

Rebel QUEEN

IN MARCH OF 2020, A GOOGLE VIDEO TEAM FLEW to Dallas to film a segment on a Latina cosmetics startup called Reina Rebelde (“Rebel Queen”). Its founder, Regina Merson, was a University of Chicago-trained lawyer who had dropped out of Big Law to pursue a passion she had nurtured since her childhood in Mexico, where makeup is worn bold and glamorous. Convinced that Latina women represented an underserved market in America, Merson launched the business out of her home in the autumn of 2016, making such a splash using digital ads and social media that before long Target and Walmart asked her to place Reina Rebelde products on their shelves.

Now, in a major coup, Google had decided to highlight Reina Rebelde in a video illustrating her success using digital marketing tools. “It was going to be a whole weeklong project,” says Merson. But no sooner had the crew arrived than the pandemic forced its members to return home. Instead of winning loads of new customers from the Google video, she now pondered a terrifying question: Could a

At first,
REGINA MERSON
thought
mask-wearing
would cripple her
cosmetics
startup.
But it turns
out that Latina
women wear
lipstick even in
a pandemic.
By **AMY KOCH.**

startup whose flagship product was lipstick withstand a prolonged period of mask wearing?

Through deft leadership during the pandemic, Reina Rebelde has survived. Speaking to Brunswick’s Amy Koch from her Dallas home, Merson describes the past year (during which she also gave birth).

What did the pandemic mean for your business?

When it hit, I cried for probably a week. I just said, “It’s over. No one’s going to buy makeup.”

I’m sure you’ve heard of Leonard Lauder’s Lipstick Index, which shows that cosmetics sales rise during hard financial times, because lipstick is an inexpensive indulgence that gives you a bolt of energy. But from the start of the pandemic, I was concerned that lipstick sales wouldn’t rise this time. Not with people wearing masks.

My entire 2020 plan went out the door. In a way, we decided to just shift away from selling makeup. It didn’t seem like the right moment to be saying, “Look, I’m going to give you a shade you never knew you needed.” Our brand is supposed to be



As a child in Mexico, Regina Merson learned about makeup from her mother and grandmother.

about making you feel good about yourself, and at that moment it was important to be sensitive to how our community was feeling. We had people we work with—influencers, content creators—who just stopped responding, who went dark for months at a time. They needed a break from it all.

So as a brand we pivoted to: How can we show up for our customers, our community? What do they need from us? A lot of the people who buy our products are front-line workers. We donated sales and money to causes like One Fair Wage, which was trying to fill in the gap between unemployment and what restaurant workers, for instance, would have been making. As a small brand—I'm not Jeff Bezos, I can't write a million-dollar check to various organizations—we gave a lot of thought to where we could make the most impact.

But we struck a balance. Some people were tired of hearing about the pandemic. Some of them would rather us post an eyeliner tutorial, so they could imagine what their life's going to look like when all this is over. By giving them those escapes, on Facebook, on Instagram, we kept them engaged.

In the end, from a revenue perspective, we had our best year.

You took the focus off selling makeup—and had record revenues?

Yes. It helped that our core customer, a Latina woman, wears makeup even when she's not going to leave the house. That's part of our culture. I grew up watching my mother and grandmother sit before a mirror putting on makeup even when they weren't going anywhere. During the pandemic, whereas other people were baking bread, a lot of our customers were doing makeup videos.

It's also worth noting that, while many women generally tone down their makeup as they get older, women in our community wear makeup in their 60s and 70s—a lot of it. My mom still wears purple lipstick. She's 70.

You talk on your website about identity and duality—English, Spanish; Latina American, American. How do those dualities influence how you run your business?

One of the main tenets of the brand is to be unapologetic about how those dualities present themselves and also how messy they make our lives. I never fit in any clean way into any of my life chapters, school or law school or being a young female attorney at a law firm. Being between and betwixt identities and cultures made my life very complicated.

"WE MAKE SURE THAT THE BRAND DOESN'T TALK DOWN TO THOSE WHO DON'T SPEAK SPANISH FLUENTLY."

But I embraced that messiness, and our brand is for other people who have embraced complication about their identity. That has translated in the way we hire people to do our creative work, or to work with us in whatever capacity. We're always looking for people who have struggled with that duality and made something good out of it, and we have a strong emphasis on bringing women's stories to light.

These women tend to be women who have struggled around the dualities of being Latina in the US, starting one career then changing to another, the mix of languages. We embrace and accept the messiness. No judgment. For instance, many young members of the Latinx community who are not native Spanish speakers feel a lot of shame around not speaking Spanish fluently. We make sure that the brand never talks down to those who don't speak Spanish fluently.

We also partner with makeup artists that a lot of the bigger brands would overlook. Where traditional brands would want someone that's safe, we always end up with the not-so-safe option.

How do you communicate your company values to potential customers?

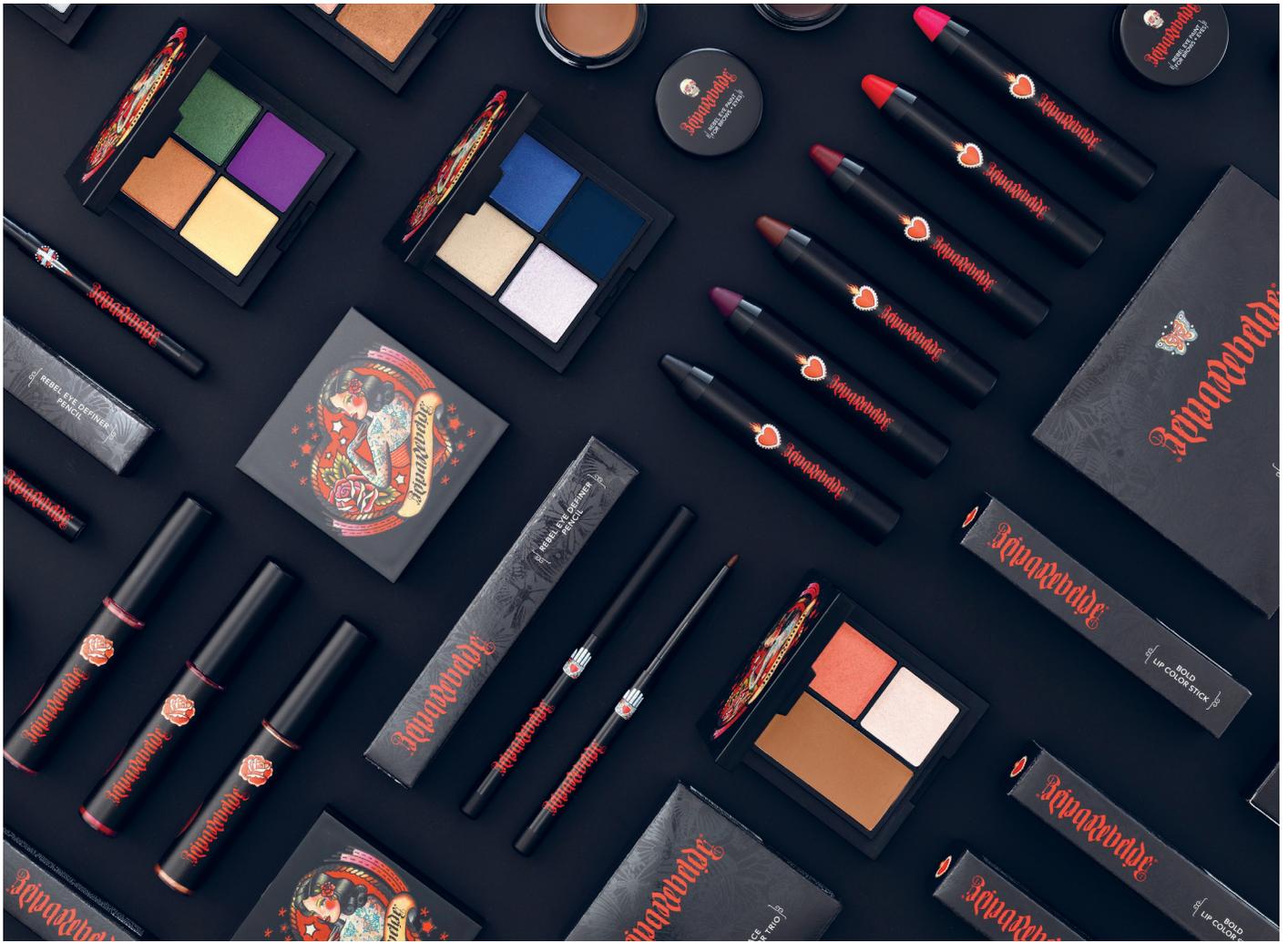
We've built into the brand a ton of symbolism around being ambi-cultural. The names of all the products are in Spanish, but there's English peppered in, in strategic ways that could capture somebody who isn't part of our community at all but happens to be a makeup lover, and they might get it.

Latinx customers can't all be painted with a broad brush. Within this community are Mexicans, Panamanians, Ecuadorians, Venezuelans, Dominicans, Afro Latinas, West Coast Latinas. In what we offer there's a little bit of something for everyone.

How do you know that what you're doing is resonating and with whom?

One way is to gauge reaction to our collaborations. For example, we did a collaboration in celebration of Puerto Rico with a really well-known beauty influencer who's half Puerto Rican, half Black. It was a big love letter to Puerto Rico. Our sales told us that our customers in New York, many of whom are Dominican or Puerto Rican, got it. We also saw increased conversation on Instagram.

Another way to understand what's resonating is to interact with consumers at trade shows, like Beautycon. We'll create a booth and it's basically meant to be an Instagram experience. Of the 30,000 millennials that show up at the show, those in our community see the symbolism from across the convention center and self-select into the brand.



But the guiding light, the litmus test, is what resonates for me in a very authentic way. If it doesn't, we don't do it.

Speaking of your values, how have you responded to the increased national focus on racial injustice over the last year?

We've publicly supported Black Lives Matter. We also posted about how there's a lot of racism against the Black community within the Latino world. That got some people upset. Others, though, said, "Thank you. It's about time we started talking about that."

I've found that in this environment, anything you do is controversial—and we've done some things as a brand that have alienated some people. Once when we were doing a Latino leaders series, we posted a photo of Alexandria Ocasio-Cortez, and basically lost the entire state of Florida. People were furious. But if you look at her story, that's the story of so many women in our community. Their unexpected rise based on pure guts and

"My collection is equal parts wild and unpredictable, bold and impractical, feminine and luxurious, sexy and severe—in many ways perfectly reflective of my complicated identity as a Mexican woman embracing an American life."
Reinarebelde.com

commitment to something. That's something to be celebrated, whether or not you agree with her.

You knew through your lived experience that there was a market for Reina Rebelde. But how did you figure out how to create, manufacture and distribute a product?

You mean, how does a Chapter 11 restructuring attorney learn how to create makeup? [Laughter.] Through my research I discovered B2B trade shows, and I just started signing up for them. I went from city to city, booth to booth, saying, "This is what I'm trying to do. How does this whole process work?"

The ramp-up is exhausting, between formula creation, figuring out where you're going to source your components, the best type of box and price. I was very sort of shameless about introducing myself to people and asking for help.

At one point, by happenstance, I stepped into a roundtable, and there was a woman speaking who had done product development for major cosmetics

brands and moved on to a career in consulting. I pitched her. She said, “I know everything you need to know about makeup, but I don’t know anything about your demographic.” And I said, “Just help me with the manufacturing side.”

We ended up working together. She was critical in helping me to identify the right manufacturers and cosmetic chemists to bring the brand to life.

Once you had created your products, how did you reach customers?

At the time I launched my site, we succeeded at getting some media attention, and I thought readers of those stories would just click over and buy. When that didn’t happen, I realized that running a D2C online brand meant I was running a digital company, and I’m not a very digitally savvy person. I was totally clueless about how hard it was to run an online-only, direct-to-consumer business. By hard, I mean incredibly expensive.

So we started the hard work of going through a more organic customer acquisition route. And over time, we were able to attract a grassroots following among Latinx women. Through that, I was approached by Target, which was targeting the indie brand movement in the beauty space, and they wanted brands that focused on women of color. I had never envisioned being at Target. In fact, during the design process I was asked, “Are you ever going to sell in retail?” And I said, “Of course not. I’m only going to sell online.”

Now, I thought, if nothing else, Target will provide great exposure, people will see it on the shelves, maybe admire the packaging, maybe read something about the brand. Target worked out well enough that Walmart approached us about selling at its stores.

Before the pandemic, what percentage of your sales did retail account for? What will that ratio look like going forward?

Sixty to seventy percent. And during the pandemic those sales stayed up. In-store fell, of course, but the dotcom side of retail flourished, and that includes Target.com and Walmart.com.

Going forward, what’s challenging is that shopping habits have changed. During the pandemic, people got really comfortable shopping online. Are they ever going to feel the need to go back to a store?

This year I’m focused on making traction on the direct-to-consumer path. Acquiring those customers is very expensive, but once you do their business is so much more profitable. Supporting retail sales, by

“OUR COMMUNITY IS BY FAR OUR MOST VALUABLE ASSET. IN THE NEXT 30 YEARS, THE LATINO COMMUNITY WILL COME TO REPRESENT MAYBE THE LARGEST COMMUNITY IN THE U.S.”



contrast, is cuckoo-bananas expensive. And you’re left knowing nothing about your bricks-and-mortar customers. The retailer knows who bought your product, but you don’t. Who are they? What drew them in? How do you get them back?

But I still think you need an omnichannel approach. The visibility of your product at Walmart or Target—that visibility is fantastic, and I’m grateful for the partnerships we have in place.

Startups in established industries often get acquired. Would you consider an offer?

There’s a lot of money out there and all money’s not the same. I would consider a partnership or an acquisition where I stay on and do the part that I love the most, the creative side of it. But only with the right partner—someone who is publicly supportive of my community.

Early on, I was approached multiple times about people who wanted to be investors, but none were the right fit. They were looking to make money off of a business targeting women of color, but they didn’t support minority communities.

Another red flag for me is the investor who doesn’t care if you’re profitable: “We just want you to grow, grow, grow. If you’re never profitable, we do not care.” I’d rather grow this a little bit more slowly and do it the right way.

I’m proud that we’ve been able to grow into the business we are today without relying on outside investment, and plan to take it one step at a time as we emerge from the pandemic.

Looking forward, how do you envision success for your brand, your company, yourself?

At a time when a lot of brands are closing their doors, I am focused on survival. Unlike working as a lawyer—where you push, push, push—this is a finer dance of knowing when to push and when to sit back and let things settle before deciding what to do next.

Looking ahead, I recognize that our community is by far our most valuable asset. In the next 30 years, the Latino community will come to represent maybe the largest community in the US.

We are here to stay, we have lots of buying power and we are still having three children each [laughter]. Just as I learned about makeup from my mother and grandmother, our customers want their daughters to use our products too. ♦

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