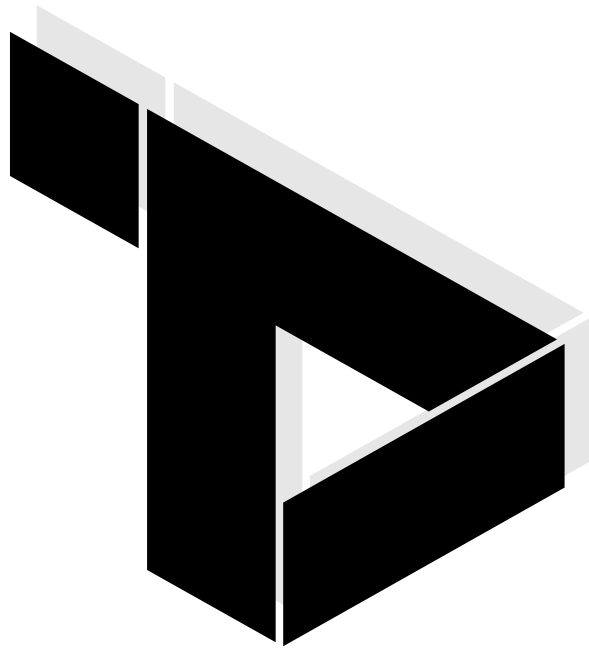


LA MODE NOVEMBER

COSMETICS EDITION 2015



ANALYSIS BY
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EMV

Earned Media Value

EMV is Tribe Dynamics' prescribed metric referring to the quantifiable dollar amount assigned to publicity gained through social word-of-mouth marketing accomplishments. Our holistic approach assigns a specific dollar value to each respective form of content based on the perceived value of each to brands within the industry, as it pertains to establishing ongoing relationships with influencers.

In an effort to ensure that we are always providing the most insightful data and analysis to help you better understand the latest digital trends, we've made improvements to our measurement of earned media performance.

This report includes these adjustments, with slight variations to the value of specific forms of content. As we continue to advance our own understanding of earned media and learn about the industry, we will update our analytics to reflect new knowledge and innovations.

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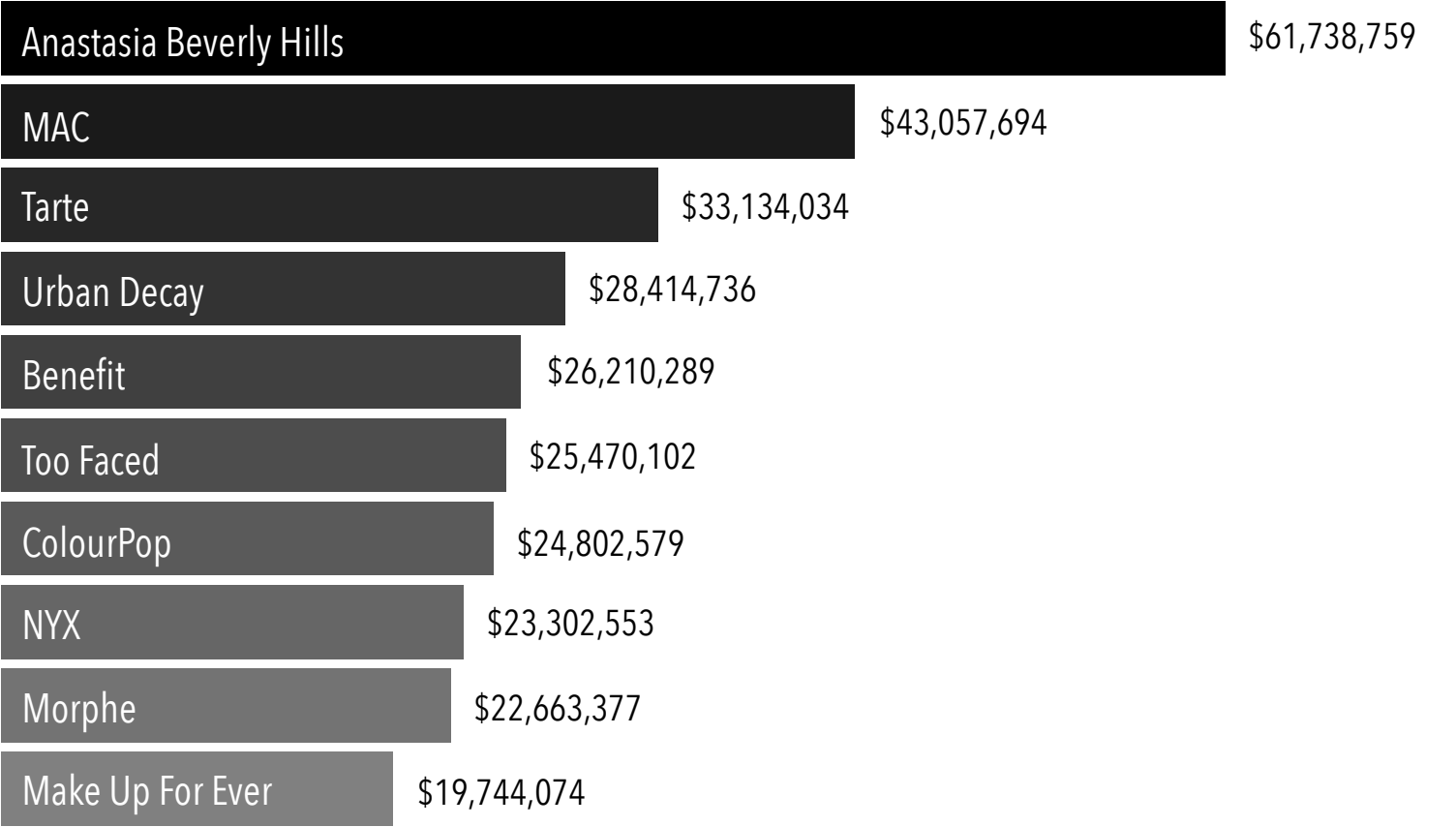
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THE TOP 10

Earned Media Value Leaderboard

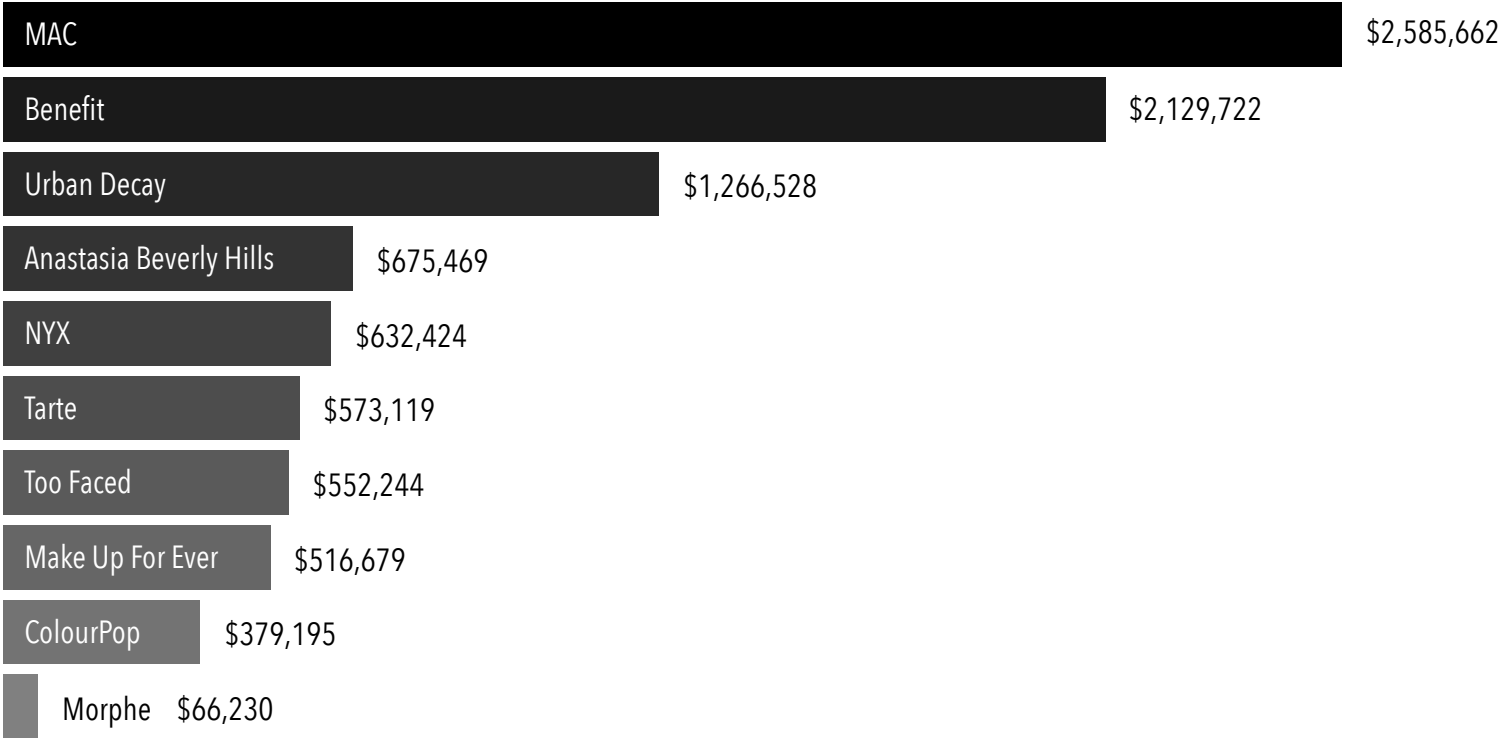
Top 10 Brands



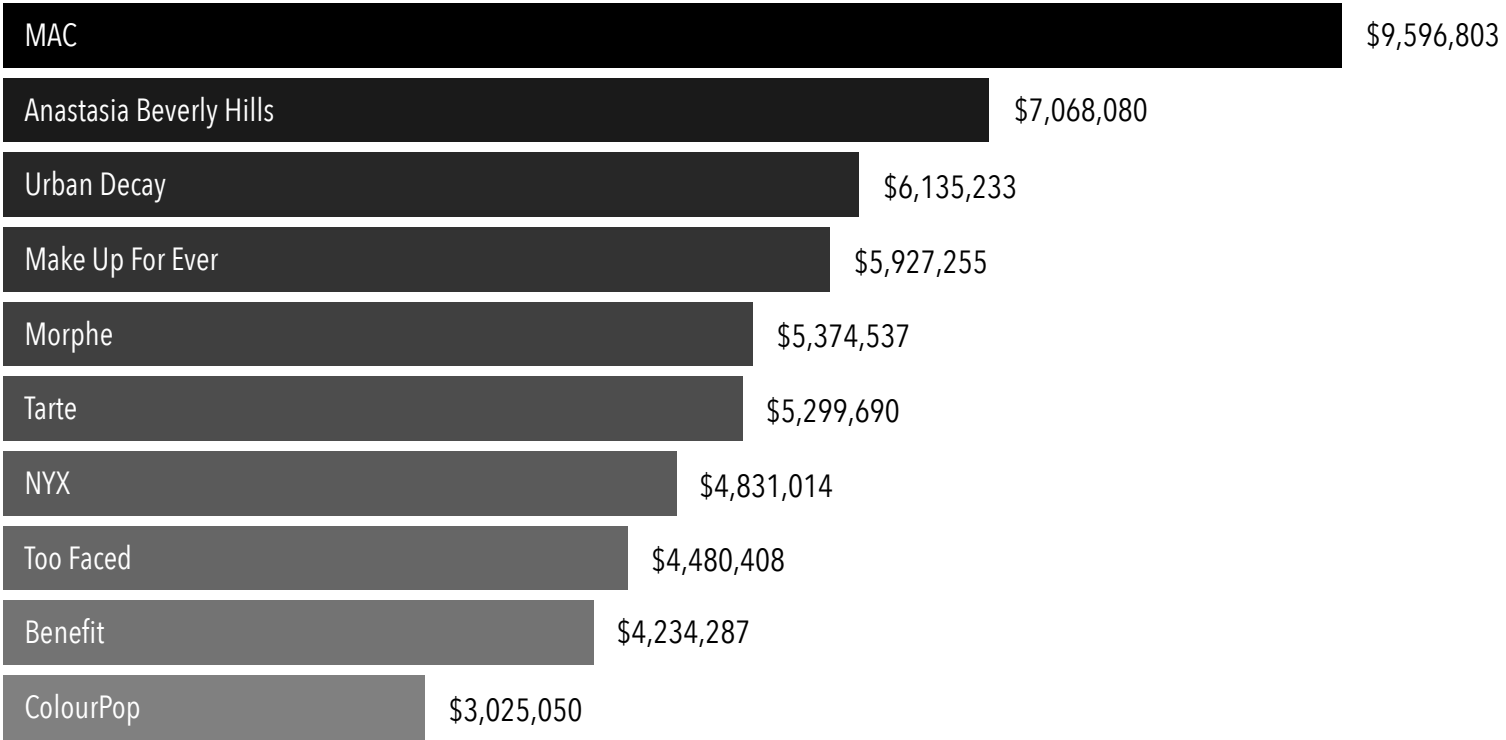
THE TOP 10

Earned Media Performance By Channel

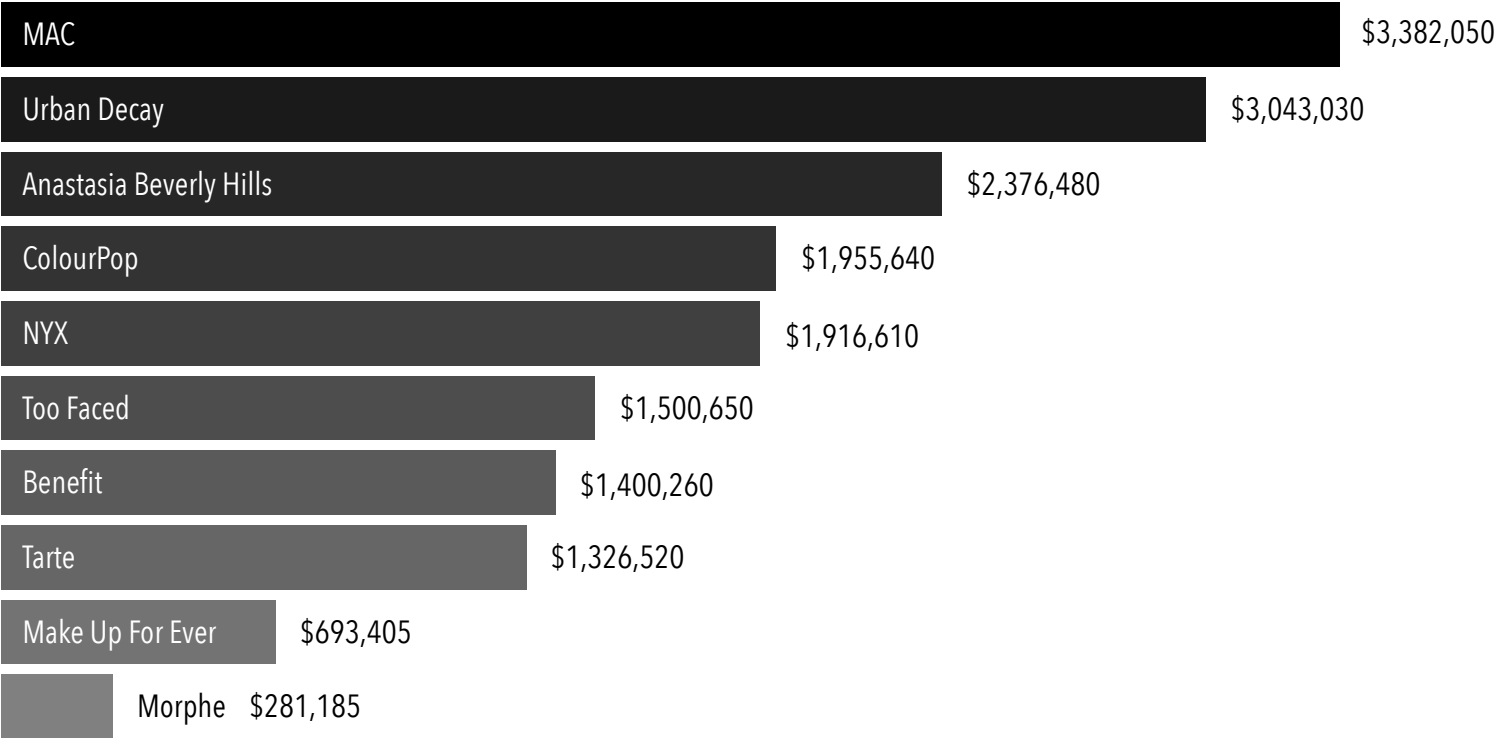
BLOG



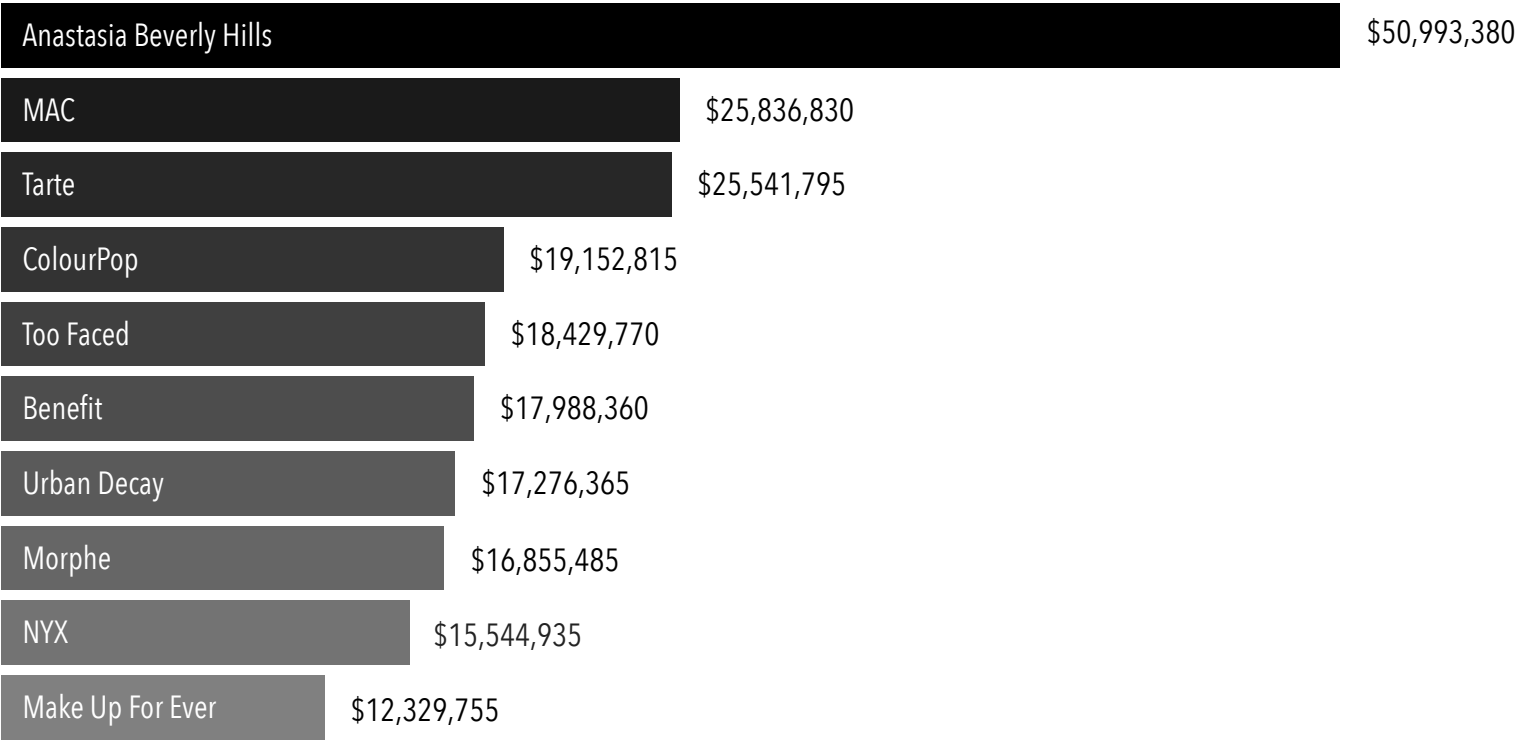
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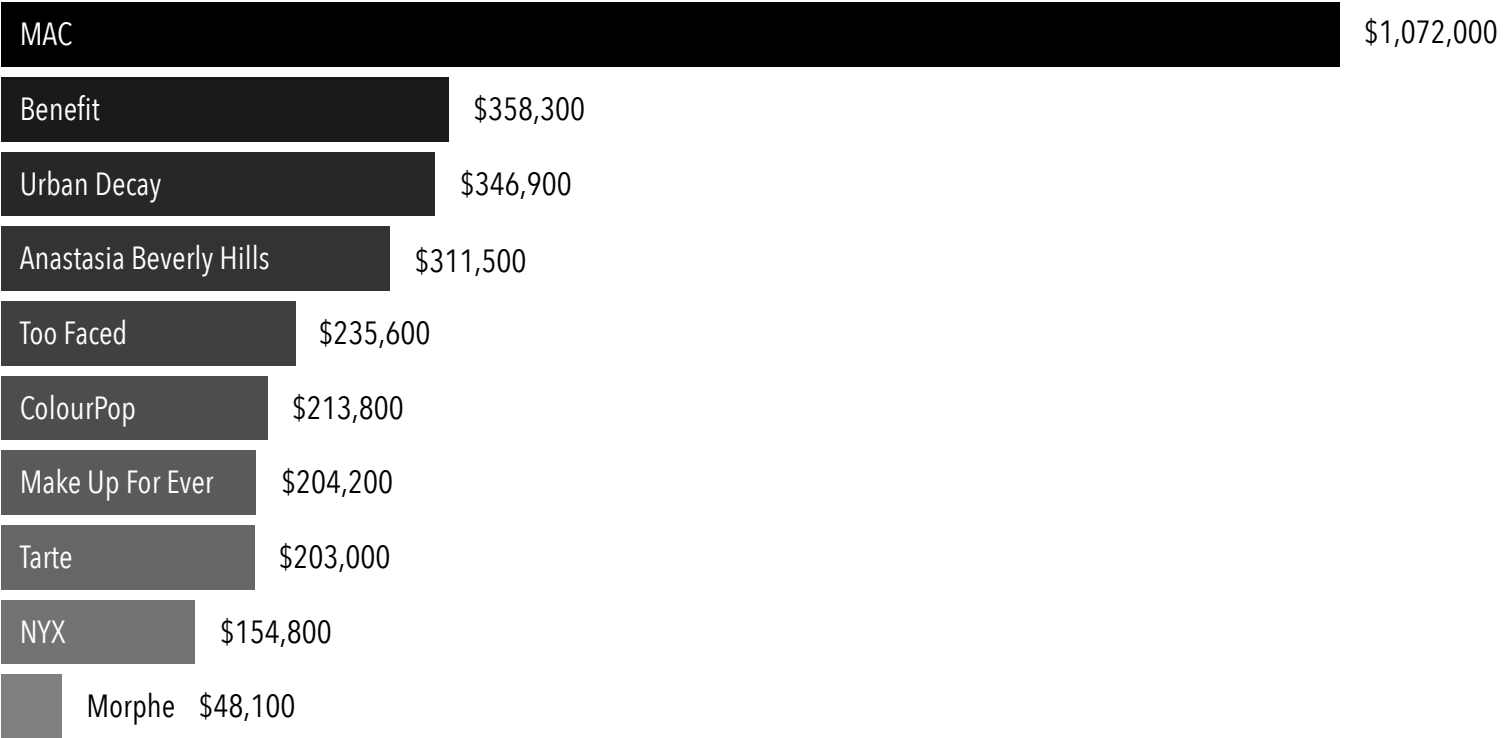
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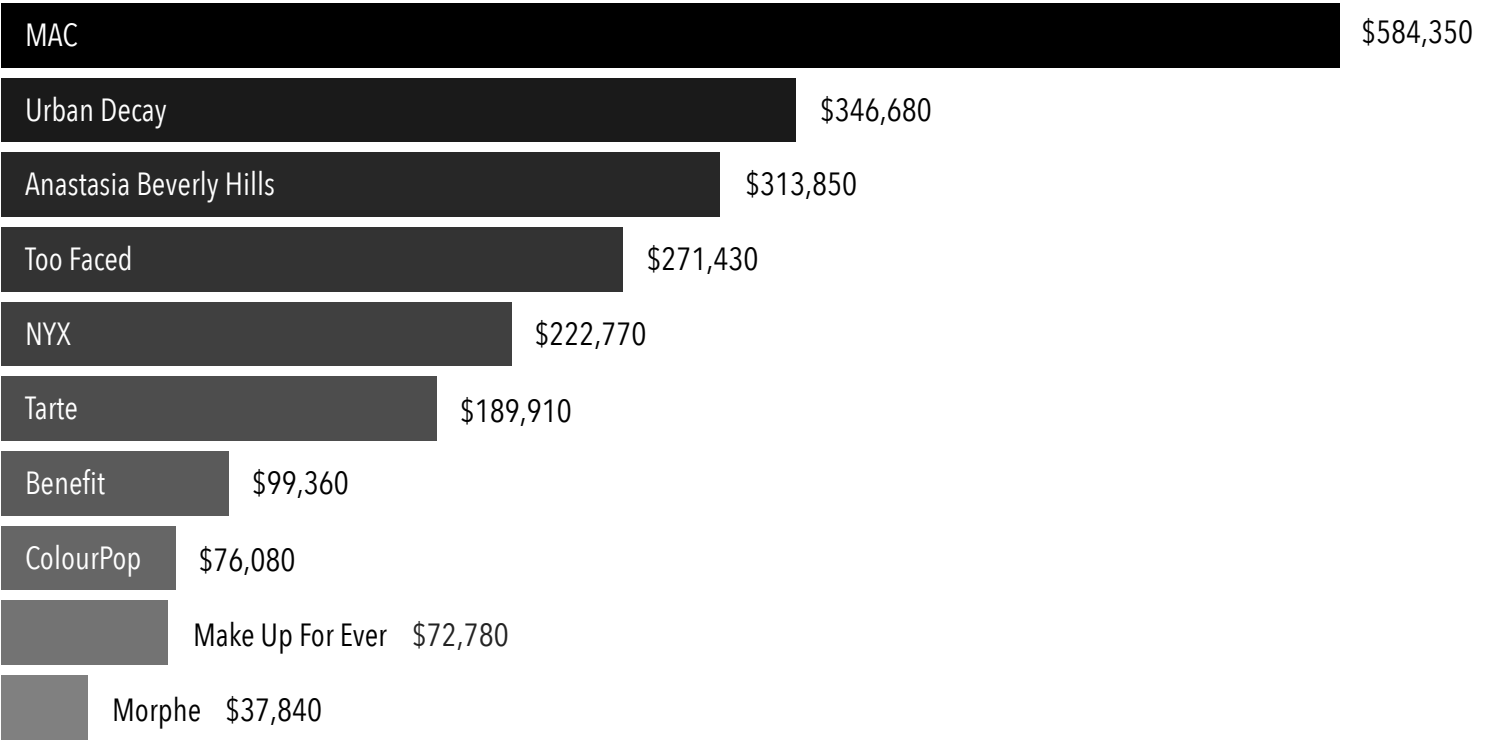
INSTAGRAM



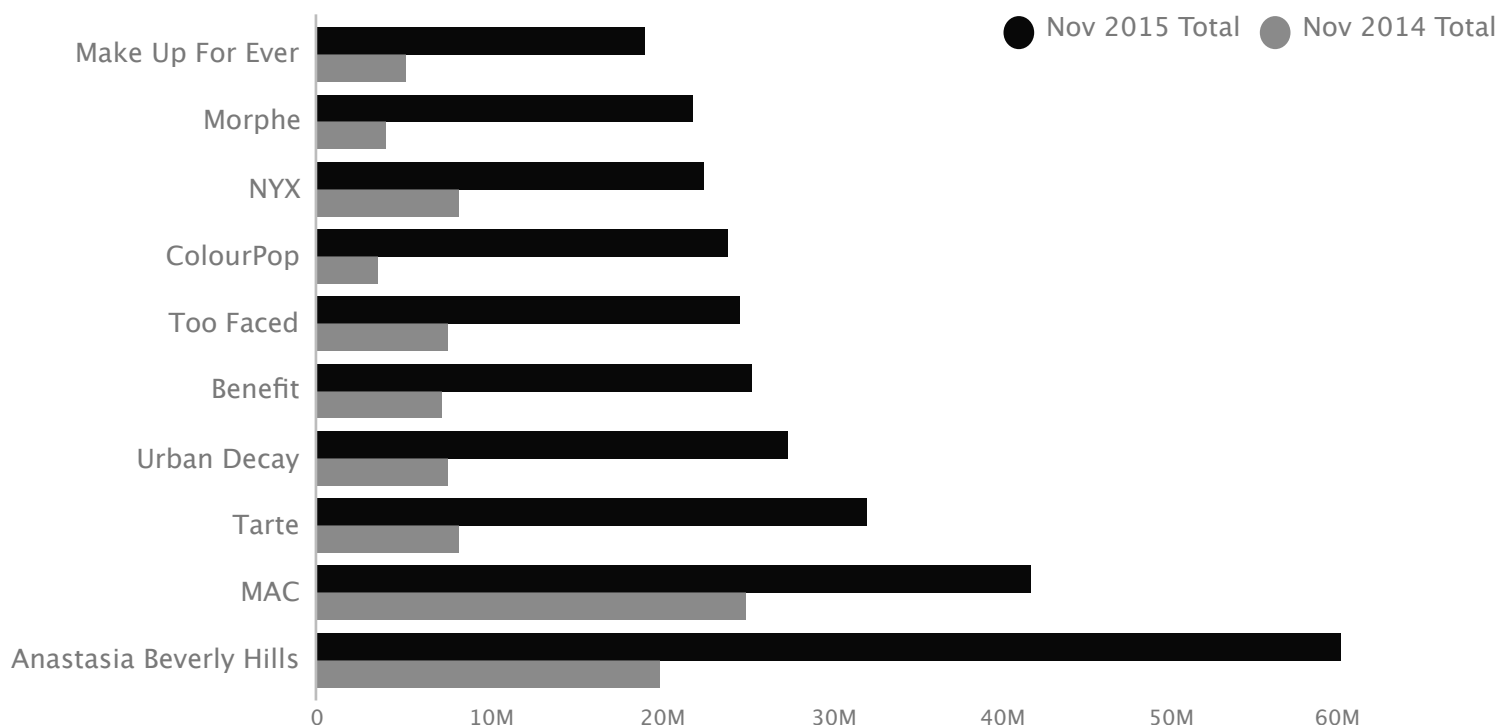
TWITTER



PINTEREST



OVERALL TRENDING EMV



Y/Y GROWTH

| BRAND | NOV 2015 | NOV 2014 | Y/Y GROWTH |
|-------------------------|--------------|--------------|------------|
| Anastasia Beverly Hills | \$61,738,759 | \$20,696,116 | 298.31% |
| MAC | \$43,057,694 | \$25,888,997 | 166.32% |
| Tarte | \$33,134,034 | \$8,530,889 | 388.40% |
| Urban Decay | \$28,414,736 | \$7,850,631 | 361.94% |
| Benefit | \$26,210,289 | \$7,530,037 | 348.08% |
| Too Faced | \$25,470,102 | \$7,869,704 | 323.65% |
| ColourPop | \$24,802,579 | \$3,632,925 | 682.72% |
| NYX | \$23,302,553 | \$8,526,369 | 273.30% |
| Morphe | \$22,663,377 | \$4,121,792 | 549.84% |
| Make Up For Ever | \$19,744,074 | \$5,320,183 | 371.12% |

Tarte & the Art of Branded Experiences

PART 1: PRODUCT EXPERIENCES



Desiperkins posts an Instagram featuring Tarte's new products, garnering 39.6K likes.

Tarte's EMV skyrocketed in November, thanks to recent product launches that caused a spike in Instagram engagement for the month. Launches for the Tarteist Lip Paints, Contour Kit, and Tartelette in Bloom palette were social media successes, driving approximately \$1.1M, \$317.8K, and \$2.6M EMV, respectively. The products complemented older Tarte favorites among influencers, who used the Tartelette in Bloom palette alongside other Tarte products. Sarahbeautypov (1.7K Instagram followers) specifically expressed her excitement for these Tarte launches, praising the brand's consistently compelling packaging, range of shades, and quality.

It follows suit that a contour palette from Tarte would entice top influencers, the majority of whom routinely feature the brand's Amazonian Clay bronzer as their go-to sculpting powder. The buzz inspired by the contour palette's launch emphasized that Tarte is widely recognized as a preferred brand among some of the more influential beauty bloggers.

"There's only a handful of brands that I always look forward to releasing new products. Tarte Cosmetics is one of these brands, especially with their palettes – [because] from the packaging, color combo to quality, they always know how to draw me in."

-sarahbeautypov

PART 2: IN-PERSON EXPERIENCES

In November, Tarte treated over a dozen influencers to a luxurious Turks and Caicos vacation, the pinnacle of its influencer-focused initiatives. The brand, which earned a Q4 total of \$80.8M EMV, put up its community of influencers in lavish hotel rooms filled with gifts, driving detailed room tour vlogs in which influencers gushed over Tarte's generosity. Influencers arrived to find the entire collection of Tarte products displayed throughout their room, with blushes arranged on the bedspread and bamboo trays of more product in the bathroom and on the vanity. Every detail reflected the effort that the brand put into custom-creating the influencer's initial impression: in each room, Tarte provided the influencer's favorite beverages and an animal onesie to match the influencer's personality. Best friends desiperkins and lustrelux shared loud squeals and cartwheels when they saw that they had both received pink unicorn onesies; respectively, the bloggers generated \$1.5M and \$567.3K EMV for the brand.

Desiperkins gushed about how Tarte "[knew them] so well" when she saw the wine in lustrelux's room: "Beer for me and chard for you!"

Tarte designed the entire #trippinwithtarte experience as the ultimate dream vacation, emphasizing that the getaway was about the influencers first, and the brand and its products second. Influencers spent their stay snorkeling, wakeboarding,



Desiperkins hits the beach with Tarte, earning 72.5K likes.



socializing at the Tarte house, and lounging in an infinity pool decked out with Instagram-worthy floats. The brand even brought in a pack of puppies, whose cuteness practically demanded content creation. On the second night, Tarte founder Maureen Kelly treated influencers to an intimate dinner on the beach, sincerely thanking them for being a part of her “crazy” journey. Kelly recalled her own humble beginnings 15 years ago and voiced how surreal it felt to be in the company of these “rock star” influencers, making them feel loved and appreciated by the brand.

Iluvsarahii and styledbyhrush, both longtime beneficiaries of Tarte and guests of #trippinwithtarte, continued to show their loyalty to the brand by creating \$4.8M and \$1.7M EMV worth of content, respectively, about Tarte and its products. Through this luxurious initiative, Tarte cultivated its own “#squad” of support. Influencers not only created content on their own channels, but also featured fellow #tartelettes by reposting their Instagrams and videos. In total, the Turks and Caicos crew drove \$7M EMV around the #trippinwithtarte hashtag alone.

Iluvsarahii and fellow influencers make the most of their luxurious getaway, posting 21.8K likes.

Morphe BRAND ON THE RISE

For the first time in our reports, a beauty brand specializing in brushes and tools broke into the La Mode Top 10, stealing ninth place from Make Up For Ever. The brand's success stems primarily from its earned media performance on YouTube as a staple for prominent influencers in video tutorials.

INSTAGRAM ORIGINS

Having gotten its start on Instagram, Morphe, like ColourPop and Melt Cosmetics, understands the importance of sustaining an ongoing dialogue with followers. To keep in touch with its burgeoning community of fans as well as drive product discovery, Morphe introduced a monthly brush subscription service, sending members new brushes each month and offering early access to launches and Morphe news. Subscribers also received a free palette as a limited-time offer when they signed up. The success of the subscription program is undeniable, and due to high demand, Morphe is not accepting new members until it can restock its highly sought-after inventory of brushes.

A closer look at the brand's owned Instagram feed reveals a number of defining patterns that have accelerated Morphe's rapid rise in social rank. The vast majority of Morphe's owned content on the channel are regrams of content created by fans in the form of product highlights and glamour selfies. On average, this content



Morphebrushes reposts #morphegirl kimthainguyen's look using a Morphe brow palette, earning 12.0K likes.

receives anywhere from 11K to 25K likes per post: impressive, considering the relative youth of its brand and that the content is posted on its owned Instagram feed, as opposed to an influencer's. The brand strategically tags each regram with #morphegirl or #morpheboy (depending upon the gender of the influencer), immediately establishing a connection between the influencer and its brand.

AN INCLUSIVE BRAND NARRATIVE

The majority of influencers that Morphe has engaged are mid-tier influencers with substantial, but not extraordinary, followings, who display a palpable dedication to Morphe and investment in raising awareness for the brand. Nicolconcilio (560K followers) -- chosen by Nicole Guerriero for a Refinery29 article in which top YouTubers were asked to predict the next big influencer -- was featured multiple times by the brand in November and has stirred buzz for the launch of its lesser-known line of palettes. The relationship between Morphe and these influencers is mutually beneficial. By reposting her content, Morphe ups the number of likes and the reach of nicolconcilio's content: a single post from Nicol jumped from 14K to 21K likes when the brand reposted the photo. At the same time, nicolconcilio drives valuable product and brand discovery for Morphe among new communities that would otherwise remain untapped.



TRUST AND CREDIBILITY

In addition to mid-tier bloggers, Morphe has earned the attention of prominent influencers, including Carli Bybel, Jaclyn Hill, and Nicole Guerriero, who continuously endorse the brand and include coupon codes and discounts in the summary below their videos. In her fall makeup tutorial, which received over 820K views, Jaclyn Hill used four different Morphe brushes to create one understated olive-gold eyeshadow look that had been

Nicolconcilio shows off a half-finished look she created using exclusively Morphe brushes, reaching 13.8K likes on Instagram.



requested by her followers. In the tutorial, Hill gushed about her favorite Morphe brushes and introduced fans to the brand's new blush palette, saying, "I love this palette, guys. It is so good." Her genuine endorsement of the Morphe M501 brush, which she used to apply her own Becca Champagne Pop highlighter, as her "favorite brush for highlighter" no doubt resulted in impressive traffic on Morphe's retail website.

INDUSTRY PRESENCE AND COMMUNITY MEMBERSHIP

Morphe also got a head start on asserting its presence within the industry when it partnered with LiveGlam, an online pro-certification program that gives aspiring beauty professionals the

tools to launch their careers as makeup artists, to host a party in LA for professional artists and influencers. The party was an opportunity to bring together some of the most powerful presences in the online beauty community to bond over their shared interest in Morphe's unique story.

The event was also meant to raise awareness for #MorpheMe, the launch of the brand's monthly brush subscription program. Those invited were gifted a generous number of Morphe brushes in advance to help them get ready for the party. Influencer phenoms Jeffree Star and Jaclyn Hill, snapped a joint selfie at the event, which LiveGlam later reposted. Though the event failed to spawn comparable engagement to that of an event hosted by an Urban Decay or Tarte, it demonstrated

S_hossine poses against a backdrop of the L.A. skyline at the Morphe x LiveGlam event, netting 1.5K likes.

that even as a very young brand, Morphe is taking the right steps towards building an intimate community of brand advocates.

WHAT NEW POWER DYNAMICS MEAN FOR INFLUENCER MARKETING

There's no question that when it comes to understanding influence in the beauty industry, the few big players who used to control trends and were largely responsible for the way we shopped and the products we used are quickly becoming irrelevant. Yet to say that consumers are now behind the reigns would be an oversight. Instead, the influencer, acting as the middleman between brand goals and consumer interests, have become power players in the way that both parties behave, communicate, and think.

Refinery29 recently published an article in which top influencers like Michelle Phan, Nicole Guerriero, and Ingrid Nilsen, were asked to predict which up-and-coming influencer would be the next big voice in beauty. Not only do bloggers currently control the success of specific brands and products, by advocating for up-and-coming bloggers, they indirectly have a hand in future purchase decisions as well.

In the Refinery29 article, the celebrity influencers all expressed an attraction to the genuine and authentic content being created by their choice of influencer. Top influencers understand how crucial establishing trust with the audience is: it's what makes their endorsement valuable and even worth millions, in the case of Kristina Bazan or Michelle Phan. YouTube is not just about collecting



as many views as possible, but also about establishing connections with individual viewers through a relatable dialogue and personality.

What follows is a transcript highlighting a fall makeup video tutorial from Jaclyn Hill to help break down the mechanics of a high-engagement video. Where are connections established, and what does an authentic endorsement look like? Notice how each brand and product is characterized and linked to something personal, holding significance to Hill beyond its immediate use. Is the product viewed as a nostalgic favorite or a regimen staple? Is the attraction based on its association with a popular trend, quality, ingredients, or marketing and packaging? Evaluating varying kinds of connections -- unique bonds formed with a brand or its products -- can help brands craft more compelling experiences and product sends.

LiveGlam.co reposts this Instagram of Jaclyn Hill and Jeffree Star from its Morphe x LiveGlam event in L.A., earning 7.4K likes on Instagram.



Kat Von D's Shade + Light Palette

"These are some of my favorite powders EVER for the undereye area, they are so smooth and creamy and have a lot of coverage"; "beautiful formula."

Anastasia's Brow Wiz

"I am using Anastasia Brow Wiz, as always."

Benefit's HOOLA Bronzer

"An oldie but a goodie."

NARS' Eva Brush for contouring

"Ah, this is giving me old school vibes from my contour video, the ETA brush . . . good times."

Urban Decay's Weightless Full Coverage Concealer

"This is never going to change, I swear, this is my favorite concealer of all time. It is so difficult for me to try anything new because this is like my ride or DIEEEE, I've never used a concealer that I love this much in my ENTIRE life. I am so dedicated to it."

Jaclyn Hill X Becca's Champagne Pop Highlight

"Listen guys, I know it's redundant but it's my baby and I'm going to use it while I can [because] it's not going to be around forever."

Jaclyn Hill gives a fall makeup tutorial on YouTube, earning 827.8K views and 44.6K likes