

Table of Contents

- Methodology
- Objectives
- Background Information
- Traditional Media
- Social Media
- Public Opinion
- Qualitative Analysis
- Key Insights and Recommendations
- Appendix

Methodology

- This report analyzes coverage and branding efforts of four companies within the beauty and cosmetic industry: L'Oréal, Unilever, Estée Lauder and Johnson & Johnson.
- Analysis looked at:
 - Media Coverage
 - Social media coverage
 - Branding strategy
 - Public opinion of the four companies/industry
- For social media analysis, the following sources were used: Facebook, Twitter and Instagram.
- To analyze branding strategy, the following sources were used: Annual reports, online marketing tactics, social media efforts and CEO presentations at conferences
- To analyze public opinion, a survey was conducted using Qualtrics. The survey was fielded between June 28 to Aug. 1. There were 67 respondents.
 - A total of 200 articles were analyzed. Articles were retrieved from Google News and Factiva.

Companies Covered in this Analysis Estée Lauder

L'Oréal

Johnson & Johnson

Unilever

Objectives



Background

- Overview: Founded in 1946, Estée Lauder and her husband created a company in Manhattan, New York which is now an American multinational manufacturer and marketer of skincare, makeup, fragrance and hair products.
- **Size:** The company's products are sold in more than 150 countries through department stores, specialty retailers and online. Estée Lauder also sells to 1,500 freestanding retail stores.
- Revenue: Estée Lauder's 2019 fiscal year had a revenue of 14.86 billion USD.

ESTĒE LAUDER

CSR, Reputation & Communications

- CSR: Estée Lauder achieves environmental sustainability goals, responsibility sourcing, a positive social impact, inclusion and diversity goals and better employee engagement.
- Reputation: According to comparably, Estée Lauder has a 75% customer reputation compared to 63% employer reputation.
- Communications: Social media is Estée Lauder's mindset. The retailer uses social media influencers and how-to videos to generate more sales.

ESTĒE LAUDER

Background

- Overview: Johnson & Johnson, founded in 1886, known as the leading healthcare company, paired together with skin experts and dermatologists to create products such as: treatments for acne and eczema, gentle skin-loving cleaners, moisturizers that repair the skin and rebalance it, and sunscreens that protect inflammation, premature aging and skin cancer
- **Size:** Operates over 265 companies in over 60 countries and employs an estimate of 126,500 people.
- Revenue: In 2019, Johnson & Johnson's revenue hit 82.06 billion USD.

Johnson Johnson

CSR, Reputation & Communications

- CSR: Johnson & Johnson's responsibility is to those who use it products and services, employees, the communities and to its shareholders.
- Reputation: Named a 2019 Fortune World's Most Admired Company even after reputation strain after opioid lawsuit settlement.
- Communications: The main form of communication Johnson & Johnson uses is online ads. It also customizes its social media content based on the product and its audience— while the corporate page follows a more professional and high-level tone.



Background

- Overview: Founded in 1909, L'Oréal is the world's largest cosmetics company and has diverse activities concentrating on hair color, skin care, sun protection, make-up, perfume and hair care.
- **Size:** There is an estimate of 3.12 thousand stores which consist of 32 brands across 130 countries.
- **Revenue:** L'Oréal's revenue in 2019 was 29.87 billion EUR.



CSR, Reputation & Communications

- CSR: L'Oréal is focused on one main thing when creating their cosmetic products and that is followed by the corporate social responsibility of "sustainable development is a daily practice."
- Reputation: In 2018 L'Oréal announced today that it ranks #1 worldwide across all industries in the Covalence Ethical Quote reputation index.
- Communications: L'Oréal started its advertising campaign in the late 1920 via posters and other such mediums and became appearing on screen in the 1950s. Now, the company uses celebrities and influencers of all ages to promote their products.

L'ORÉAL

Background

- Overview: Founded in 1929, the beauty and personal care industry now the biggest business within Unilever, which is known as the world leader in hair care, deodorants wash and skin care.
- Size: Unilever owns over 400 brands, sold in 190 countries and employs 41 thousand people throughout America.
- Revenue: Unilever's revenue last recorded in 2019 was 51.98 billion EUR.



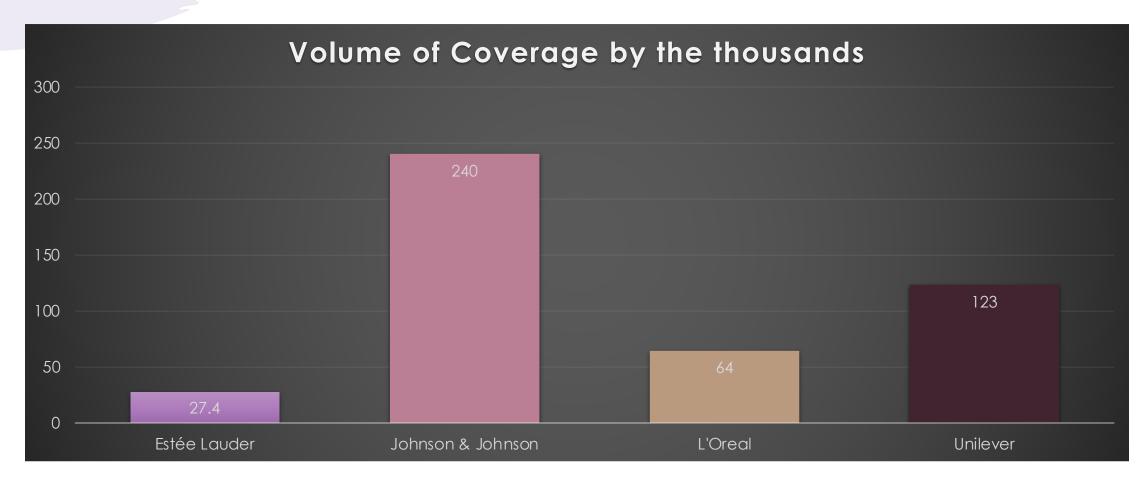
CSR, Reputation & Communications

- CSR: Unilever encompasses a broad range of interactions with society which means responsibility of everyday relationships with employees, consumers, shareholders, suppliers, governments and local communities.
- Reputation: An estimate of 2.5 million people use Unilever products daily to feel good, look good and get more out of life.
- Communications: Unilever uses a mix of digital and traditional media communication. Letters, memos and e-mail are used because people will get a clear idea by reading them. Currently, they focus mostly on social media platforms and e-mail to make the message more personal.



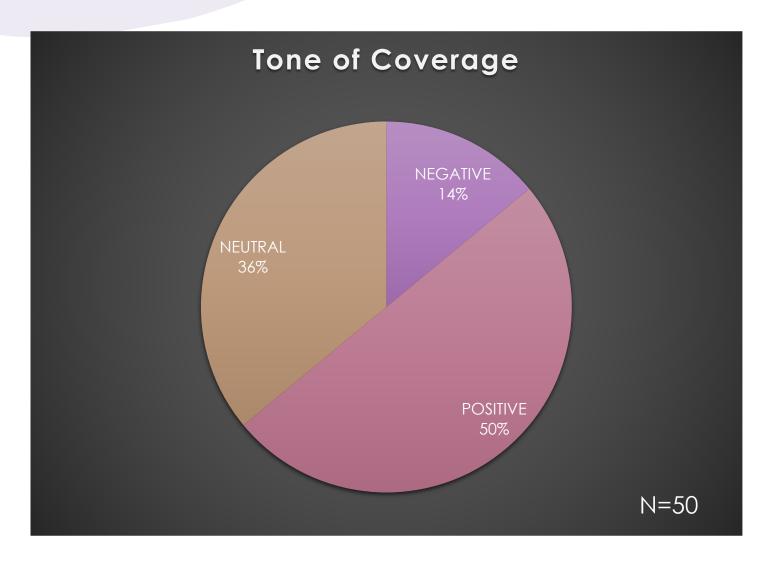
TRADITIONAL MEDIA

Volume of Coverage

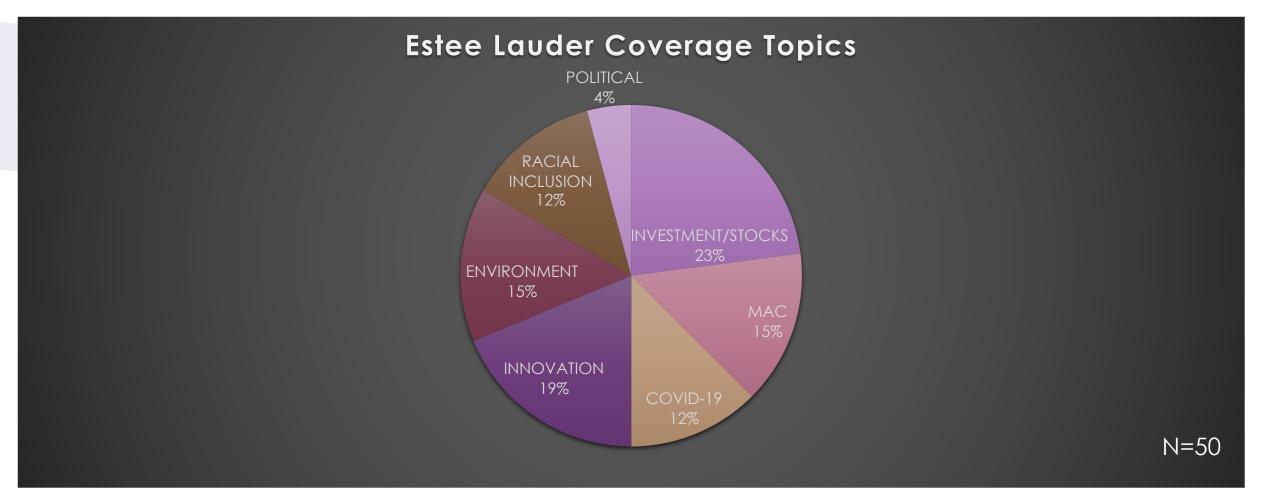


Unsurprisingly, the largest companies have the highest visibility, whereas Estée Lauder, a cosmetics-only company, was significantly less prominent.

Estée Lauder

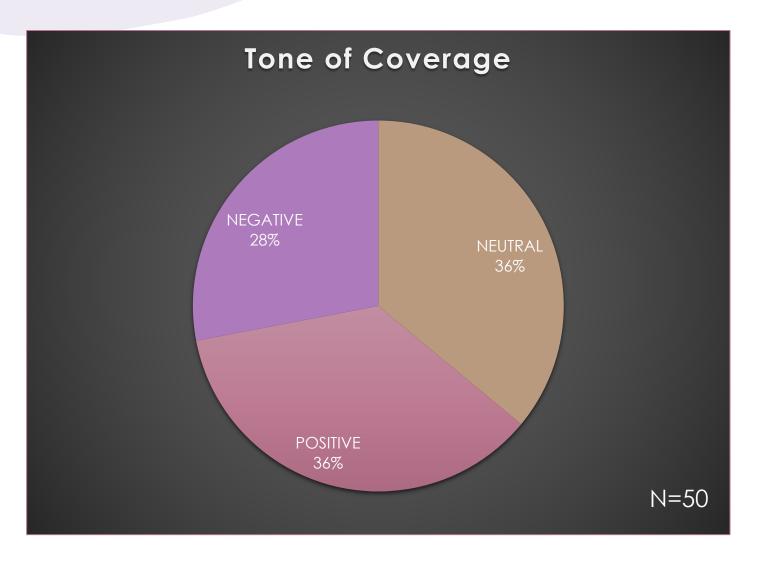


- Compared to the other companies, Estée Lauder was one of the ones who had majority of positive coverage.
- Small articles pertained negative coverage of the allegations of Estée Lauder testing on animals.
- If the coverage wasn't positive, it was most likely to be neutral with coverage of facts, not opinions.
 - Coverage on how Estée Lauder is responding to COVID-19 and the Black Lives Matter Movement.



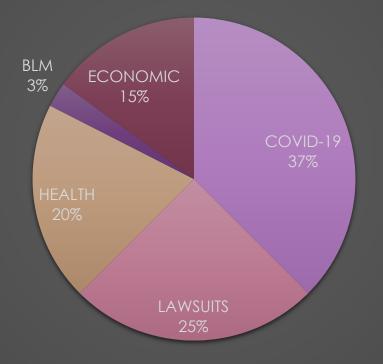
- In addition to the expected financial coverage, Estée Lauder's coverage also focused on CSRrelated coverage:
 - Promises of more transparency and to hire more black employees due to the Black Lives Matter movement;
 - The company's claim that it does not animal test, however many articles pointed out that
 major EL brands are NOT cruelty free (Bobbi Brown, MAC, Smashbox and Two Faced), fueling
 most of the company's negative coverage.

Johnson & Johnson



- Unlike the other analyzed companies, Johnson & Johnson did not have predominantly positive coverage.
 - As lawsuits are still being filed from crisis situations, such as the baby powder incident, it is getting a lot of negative press.
- However, the company's responses to COVID-19 and support for the Black Lives Matter movement garnered favorable coverage.

Johnson & Johnson Coverage Topics

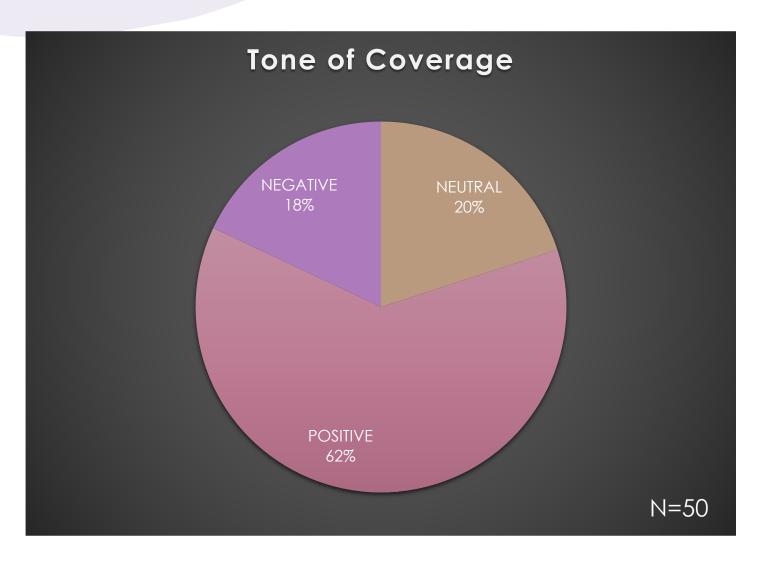


J&J faced more than 100 thousand lawsuits in March 2018 over claims its products are defective.
 Most recent lawsuit is over talc in baby powder causing ovarian cancer.

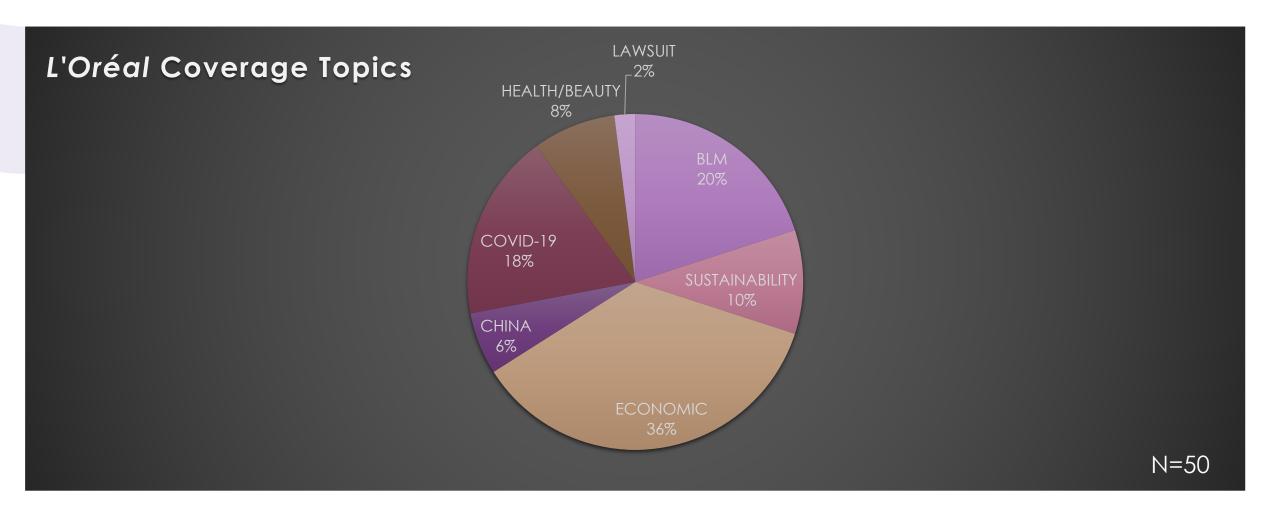
N = 50

- J&J working with the government for a COVID-19 vaccine, creating a favorable association that the other analyzed companies could not match, because J&J was beauty company that also was working on a vaccine.
- The company is taking whitening products off the market to support BLM, also creating brown/black Band-Aids to accumulate different races.

L'Oréal

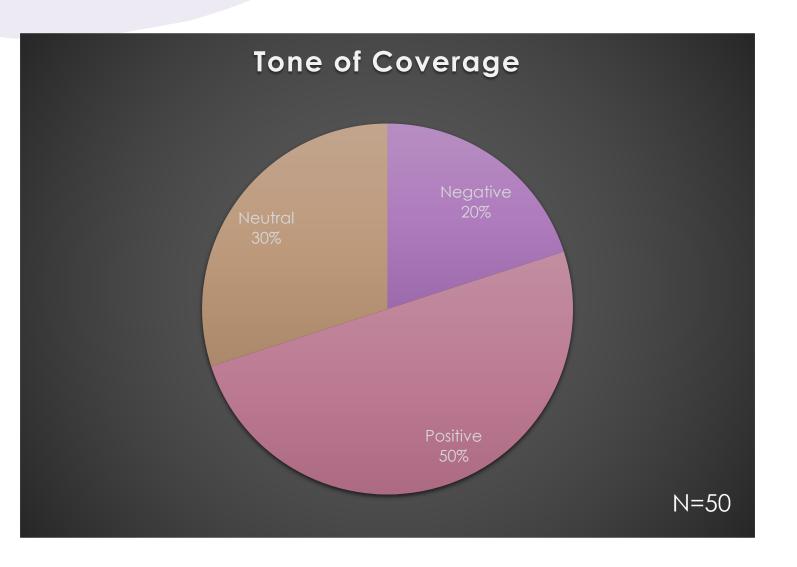


- L'Oréal's predominantly positive coverage focused on COVID-19 response and product innovation.
- Negative and neutral coverage tended to focus on CSR-related issues such as diversity and racial equity, and sustainability.
- Overall, the company's brand was covered extremely favorably.

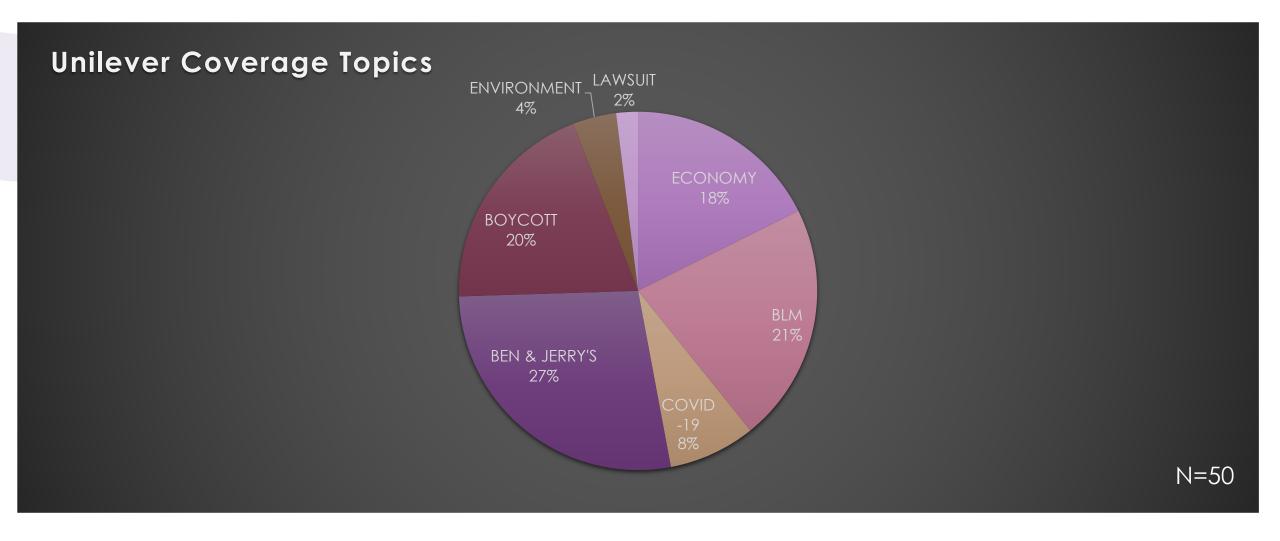


- As with most multinational companies, there was a high component of economic coverage.
 However, other leading subjects were:
 - Its response to the COVID-19 pandemic. (e.g., keeping company going in China)
 - How the company is reacting to the BLM movement (e.g., negative backlash on BLM post)

Unilever

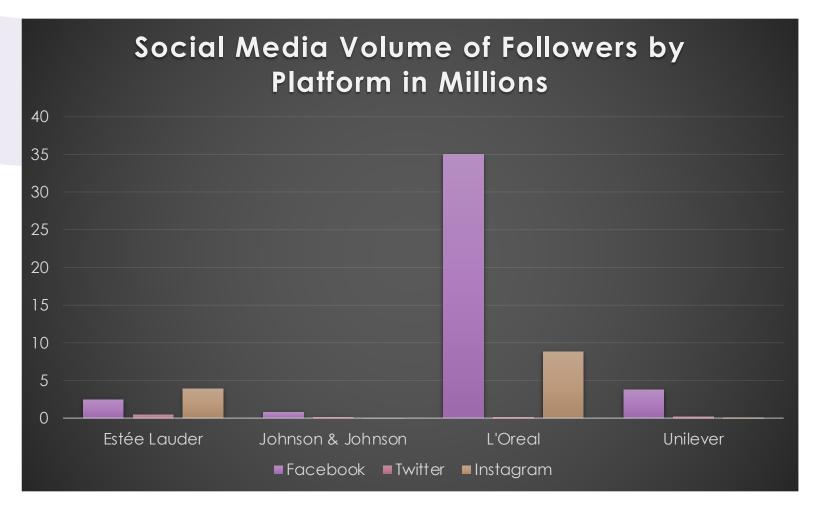


- Unilever's positive coverage mostly covered how it is shifting its products to accommodate to the Black Lives Matter Movement
 - i.e. Removing the whitening products from the shelves
- Much of the negative coverage tended to focus on Unilever boycotting its ads on Facebook, causing uproar and attention.
- Overall, Unilever's coverage was predominantly favorable and positive, if not neutral.



- Although Unilever is known for a beauty and cosmetic company, Ben and Jerry's ice-cream was bought from them in 2007, which would explain why the largest portion of coverage topic is based on them.
 - The coverage covered how Ben and Jerry's is using its variety of platforms and voicing its
 opinion on white supremacy, systemic racism and the overall Black Lives Matter Movement.

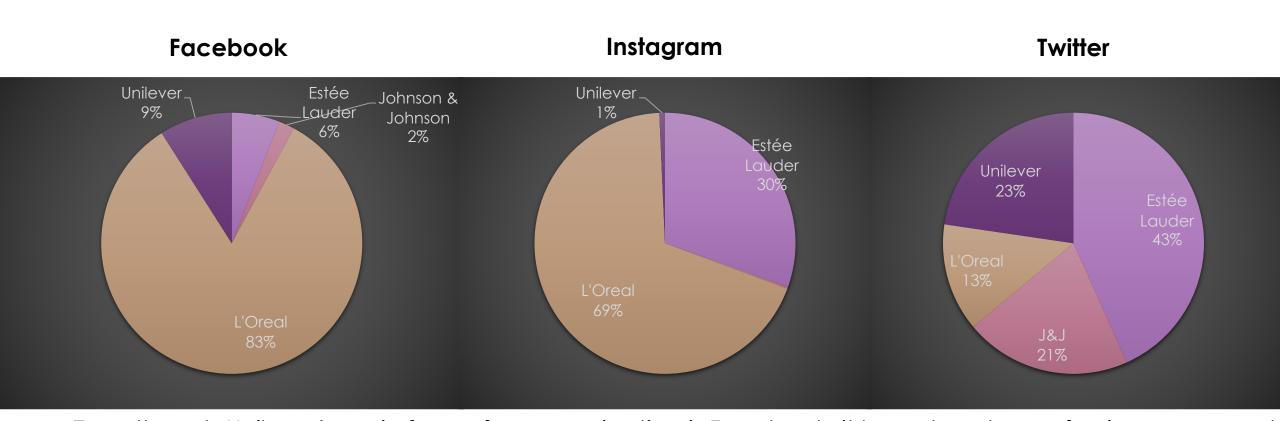
SOCIAL MEDIA



- With Johnson and Johnson being the most known company, its social media presence and engagement in followers is low.
- L'Oréal has the highest number of followers on Facebook and Instagram, with both reaching millions.
- For all companies, Twitter is the least used for communicating and branding with the audience.

	Estée Lauder	Johnson & Johnson	L'Oréal	Unilever
FACEBOOK	2.5	.82	35	3.8
TWITTER	.42	.2	.13	.22
INSTAGRAM	3.9	.03	8.8	.09

Share of Voice on Selected Social Media Platforms



- Even though Unilever's main form of communication is Facebook, it has a low share of voice compared to the other companies.
 - As for Johnson & Johnson

 its presence on social media is low comparing to the popularity of the
 company.

QUALITATIVE ANALYSIS

Brand Communications Scale

1 Point: Company only uses one method of communication. Company provides no depth of information on key subjects. Credibility of communication and products are low. **Transparency** activities are widely contradicted by transparency of similar products/services from other companies.

2 Points: Company only uses more than one method of communication. Company provides little depth of information on key subjects. Credibility of communication and products are somewhat respected but should be more. **Transparency** activities can be challenged by transparency of similar products/services from other companies.

3 Points: Company uses a range of methods of communication.
Company provides more in-depth information on key subjects. Company makes an appropriate number of credibility statements.
Transparency activities are made by another company in the industry.

4 Points: Company uses a broad range of methods of communication. Company's in-depth of information on key sources are backed by multiple sources. including scientific ones. Company appears to be credible within the industry. Company mostly uses transparency activities within the industry.

5 Points: Company uses all methods of communication.
Company provides in depth scientific and customer support for information on key subjects. Credibility is broadly positive by customers, media and peers. Company uses transparency activities on all products.

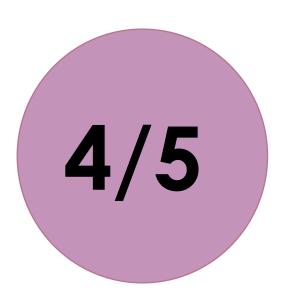
Criteria for Scale

 Credibility of communication/use about a specific issue

Methods of communications

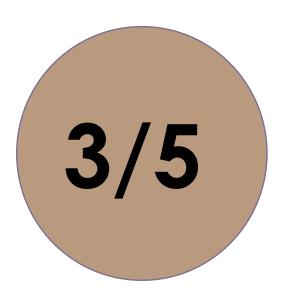
Transparent activities

ESTĒE LAUDER



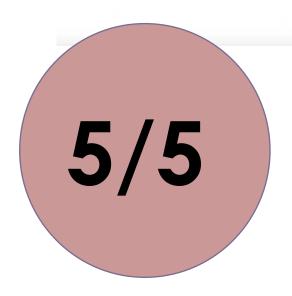
- Estée Lauder uses all methods of communications and is highly active on media platforms.
- Tone of coverage is mostly positive and neutral, with little to no negative coverage.
- Value transparency on current events that would effect the imaging and reputation of Estée Lauder.
- Estée Lauder's credibility is questioned with animal testing as they claim its products are cruelty-free, when other sources say that is not true.

Johnson Johnson



- Johnson & Johnson uses more than one method of communication—but the followers and engagement levels are low.
- Value transparency about product and fragrance ingredients.
- Credibility has been threatened over the years, especially due to the Johnson & Johnson crisis, but redeemed themselves through the Black Lives Matter Movement.
- Tone of coverage is mostly negative.

ĽORÉAL



- L'Oréal has the greatest number of followers throughout all platforms.
- L'Oréal is transparent with "Inside our Products" platform and is committed to providing customers about what goes into the products and what ingredients it uses.
- L'Oréal makes credible, fact-based statements.
- Tone of coverage is mostly positive.



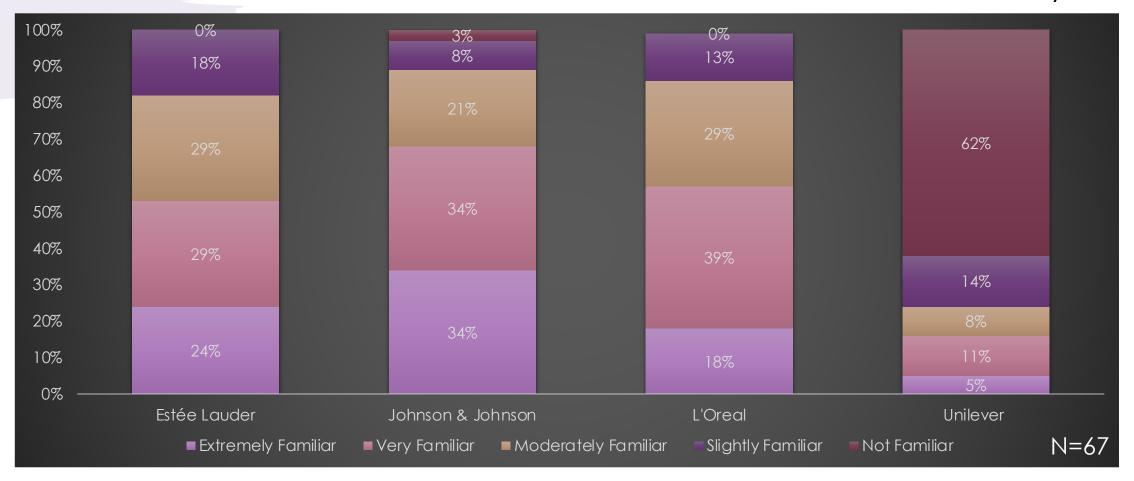


- Unilever uses Facebook as its main form of communication. There isn't much activity or engagement on Twitter and Instagram.
- Tone of coverage was majority positive coverage, with very few negative coverage—only on one lawsuit and the Facebook ad boycott.
- Unilever values transparency and delivers it in all its products
 - In 2017, Unilever's transparency provides people with access to information which goes beyond the label and regulatory requirements.
- Currently, Unilever CEO warns advertisers that 'woke-washing' threatens credibility.

PUBLIC OPINION

PUBLIC OPINION- Familiarity of Companies

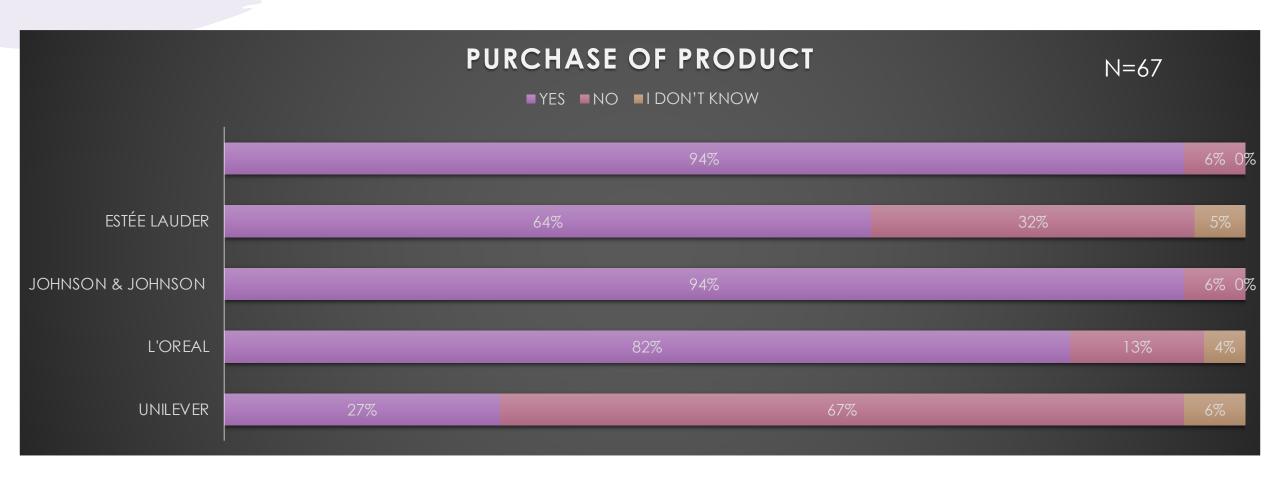
Q: Thinking of these four companies, how familiar are you with them?



- Although it is one of the largest companies in the world, Unilever had a startling low level of consumer familiarity.
- Despite L'Oréal's superior size, it has similar visibility to Estée Lauder among consumers.

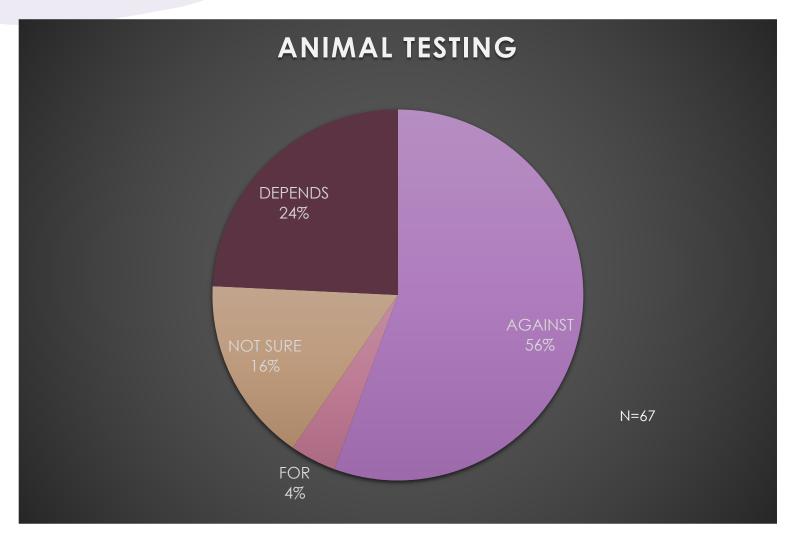
Q: Have you ever purchased a product from any of these four companies?

PUBLIC OPINION— Purchase of Company Product



• Since Johnson & Johnson is one of the largest companies in the world, it is understandable that majority of the participants have once purchased a product—considering it is more than a beauty and cosmetic company, but also part of the pharmaceutical industry.

PUBLIC OPINION- Awareness of Industry Issues



- The average participant is against animal cruelty/testing for the beauty and cosmetic industry.
- Comments attached to "FOR" included it is vital, so human lives aren't at risk.

Q: What is your attitude on animal testing on beauty and cosmetic products?

Selected comments from Survey

"I'm allergic to grapefruits"

Q: Do you have any ingredient or product allergy? i.e. latex, plants (N=1)

"I wouldn't want to use something that may be harmful to me without testing it out on something first"

Q: What is your attitude on animal testing for beauty and cosmetic products? (N=1)

"I like natural products and find that natural ingredients help with sensitive skin"

Q: What attributes, ingredients or characteristics do you think that a product will be more suitable for sensitive skin?
(N=1)

KEY INSIGHTS & RECOMMENDATIONS

Estée Lauder

- Estée Lauder is a well-known company, whose products are used by a surprisingly high number of consumers given it's a cosmetic only company.
- Estée Lauder garnered favorable coverage for its efforts related to social issues such as Black Lives Matter and the COVID-19 pandemic; however, animal testing is a vulnerability.
- RECOMMENDATIONS:
 - Estée Lauder uses all forms of communication to build on CSR strengths and a relationship with its customers, but the company should use multiple platforms to confirm and fix the allegations of Estée Lauder companies testing on animals.

Johnson & Johnson Insights

- Johnson & Johnson remains a highly visible consumer goods company, with high consumer familiarity and a large consumer base.
- The company's media profile, which has typically remained favorable, has recently suffered extremely damaging coverage showing that one of its most popular products has been linked to ovarian cancer.
- Johnson & Johnson's communication efforts showed limited success in social media due to
 its usage of multiple accounts which split the focus of the company and resulted in a low
 number of followers.

RECOMMENDATIONS:

Johnson & Johnson needs to recover from the extremely negative attention to its baby powder product.
 To do so, it needs to reframe its social media usage to create a more cohesive profile for the overall brand. Social media is ideal for reaching customers—its target audience—directly.

L'Oréal Insights

- L'Oréal brand is highly familiar to consumers, and its media depiction is extremely strong.
- This company uses all social media platforms and uses them to efficiently communicate with its customers and audience— especially when it comes to current events.
- Overall, L'Oréal products are well-known to most consumers.
- RECOMMENDATIONS:
 - L'Oréal should continue the strategies and tactics that its currently using and keep a strong and open-communicated relationship with its customers. Given that its COVID-19 response and innovation were positive media topics, those could be areas to emphasize.

Unilever Insights

- Unilever is not highly visible to consumers but has predominantly positive coverage on the media.
- Given the low visibility, there are not many consumers that know they are buying Unilever products, given there are many companies within.
 - Some companies that are owned by Unilever are: Dermalogica, Living Proof, Hourglass, Axe and even Ben & Jerry's.
- The company mainly focuses on Facebook as its form of communication to the public, which would cause the low familiarity of Unilever.

RECOMMENDATIONS:

• Unilever should use media platforms and sources to portray its brand and messages more clearly and effectively. This will gain public familiarity, higher volume of coverage and overall benefit the profit and sales of the company and brands within.

APPENDIX

Appendix: Define Tone of Coverage (Positive)

Company mentioned in the headline/lead paragraph of an article that contains predominantly favorable information

Allows the company to provide its perspective on a controversial topic

Contains quotes from third parties or company sources that enhance the company's brand or provide other positive information

Contains positive messaging about the company that is more visible than negative messaging

Contains more favorable than negative information

Gives the average reader of the publication a favorable impression of the company

Appendix: Define Tone of Coverage (Neutral)

Contains an equal amount of positive and negative information with comparable persuasiveness

Gives the average reader of the publication a neutral or balanced impression of the company

Is unlikely to change the opinion of the average reader of the publication

Contains balanced or neutral messaging

Provides both sides of a controversial subject

Contains brief factual information that has neither positive nor negative implications for the company

Appendix: Define Tone of Coverage (Negative)

Company mentioned in the headline/lead paragraph of an article that contains predominantly negative information

Does not allow the company to provide its perspective on a controversial topic

Contains quotes from third parties or company sources that criticize the company's brand or provide other negative information

Contains negative messaging about the company that is more visible than positive messaging

Contains more negative than favorable information

Gives the average reader of the publication a negative impression of the company