



**A Business Interpretation of Kenrick's Hierarchy of Needs
Pyramid:
Application to the Cosmetics Industry in Mexico**

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Executive Summary

Kendrick's interpretation of Maslow's hierarchy of needs contains seven levels which are the similarities that all humans possess from a biological perspective. Kendrick built upon Maslow's original findings which deepened understanding of interrelation between humans. The pyramid provides a framework that is applicable to every human being and aids professionals of varying fields. It equips businesses to truly understand and better relate to their target consumer demographic at fundamental levels. A company must truly know what they are trying to sell and who they are selling to so that profits are maximized. International companies can use the pyramid as an advantage when creating marketing campaigns to strengthen and hone the demographic scope.

Cosmetics and beauty products make up a multi-billion-dollar industry across the world. The largest cosmetic producers such as L'Oréal, Estée Lauder, and Fenty Beauty tend to focus their marketing efforts in the historically successful demographics in Europe, North America, and parts of Asia. However, there are other consumer groups that represent untapped market potential for these consumers. Mexico is a top consumer of beauty and cosmetic products among all Spanish-speaking countries. However, many businesses overlook the massive consumer demographic due to concerns regarding poverty and a lack of desire for their expensive products. These inferences are most likely based upon precluding stereotypes rather than factual data. Analysis through Kendrick's pyramid and public data from the World Bank will help showcase how Mexico is a promising consumer demographic for cosmetic products. These findings will help international cosmetic companies to target key demographics such as Mexico in hopes to increase sales profit in the future.

Introduction

Mexico is a country in Northern Latin America commonly known for rich history, vibrant culture, and delicious cuisine. However, Mexico was not always the country that we know of today. Mexico's founding history plays a significant role in the understanding of the segmented modern consumer market. This demographic varies drastically in terms of socio-economic status and is crucial to the marketing of specialized products such as cosmetics.

The country is also stigmatized as a predominantly male-dominated society. The concept of "machismo" drives the business world here. The traditional value-based society praises males as the intellects and providers for the family while women are expected to raise children and forfeit the pursuit of a career to maintain the household chores. They are also expected to uphold an attractive physical appearance in private and public locations. The history and culture of Mexico is necessary to understand on a surface level before applying the Kendrick pyramid.

The Kendrick hierarchy of needs pyramid is composed of seven levels from the bottom to the top which are Immediate Physiological Needs, Self-Protection, Affiliation, Status/Esteem, Mate Acquisition, Mate Retention, and Parenting. Each tier provides valuable information about a certain demographic and can be applied to business, so producers know how to effectively market their products.

Background Information

The point in Mexican history that is crucial for understanding the modern population is the Spanish conquering of the country. Spanish conquistadors traveled to Mexico in the early 16th century and developed societies in locations such as Mexico City and Tijuana which are the largest cities for developed business in modern times. The indigenous populations of the country were uprooted and cast away into the rural areas of the country. The Spanish conquistadors had relatively pale and fair skin versus the indigenous populations had primarily darker skin tones. Over time this physical trait of dark skin was associated with the outcast indigenous people and became considered highly undesirable. If one walks around Mexico City today, it is apparent that the surrounding local people still have primarily light skin tones. Fast forwarding, there is a large divide in available consumers between the richer urban populations and the poorer rural populations which stem from this initial conquering. This aspect of Mexican history can be added to the analysis of Mexican consumers along with Kendrick's hierarchy of needs pyramid to truly understand the population of the country.

Another important aspect that is necessary for proper understanding of the Mexican population is machismo culture. Machismo refers to the stereotypical idea of "being a man". Machismo is the set of ideals that notion that men are superior to women (Morena, 2020). Men in Mexican society often feel pressured to demonstrate their control over people which directly leads to the overcontrolling of women. This idea is directly relevant to the cosmetic industry in Mexico as many men purchase these products for enhancing their wife's physical appearance. Men ideally look for a symmetrical face, plump lips, large breasts, and a wide hip base. Understanding this context will help international businesses by introducing the fact that they will not always need to directly market their products to the woman who use them.

Kendrick's Hierarchy of Needs Pyramid

The Kendrick pyramid has been used widely in psychological sciences to understand the biological and environmental factors that create different populations of people. This report aims to take these concepts and apply them to the business side of the cosmetics industry in Mexico. Humans follow certain patterns that affect different stages of their lives from infancy to adolescence and then adulthood (Kenrick, Griskevicius, Neuberg, Schaller, 2010). The figure below provides a visual representation of Kendrick's hierarchy of needs pyramid.

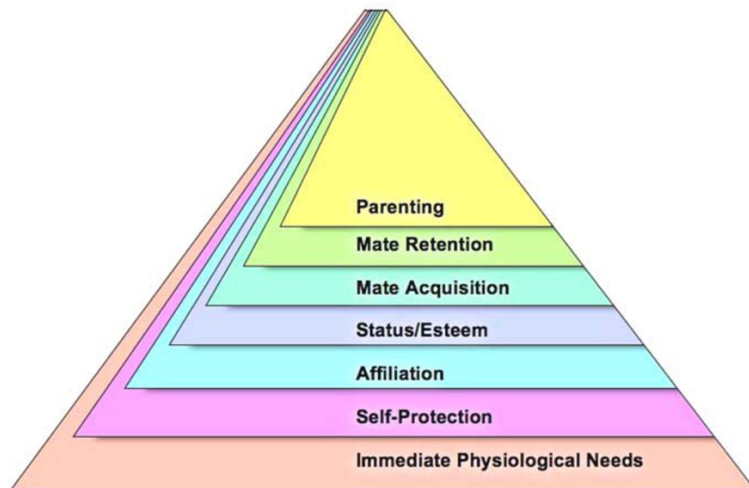


Figure 1: Kendrick's Hierarchy of Needs Pyramid from *Perspectives on psychological science: a journal of the Association for Psychological Science* (Kenrick-Griskevicius-Neuberg-Schaller, 2010).

Understanding how Kendrick's hierarchy of needs functions is necessary before applying the concept to the business world. They are the innate characteristics that ultimately determine the course of life and drive people's decisions. As the tiers move from bottom to top, they become more subjective and complex. Each concept will be directly related to the modern Mexican population.

The first tier of the pyramid relates to the physiological needs that all people share. In a basic sense, this is food, water and shelter. Most high-end cosmetic producers are deterred from marketing in third-world countries based on this factor to begin with. As stated previously, Mexico is divided into two main populations being the wealthier city-dwellers of Spanish descent and the poorer indigenous populations in rural areas. They do not want to market their products where no one can afford them. This idea is primarily stereotypically driven and avoids the untapped market in these poorer areas.

The second tier is self-protection. This tier introduces a core concept known as fast strategy versus slow strategy development which determines the rate at which the human body will mature biologically. People who are brought up in unstable homes or poverty ridden environments will reach maturity faster in age than those brought up in stable circumstance with nurturing parents. This is the fundamental idea of people being developed on a fast strategy vs. slow strategy timeframe. The inhabitants of larger cities in Mexico are continually developed

among a slow strategy, and the people in rural areas are brought up in faster strategy environments. The cosmetic industry is historically known to target these slow strategy consumers, however incorporating target marketing to fast strategy consumers can prove to be highly profitable. The following sections will focus on these fast-strategy individuals in Mexico revealing the reasoning why they tend to use many cosmetic products.

The third topic is Affiliation. In other words, humans desire to be connected to other humans. They are social creatures and need some level of interaction with others to survive. This level talks about the creation of in groups vs. out groups. In groups are the people that control the most political, economic, and social capital and tend to form the largest population within a geographic area. Out groups are the minorities of a country and are associated with being undesirable and not worthy of the same standard of living of the in groups. In Mexico, the in groups are the fairer skinned descendants of Spanish conquistadors, and the out groups are the darker skinned indigenous populations. The main takeaway from this concept is that members of outgroups are always looking for ways to enter in to in groups by whatever means necessary. Members of the rural population will use phenotypic mimicry to be socially accepted in to the in groups. Many women in poorer areas will use cosmetics to gain a foothold into the in group by copying the desirable characteristics they see as socially beneficial. Some commonly used products to achieve this are skin lightening foundations, lip fillers, and eye shadow. Despite having less economic means, these out group females use the little money that they have for purchasing cosmetics to attract an in-group male and immediately upgrade their standard of living.

The fourth tier is Status/Esteem. In Mexican culture, social status carries a great significance. The machismo culture present in the country objectifies woman as showpieces of wealth and high family status. Men like to have the most attractive wife and encourage use of cosmetic products to create the most physically attractive version of her possible. Women also are subject to a theory known as aspirational consumption which supports the principal idea that out-group woman and men are necessary target markets for cosmetic companies. In very simple terms, people in outgroups want the things that in group people have. Therefore, outgroup females want the same material objects and physical appearances of high status in group females. The most common method for doing this is applying cosmetics and beauty products that influencers promote. Influencers are members of in groups that use opinion leadership to set the social norms and physical appearances that are defined as attractive. They use their status and platforms such as social media to control the standard of beauty that woman should aspire to be like.

The fifth and sixth tier relates back to the most important concept of mate acquisition and mate retention. This concept is the ultimate driver for consumption of cosmetic products. The easiest way for a woman to attract a high value mate is to enhance their physical appearance through cosmetics. She then must maintain upkeep of her physical appearance to retain her mate with continued use of beauty products. An interview with Esmerelda Fernandez, a close family friend, from Juarez, Mexico supported this theory. Esmeralda grew up on the outskirts of the city in the outgroup population. She summarized an experience at 16 years old where her mother painted her lips with bright red lipstick and sent took her to the city to find a husband (Gehlken, 2024). Their family had little money and the best opportunity for her to escape the cycle of poverty was to find an in group male to marry.

The final tier of the pyramid relates to Parenting which impacts the development of a child. Parenting presence or lack of directly impacts the course of a person's life. For fast strategy individuals in Mexico, parents often have many children and need to alleviate financial burden by getting them married and out of the house at a young age. Cosmetics are often promoted by these families to accomplish this goal.

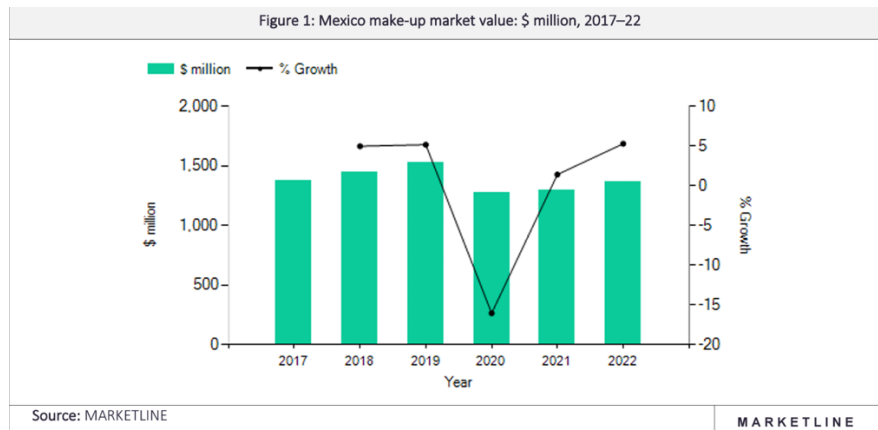
Mexico's Country Profile

Analysis of the Kendrick pyramid for Mexico will only provide a general sense of the consumer market. It is necessary to consider the country profile to further support the need for targeted marketing among the consumer population. As of 2022, Mexico's total population was 130 million people, with a demographic segment of 44,071,947 women aged 15-35 (World Bank Open Data). These statistics show that Mexico has a large population with a substantial available consumer base of females for cosmetic and beauty products. Additionally, Mexico's GDP per capita is \$13,804, with an annual growth rate of 3.25%, which showcases a healthy economy and available disposable income. (World Bank Open Data) The Purchasing Power Parity (PPP) of the country is \$24,976 and adjusts the GDP per capita for cost of living (World Bank Open Data). The PPP suggests that the average Mexican household has available purchasing power for cosmetic products. These statistics of the country's profile ultimately show untapped potential for Mexico's consumer market.

Cosmetic & Beauty Industry in Mexico

The market size for Mexico's beauty and personal care industry is approximately 11.34 billion dollars which highlights a large market of consumer spending (Kutka, Baffes, Fu, & Kashiwase, 2024). Cosmetics are also a largely growing product for the country which is very attractive to larger producers. In 2022, the market size was 7.4 billion dollars, with an annual growth rate of 5.3%. Lip make-up was the most popular purchased product and made up 30% of the market's total value (Kutka, Baffes, Fu, & Kashiwase, 2024). The average Mexican consumer spends approximately \$215 annually on cosmetic products. Despite this growth, the Compound Annual Growth Rate (CAGR) for cosmetic products between 2017 and 2022 was -0.2%. In comparison, the US and Canadian markets experienced CAGRs of 0.9% and 1.1%, respectively, over the same period ("Mexico Beauty and Personal Care Market Size," n.d). The CAGR directly correlates to the lack of marketing expense applied to the demographic in comparison to the US and Canada.

The figure below highlights the positive percent growth in 2022 of 5% of the makeup market value from 2017 to 2022 after responding to recession in 2020 from COVID-19.



(Figure 2: Bar graph of Mexico's makeup market value in million dollars from 2017-2022 from *The World Bank Public Data Base*)

In 2027, the Mexican make-up market is forecast to have a value of \$1,660.2 million, an increase of 21.5% since 2022 ("Mexico Beauty and Personal Care Market Size," n.d). These statistics are evidence that international cosmetic companies should increase marketing expenditure in Mexico as soon as possible taking advantage of the untapped consumer market.

Marketing Plan Suggestions

Based upon the country profile and statistics on the cosmetic and beauty industry, it is apparent that Mexico is worthy of increased marketing expenditures from cosmetic producers in hopes to increase sales in the future. The ultimate question is who to target and how to target them. There is already marketing towards the in group inhabitants of larger cities, so the room for expanding lies within the out-group consumer base. These consumers make up a large portion of spending on cosmetics, but there is no marketing directly targeted at them. Cosmetic companies need to expand their marketing campaigns past the posh upper class and create advertisements that can also relate to more rural populations. Whether this be in billboards on the outskirts of the cities or further expanding retail location advertisements, the goal remains the same and is to reach all of the consumers for the product whether they are rich or poor. Cosmetics are inelastic to Mexican society and reaching a larger consumer base will only increase profits.

Conclusion

Analysis of the Kendrick pyramid provides a consensus of the available consumer populations in Mexico for cosmetic and beauty products. Understanding of these concepts in relation to business highlights that the rural out group populations need additional marketing campaigns applied to them to maximize profits. The country profile concretely shows that the demographic is worth investing while the statistics relating specifically to Mexico's cosmetic industry show the potential growth for these products in the future. Cosmetic producers need to stray from the negative stereotypical conventions placed upon Mexico and take it for what it is: an untapped goldmine of potential consumers.

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