

**Ulta x Kate Spade Case Study**

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Jour 478: Case Studies

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December 7th, 2023

### **Section 1: Ulta Beauty & Kate Spade New York Background**

After being established in 1990 by Richard E. George, Ulta Beauty opened its first five stores in Chicago suburbs, which eventually grew to expand their retail services across the country (*ULTA, n.d.*). Ulta Beauty as a company has become the largest retailer for beauty lovers in the U.S, providing shoppers with skin care products, cosmetics, hair products, and even fragrances (Zippia, n.d.). Their success as a company is often attributed to their strategy of convenience; Ulta was designed to be a one-stop shop destination for a wide range of diverse products and services for beauty industry lovers. The CEO position at Ulta Beauty is currently held by Dave Kimbell, who has held the title since 2021 (Retail Industry Leaders Association, n.d.), and they still remain a prominent force in the beauty industry, their only true competitor being Sephora.

Kate Spade New York is an American luxury fashion brand, founded by Kate and Andy Spade in 1993 (LeSavage & Colón, 2018). Throughout the company's development, Kate Spade New York had experienced significant corporate changes throughout the years. The brand initially created by Kate Spade had overtime transitioned into the hands of various ownership phases. In 2017, Coach, Inc. acquired ownership of the company, but that was already after a sale from Neiman Marcus Group to Liz Claiborne, Inc., which rebranded the company to Kate Spade & Company in 2014 (LeSavage & Colón, 2018).

Kate Spade herself, however, became a prominent figure in the fashion industry after majoring and working in the field of journalism for the beginning of her career and transitioning into a new industry (LeSavage & Colón, 2018), being recognized as an inspiration for aspiring entrepreneurs. In 2018, Kate Spade's personal struggles assumingly became too overwhelming, and she unfortunately took her own life by hanging herself with a scarf (CBS News, 2018). This

incident had shed light on the challenges of dealing with mental health issues and brought awareness to the fact that anyone can struggle with their mental health.

## Section 2: Description of the Timeline

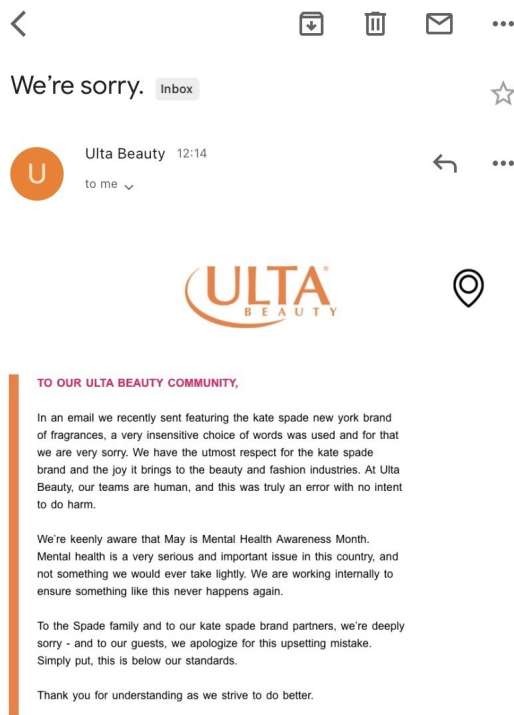
In 2022, May 1st, the first day of mental health awareness, Ulta sent out a promotional email to their subscribers titled “Come hang with Kate Spade.” The Ad was meant to promote their brand's line of perfumes. Automatically, subscribers were confused and shocked by the title. Given the circumstances in which Kate Spade passed away, which was due to suicide by hanging and by it being the first day of mental health awareness. Ulta immediately received negative backlash from the public and their customers. People took to various social media sites to share what they had received and expressed their disappointment, concerns, and even disgust at Ulta, detailing how insensitive and disrespectful this was to Kate Spade and her friends, family, and fans. Many fans wrote about who was to blame for this and how they could have possibly been unaware of Kate Spade's passing and their poor choice of words.

**Come hang with Kate Spade** 💕💕

**Free shipping on any \$35 purchase**



On May 2nd, the next day after the incident, a handful of news outlets, such as CNN, NBC, The New York Post, and Daily Mail, quickly picked up the story. The story was widely covered, spreading and garnering negative press. The news detailed how customers felt and the connection between the title and Kate Spade's passing. On May 2nd, a day after the incident, Ulta released another email titled "We're Sorry." In the email, they stated, "In an email we recently sent featuring the Kate Spade New York brand of fragrances, a very insensitive choice of words was used and for that we are very sorry," the emailed apology began. "We have the utmost respect for the Kate Spade brand and the joy it brings to the beauty and fashion industries. At Ulta Beauty, our teams are human, and this was truly an error with no intent to do harm. Ulta's rep contacted TMZ, and they once again stated, "We sincerely apologize." Mental health is a very serious, important issue in this country and not something we would ever take lightly. We apologize to the Spade family, our Kate Spade New York brand partners, and to our guests. Thank you for understanding as we strive to do better." Lastly, Ulta posted the same apology on their Instagram page.



On May 2nd, Ulta took to Twitter and responded to a comment online that expressed how triggering and traumatizing the email was for those who have struggled with mental health or dealt with suicide and that their statement doesn't fix what some people will be experiencing due to what they saw. Ulta's response stated, "Mental health is not something we take lightly. We're working to make sure this does not happen again. We're deeply sorry for our mistake and the insensitive nature of the email." A Kate Spade New York Spokesperson stated in response to this, "We appreciate Ulta's apology, and they've assured us something like this won't happen again." The crisis was handled fairly quickly as it only took a day for Ulta to release a statement and quickly apologize, taking full responsibility.

### **Section 3: Key Issues**

The Ulta incident surrounding Kate Spade New York had raised critical issues due to a highly insensitive email campaign. The insensitivity developed from an email blast that was sent to email subscribers of Ulta Beauty, which came across as disrespectful to the late Kate Spade, a well-known and admired figure in the fashion industry. The timing of the email made the situation even worse after being sent out on the first day of Mental Health Awareness month, as Kate Spade's passing had been linked to struggles with anxiety and depression. This choice of timing amplified the insensitivity of their promotional tagline, "Come hang with Kate Spade," highlighting the lack of consideration in the campaign planning on Ulta's end.

Public backlash started to occur, not only involving customers but as well as public relations professionals and media outlets. Twitter became the social media outlet where many users expressed their discomfort with the tone-deaf and insensitive tagline. Laura Bedrossian, a PR professional in New York City, went to Twitter to publicly express her disapproval. She stated, "Surprised to see the insensitive and tone-deaf email subject line coming from @ultabeauty. Hope your PR folks are ready," (Romero, 2022).

The level of insensitivity was one of the most prevalent subjects, so much so that a simple apology statement was simply too insufficient in the eyes of the public. The lack of thoughtful communication, especially with a subject dealing with mental health and public figures, contributed to the continuation of backlash.

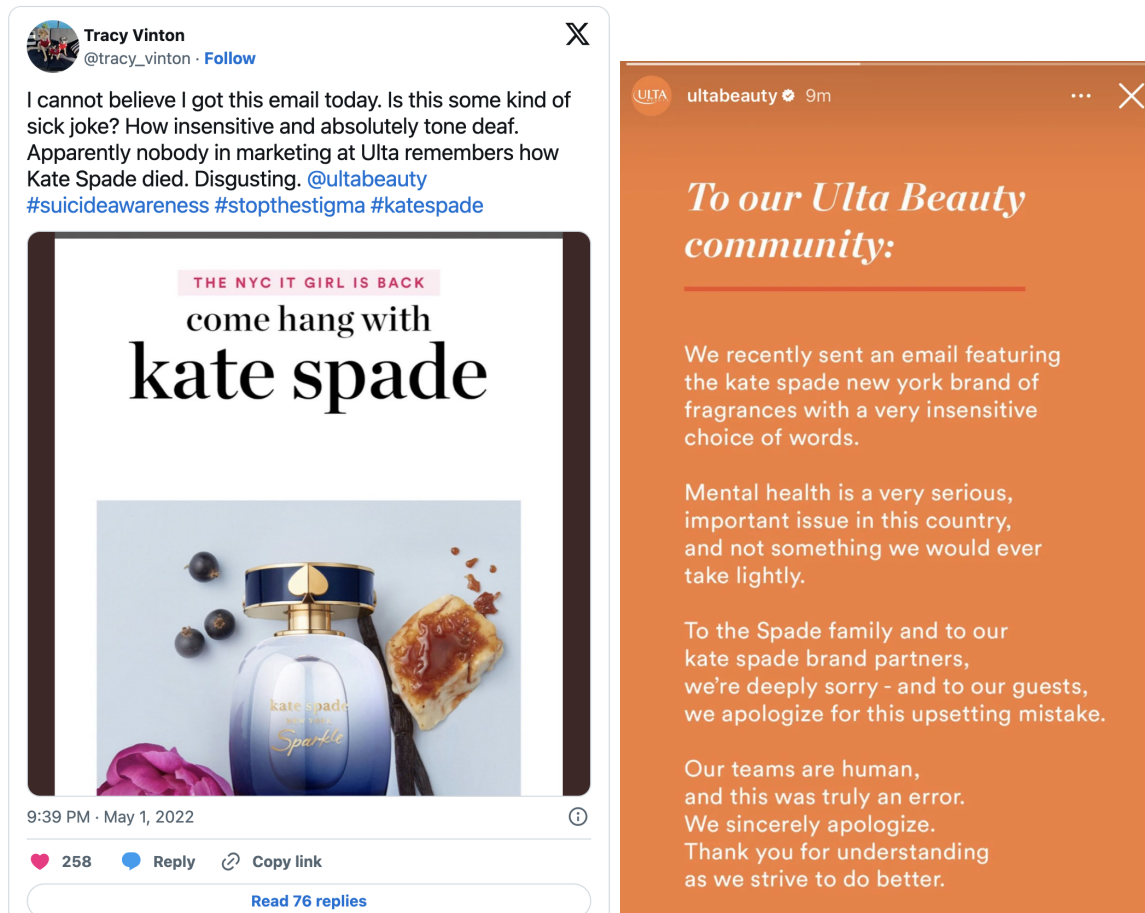
### **Section 4: Organizations Response**

May 2, 2022, the day after the controversial email was sent out, Ulta decided to address the concerns behind the email. They addressed the poor promotional tagline by sending out a

mass email taking full accountability and apologizing for putting out thoughtless content, and calling it a honest mistake. Ulta also had a spokesperson, Eileen Ziesemer issue a statement online that expressed the companies commitment to improve the narrative of mental health and raise awareness, stating “We sincerely apologize. Mental health is a very serious, important issue in this country, and not something we would ever take lightly. Thank you for understanding as we strive to do better,” (Hanson, 2022). Following the email apology, it seemed that it was edited to be a message to the Ulta Beauty community via Instagram stories where they explained what happened and apologized. The company also extended apologies to Kate Spade’s family and those a part of the mental health community who were affected.

Ulta couldn’t just stop at an email and a simple apology statement considering how vocal people were on social media platforms, especially Twitter (now known as X). They decided to respond to comments and share their understanding and apologies directly.

One Twitter user criticized Ulta and said, “I cannot believe I got this email today. Is this some kind of sick joke? How insensitive and absolutely tone deaf. Apparently nobody in marketing at Ulta remembers how Kate Spade died. Disgusting,” which prompted Ulta’s response that read, “We hear you and are deeply sorry. This was truly an insensitive error. It’s an error we take full responsibility for. Simply put, this is below our standards, and we will do better,” (Hanson, 2022).

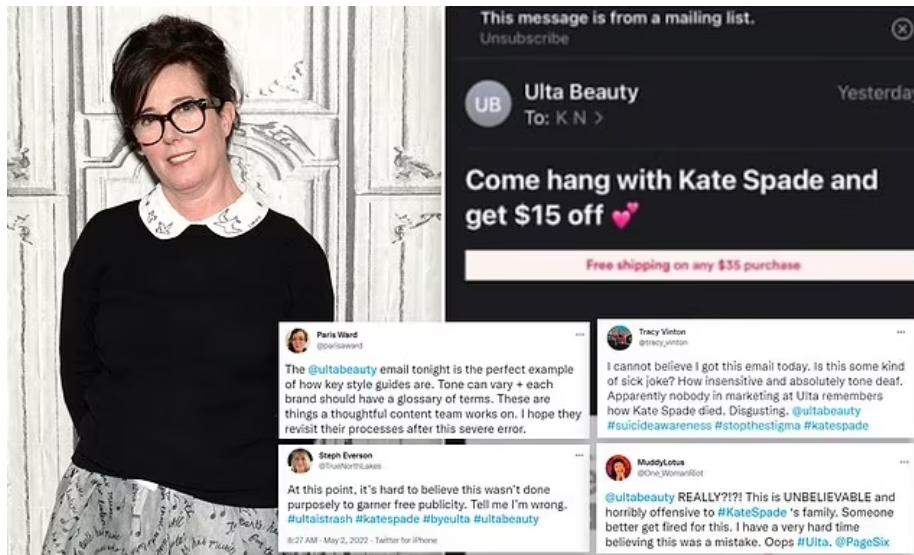


As the situation unfolded, Ulta utilized image repair and crisis response strategies in their communication tactics. By taking full responsibility and immediately showing regret, they openly admitted their remorse for their messaging. In order to implement image restoration practices in this case, Ulta had to express their mortification by admitting regret and issuing an apology, because without doing so, they couldn't commit to corrective action and ensure nothing like this would happen again. As a company, they had to do whatever they could to make the apology seem like more than a formality; utilizing social media to actively respond and apologize to users, as well as their mass email apology, were their attempts to show transparency within the company and how genuine they were.

**Section 5: Public(s) Response to the Situation**

When subscribers were made aware of the email title, people quickly began taking to social media and sharing what they saw, posting screenshots of the email. Many users took to Twitter, Instagram, Facebook, and even Reddit, shamming Ulta for their insensitive choice of words. It was an overwhelmingly negative response from the public, and because it was the first day of mental health awareness month, people felt even more disrespected. Many people explained how this was also triggering for them and not something to be taken lightly. There were also a handful of comments about boycotting Ulta from customers and even ex employees. People seemed to be more upset than her actual family as they were calling for some type of justice to be served.

The email was repeatedly called tone-deaf and insensitive, and even after the apology was released, some customers still felt as though it was lackluster and just them trying to make this go away as quickly as possible. Many customers also called for the release and name of the employee who sent out the email stating they should be fired for this or at least to blame for this. Ulta never released the name of the employee that sent this out and in response, stated that this was a human error and that we all make mistakes. Jokes about the employee, such as if you thought you were having a bad day or felt incompetent at work, at least you weren't the Ulta employee that sent out that email, and that's something to feel good about. People just couldn't fathom how Ulta could be so careless with their choice of words. A post on Reddit under the thread marketing fails also circulated, and although Ulta issued the apology statement fairly quickly, many of the public still weren't satisfied, and some even alluded to this being none other than a strategic marketing plan by Ulta.



## Section 6: Media's Response to the Situation

Many news outlets picked up the story quickly and detailed the crisis from beginning to end. However, because Ulta issued its apology the next day, many of the articles included Ulta's response as well. Some of the News outlets that picked up the story were CNN, New York Post, NBC News, Daily Mail, and other sites like Fortune and Huffington Post. The articles were very similar and highlighted multiple responses from the public, all of which were negative, and there was little to no understanding of the crisis. The attention from the news emphasized the crisis, and many of the article titles were negative. Some of the articles titled were "Ulta in trouble for inviting customers to hang out with Kate Spade," "Ulta blasted for come hang with Kate Spade suicide email," and Ulta Beauty apologizes for "very insensitive email about Kate Spade." All the articles had similar tones, which was that Ulta was wrong in this situation.

**Section 7: Similar Cases**

Some similar cases that were discussed during the course that compare to this case would be the Starbucks Case Study that was covered in the Consumer Relations section of our textbook, the Sea World Case Study in the Activism section, as well as the Lazada Case Study presented in class.

How the Ulta case relates to these cases is specific in regards to each comparison. Comparing the case with the Starbucks situation brings up a similarity in regards to their response strategy. Both companies in regard to their cases utilized social media, specifically twitter and their websites, to not only apologize but express their disappointment of not meeting a company standard. One thing to note as far as comparison goes, Ulta didn't do what Starbucks did when it came to finding common ground with the community and actively seeking opportunity to engage with them.

In regard to the Sea World Case Study, this case alike, caused an online frenzy to break out because it has to deal with a community that seeks awareness and arguably acceptance. The Sea World Case was huge for the animal rights community as their fight is to protect animals from inhumane practices and being used by people; Ulta on the other hand had to deal with the mental health community, which advocates for people dealing with unseen struggles. Both the animal rights community and the mental health community have a common goal in raising awareness about issues that aren't taken in as serious of a context as you would hope they are in certain conversations or spaces. In both cases, the issues brought to light had their respective communities pushing for their messaging to be understood and accepted by the companies, hoping for more support them.

The third case that this relates to is the Lazada Case Study, as previously mentioned. This case relates to the Lazada situation that occurred because it involved two different companies and an online campaign. In the Lazada case, the agency who provided Lazada with the influencer spoke out first, taking blame and beating Lazada to the punch of getting a statement out. Since the issue involved royalty, the eyes were still on Lazada as to how the content they promoted for a campaign was cleared by their team. Ulta found themselves in a similar situation despite the fact they were the first company to address the situation. The Ulta case shows why it's important for your company to make a statement to the public before the other company involved; it helps you shape and create the narrative around your company's role. The Ulta situation resembled a parallel in which they exemplified that as the company in the forefront of the media, mending relationships with organizations you're paired with can help rebuild your image, rather than allowing the other side to take on responsibility of accountability or allowing them to issue a statement that protects their company which can potentially boost a negative narrative surrounding yours (i.e. Lazada and Ulta).

## **Section 8: Evaluation & Recommendations**

Ulta's response to the public backlash from their insensitive email campaign shows us both positive aspects, as well as where they could have improved or done more. On the positive end of the spectrum, Ulta acted swiftly by issuing an apology via email and actively responding to online users without waiting an elongated period of time. The quickness of their response helped the company demonstrate their commitment to addressing the issue and not trying to diffuse the situation as a whole. Taking full accountability for the mistake was necessary if Ulta

wanted any chance at reinforcing transparency. On the other hand, Ulta could have improved significantly in how they advocated for the mental health community post backlash.

With the apologies being issued across different channels lacked the impactfulness the public hoped for. While Ulta addressed that this situation was below their standard and values, the company failed to follow up with how improvements will be made to ensure this type of situation won't happen again.

To help aid Ulta with their crisis response strategies, they should have considered alternative courses of action. First, having the CEO speak out publicly would add a huge human element to the company's apology and it would show that the situation is a direct concern for the company. They also could have issued a statement to anyone dealing with mental health struggles and express their concern and advocacy, and including some sort of mental health resource would have been more impactful. Creating a campaign that highlights the importance of mental health would show that they are proactively attempting to not only mend the situation, but truly raise awareness for the mental health community.

The best course of action for Ulta would be to develop a long-term relationship with mental health organizations, there are so many ways the beauty community has both positively and negatively affected the mental health community, so fostering a positive connection with that community would help with Ulta's image significantly. This crisis posed a great opportunity for Ulta to show that their efforts to ensure this doesn't happen again is also intertwined with sustainability beyond the immediate issue. They also should have done much more in regards to addressing the Spade family. When discussing someones deceased loved one, we must be compassionate, especially when their passing is considered to be a tragedy. With such disrespectful and insensitive messaging Ulta issued, they should have not only issued a private

apology, but a stronger public one as well. Kate Spade's passing must have been horrific for her loved ones; Ulta should have done more to pay homage to the late Kate Spade.

In comparison to similar cases, such as Starbucks, Ulta's response strategies were alike in using social media as a main line of communication. However, like we mentioned before, Ulta didn't seek common ground with the community affected like Starbucks did. The relationship with the public in both cases plays such a major role, one company understood that and the other didn't.

### **Section 9: Lessons Learned and Public Relations**

In Public relations, we have learned the importance of the public and your company's relationship with the public. From this case, we can learn a few things. First, it's always essential to fact-check things, double-check things, and do your research before putting something out that may be insensitive to your audience. Secondly, start on your plan of action quickly. Ulta immediately began their image repair when they issued the apology. They handled this situation quickly and did what they had to do to move past it just as fast. The crisis lasted only about three days, and by the second day, they had already apologized and sent out their apologies to numerous forms of media, ensuring that their apology would reach the public. Unlike the Dominos case study, we saw how not getting wide coverage of an apology can lead to customers or the public assuming that one was never made. Ulta also designated someone to respond to comments of customers voicing their disappointment in the company. Throughout the duration of this class, we have learned that a company's response to a crisis can make or break your company. Because Ulta took full responsibility and apologized for their mistake without solely placing the blame on one person, they came out of this with much less heat than if they were to

shift blame or ignore the crisis. We can also see that Ulta overcame and returned from this crisis, given where they are now.

The key takeaway from this case is to, first and foremost, stay up to date on the news, especially if it's news that impacts your industry or organization in any way. For example, Kate Spade was a fashion designer but had various products such as perfumes, watches, purses, etc. It would've been wise for the company to research Kate Spade properly before putting out that email. It was also the first day of Mental Health Awareness Month, which is a very publicized and well-known month; it's been around since 1949 and was started by Mental Health America. If Ulta had been up to date on this information, they could have honored Kate's memory by shedding light on mental health and promoting her products. Another key takeaway is to be accessible and accommodate the media. In our textbook, we learn how the news media and websites will be on the lookout for any update to relay that information to their audience; therefore, it's up to your company or organization to try and get ahead of it by sending them the facts as opposed to them searching for a story. It's better to be a part of the news coverage than not. Ultimately, It's important to know your audience and your customers that way, a crisis like this can be avoided.

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