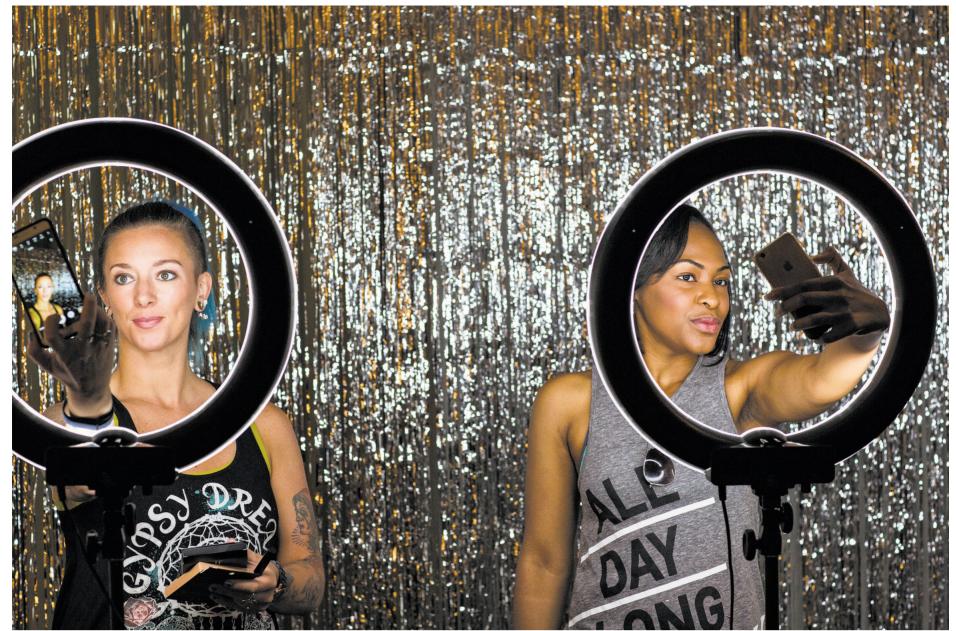
EPICENTER



Photos by Laura Morton / Special to The Chronicle

E.L.F. TURNS SPOTLIGHT ON ITS BIGGEST FANS

By Janna Mandell

Anyone passing through the lobby of Hotel Vitale on a recent Saturday afternoon would have heard delighted shrieks coming from a conference room. What sounded like a taping of Oprah's Favorite Things on Winfrey's former television show was actually a room full of young women who hailed from 42 different cities across 18 states, who had won a social media contest that treated winners to a weekend in San Francisco with Oakland company E.L.F. Cos-



"secret sauce" is its ability to put small batches of new products online, which becomes their testing grounds.

"We can get real consumer feedback rather than projected," McCune explained. "For example, our contour palette which was a top seller out of the gate, we heard feedback, 'Hey we'd like a deeper shade and we'd like it in a cream version as well so there can be more dramatic contouring.' Both things we were able to turn around quite quickly."

"We are hasi cally launching a new item once a week," said E.L.F Chief Marketing Officer of Erin Daley. "We don't follow the traditional cosmetics model. We consider our consumer the star. She not only informs what product we should launch but how we message. We have the ability to have a direct dialogue with her." Convincing major retailers that a budget brand that initially started selling online (most products are priced under \$10) has its challenges. "Because every retailer has the question, 'Are my shoppers going to trade down?' and with every test we are able to prove our consumers are basket builders," said Achelle Dunaway, E.L.F.'s global artistic director. Contest winner Sadia Chowdhury was one of those consumers who first discovered E.L.F. at her local Target when she was 13. "I definitely feel like in some cases, like with their concealers and skincare, the quality is better than high-end brands,' said the 24-year-old graduate student from Queens, N.Y. "And, I love that they are constantly improving and coming out with new and better products." At the end of the weekend, the contest winners all gave each other tearful goodbyes, resulting in watercolor tears streaming down their highlighted cheeks. And they frantically checked their phones to make sure they were following each other on Instagram and Snapchat before saying their final farewells.

metics.

This diverse group of women, ranging in age 21 to 36, and from working mothers and students to aspiring makeup artists and vloggers, all share one passion — makeup. And celebrity makeup artist Spencer Barnes had just told them during his makeup tutorial to look under their chairs for a goody bag full of his favorite E.L.F. (Eyes Lips and Face) products.

The shrieks continued with every swipe of a makeup brush, as Barnes showed them tricks and final looks - all captured on 50 phones held up in the air, broadcasting the demo to their social media followers. Earlier in the day, while the ladies were creating their own personalized palettes, light rings (beauty vloggers' essential lighting tool - several were given out by E.L.F. as prizes throughout the weekend) were illuminated and lipstick was refreshed as they hugged and gathered for Snapchat videos and Instagram selfies with one another.

Social media is as vital to the contest winners and customers as it is to the brand itself. Started as an "online only" brand in 2004, E.L.F. has since expanded its distribution to brick and mortar retailers like Target, Walmart and Ulta, but its success stems from its social media footprint. The company is positioning itself as a major disrupter and contender to dethrone the cosmetics megabrands that dominate the market with expensive media campaigns and celebrity spokespeople.

"E.L.F. has managed to crack the 'social media code' and create viral and social content that is shared from one E.L.F. evangelist to other prospective brand lovers," said Jennifer Stansbury, co-founder and managing partner of the Benchmarking Company, a consumer beauty research firm, via email.

The so-called G2G (girlfriend to girlfriend) strategy works "because beauty enthusiasts trust the unbiased opinion of women like them," she said. "E.L.F has demonstrated that customer acquisition and building brand equity does not have to be a pay-for-play strategy."

Throughout the weekend festivities, the contest winners chatted with E.L.F. executives, many commenting how exciting it was to give feedback directly to the brand's decision-makers. And the feeling was mutual. "This is heaven," said E.L.F. Vice President of Marketing Mara McCune.

"As a marketer, to get this many of our consumers together for a weekend and to have the chance to really understand who they are and what they want from of us is so energizing. Brands don't often get a chance to speak to their consumers this way. I think we were excited to give back to our community, but I think we are getting just as much out of it."

While the contest winners were showered with new and bestselling E.L.F. products



throughout the weekend, the company used their time with a captive audience to showcase its first influencer collaborations. The YouTube star collaborators Weylie from Ilikeweylie, Tracy and Stefanie from EleventhGorgeous, and Jackie Aina took photos with the contest winners, answered questions for the fledgling bloggers and vloggers, and elicited enthusiastic shrieks and applause when they introduced new products developed with E.L.F.

As a smaller cosmetics company, E.L.F. and brands like it

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Erin Daley, E.L.F chief marketing officer

> have the ability to be more agile — they can quickly implement consumer feedback and trends into the product development process. While a traditional cosmetics brand may take 10-12 months to release a product, E.L.F. can produce products within 20 weeks. McCune said part of E.L.F.'s

Janna Mandell is a Marin County freelancer writer who covers beauty for Style. Email: style@sfchronicle.com

Molly Galovic (left) and Kayla Hubbard, clockwise from top, take selfies during the Makeup & Mimosas brunch at the E.L.F. Cosmetics Beautyscape weekend event July 10 at Hotel Vitale; Odera Nduka (center) and Raven Bobo (right) toast with the rest of their table; attendees were treated to new and best-selling makeup throughout the weekend.