

HENRYs Trends in Cosmetic Industry

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Abstract: A pull strategy is used by luxury brands to get the attention of potential consumers, and those potential consumers mainly fall in HENRY segment (High Earners, Not Rich Yet) The millennials. The perspective of looking at cosmetics and its effect has changed since a lot of influential sources considering media, digital world and apps have come into the picture. Luxury brands always maintain their core values along with the unique marketing strategies. Social media influencers using GRWM and Haul videos have a huge impact on makeup users and a great impact on their next purchase. High - end brands promote their products through celebrities and well known influencers who have good amount of followers and in this case the beauty bloggers who use and promote luxury product and making reels and videos on the latest launch of the product of luxury brand is a much awaiting scene. HENRY segment has contributed in the huge margin for the luxury brands. The mindset of middle class in this century plays a vital role in the usage of luxury products. In this article we will see the marketing strategies adopted by High End brands and how they target particular section of the society for their particular product, we will also have a look into the Factors influencing buying behaviour of HENRYs.

Keywords: HENRY segment, Consumers behavior, Strategies, Luxury products, Millennials

HENRY Segment

HENRY segment (High Earners, Not Rich Yet) has become the focus for luxury brands due to the spending patterns. Spending for experience is a mindset for the millennials, price of the product is not the point for HENRYs but the experience is. The earning capacity has increased and in order to spend that earnings people have lots of options available in the market, and this does not confine to the luxury products but high class services, experiences and sometimes to come at par with your peers or colleagues. Staying in this segment does not guarantee you being in this category for longest time but to at least experience or have a taste of luxury once in lifetime, but high end brands have got a hold of the consumers, they have found enough reasons to allure the consumers for their high end quality products. They are leaving no stones unturned to convince their consumers and giving them good reasons to stay brand loyal.

Luxury Products: -

Luxury is for those who are not price sensitive, and luxury is not even at competitive edge it's a display of wealth and uniqueness. They tell story of their origin and it attracts those who appreciate finer and sheer things in life. Luxury products can survive even in losses unlike the other products which serves the need and solve the problem of the society.

Features of HENRY segment: -

- 1) Falling in this bracket of consumers takes lot of courage initially but once you taste the experience and could relate the brand personality it's difficult to accept that you can still survive without these products. Although consumers are well aware that they are not leaving any wealth behind prior the purchase of the product but the temptation has reached to such a high level that savings and investment really doesn't bother much to the consumers and hence they go ahead with their dream products or services.
- 2) Affording this lifestyle of having fully branded from top to bottom which includes clothing from big Couture names to branded sunglasses, branded handbags and luxury shoe brand, It gives immense satisfaction to be a

part of this segment that bearing the debt or its charges is no big deal for the HENRYs. Of course they do check on their earning capacity and might go ahead with taking loans but this might be the source of motivation to work hard and afford a luxury life but no wealth and investment behind.

- 3) Now as even the brand understands what features of their product pulls the users, they make sure that apart from making and maintaining same quality product we should maintain the relationship with the customers, so they know how to save their potential future buyers and their earnings for the brand.

Now why there is a need for high end products to target HENRY segment?

Is Serving the affluent society not generating enough revenue?

Is the brand losing its identity?

Do they want to capture new market?

So the possible reason is that the middle class or the new users of luxury products are more in numbers in this world in comparison with the Affluent or Ultra - affluent society who are regular buyers of luxury products but are less in number. So that gives enough reason to the brands to target them in order to boost their revenue.

HENRYs not only spends on cosmetics or make up, they are the sporadic buyers who are if being convinced and if brand gains their trust they can be turned into regular buyers and then into loyal customers.

Objectives

- 1) Describing the Marketing strategies for HENRY segment.
- 2) Factors influencing the purchase decision of middle class High earner

Volume 11 Issue 12, December 2022

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1. Marketing strategies for HENRY segment: -

Consumers are being very well aware of the products available in market and without any second thought we can say that millennials who spend their most of the time in searching and surfing on net exposes the product from all means possible due to the vast data available online, so this makes the brands impossible to hide any crucial features or the effects of their product. So to put forward the good image of any product brand tries to introduce or present their product in such a manner that the brand doesn't need to approach the consumers instead they approach the brand for the trial.

Here are some of the ways luxury brands strategically influence the consumers and pull them and make them reach out the product.

1.1 Marketing through influencers

The content, reviews and opinions posted by the influencers internationally affect over 92% of consumers and persuade them to try or buy the product. (Anon, 2022). These influencers are found on Facebook, Instagram, YouTube, TikTok reels. The big brands allocate huge amount of their budget to the influencers to tap the big list of their followers as their potential consumers. Showing the relevance of the product with the ongoing trend by glitterati makes the consumers more inquisitive towards inquiring the product. There are so many international influencers who are on a continuous basis reviewing the latest launch of the colour cosmetic (foundation, mascara, lipsticks, eye shadow palette etc.) with such over enthusiasm that consumers perceive as if one doesn't see these reviews there is something very important information they are going to miss. Those who subscribe and watch such videos or reels on a regular basis have a pre occupied mind - set of trying at least one product from the latest launch so even they can talk about the same product and can put in their valuable comments on the newly launched product. It sometimes looks like a status symbol of personally reviewing the product, which is being very well sensed by the marketing team of such big or luxury brands. Few of the very well - known and popular brands like Bobbi Brown, Dior, The Estee Lauder, Lancôme, Charlotte Tilbury and Pat McGrath are making sure that they do not miss out on showcasing their product in the Vanity of the top influencers where they make GRWM (Get Ready With Me) videos in which they display the luxury products owned by them and showing the smooth transition of themselves into the most beautiful version. This adds in the value of the influencer and both the brand and influencer promotes each other.

Website and social networks

Now here a revelation of strategies adopted by luxury cosmetics brand is that such brands do not showcase their products easily rather they make it a visual treat for the audience and make clips of the manufacturing of the product. They talk about the feel and experience of the product without even showing it. (Taylor, 2018) photographs are one of the best mediums for evoking the aspirational emotions of the consumers which they get through the websites or social network like Pinterest. They don't put stress on the features of the product or whether the

product is worth the money they charge, they show the prestige, and uniqueness of the product. They try to socially elevate the product and its timelessness and priceless experience. HENRY segment who spend a good amount on the luxury cosmetics wants to feel the prestige the product carries and it is most of the time about personal feel or one's own image in their own eyes elevates. It's not necessary that HENRYs want to display or be vocal about using luxury brands there are more people who wants to feel the exclusiveness of the brand and want to get immersed in the aura and richness of the brand. The look created on celebrities by using the luxury brands on social networks becomes a trend and is being very much imitated by the influencers to further influence the HENRYs.

Tutorial Videos

These are the upcoming trends which gives tutorials on how to put up the makeup in a certain way to maximize the look as the celebrities do, this is no secret that makeup users want to look alike or put alike makeup as their ideals do, all this is being taught by the influencers and nowadays even the glitterati do such tutorial videos to promote the brand and give feeds to their followers. From the soft look to the glam and the bold look are being taught in the videos, so it becomes easy for the users to follow the steps and to have no guilt of buying the product when one knows how to use it. HENRYs being on the edge of perfection doesn't just want to buy the products but also want to feel the product, wear the product, these tutorials are the saviours for their day today looks or party looks.

Brand Slogan

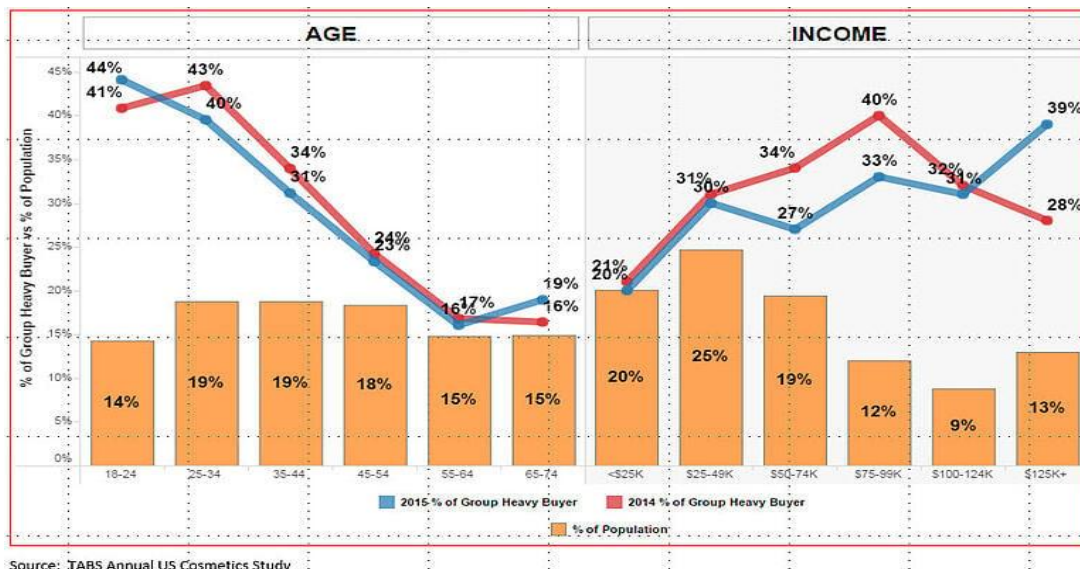
Taking one of the luxury product line of Christian Dior (Dior Forever) is the slogan of the Dior cosmetics (*Portee, n. d.*) says that forever is fifteen years of obsession with perfection, fifteen years of love for & from women, a companion product that strengthens self - confidence on a daily basis.

"Forever" is the range in which they have Dior Forever Foundations, Forever lipsticks and concealers. Brand slogan talks about the attributes of the product which builds the positive response of the customers and they continuously relate themselves with the product. Brand Slogan helps in brand positioning.

2. Factors influencing buying behaviour of middle class high earners

HENRYs are young, highly educated, well aware citizens, they belong to all the profession and they are on the road to affluence. They look for the brands which represents their core value and to which they feel related. The brand which resonate their personality has a special place in their head and heart. HENRYs are the mass affluent. There are about 27 million American HENRY household, less than 20% of the nation's 125 million households. Yet they control nearly 40% of U. S total spendings. HENRY segment is growing, and the customers are dynamic. Millennial women are the heaviest buyers of the beauty products though it is no more confined to only women, this segment is growing in for men and youngsters too. (Analytics, 2016).

Population Vs HENRYs



The habits of the millennials are transforming the industry and their likings and preferences are modifying the target market for the luxury brands. The transformation could be seen in the brand preferences, outlet preferences, source of getting information and amount of time spent on social media. Millennials are driving the sales in the beauty industry. The study above also shows that, the higher the income is the higher are the chances that one would like to look rich in appearance for which one has to spend in luxury cosmetics.

The retail outlets like Sephora, Ulta, Nykaa are experiencing the sales going up due to the change in perception of the millennials towards the brand usage. These retail outlets are getting all the high brands available for their potential customers and old customers who are loyal.

2.1 Social Factor

2.1.1 Beauty blogs and You Tube

Millennials are mostly influenced by the beauty bloggers and YouTube videos. Beauty bloggers have vital role play in the life of millennials and in the choice of brand and product. The consumers are even comfortable to go out of their comfort zone in order to try the product which the bloggers are raving upon. The texture, smell, and longevity of the product affect the decision of the users. When we consider makeup industry there are few high rated influencers who gives full review on all the products newly launched by the brand, as soon as it comes out in the market they provide full details of the product from its ingredients to its brand promising its performance. Swatches of the products, their reviews and comparison with other competitive brand. This gives enough information to the HENRYs segment to take decision for their next purchase.

2.1.2 Online Start - ups

As we see some of the international luxury brands which are not easily available in all the countries has huge amount of tax, duty and shipping charges on it if we order online while some don't mind spending double the amount of order, on the other hand we have some business owners of luxury

brands who cater the HENRY segment by providing same authentic international luxury products with affordable total charges inclusive of all taxes. After seeing a huge demand and queries for luxury brands there are these beauty enthusiasts who came up with online start - ups, doing online business with their Instagram handle and now in top search list of the millennials.

2.2 Psychological factors

The high earning millennials who are not rich yet are the luxury shoppers in 21st century now defines by youth culture - GEN Z and Millennials. (*Winter Meier, 2021*) HENRY segment do spend major part of their earnings on luxury brands but actually they are under debt and working really hard to pay off their loans and its interest, this segment has accounted 35% of the market and is expected to reach 50% market by 2025.

Now the question is why do they buy such expensive luxury brands?

What are the factors which satisfy their soul after buying luxury goods?

- High - end products are an impulsive buy, one feels the urge of buying the moment they see it.
- It shows a class when you give it as a gift, there are luxury makeup brands who specifically launches such compact palettes or a makeup box for gifting purpose.
- Feeling special on your D - day these brands come up with such dolled up looks for bridal makeup using all the products of the same brand. Charlotte Tilbury a British makeup artist, founder and chairperson of one of the leading luxury cosmetic brand doing makeup of celebrities on their wedding day and on the models on Fashion shows.

These are few of the factors which psychologically affect and convince HENRY segment to shop the branded products.

2.3 Personal factors

Factors which are personal to consumers influence their buying behaviour. Consumers who believe that luxury brands always use high class ingredients and mostly natural or organic products charges high cost for their product which the consumers find fair, doesn't shy away in buying those products.

Some consumers are allergic to specific ingredients used by other average priced products or some times by premium products, in that case also consumers prefer goods which are still on higher range but safe to use for example eye kohl is one of the product which is used directly on the water line , so the daily users if are not comfortable will search for products even if they are highly priced because of its brand positioning, they will still buy it if it suits them, those consumers will be the loyal ones in future.

2.3.1 Occupation

Occupation of a consumer does affect the choice one makes while buying something and as we are focusing on HENRY segment, occupation here refers to the status and lifestyle one wants to experience by going for luxury products, and for that one needs to have good earnings which HENRY segment already has. To stand out in the crowd and to feel competitive amongst the peer group and bringing in the exclusivity affects one's choice.

2.4 Economic factor

A strong economy leads to greater money supply in the market, which gives the higher purchasing power to the consumers. When the economy is strong and the disposable income is double, consumers feel confident to spend on high end brands. Those who use to buy just fewer makeup products would like to try new ones now, they might like to go for daily makeup look products for office going people, as the makeup segment of cosmetic industry has evolved the makeup artists have come up with different make up looks for all skin types for all age groups. These type of factors increases the horizon of market for consumers and the availability of more and more new products gives consumers the choices to make.

3. Conclusion

A marketer's responsibility is to understand the consumers behaviour, and it keeps evolving. These are the times where all the consumers have access to analyse, compare and take standalone decisions regarding the purchases. The new developing market of HENRY segment gives immense opportunity to the high - end brands. The ever evolving makeup segment of cosmetic industry has new consumers, they are the millennials who wants to spend major part of their income in luxury products, men who are entering in this industry as the models of the products and consumers as well has change the whole perspective of cosmetic industry. The youth who wants to explore the luxury brands and the difference it makes in their social status. Catering to this new evolving market and understanding the changing demands of the HENRY segment now even the Celebrities and Renowned make up artists too are coming up with their

personal brands like RARE beauty by Selena Gomez, Fenty Beauty by Rihannasome makeup artists brands like Charlotte Tilbury (brand name) by Charlotte Tilbury, Persona Cosmetics by Sona Gasparian. This clearly shows that even the HENRY segment has so many choices to choose from and it is surely giving good margins as even the big names and brands are coming to serve this new emerging market.

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