and lip-syncing serve as a way for female musicians and concert influencers to promote themselves while sharing girl-positive messages. It's a cycle of inspiration, and it's not just people who identify as influencers. The hashtag #TikTokMadeMeBuyIt created an avenue for genuine product reviews, which in turn, inspired more people to post more reviews on the app.

In 2020, NYX Cosmetics organized a TikTok challenge campaign called #ButterGlossPop. The challenge invited viewers to try multiple shades and "pop their gloss" while singing or dancing. With just a six-day campaign, the sponsored hashtag saw 2 million user-generated videos and over 10 billion views. The brand experienced a 42% increase in brand awareness based on a size of approximately 10,000 people. The brand realized the value of letting the TikTok community lead the direction for content. They won with attention-grabbing, sound-centric content. Perhaps a part of their success can also be accredited to the fact that they made their own jingle for the hashtag.

Glow Recipe is a Korean skin care brand at the center of the Korean beauty movement. The brand originally began as a curation of other K-beauty products imported from Seoul to help smaller brands launch in the U.S. Now the company has its own skin care line estimated at \$100 million. In March 2021, Mikayla Nogueira posted a TikTok raving about the brand's Watermelon Glow Pore-Tight Toner and Watermelon Glow Niacinamide Dew Drops, later dubbed "the Dewy Duo." Just four days later, the brand saw more than a 600% spike in daily sales.

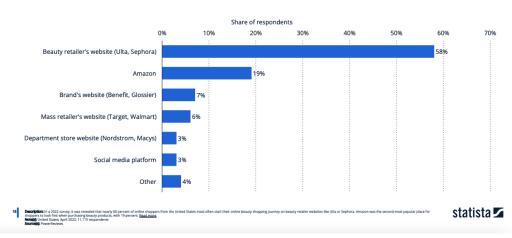
Another strength of using TikTok for makeup: it doesn't have to be just videos of girls applying makeup. The platform heavily relies on transitions, often showing the steps of the makeup evolving on the beat to a catchy song. Paris makeup brand Make Up For Ever recently collaborated with Scandinavian popstar Dagny for their New Ultra HD Products campaign. The campaign featured a range of musical and makeup artists alike on Instagram. The campaign mostly took place on Instagram, but the musician maintains a following on TikTok in which she continues posting makeup videos in preparation for both her performances and concerts she attends.

Marketplace Insights

The study "Day cream, Night cream, and Lip care are the top 3 beauty products in the area of facial care" from Statista state that in the U.S., lip care is an interest to 28% of consumers. This graph below from Statista shows that shopping at a beauty retailer website has almost half of the consumer responses, with Amazon second at 19% responses.

Online stores where consumers begin shopping for beauty products in the United States in 2022

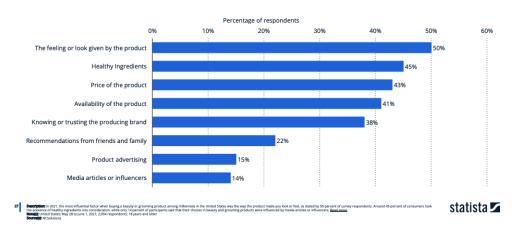




Due to COVID-19, Statista says that 49% of consumers buy more beauty products online now compared to pre-pandemic during 2022. As well, 39% say their beauty purchasing habits have not changed during 2022. For millennials in 2021, 50% say that the most influential factor when choosing beauty products is the feeling or look given by the product. Healthy ingredients are 45% interest and the price is 43%. Knowing or trusting the brand is 38%. The graph below goes into further detail.

Most influential factors when choosing beauty and grooming products to buy among millennials in the United States in 2021

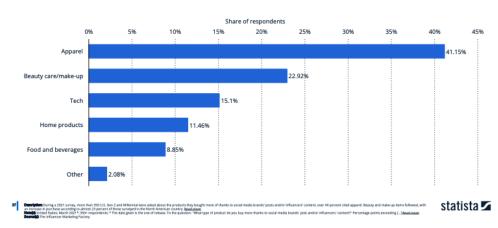
Leading considerations when buying beauty/grooming products for U.S. millennials 2021



74% of Gen Z consumers are influenced by influencers when shopping in the cosmetic industry in 2021. Millennials are at 66%, Gen X at 50% and Boomers at 34%. This is according to Statista's "Impact of influencers on beauty shoppers in the United States in 2021, by generation." The main factors that lead Gen Z to spend more on health and beauty products worldwide in 2021 are clean and natural ingredients (no synthetic ingredients or chemicals) at 69% and the opinion of online influencers also at 69%, according to Statista. This graph shows which products Gen Z and Millennials mainly bought as a result of social media influencing from March 2021. Beauty care/make-up came in second at 22.92%.

Product categories that Generation Z and Millennials purchased more as a result of social media brands' posts and/or influencers' content in the United States as of March 2021

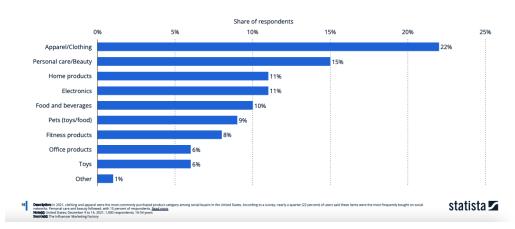
Products that U.S. Gen Z and Millennials buy more due to social media 2021



The graph below illustrates that influencers and social media make an impact on our target audience, as U.S. citizens care about personal care/beauty more than electronics, food, and toys.

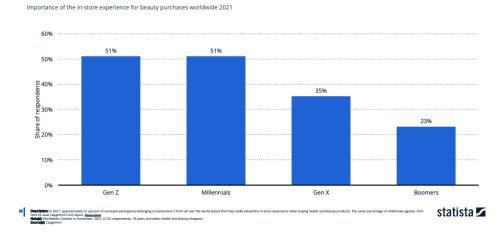
Most commonly purchased product categories on social media in the United States in 2021

Most purchased product categories on social media in the U.S. 2021



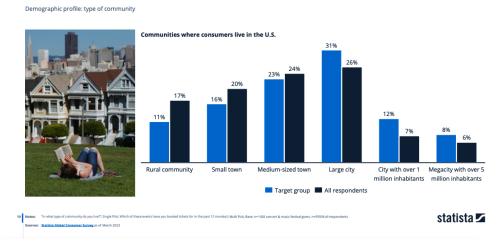
The main audience of Dermacol in Prague is millennials and Gen Z. We plan to market toward Gen Z and Millennials in the U.S. As physical experience is valued amongst those two generations, it is important that there is an in-person element in the launch to build trust with Dermacol, as seen below.

Share of shoppers who value the in-store experience when shopping for health and beauty products, by generation

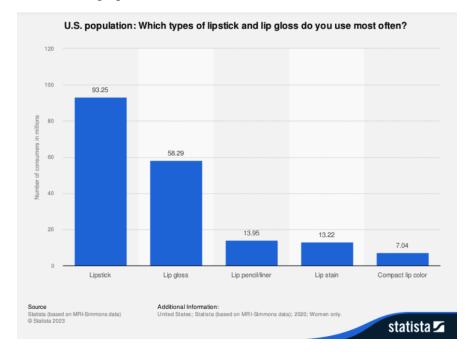


According to Statista, 22% of concert and music festival goers are innovators or early adopters of new products. As well, 51% of concertgoers in the U.S. are female. This graph illustrates that we will be able to find our target audience more in a large city or a medium-sized town.

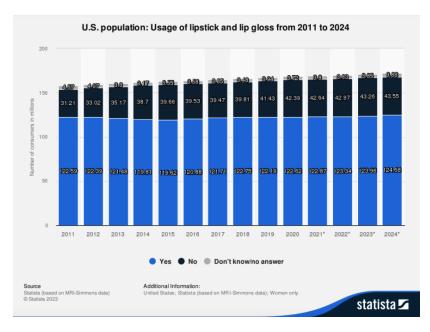
Concert & music festival goers are more likely to live in cities and urban areas than the average onliner



57% of concertgoers in the U.S. are 18-39 years old according to Statista. 93.25% of U.S. makeup consumers chose lipstick out of all other types of lip colour products as most used, as seen from the graph below.



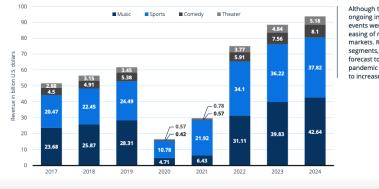
In 2022, the cosmetic and beauty e-commerce sales were 18.6 billion USD according to Statista. As well, 123.34 million consumers were lipstick and lip gloss, whereas 42.97 did not, and 3.83 say they don't know, seen below.



For music, it was estimated to have 31.11 billion in revenue in the U.S. in 2022, found in the Statista graph below.

Global live event revenues were expected to recover in 2022

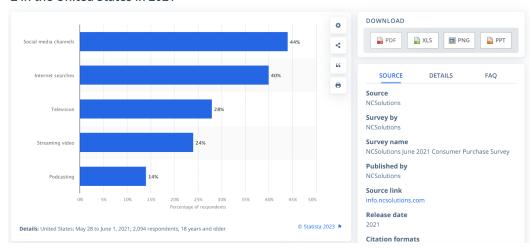
Forecast revenue of the live event market worldwide from 2017 to 2024, by category



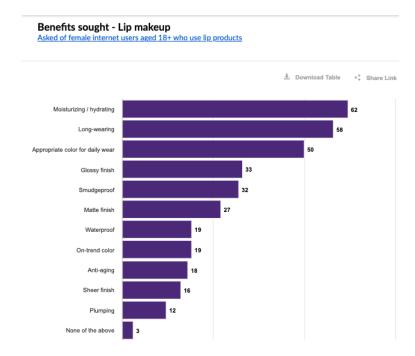
Although the pandemic was still orgoing in 2022, more and more events were going ahead due to the easing of restrictions in global markets. Revenues across all event segments, especially sports, were forecast to be higher than prepandemic levels and are expected to increase further in 2023.

Social media, television, and internet searches are Millennial's and Generation Z's most used channels for beauty and grooming product inspiration in 2021, seen below.

Most used channels for beauty and grooming product inspiration and ideas by Generation Z in the United States in 2021



According to Mintel, long-wearing is the second most important lipstick quality to female 18 years and older consumers at 58 votes, and smudge proof has 32 votes, seen from the graph below.



SiriusXM has partnered with TikTok to launch "TikTok Radio" in which they play hits used in trending TikToks. SiriusXM's subscriber base continues to expand. From 2020 to 2022, it saw a 34% year-over-year growth. SiriusXM reported a total of 34.3 million subscribers as of 2022, according to TechCrunch. SirusXm has a potential reach of 72 million listeners. Lastly, when searching for "the importance of long-lasting lipstick" on Google, it results in 123 million related videos. As well, searching "concert lipstick" results in 47.8 million results on Google.

"For many music fans, long days, hot nights and vacation time makes summer the best season for concerts. For the live-music industry, it's the ideal time to maximize ticket sales,"

-The Wall Street Journal

PESTC Analysis

Political: The environmental crisis in the United States is an important issue for 1/3 of consumers, mainly younger, as they would like to see more sustainable initiatives from brands, according to the Mintel study Beauty Retailing - US - 2022. By minimizing waste during development and trying to combat climate change, brands can gain credibility with consumers. As well, the Russian-Ukraine War has impacted the U.S. and President Joe Biden announced in February 2023 that his administration will be in support of Ukraine, as stated in a press release from the White House. His plan includes providing security assistance, delivering economic support, and strengthening the energy infrastructure of Ukraine. The war has led to an increase in food prices and labor shortages, says Mintel. Lastly, the Personal Care Product Safety Act is a U.S. government policy introduced to the Senate in June 2021, via the Congress of the U.S.'s website. This requires cosmetic brands to be registered with the Food and Drug Administration, provide them with regulatory authorities and address FDA issues in their products. Brands must provide a list of ingredients for all products. The FDA is the standard for health and safety of cosmetic products, says the FDA website.

Economic: In 2022, the cosmetic market was expected to reach \$60.5 billion in retail sales. Last year, 65% of consumers shopped for cosmetics at mass merchandisers, but this is down from 72% during pre-pandemic levels, says Mintel. More than 1/3 of consumers were predicted in 2022 to spend less on cosmetic items, but consumers are limiting their spending costs and making wiser purchasing decisions due to inflation and a possible recession in the U.S., says Mintel. They are spending more on one product than buying multiple products. Brand name (46%), online reviews (39%), and ingredients (38%) help consumers purchase products, as they lean towards the reputation of a brand, says Mintel. A recession has not been declared, but inflation is expected to continue in 2023. The revenue for music events is projected to reach \$17.54 billion in 2023, as found in a Statista study on music events.

Social: The U.S. has the following demographics: 50.5% of female persons; 75.8% white, 18.9% Latinx, 13.6% black, and 59.3% white and non-Hispanic persons; 13.6% foreign-born; median household income is \$69,021; and, 1.13 million women-owned business and 3.48 million male-owned businesses, via the U.S. Census Bureau. There is also a strong want for an accessible packaging design for older adults and individuals with disabilities. Consumers aged 18-24 are in an exploratory phase of makeup; ages 35-44 are focused on physical appearance and purchasing power; and, older consumers want to see more relatable products for aging, says Mintel. As well, younger men have an openness to trying cosmetics. Young consumers are easily persuaded by referrals. Consumers like clean ingredients, multi-functionality, and trial offers, as well as loyalty programs (40%). Consumers become disappointed with promises of instant results, says Mintel. COVID-19 created stay-at-home orders, and during 2020 there was a demand for at-home products and delivery services. There were also travel restrictions that affected the supply chain. But as of 2022, COVID-19 is less of a declared risk and there is a renewed focus on self-care and skin health. However, the lipstick effect may occur and make some coloured cosmetics be perceived as an accessible luxury item, while others may continue to

do their nails and hair at home instead of going to the salon, says Mintel. Females make up 46.4% of music event-goers, via Statista. 18-29-year-olds make up 27% of concert and festival goers in the U.S., as stated by a Statista study on concert and music festival goers in the U.S.

Technology: Consumers are using a combination of physical mass merchandiser stores and digital channels, so an omnichannel presence is important to them, says Mintel. Most searches for cosmetics occur on TikTok and Google. As well, brands can use blockchains on their digital stores to be transparent about their supply-chain traceability. Consumers use online brand presence and product reviews to see differentiating factors. TikTok has changed the way younger consumers use the internet, as 69% of Gen Z adults use TikTok trends to learn about beauty. An "everyone's an expert" mentality of TikTok allows influencers to seem more knowledgeable. Online quizzes or filters also allow consumers to see different products, says Mintel. 54% of people on TikTok follow a musician after hearing their song on the platform.

Cultural: Over 1/3 of consumers prioritize brands with DEI efforts and forgo brands that perpetuate cultural stereotypes. Only 17% of consumers feel that they're represented in marketing, says Mintel. Brands addressing these needs have a direct influence on product usage. 21% of black cosmetic shoppers wish there were more mainstream options in beauty stores. Health is prominent to consumers and some want to have simplified, multi-functional products. Multi-functional products allow consumers to pay more for one item and feel conscious about their consumption. Having active ingredients is important to health-focused consumers. They also like to treat themselves, which is related to emotional benefits. This is prominent for women on days like Mother's Day, birthdays, and Valentine's Day, says Mintel. Traditional and unrealistic beauty standards are not important anymore, as consumers seek inclusivity and realistic portrayals of beauty.

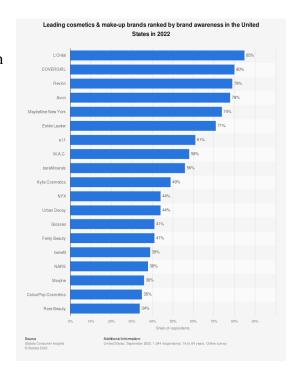
Social Media Landscape

1. Top Brands (cosmetic)

L'Oréal is the most well-known cosmetics & make-up brand in the U.S. The leading beauty manufacturer in the world, based on revenue generated in 2021, is recognized by 85% of online consumers in the United States (see graph). Second on this list is an American cosmetics brand COVERGIRL which attracts brand awareness of 80%. Next up is another American brand Revlon, followed by Avon, then Maybelline New York.

List of Top Cosmetic Brands in the World.

- LVMH Louis Vuitton Moët Hennessy
- L'Oréal Paris
- Estee Lauder
- NIVEA
- Gillette
- Clinique
- Glossier



- Fenty Beauty
- Aesop

2. Top Influencers

In 2022, TikTok was the leading social media platform for online beauty product purchases in the U.S., with a share of 89% of product purchases. Instagram ranked second, with 66%. Followed by Facebook 59%, and Twitter 56%.

TikTok

The following are the most followed creators on TikTok worldwide as of March 2023. TikTok creator and comedian Khabane Lame officially surpassed dancer Charli D'Amelio as the most followed content creator on the platform in September 2022. Lame, who is based in Italy, reached 155 million subscribers in March 2023. Influencer Charlie D'Amelio followed closely in second position with 150 million followers and singer Bella Poarch ranked third, with a total of 93 million followers.

TikTok global users

Popular video-sharing platform TikTok has gained immense popularity globally. As of January 2023, TikTok had over one billion monthly active users, making it one of the most widely used social media platforms worldwide. Around 54% of the total user base on TikTok were women, while approximately 46% of the popular social video platform users were men. In addition, TikTok has become a go-to platform for young people. As of the beginning of 2023, most of TikTok's global user base consisted of younger age groups, with 21.5% of TikTok's users being women, aged between 18-24 years old.

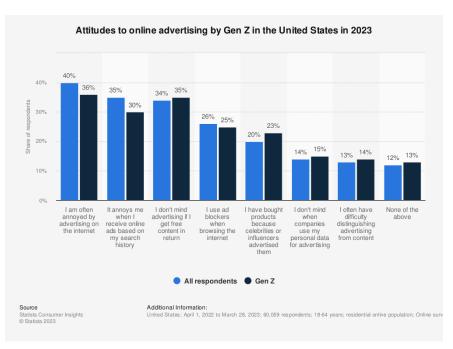
Social video platforms.

As of the end of 2022, more than nine in 10 users worldwide reported watching videos online, with music videos being the most popular category. As of January 2023, around 37% of the global digital population accessed YouTube, while the short-video app TikTok saw a reach of approximately 19% among

internet users worldwide. In recent years, video content has become increasingly popular with users, with even text-based social media platforms like Reddit planning to include this format.

Content creators and influencers marketing

Video content creation have become a popular industry in the U.S. with the rise of social media and online platforms. From YouTube to TikTok, video creators produce engaging and



shareable content that is gaining audience traction. Moreover, influencer marketing is becoming increasingly popular among both genders in the US. According to a 2022 survey among adults in the U.S., around 36% of men and 42% of women stated they followed influencers or content creators on social media. In addition, the market for influencer representation has witnessed significant growth, with its size increasing by more than twofold since 2019. As of 2022, the industry has reached an all-time high value of 16.4 billion USD, highlighting the growing importance of digital influencer marketing.

3. Top Engagement Trends

Attitudes to online advertising by Gen Z in the United States in 2023. In the U.S., Gen Z respondents are less annoyed when they receive online ads based on their search history. They are also more likely than the general population to buy products because celebrities or influencers have advertised them. This is according to the Statista Consumer Insights Global Survey 2023.

Cosmetics consumer behavior in the U.S.

According to a 2017 survey about the most popular shopping destinations for women buying cosmetics in the U.S., the drug store/pharmacy is the most chosen place to shop, at 58%. Followed by the drug store, mass merchandiser has 51% of answers, and the online store followed at 41%

Cosmetics for Consumption

The 'inner beauty' trend is taking over the world of cosmetics. The rise of edible cosmetics reflects the changing narrative on beauty and personal care. The main purpose of applying cosmetics is no longer to merely 'cover up' apparent imperfections. Rather, the focus is on supplying nutrients aimed at achieving a holistic and lasting style of health that will naturally lead to clear skin and healthy hair. Such an approach resonates with consumers seeking to detach themselves from "looking good to others" and rather practice self-care for the sake of their own good.

TikTok: Marketing Platform

TikTok, so far, hasn't had to try so hard. Many have noted the uncanny ability of its users to produce consumer manias, moving products across disparate categories. Clothing, cosmetics, cleaning solutions, tech accessories, toys, and life-hack appliances have seen sales highly increase after becoming TikTok sensations.

The Pink Stuff, an abrasive cleaning paste for hard surfaces, was doing "absolutely nothing for 15 years," said Henrik Pade, a managing director at its parent company, Sta Brands, headquartered in Britain. In 2017, it gained a little boost from cleaning influencers on Instagram and YouTube. Then came TikTok. Videos of people cleaning kitchens, bathrooms, and other items — shoes, car wheels — with the Pink Stuff have, in little more than a year, accumulated more than 250 million views. Three years ago, Pade said, sales of the paste totaled around 2 million pounds, or around \$2.6 million. Last year, they exceeded 25 million pounds, or \$34 million, accounting for half of the company's totals.

Gen Z Beauty Brand

A company can't just sell skin care, cosmetics, hair care, or perfume. Good product matters, but what matters more is standing for something, whether it's being cruelty-free (E.L.F. Cosmetics) or simply being the best version of yourself (Glossier). It can't politely sit out seismic cultural moments. Customers demand it, especially those under 25, or Gen Z, the activist generation. "This is going to be the group that's driving spending and decisions for many years to come," said Mary Dillon, the chief executive of Ulta. "They're super-influential. All you have to do is look at the racial injustice discussion and dialogue we've had in the last few months. Gen Z is leading the way."

Where Does Gen Z Buy Beauty?

Ulta has become the go-to purveyor of teenage beauty, according to data from investment bank Piper Sandler. Of the 5,200 teenagers surveyed by the firm, 39% said Ulta was their top destination for beauty purchases, followed by Sephora at 24%. Spring 2019 was the first time Ulta was crowned the favorite beauty destination for teenagers.

Concert Makeup

The search "Concert Makeup Looks" on TikTok recorded 46.6M views. Due to the culture of the concert, hashtags such as #longlastingmakeup and #longwearmakeup could be easily seen in TikTok. According to a chart, 78% of Americans participated in concerts after the pandemic. These results show that the culture of participating in concerts is important in the U.S.

4. Successful Examples on Social Media

L'Oréal's Makeup Experts

Unlike Chanel's Cosmetics Collective, which is made up of makeup artists, the L'Oréal League of Experts will not be involved in new product development but instead will focus on consumer engagement instead. Each makeup artist in the L'Oréal League of Experts is already active on social media, allowing L'Oréal to tap into their audiences. Erica Taylor, for example, has 884,000 TikTok followers.

Beauty brands will increasingly have to contend with the authenticity deficit around professional social media influencers and celebrities, as illustrated by the recent de-influencing trend. The glut of online makeup tutorials will heighten the appeal of seasoned makeup artists who can back up their recommendations with years of experience (see the Mintel Consumer Trend Guiding Choice). As a result, many beauty and personal care brands will increasingly shun global celebrities in favor of collaborating with established experts, up-and-coming artists, or even everyday people.

Glossier

Glossier used user-generated content and meme culture through social network services. The aim of Glossier is the concept of "Beauty in real life." For this aim, the brand does it through user-generated content, which helps to contextualize its products in everyday routines. The uploaded content could range anywhere from product hauls, customers sporting a Glossier makeup look or even makeup tutorials on Instagram. Instead of focusing on big-name influencers and beauty celebrities, Glossier gives its spotlight to smaller creators and everyday women in general. Through this social media marketing, they succeed in capturing a very specific persona

without appearing exclusive or unapproachable. These are the key takeaways from Glossier's social media success: develop a distinct brand identity and consumer persona. Consistently align your content with this persona in terms of aesthetics and who represents your brand. Focus on creating a brand community that fosters engagement and user-generated content.

Part I Conclusion

TikTok campaigns may create huge sales spikes for beauty companies. In this economic climate, consumers are prioritizing multi-functional products to get more out of their money's worth. The internet is a large part of America's consumer culture, as TikTok is also the most chosen social media platform in the U.S. that drives consumers to buy. Considering the economic and cultural aspects of consumption in the U.S., it is possible to predict that TikTok campaigns will produce the most effective results.

Part II Strategy

Big Idea/Insight

We are marketing to concertgoers and musicians who want to keep their lipstick on throughout the entire concert while sustaining silky lips, not smeared. Our casual glamor concept will be focused on Dermacol's 16H Lip Colour. This is an important issue for concertgoers and musicians alike because there is an overall 58% of interest in long-wearing lip makeup. Our main marketing will be on TikTok, but we would like to venture into SiriusXM's TikTok Radio ads as well as venue partnership. Since the concert season is mainly during the summer, we will market then. From our mapping, we came to this conclusion through these key insights: TikTok beauty advertisements can lead to huge spikes in sales; interest in concerts and lip makeup is increased within the U.S.; consumers are prioritizing multi-functional products and women make up 46.4% of concertgoers; and, TikTok is the leading social media for cosmetic recommendations.

Target Audience

Our campaign is aimed at concertgoers and performers with similar concerns about concert makeup. When considering what makeup to wear, concertgoers are usually most concerned with lip colour fading, transferring while eating or drinking, and drying and cracking their lips. Our campaign has the potential to show this demographic of female concertgoers that Dermacol's duo lip colour is especially skilled at avoiding these common issues. We are focused on late Gen Z and early Millennials (17-28), women of all ethnicities mainly based in the urban U.S. As well, they are TikTok users.

Communication Strategy

Slogan: "For concert lovers who want their lip colour to last from showtime to encore."

For our campaign, we are marketing Dermacol's 16H Lip Colour with an aim toward concertgoers and musicians. In addition to utilizing TikTok, this campaign would be an excellent opportunity to venture into advertising on TikTok Radio. Our audible advertisement will maintain the succinct language of the campaign while incorporating the jingle; creating a complete portrayal of the brand.

Social Media Strategy

TikTok influencer idea:

Our idea is to have a TikTok musician making a video where they're using quick transitions on the beat of a song to show them getting ready for their performance by putting on the 16H Lip Colour. Then the next part is them at their performance lip singing more of the song, and the last part of the TikTok shows the musician at their next place, whether it's a bar or back home after the concert, still having the lipstick on. We want to show just how long-lasting it is, from them putting it on to singing, dancing, and overall sweating while performing.

We are looking at two TikTok musicians, Precious and Lexi Mariah. Precious, TikTok name @preciousheartspopmusic, has 105,600 followers and 2.5 million likes. She is a pop singer based in Atlanta, Georgia, and has a pink and feminine style that is slightly provocative. She aligns with Dermacol's values, as seen from a TikTok from April 29, 2023, stating "Pov: everything u own is pink and glittery so u make ur music match too." She is vibrant and explores makeup. She is a smaller artist but keeps up with TikTok trends while promoting her music. On Spotify, she has 61,354 monthly listeners with 963 of them based in Los Angeles, and 742 based in Chicago.

Lexi Mariah, the other recommended TikTok musician, has 13,300 followers and 1.1 million likes. Her TikTok name is @leximariahmusic. She is a musician, but mainly posts TikToks about going to concerts, like Taylor Swift's Eras tour. She mainly partners with cosmetic brands, such as Covergirl, Babe Locks, Tarte, and PUR cosmetics. She does more makeup than Precious but doesn't have as much pink aesthetic. Lexi does a lot of get-ready-with-me style videos and shows off her final look while lip-singing to songs. She has 108 monthly listeners on Spotify. Using Dermacol's own TikTok page, we will create more content that includes ad-like posts featuring the 16H Lip Colour.

When these musicians have concerts, we will have them provide free samples of the 16H Lip Colour to a small number of guests. Before the show starts, they will post videos of getting ready for their performance with Dermacol products, post about free samples at the concert, wear the same colour lipstick that is provided, and then post videos about how well the color stays on after the performance.

TikTok radio ad/jingle:

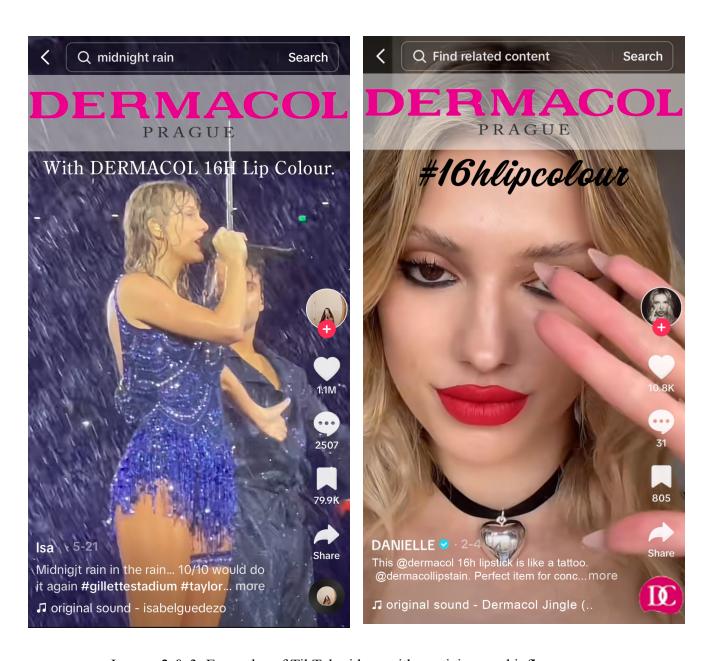
Partnering with SiriusXM's radio feature in cars, we will have a Dermacol ad play on their TikTok radio. We will hire a recommended female Czech artist that can create a short jingle that will be played during the ad. We are thinking of artists like Emma Smetana or Barbora Poláková.

Creative Example



Image 1: A poster, which can be a TikTok Concert Makeup Campaign ad for Dermacol 16H Lip Colour.

This example is a poster promoting Dermacol's lip colour and concert makeup campaign through TikTok. The poster focuses on Dermacol's 16 hour lipstick and the slogan "Dermacol 16H Lip Colour lasts from showtime to encore." The poster would be focused using a spotlight which is the element of the concert stage.



Images 2 & 3: Examples of TikTok videos with musicians and influencers.

The second and third images are examples of TikTok videos. When musicians and influencers have concerts, they will post videos of them getting ready for their performance with Dermacol products, and then they will post before and after videos to show how well the colour is lasting on their lips.

Budget

Cost to hire an influencer	Shipping costs for lipstick (Prague to Chicago warehouse)	Cost to hire graphic designer per digital poster	Cost to place an ad on SiriusXM TikTok Radio	Cost to hire a musician to produce a jingle
28 posts = \$42,000	50 units to giveaway at \$2 per unit = \$125	One digital poster for TikTok = \$2,000	\$10,000 per week for 30 second jingle x 4 = \$40	\$250
Flat fee for concert sponsorship = \$130	50 units x 0.10 ml weight = \$540			

Total Budget: \$91,045

Budget Reasoning:

The budget is calculated from an accumulation of research from existing recommendations, articles, and budgets from Shopify, Fedex, Forbes, Semrush, Media Partners Worldwide (radio sales management), ShippingEasy, Upwork, and Gaebler.

"Middle tier influencers" (500-500,000 followers) on average receive \$3,000 for each post. We plan to have the influencer post 28 videos (2 posts per day for 14 days) = \$6,000 Plus a flat fee of \$499 dollars for Dermacol's sponsorship of the concert. This is based on the estimation of the income of the musician/influencer of the concert in which they give away the samples at. Specifically, the musician, who is a middle tier influencer would likely play a rock club venue of around 175 capacity, which would be a general admission show and thus tickets would be priced at around \$5 dollars per person. The gross income for the artist would be around \$875. Show promoters typically receive 15% of the artists revenue (according to Jen Kellogg, Tour Accountant), thus for sponsoring the concert, 15% (\$130) is reasonable as Dermacol is representing the artist on the night to a small extent.

Shipping comped samples of lip colour from Prague to Chicago warehouse (for the concert sponsorship):

Unit cost of the give away and quantity: 50 units to give away at \$2 per unit = \$125

Unit cost of fulfillment $0.10 \text{ ml } \times 50 = 5 = \540

Cost to hire graphic designer per digital poster: \$2,000

Cost to place an add on SiriusXM TikTok Radio: \$10,000 per week for 30 second jingle x 4 placements as the advertisement will run for 1 month total = \$40,000

Cost to hire a musician to produce a jingle: \$250

Timeline

Our campaign timeline is during May-August 2024. We will start in May 2024 by having our musician influencer start posting two TikToks every day for two weeks. These TikToks will show off the 16H Lip Colour. In June 2024, we will start placing ads on TikTok Radio and have the jingle already prepared by the artist. And our end goal is August 2024, when we will begin giving out samples of our lipsticks during our TikTok musician's concerts.

Measurement

TikTok broadcasts videos to 300-500 random users based on the hashtags and videos the creator has already produced. So, if a creator has made videos about the cosmetic industry, their videos will be broadcasted to those that like cosmetics. These 300-500 viewers are the initial judges of the content and will determine if they like it based on amount of likes, views, and comments of the content.

Success in TikTok is based on views, shares, likes, and video completion, which is when a viewer watches a TikTok from start to finish. The latter is the most important in proving success, as the longer a user is on your content the more success you will gain. A view is five seconds, whereas video completion is watching the full video. If 300 viewers watch your full TikTok, then you may be able to have a viral video, as your content will become more pushed by the app. Overall, if you get less than 50% of users to watch your video in full, then the video will not succeed. This is why having short videos allows for more success. The average attention span limit for TikTok users is to stay on the app for 10 minutes, so if your video gains traction during this time, then you will get more views, says LinkedIn study "How TikTok decides if your Video is a Viral Hit or a Flop."

As for sales, 50% of TikTok users have continued to buy an item after watching a TikTok, specifically the TikTok lives, says Sprout Social, a social media tool for brands to understand insights on what drives online impact. If Dermacol and our influencer's TikToks are able to have 50% of watchers go to Dermacol's linked Amazon page on TikTok, then this will be successful. We are looking for at least 50% of watchers clicking on Dermacol's linked Amazon

page in their profile on TikTok.

Part III Personal Insights

Ren: Beauty brands such as NYX Cosmetics and Glow Recipe post on TikTok at least once a day, if not more. Posting quality and quantity are both very important to maintaining a steady following on the platform. There's a new hashtag to follow almost every day, and the algorithm favors frequently active accounts. This is why social media interns are crucial to taking advantage of the newest trends. Especially hiring young people who use the app most frequently would be the best kind of interns to assist in creating online content.

Riley: U.S. consumers are strong believers in DEI efforts with brands, so having more diversity in models would be a great way to reach more U.S. citizens. This can be seen through the marketing on social media as well as ads on billboards/TV. The diversity, equity, and inclusion efforts aim to show that the U.S. has a lot of diverse citizens.

Chloe: Putting "Be Charity", your current charity partnership at the forefront of your U.S. launch would be beneficial. This is because, Brand ethics and values are highly valued in the U.S, for example, leading brands such as "Nivea" and "First Aid Beauty" give money to "Unicef" and "FAB AID" to contribute to society in a way that concerns social good.

Sarang: For successful social media marketing, selecting trendy aesthetics is most important to capture customers online. There are many ways to attract potential customers, but it can be done relatively easily, especially online. Trendy content and aesthetic images are needed to capture potential consumers in the online market. In particular, natural aesthetics and inner beauty are emerging as being trendy in the United States recently. For successful marketing, it is important to effectively use cultural elements that people need and care about.

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