

The Lipstick Indicator: Mary Kay Performs Despite Recession

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As thousands of women descended upon the Dallas Convention Center, the atmosphere was part mega church gathering, cheerleader reunion and beauty pageant -- all rolled into one. They cheered and hugged one another, talking excitedly. But these women were on a serious mission. Their goal? To sell, sell, sell.

At the Mary Kay Cosmetics Career Conference last month, thousands of veteran cosmetic sellers and hopefuls were banking on the so-called "lipstick indicator," the idea that times may be tough, but women still buy skin care products and makeup. Just ask the nearly 2 million (and counting) independent sales consultants for Mary Kay, some of whom have already made fortunes.

Although selling Mary Kay products can be lucrative, most of the sales consultants earn about \$100 a week.

Jan Thetford, leader of the biggest-selling Mary Kay team in Texas, is currently earning a six-figure salary and drives an \$85,000 car.

"Have you heard anybody say I'm going to cut back on my mascara? Have you heard anybody say I'm going to use my moisturizer every other day?" she asked the crowd.

"No!" they shouted.

Standing at the podium in a coral suit, a sign that she's reached one of the highest sales director levels, she told the enthusiastic crowd that the recession doesn't mean Mary Kay saleswomen have to suffer.

In fact, a growing number of Mary Kay saleswomen are finding that marketing lipstick, moisturizer and mascara can be the key to making ends meet in a tough economy.

"For me personally, last year I made three times what I made working on a full-time job," said Courtney Armstrong, 34, who started with Mary Kay eight years ago and works 35 to 40 hours a week, in addition to raising three children under 6 years old.

Armstrong was one of the thousands of peppy, primed attendees.

"It's a great time to become a consultant, because women may not be buying, spending a lot of money on their favorite outfits, or they may not be taking their families on vacations because of the economic times," said Armstrong. "But women will always buy their skin care and their lipstick, and we will find a way to feel good. And my sales have been great."

The Mary Kay business model, and the army of independent sales representatives who make it work, was on impressive display at the Dallas conference. This year conversation was noticeably cued to making money in a down economy.

Founded by the late Mary Kay Ash in 1963, the company has thrived with a unique sales model that lets each saleswoman work as much or as little as she can out of the home or in informal get-togethers with prospective customers. Last year Mary Kay chalked up wholesale sales of \$2.6 billion -- enough to afford commercials during the Super Bowl and the Academy Awards.

For some saleswomen, the question is how to get started in a new, full-time, lucrative career. Others are looking to work from home and bring in a little extra money each week to make up for lost family income.

The company highlights the experience of people like Armstrong, who started small and now runs a team of 130 saleswomen who did more than \$450,000 in business in six months last year -- numbers that explain why she drives one of those coveted pink Cadillacs, a "trophy on wheels" and a symbol of Mary Kay sale success.

"I had a really busy schedule with school and work, and I just decided that first my initial goal was to make \$50 to \$100 a week," Armstrong said. As a team leader, Armstrong makes constant phone calls to check on sales and to check on her sales consultants. To move up at Mary Kay, employees have to recruit additional saleswomen, and make sure they sell.

"You got your starter kit in the mail, so go ahead and give out samples to your friends," Armstrong told one new member of her team over the telephone.

"I just want to make sure you got that moisturizer in the mail, everything's working good for you?" she asked another. "You really want to focus on those faces, there's a script in there of exactly what to say."

Rhonda Shasteen, senior vice president for marketing at Mary Kay, presents working for Mary Kay as the perfect solution to the economic pinch.

"Our business opportunity is really a solution for women and some of the challenges they face today in this economy," Shasteen said. "It can be a way for a woman to supplement her income if her husband has been laid off or downsized, or if she just needs some additional income.

"You know, we have women who, like Courtney, started the business to earn \$50 a week, and we probably have a lot of women in the business who are earning \$50 a week. Then there are two of the national sales directors who, in recent years, have earned more than \$1 million in commissions in a single year. So the range is broad and there's everything you can imagine in between."

Armstrong said she likes feeling good about her job.

"I love helping women feel good about themselves," she said. "Every woman wants to feel beautiful and look good and feel confident."

And that's not all she loves.

"I love my Cadillac," Armstrong said. "My children love my Cadillac."