TRENDTALK

August 20, 2013

Back-to-School Edition

Who's perfected this fall's top BTS makeup trend?

According to social media . . .

Second only to the winter holidays, the back-to-school shopping season produces a significant portion of annual sales for the US retail industry.

In honor of this indispensable period of shopping for major retailers, we decided to do something a little different with this edition of our biweekly Trend Talk. Surveying a variety of online publications within the beauty and fashion space, we looked for common trends for this year's back-to-school season.

This fall, we could not help but express a sign of relief to see that one of the most buzz worthy back-to-school makeup trends for girls was the "natural look" also called "barely there makeup".

How does labeling a product as a "back to school trend" affect the kinds of earned media created? Who are the top publishers during this season? Which categories of products, luxury versus drugstore, experience an uptick in buzz and sales? These are just some of the topics we set out to evaluate for the month of August.

A little different to the months prior, we began this month with a comprehensive survey of online beauty and fashion publications and retailers to create a list of the top back-to-school trends. As mentioned in our introduction, the **"natural beauty"** or "**barely there makeup"** trend was repeatedly endorsed by numerous online sources.

As a frame of reference for those who might be unfamiliar with the specific aesthetics of this trend, product characteristics might include:

- nude and blush tones
- sheer lip glosses and natural colors
- natural eye (skin tone eyeshadows and liners)

From the owned media that we examined, the three products we felt best reflected this trend and chose to evaluate are:

1. Lipgloss: sheer to subtle color
2. Fresh Cheek: nude and rose colored blushes
3. Eye Palette: natural hues

Once a range of these products were entered into our Tribe database, we were able to directly compare each brand's respective trending item across:

1. ***Earned Media Value (EMV):*** the estimated ad equivalence from relevant content.
2. ***Impressions:*** the total estimated impressions for all content
3. ***Audience Size:*** the total audience over all media outlets
4. ***Publishers:*** total publishers from all channels mentioning brand

As stated in the past, we believe that these variables provide the most accurate snapshot of each brand's ability to reach their target communities and generate interest in their product.

The following tables reflect the numbers attached to each category, and respective product for the end of July and first half of August.

Lipgloss	Earned Media Value	Impressions	Audience Size	Publishers
NYX Soft Matte Lip Cream	$96,761	187,571	465,414	9
Revlon Just Bitten Kissable Balm Stain	$90,213	144,789	722,961	26
Fresh Sugar Lip Treatment	$30,947	62,069	231,935	29

Blush	Earned Media Value	Impressions	Audience Size	Publishers
NYX Cream Blush	$19,169	35,241	221,767	6
NYX Powder Blush	$7,612	13,781	133,334	5
Maybelline Dream Bouncy Blush	$4,274	3,180	14,699	6

Eyeshadow Palette	Earned Media Value	Impressions	Audience Size	Publishers
Lorac Pro Palette	$304,111	670,292	3,092,093	23
Urban Decay Naked Basics Palette	$284,394	561,961	2,061,386	13
Stila In the Light Palette	$215,687	430,459	557,427	8

Our Tribe Influencer Database is a collection of the top 20,000 influencers in the beauty, fashion and lifestyle community industries. The brands included in each study are the most popular based on publicly available information of these brand's annual revenue, reviews from consumers and retailers.

Post Count

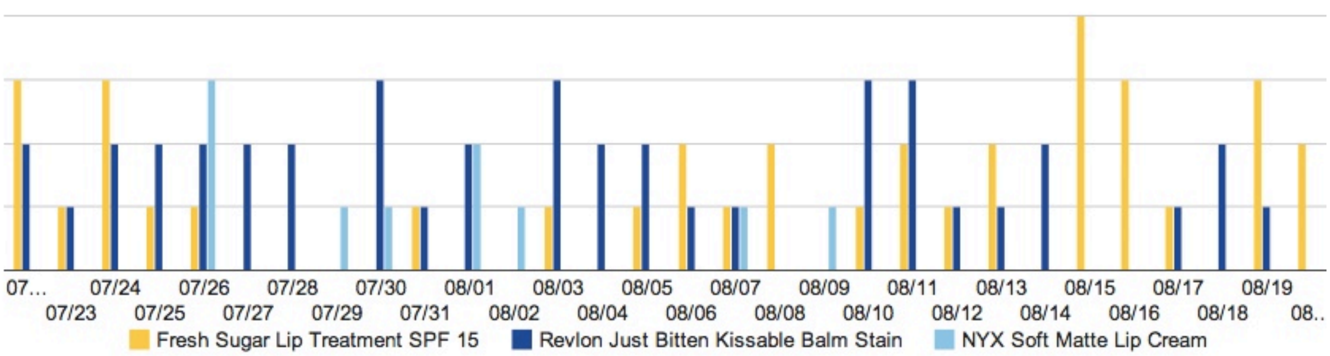
The Number of Posts/Product Created in August

The below graphs display the number of posts earned by each of the top three products by category over the past 30 days.

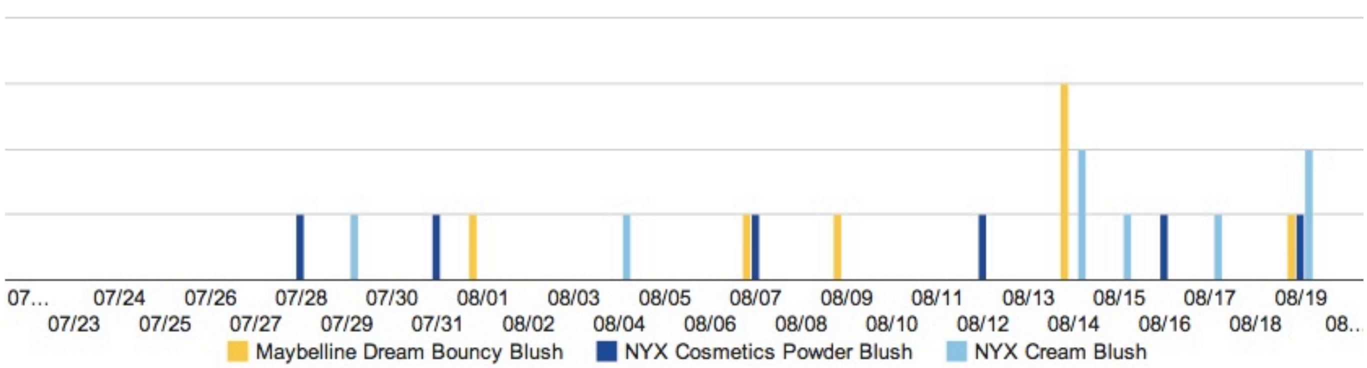
What again is starkly apparent when we compare these graphics to the tables on the page above, as well as the earned media graphs on the following page, is that valuable earned media is much more important than the actual number of posts.

Take the first graphic for lipgloss. At first glance, it might appear that Fresh's Sugar Lip Treatment is by far outperforming the other two products when it comes to driving user-generated content. However, when we look at the earned media graphic on the following page, it's clear that while Fresh's lipgloss may have produced the greatest number of posts during this period, the value of the media was significantly less that what was created for either NYX or Revlon's products.

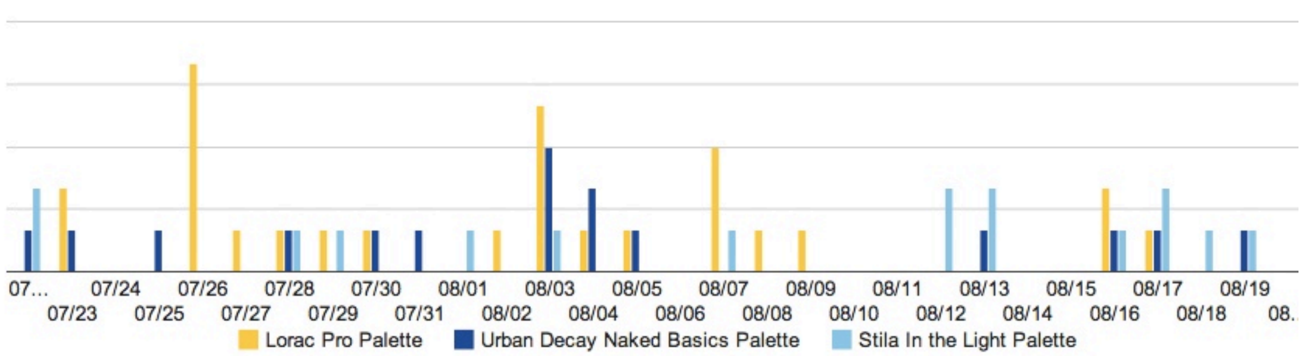
Lipgloss



Blush



Eyeshadow Palette

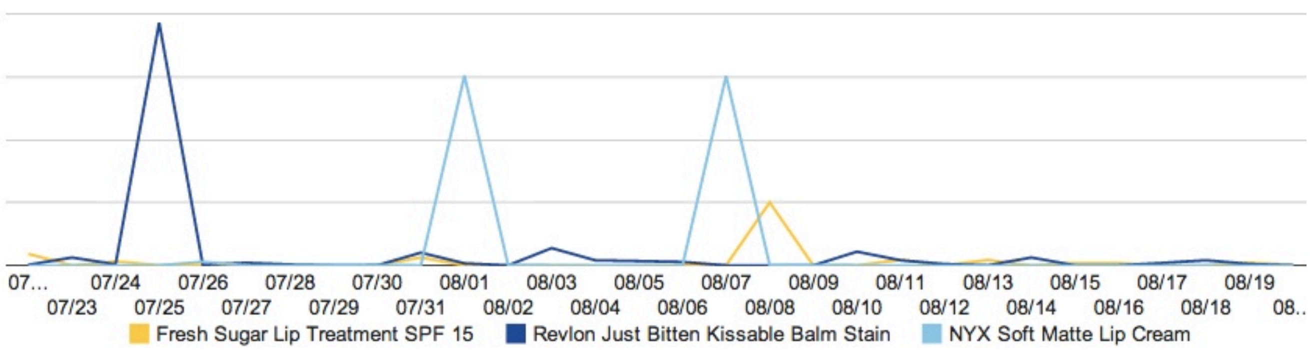


Earned Media Value

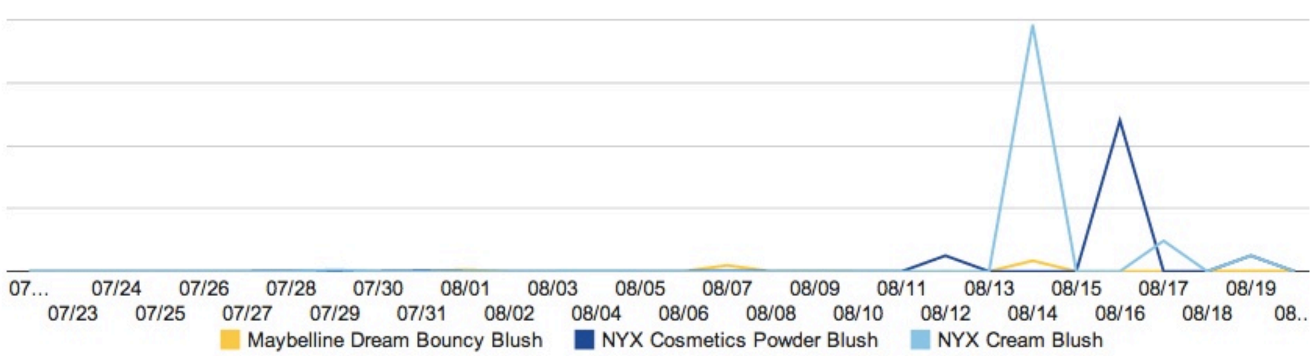
The Value of the Content Created in August

The performance of NYX's lipgloss and blush in earned media value is the most noteworthy, when we take into account as well the number of posts generated. For significantly fewer posts, the brand's products during this period generated incredibly valuable media.

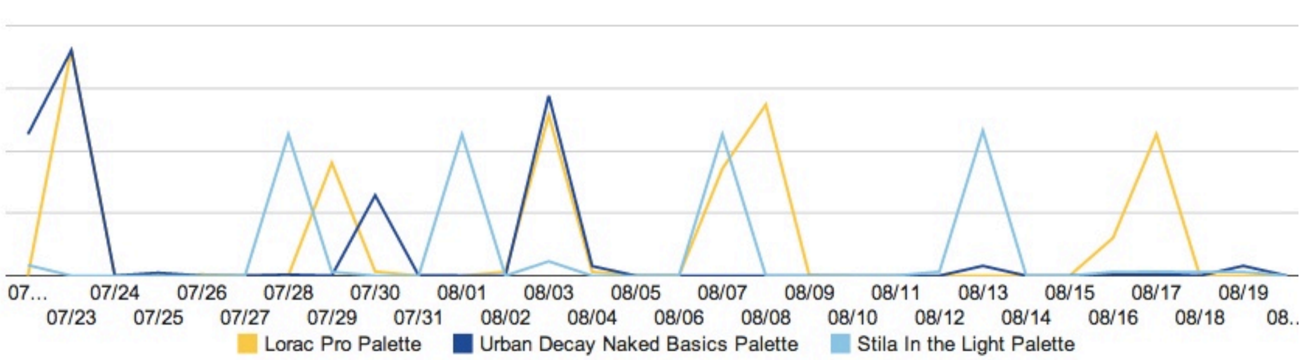
Lipgloss



Blush



Eyeshadow Palette



Understanding the Back-to-School Shopper

Age, Price and Convenience

If we can assume that a large percentage of the shopping that takes place during the end of July and into August is tied to back-to-school needs, (national retail sales rise approximately 4.3% in August, according to ShopperTrak), then the following are some important considerations that might influence social media buzz and ultimately sales.

Age

Back-to-School versus Back-to-College Shoppers

First, in evaluating the earned media created around these trends and the corresponding products, it's important to think about the prospective audience and customers.

As much as the "natural beauty" trend transcends age groups (it was featured in Seventeen magazine, Teen Vogue, Allure, Glamour, and InStyle this month), the specific products a 14 year old girl versus a 20 year old college student may choose to endorse and purchase could be altogether different.

An annual study conducted by BIGResearch based upon a Back-to-School Consumer Intention and Actions Survey for the National Retail Federation (NRF), revealed shifts in spending on college students versus primary and secondary school-age children. According to the report, approximately 37% of both groups planned to make their back-to-college/school purchases online. This is a sizable increase (7% for college students and 16% for primary and secondary students) since 2006, which could help to explain the general increase in social media buzz these products experienced during this period of time.

Price and Convenience

The BIGResearch study also looked at the percentage of shoppers who planned to make their purchases at discount stores. Not surprisingly, back-to-school shoppers came in at a higher 67.1%, compared to back-to-college shoppers at 48.3%.

Lipgloss	Earned Media Value	Price
NYX Soft Matte Lip Cream	$96,761	$6.00
Revlon Just Bitten Kissable Balm Stain	$90,213	$7.19
Fresh Sugar Lip Treatment	$30,947	$22.50

Blush	Earned Media Value	Price
NYX Cream Blush	$19,169	$6.00
NYX Powder Blush	$7,612	$5.00
Maybelline Dream Bouncy Blush	$4,274	$7.99

Eyeshadow Palette	Earned Media Value	Price
Lorac Pro Palette	$304,111	$42.00
Urban Decay Naked Basics Palette	$284,394	$27.00
Stila In the Light Palette	$215,687	$39.00

This makes sense, when we compare this data to the products we found performed especially well for the month of August. By contrast to previous month, a majority of the most talked about items were not luxury brands, but less expensive options typically sold at non-specialty retailers, drugstores and discount retailers.

What kinds of conclusions can we draw from these numbers? First, back-to-school shoppers, younger girls accompanied by their parents, are looking for deals and will be more inclined to purchase less-expensive products (notice the price differential between NYX's lipgloss and Fresh's). It's not a stretch to assume that very few parents would feel comfortable spending a greater amount of money on makeup for a daughter under the age of 18.

This could help to explain the numbers returned for eyeshadow palette products, a somewhat more sophisticated product. There is an understandable relationship between the price of a product and the age of those purchasing/using it. In this case, we can assume that as much earned media as the Lorac Pro Palette received during this same stretch of time, the majority of its influencers were more likely college-aged or above given its $42.00 price tag.

A related conclusion that we can draw from this data and the back-to-school shoppers preference for discount products, concerns the kind of retailer and convenience of the shopping experience generally. The brands/products that performed well in earned media for the month are again typically sold at more accessible locations, like drugstores or discount stores. For these shoppers, a product choice could come down to convenience, picking up a lipgloss or blush along with other school supplies. The "one-stop shopping" necessity that major retailers endorse during the back-to-school season could therefore explain a preference among certain shoppers for these specific products.

By contrast, college-aged girls, spending a greater amount of money on electronics as opposed to traditional school supplies ($60 versus $90 for back-to-school shoppers according to BIGResearch) are less likely to shop by the same principle. These shoppers are more likely to make an additional trip to Sephora or a department store to purchase a higher-quality, "luxury" product.

Owning their Place in the Market

Content Creation and Target Audience

Ultimately, brands offering lower prices on popular trending items are more likely to perform better amongst back-to-school shoppers. For these brands, their engagement with potential customers should reflect not simply the average age of the followers, but also that these consumers are looking for a "deal" or discounted option on the most recent style. Therefore, when creating their own branded content, it is all the more important to make sure that they are engaging with the appropriate community online in addition to placement in the appropriate stores (PACSUN, Target, etc.).

As opposed to other leading makeup brands, looking for the best marketing strategies to turn customers into loyal, lifelong clients, brands like NYX might benefit more from an alternative marketing approach. For these brands, the back to school season is an invaluable opportunity to hook new interest, that will carry through the year until the next season, and the next round of young girls, with whom they perform the best, and potential clients.