Mac Cosmetics Essay, Research Paper

MAC CosmeticsMake-up Art Cosmetics, also known as M.A.C. cosmetics is a highly unique corporation. Its founders and business strategies are rather simple yet extremely effective in contributing to the companies success. The company does not use any fancy business schemes and it is truly concerned with its consumers. In the beginning, the company struggled to get started, but now a multimillion dollar (and still growing) enterprise, M.A.C. probably has some of the most popular and most demanded for cosmetics available in the market. M.A.C. Cosmetics is a dynamic company which produces skin and hair care, beauty products, and cosmetics, created for everyone. Rich and poor, old or young, conservative or trendy and even for males or females. Sales for M.A.C. are growing rapidly. From 1985 ($600 000) to 1989 ($3 million), sales were steady. Then in 1990 the money really started to pour in, hitting $8.5 million then $18 million in1991. Last years sales (1996) were $70 million and now this years’ estimations are a substantial $160 million. There are currently 108 locations between Canada, the U.S., and Europe, with extreme success in London, England. Although the company could easily expand to may more locations, the company would prefer not to, at least no so fast. They believe that in order to maintain high levels of quality, staying in control, (which means going slowly) is the key. Frank Toskan, 45, founder and CEO of Make-up Art Cosmetics, was previously a Canadian hairstylist, make-up artist and photographer, who developed his own professional cosmetics because he felt that the existing lines couldn’t link with the harsh lighting used in photography, stage , film and video work. Over the last 10 years, 160 shades of lipsticks in 7 different finishes, 150 eye shadows, 60 blushes and hair care have been created for the public. Toskan first started at his kitchen table with the help of his high school chemistry book. With Victor Casale, his chemist brother-in-law, he blended a few new colours. One year later, Toskan formed a partnership with Frank Angelo, a veteran entrepreneur (previous owner of a chain of beauty salons). At first they were turned down by banks, they had to mortgage everything in order to get the company going. M.A.C. was officially launched in 1985, in an old, run-down location in Toronto (Cabbagetown). For years M.A.C. was looked upon as too ‘weird.’ In1988, Toskan and Angelo had to beg downtown Simpsons -now the Hudson’s Bay Company, to take their line of products. They were given a small corner and it soon became the most popular counter in the department store. Currently there are 23 M.A.C. Counters in Bay stores across Canada. Eaton’s originally turned them away and now the partners won’t deal with them. The company hires people based on creative talent, not looks; a novel tactic for this industry. Toskan is quoted saying:”I don’t have the luxury of communicating with my clients, so therefore my salespeople are the link between my philosophy and their customers.”M.A.C. reps behave more like friends or confidants than product pushers. Without having company sales pressure, the laid-back management resulted in a retail staff turnover of less than 7% last year.M.A.C. Cosmetics has a great position on corporate and social responsibility. The public image of this business is supported, due to many different surroundings. M.A.C. is “cruelty-free” and does not test its products on animals. They use simple black and white (recyclable) packaging and they encourage Recycling with the “Back-to-Mac” programme. Customers are given a free lipstick of their choice with the return of six empty containers. The company offers good prices compared to other ‘big name’ companies without any false promises such as miracle (age reducing) creams. While some companies may be nervous about linking their names to the specter of illness and death, M.A.C. is upfront in promoting its support of the fight against AIDS, with its popular lipstick -’Viva Glam,’ 1992 (which also come with a condom) donated to various AIDS organizations. In Oct. 1995, M.A.C. launched a charity lipstick for $16: $6 of which, went to the breast cancer research. They also mix custom products to match the needs of cancer and burn victims on the allergenically challenged. Just recently M.A.C. introduced the “Kid’s helping Kids” which, with the sale of greeting cards (painted by the kids) will be donated to pediatric organizations.

M.A.C. Cosmetics has undertaken many strategies which resulted in the successfulness of the company. Toskan and Angelo had their business strategy figured out. At first they’d sell their make-up to professional stylists and artists and go on from there. Since make-up artists apply cosmetics to actresses and to models, this genius idea set a trend as it was featured in popular shows and/or movies and loved and utilized by favorite actresses. M.A.C. Cosmetics has never tried to target a certain group. Toskan planned to create every shade possible in order to offer a wide variety of shades for each individual. Without a single ad campaign, M.A.C. does not advertise because they do not believe that slogans are as explicit or as effective. They do not want to have to tell someone to buy their products. They also don’t want to put a idealized corporate face on their product. They don’t wan to make a women feel like she has to buy this product. Toskan brings a fresh new commitment to the business of beauty. “This industry has a history of digging into peoples pockets and taking advantage. I am interested in giving back to the consumer.”M.A.C. Cosmetics also uses a word of mouth strategy (which apparently works). It only takes a few women to tell their friends how much they like a certain powder or certain lip gloss before they’re all racing to the counters. “You don’t really have to spend on advertising, yet your products on everybody’s lips.”Literally. Everyday, this company comes one step closer to its ultimate goal of providing the utmost value for its customers. M.A.C. works from an inverted pyramid – where the customers are always at the top. It is the customers who inspire Toskan and the company. This, along with the staff motivates him, not the money. “We didn’t get into this business to make bags of money, or to havemass-consumer appeal, we just wanted to find the right colours.”In the future they M.A.C. plan on opening locations in Hong Kong, the Far East, and more in Europe. Now in a joint venture with the U.S.’s largest privately owned cosmetics firm (Estee Lauder), M.A.C. will distribute products in overseas markets. With each and every goal M.A.C. is soon to be destined to hit the top. M.A.C. Cosmetics’ reasons for all its plans are derived from the fact that it is the 90’s. There are many serious issues and many different needs required today. Everyone is an individual, and this company sees that, and deliberately tries not to exclude anyone. Some trends are also created by the media exposure. The media has so much to do with what’s in and what’s out. But ultimately it is up to the consumer who decides. The products of Canada’s Make-up Art Cosmetics, inspires devotion in many people, particularly the young and the glamorous. This is why a firm that started less than 15 years ago, created a product on a stove in a Toronto apartment had $70 million in sales last year. (1996) It has been the cause of more than a few envious looks by established cosmetic companies. The incredable entrepreneur behind this companies’ success, often had a sense for smelling trends before the rest of the industry catches on. One of the remarkable aspects of the success of M.A.C. Cosmetics is the way the company has grown without the conversational help of big advertising campaigns, spokespersons or other big kinds of promotional gimmicks. This high quality company shows that advertising is not always needed. Being true to the customer and serving their needs brings success. This company is a leader and never follows what other companies do. Success can be found in many different ways, keeping in mind innovation and constant creation (of new ideas). M.A.C. is known to be an honest, caring and different company that strives to make the consumer happy and satisfied, while always remaining concerned with its socialresponsibility.