

Rhode Project Report

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Rhode was first founded in 2022 by Hailey Bieber and located in Beverly Hills with about 11-50 employees at the headquarters. They are "formulated for a variety of skin types and needs with high performance." Their big five are "simplicity, affordability, authenticity, quality, and transparency" within their brand and products. With dermatologist-approved products, we hope to become essential for everyone who requires a little change.

Rhode Beauty, or Rhode Skin, is in the beauty and personal care industry. They focus on creating skincare and makeup products that are "vegan-free, cruelty-free, gluten-free, and fragrance-free." Rhode's mission is to provide high-quality, accessible skincare for all skin types, using research-backed, clean beauty formulations. They focus on enhancing natural beauty with scientifically proven products to ensure its effectiveness. At Rhode, they are transparent with all the products that are in each product and only use research-backed ingredients that are healthy for your skin.

They have a variety of different products such as the Peptide Lip Tint, Glazing Milk, Pocket Blush, and the Peptide Lip Shade. All of these products focus on enhancing your natural beauty and simplicity. Everything is very lightweight and nourishing as it is clean beauty while being pretty affordable. They also sell other accessories that pair with skincare and makeup. The Rhode mirror and lip phone cases are also sold on the website.

The main social media channels Rhode tends to focus on are TikTok at 1.3 million followers, Instagram at 2.3 million followers, and Facebook with 32k followers. Hailey Bieber also promotes her brand on her Instagram and TikTok, each with over 10 million followers. The three main marketing collaborations Rhode has done are with Tate Mcrae, Matilda Djef, and Krispy Kreme. Each collaboration introduces a new special product that tends to sell out. For more marketing, Rhode sends out a lot of PR packages to big influences who focus on makeup or self-care.

Rhode is committed to social impact through initiatives supporting women's empowerment, mothers, women in business, and emergency response efforts. Partner organizations include the LIFT Family Goal Fund, Black Mama Alliance Matter, and the Accion Opportunity Fund. They have many ongoing partners such as the LIFT family goal fund, Black Mama Alliance Matter, and the Accion Opportunity Fund. Rhode loves to give back to the communities who are in need and support.

Our research question for Rhode is how can Rhode increase their diversity and reach a more inclusive consumer base? Rhode can expand its diversity and inclusivity efforts by collaborating with a broader range of influencers and engaging with underrepresented demographics, including college students seeking affordable skincare. All four of us are college students looking for affordable but effective skincare/makeup, which is why we are interested in seeing more diversity within the brand from all demographics.

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STRENGTHS:

Rhode is founded by model and social media personality, Hailey Bieber. Hailey Bieber's influence gives Rhode instant credibility and visibility, allowing the brand to attract a large and loyal audience without traditional marketing. For a long time prior to her brand's launch, Hailey Bieber had gained traction by showing her skincare and makeup routines on Instagram and TikTok. In a 2020 interview for People Magazine, when asked what her beauty philosophy was, she stated that she is "always about a natural look. Some girls look amazing with full contour, but as I've gotten older, I've realized it's not right for me" (Chiu 69). Her answer correlates with the Rhode beauty philosophy that is thriving more than five years later. Hailey Bieber admits that she is no skincare expert, which is why she went to authorities within the field, such as dermatologists and chemists, to come up with an effective line within three years. Rhode's loyal consumer base with high demand for its products, leads to frequent sellouts and waitlists. These indicate strong market interest, which can drive revenue and brand expansion.

Not only do the products work, but they also look minimalist and sophisticated. Many current brands in the beauty and skincare industry incorporate extravagant and unnecessary elements to their packaging, which give off a gimmick impression. Rhode's commitment to the planet is evident, with its own section on the Rhode website. Rhode's simplistic packaging uses fewer materials and less plastic. This is a credit to their mission statement of sustainability. Rhode is certified cruelty-free by Leaping Bunny and PETA. They also promise consumers that "new Rhode products will arrive in *zero-waste* Box boxes that reduce your environmental impact by up to 70% compared to single-use shipping boxes" (Rhode Skin, Sustainability).

The brand focuses on a small and well-curated collection that guarantees product quality, an alternative to oversaturated brands. Rhode has mastered influencer marketing, utilizing TikTok, Instagram, and YouTube to drive organic engagement. This helps the brand communicate with customers effectively and address issues quickly. Rhode positions itself as an affordable but high-quality skincare brand, making it accessible to a wider audience compared to high-end competitors like Drunk Elephant or Augustine Bader. Having a small product line and a solely online sales model helps Rhode maintain cost efficiency in responding to trends and consumer feedback.

WEAKNESSES:

While the company has many strengths and is a major player in the beauty industry, with a huge and growing business comes inevitable weaknesses. Rhode's curated line maintains quality, but it also limits revenue growth. Expanding the product line too slowly could hinder Rhode's ability to compete with brands that offer a more comprehensive skincare routine. The brand frequently experiences product shortages and long restock wait times, which could frustrate customers and lead them to seek alternatives. Managing supply chain efficiency is a critical challenge. On Rhode's website, a message stating "[w]e are working hard to resolve the order issues many of you have experienced... as you may have experienced, our team was not fully prepared for the volume we saw" (Rhode Skin, Rhode Shipping Update).

While her influence is an asset, it also means the brand's success is highly dependent on her reputation. Any controversy surrounding her could negatively impact Rhode's credibility. Rhode faced legal battles over its name due to a pre-existing fashion brand called "Rhode." This is an example of a potential risk in branding conflicts that could arise as the company expands. Rhode competes with major skincare brands (such as Rare Beauty and Summer Fridays), that have broader distribution networks, and more extensive product lines. While Rhode markets

itself as clean and effective, customers today expect brands to provide more transparency on sourcing, sustainability efforts, and ethical production practices. The Sustainability Directory states that “a transparent, comprehensive, and impactful sustainability report” would be more beneficial to the company in their hopes to display their sustainability commitment to their consumers (“Rhode Skin”).

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THREATS

Rhode is a beauty care company categorized as a non-essential luxury and within discretionary spending. Due to inflation being .9% higher than the Federal Reserve target percentage of 2%, people are more conservative in spending on non-essential purchases. (Picchi) This poses a threat to Rhode Beauty as their consumers are less incentivized to purchase its products in an effort to conserve money. According to a study conducted by McKinsey and Company, Beauty and Personal Care comes in 4th place in a list of categories consumers intend to splurge on. Beauty and Personal Care was followed by restaurants, bars and eating out, apparel, and groceries. (Adams et al.) While inflation is still high, it is at a much better place compared to the summer of 2022 when inflation was at 9.1% which works to Rhode's advantage. While inflation is still high, the company would not face as many repercussions in sales as it likely did when it first launched on June 15, 2022.

Rhode Beauty is founded by Hailey Bieber, an A-list celebrity, top model, and wife of Justin Bieber. As she is the founder of the company, she also acts as one of the faces of the brand in addition to other high-profile celebrities such as singer Tate Mcrae and other high-profile models. High-profile individuals and celebrities acting as the face of Rhode may pose as a threat to the brand. Any controversy of these individuals may reflect poorly on the brand. Researchers found that negative outcomes, events, actions, etc. have a stronger and longer-lasting impression on individuals compared to good ones. (Baumeister et al) For instance, Nike was one of the few companies to continue to endorse famous golf player Tiger Woods following his infidelity scandals. As a result, Nike lost \$1.7 million, and about 105,000 consumers. If Hailey Bieber or any other high-profile person closely associated with Rhode were to get caught up in a serious controversy, this would likely be detrimental to Rhode's success.

OPPORTUNITIES

While there are a few factors that act as potential threats to Rhode, some of these factors also double as an opportunity that could add to Rhode's success. In the study, researchers found that celebrity and brand congruence in addition to positive public publicity significantly influences buyer's attitudes towards the celebrity, the brand, as well as buyer intent. This opens an opportunity for Rhode to be intentional about who represents the brand and conduct enough background research on possible representatives. These extensive measures will increase the likelihood of celebrity-brand congruency as well as select individuals who are less likely to be involved in a controversy. Furthermore, this information incentivizes Hailey Bibeir and other faces of Rhode to achieve more positive publicity to contribute to Rhode's success. For instance, Hailey Bibier and her brand Rhode gained a lot of positive publicity in the media for handling a situation quickly and effectively following a black influencer's criticism. (Herz) Popular beauty influencer Golloria George called out the brand for not providing complementing shades for darker skin tones. In response, Hailey Bibier reached out to the influencer personally correcting the issue by sending her two new shades of Rhode Beauty's blushes with a new formula. (Herz)

The influencer shared her personable and attentive interaction with Haliey which resulted in many people giving Hailey praise. Comments included 'Hailey you've got a new fan because all makeup brands need to take note,', and 'That was fast, that was mature and class of Rhode, I love the brand.', 'This single-handedly made me a Hailey/Rhode fan!'. (Herz) If Hailey and Rhode continue to gain positive public publicity such as this, this will greatly contribute to Rhode's success.

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Skincare can frequently feel like an investment for college students balancing their studies, social lives, and self-care; it must provide noticeable benefits without breaking the bank. Hailey Bieber's minimalist, science-backed, and reasonably priced luxury brand, Rhode Skin, makes a strong case for itself as a substitute for both expensive skincare products and less expensive drugstore alternatives. Rhode's affordability and ability to attract customers through social media interaction are what enable it to differentiate itself in the competitive beauty sector.

One important factor influencing young customers' purchases of cosmetic products is affordability. Many young customers look for skincare products that prioritize safe, efficient ingredients and are in line with their ideals, but that do not come with the high price tag of luxury brands. Rhode provides that, but it also must compete with brands like e.l.f Cosmetics, which has established a solid reputation for producing low-cost imitations of luxury goods. As e.l.f. Cosmetic's Chief Financial Officer Mandy Fields explains, "In the event the consumer does choose to pull back, we're a great option for that consumer who still wants to participate in beauty" (Compoli, 2024).

Celebrity endorsements alone are no longer enough to influence consumers. Former Rhode CEO Melanie Bender notes that "those consumers [between the ages of 18 and 24] are notoriously difficult to gain because they are so informed, they are so skeptical because they have grown up with access to social media" (Hinchliffe & Crowley, 2023). Because of this distrust, brands are forced to demonstrate their authenticity by quality formulas, transparency, and direct consumer engagement—all of which go beyond conventional marketing strategies. Rhode rises to the occasion by utilizing Hailey Bieber's popularity in a genuine rather than artificial manner.

Rhode's strategy heavily relies on social media engagement. With interaction resulting in much improved customer trust and conversion rates, TikTok has emerged as an essential platform for beauty brands (Statista, 2025). Rhode is currently ranked ninth out of the most popular beauty companies on TikTok, demonstrating the brand's capacity to stand out in a congested online market. As Lobad (2024) explains, "Influencers and micro-influencers play a major role in bridging the gap between skepticism and trust for emerging beauty brands." By working with these influencers, Rhode ensures that its brand is understood by audiences in a personable manner.

Accessibility and perceived value must be balanced in Rhode's pricing approach. Rhode positions itself as a brand that values quality over cost-cutting, although many consumers including college students are searching for less expensive alternatives to luxury skincare products. According to Manso (2024), authenticity needs to be ingrained in the brand's DNA and not just a marketing tactic in the age of "dupe culture." Rhode should market itself as a rational investment for those seeking efficient skincare products without the high costs of luxury brands by highlighting its dermatologist-endorsed formulas and simple, science-driven approach.

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Rhode surrounds much of their mission statement around sustainability. It is important that these practices are looked into further. The college student demographic is heavily prioritized in its marketing strategies. They market the products as an investment for college students, so working with UNC students will support this factor. Based on our research we found that micro-influencing was an effective tool in reaching a Gen Z/college age demographic. We also found that celebrity-endorsed products or companies may have a positive influence on consumer behavior when in conjunction with positive publicity and congruency with the brand. Rhode's reasonable price range can be a substitute for both expensive products as well as drugstore products.

Based on our research and SWOT analysis, we believe a focus group would benefit our data collection and analysis. Our focus groups will comprise college students from various demographics and racial backgrounds. Because our aim is to see how Rhode can become a more inclusive company, getting consumer insight into their values and buying behavior will aid us in coming up with strategies that curate inclusivity. Based on consumer feedback, flaws within their customer service have been brought to light. However, their customer service has also been praised. This shows us that customer service consistency is key to maintaining their image and loyal consumer base.

Rhode has effectively introduced photo booth installations as pop-ups to increase brand engagement. However, these pop-ups have been limited to cities such as Los Angeles and New York City. Expanding these pop-ups to college campuses offers an opportunity to not only boost engagement but also gather insight into young consumers.

Tik Tok/Shorts campaign pulling college students from different Universities (PWIs and HBCUs) asking a list of questions. In this campaign, similar to the focus groups, we will ask students what they value in a company such as diversity, sustainability, and representation. We will also ask students for their current knowledge of Rhode and what they know about the brand. These questionnaires will aid us in getting a better insight into the current user base of Rhode so we may look at the consumers Rhode is not currently reaching. As an incentive for them to participate in the interview, we would give them a "free beauty gift" which will be revealed after the interview as a Rhode beauty product.

Through these pop-ups on college campuses, students will be able to try free Rhode beauty products in exchange for reviews and immediate feedback. Being able to engage with consumers one-on-one with the product will give us valuable insight into it.

Questions that will help gain greater insight into a solution for our problem statement:

1. How much do you spend on skincare a month?
2. How often do you try other skincare brands?
3. What are the factors you consider when spending more money on a product?
4. What skincare companies do you buy from and what are the reasons why you chose that particular brand?
5. How important is the sustainability element to you when choosing a skincare product?
6. Does packaging influence your decision to buy a skincare product?