Vypr

In-store beauty - Insight for tech-enhanced customer experience

May 2024

Contents

In brief

- **Embracing digital and personalisation:** The beauty industry should focus on digital tools and personalised experiences, with 37% of consumers drawn to tailored products.

- **Online shopping trends:** Key to success is an easy-to-use website, transparent customer reviews and perks like free delivery, with 51% valuing online convenience.

- **Leveraging data analytics:** Using platforms like Vypr to understand consumer preferences and create data informed product and marketing strategies.

Introduction

In the ever-evolving landscape of beauty and skincare, where technology meets tradition, it's crucial that you cultivate brand loyalty. Tailored for marketing, product developers and brand strategists, this report is designed to help you keep up with today's dynamic market.

Using the Vypr product intelligence platform, we reached out to our extensive panel of more than 75,000 consumers, asking about their instore and online shopping experiences. Our report centres on both online and instore strategies, providing a snapshot of industry trends. Whether you're creating an online presence or reinforcing your instore experience, this equips you for success.

Dive into our findings to discover how integrating digital transformation with personalisation can revolutionise the beauty shopping experience, driving customer retention and boosting sales.

Digital transformation and personalisation

The industry is embracing digital transformation, utilising technology to enhance customer experiences and expand its reach. The adoption of social media platforms, chatbots, artificial intelligence, augmented reality (AR), and virtual reality (VR) is becoming increasingly popular amongst beauty brands.

Consumers are also looking for personalised beauty products and experiences. This personalisation trend is driving innovation in the industry, with companies offering tailored product recommendations, customised skincare routines and virtual try-on experiences.

Vypr data reveals that 29% of consumers would be open to trying a new product if it offered personalised experiences, such as aftercare routines. Beauty brands can capitalise on this by implementing various strategies to provide tailored experiences and products to their consumers.

What kind of **personalisation** would you like when buying beauty products?

Personalised skincare routines
29%

Tailored shade matching
29%

Custom product bundles
23%

Customised formulations
19%

Recommendationes based on purchase history
19%

Virtual try-on
17%

Product recommendations through quizzes
14%

Personalised packaging
13%

Tailored aftercare support
12%

Something else
7%

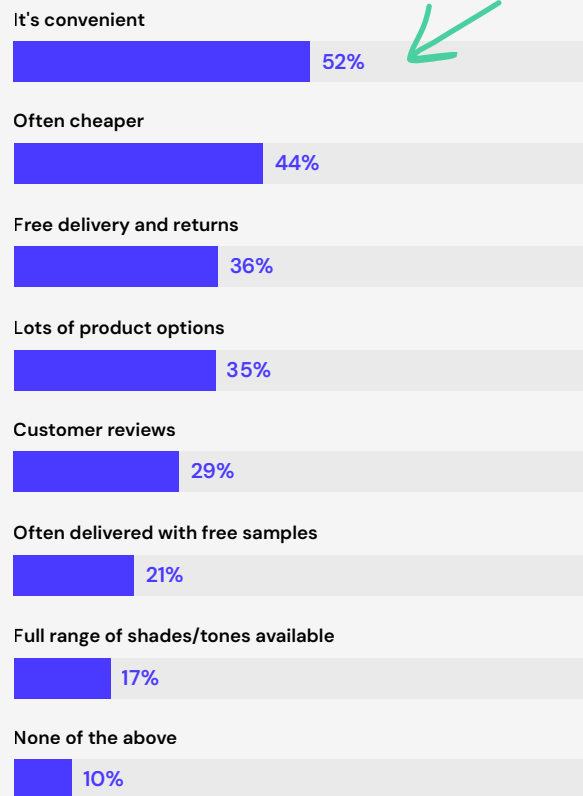*Sent to those who actively buy beauty and skincare products*

How to win?

Online platforms

It's pivotal to start with the basics — a simple-to-use website underpinned by an efficient checkout process is your first starting point. Then, presenting genuine customer reviews in a transparent manner is crucial. Start by showcasing a noticeable 'Verified buyer' badge, putting your site visitors at ease.

Turn your platform into somewhere consumers want to revisit. This can be achieved with compelling blog posts and engaging live tutorials that not only draw visitors back but also inspire purchases.

In terms of online shopping, a staggering 52% of consumers enjoy convenience, accompanied by an extensive range of products at their disposal. However, this might also complicate site navigation. Pricing also enters the equation here — online shopping is frequently more affordable, and consumers have a soft spot for sites offering free delivery and returns.

What do you like about buying beauty products online?

It's convenient
52%

Often cheaper
44%

Free delivery and returns
36%

Lots of product options
35%

Customer reviews
29%

Often delivered with free samples
21%

Full range of shades/tones available
17%

None of the above
10%

'Sent to those who actively buy beauty and skincare products'

How to win?

Personalised skincare routines

Personalised skincare that addresses individual skin types and concerns ensure customers receive the most effective and targeted solutions for their unique needs. This level of personalisation was highly sought-after when we asked consumers about their preferences, with nearly 30% expressing interest.

Tailored shade matching

Accurate shade matching is crucial in the cosmetics industry and when asked, 29% of consumers said it was something they would like to see. Providing tailored shade matching services ensures that customers find the perfect match for their skin tone, increasing satisfaction and loyalty.
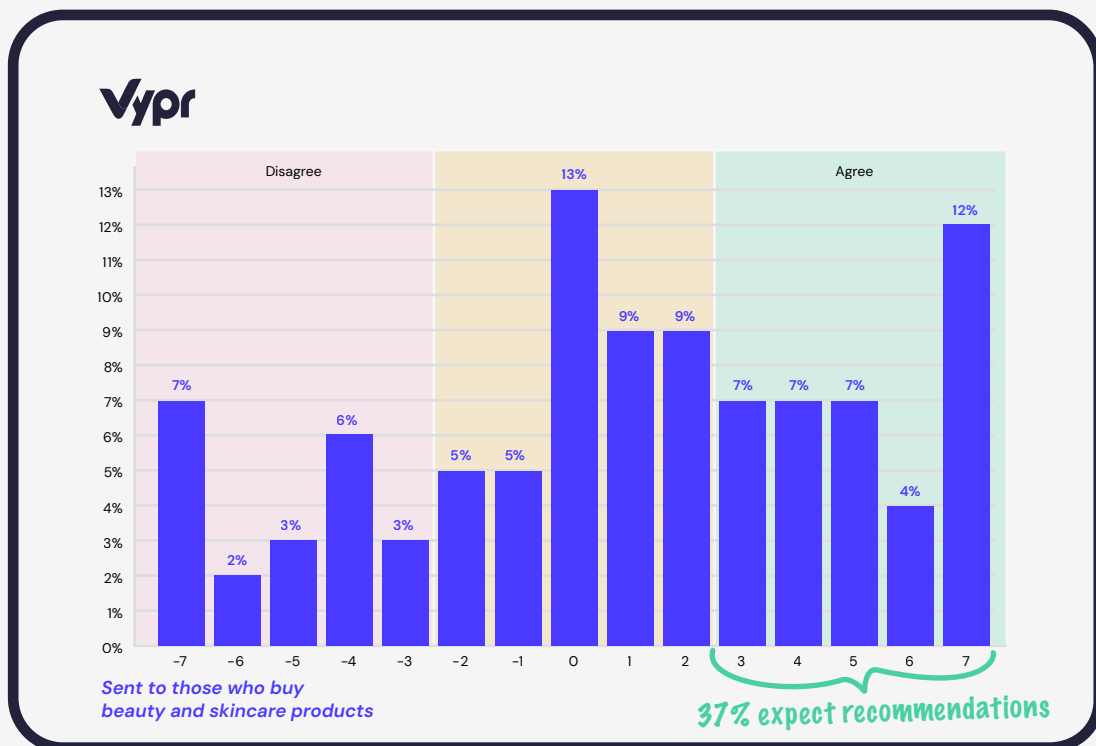
How to win?

Custom product bundles

23% of consumers stated they wanted custom product bundles. Crafting personalised product bundles can amp up customer satisfaction, meeting individual preferences and needs. By offering tailored collections, we open the door to more variations, delighting customers with curated selections that truly speak to them.

Interestingly, 37% of consumers expect personal product recommendations after repeated purchases with a brand. To excel in meeting consumer expectations, consider providing bespoke suggestions derived from their purchase history and preferences. Through championing personalised experiences, beauty labels can establish enduring relationships with customers, prompting loyalty and incentivising recurrent purchases.

Do you agree with this statement:
When I purchase consistently from the same brand, I expect the brand to make product recommendations to me

Vypr

Disagree					Neutral				Agree				

Chart values by position:
-7: 7%, -6: 2%, -5: 3%, -4: 6%, -3: 3%, -2: 5%, -1: 5%, 0: 13%, 1: 9%, 2: 9%, 3: 7%, 4: 7%, 5: 7%, 6: 4%, 7: 12%

Sent to those who buy beauty and skincare products
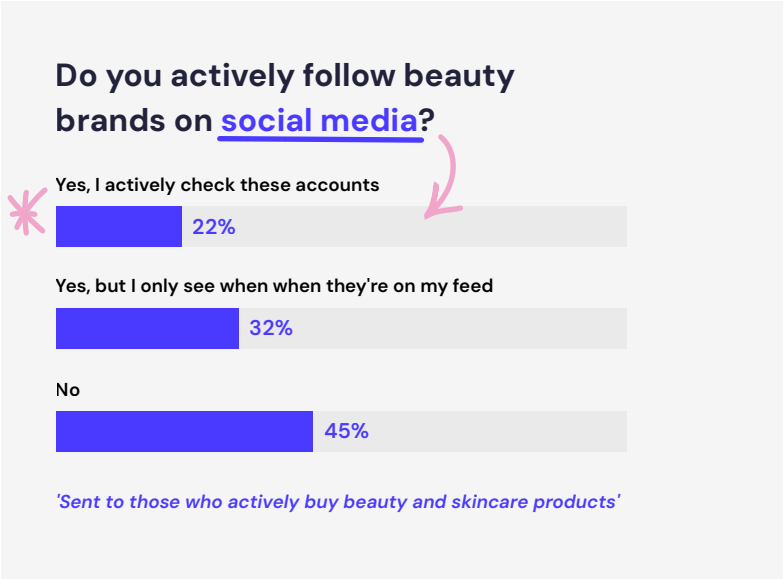
37% expect recommendations

How to win?

Leverage social media

Beauty brands should use platforms like Instagram, Facebook, and TikTok to connect with consumers, promote products and create engaging content that resonates with your audience.

When we asked if consumers search for beauty brands on social media, we found that 22% of respondents actively check them online. 32% engage when they see them in their feed, which highlights the importance of a strong online presence. Social media allows beauty brands to showcase products, collaborate with influencers, and leverage user-generated content, ultimately driving engagement, brand awareness and sales.

Do you actively follow beauty brands on social media?

Yes, I actively check these accounts

22%

Yes, but I only see when when they're on my feed

32%

No

45%

'Sent to those who actively buy beauty and skincare products'

How to win?

Custom product bundles

Many brands are using social media adverts to spark direct purchases such as Il Makiage and Woo Woo. We've found that a significant 38% of consumers have snapped up items right from a social media ad.

The range of products bought by consumers includes:

A hair syrup off TikTok.

Female aged 25–34

I saw it on Instagram and ordered from the Il Makiage website.

Makeup foundation

Female aged 35–44

This presents a golden opportunity for brands and their marketing teams to create engaging content that encourages impulse buying.

Ordered from the Woo Woo website directly from Instagram.

Hair removal

Female aged 25–34

How to win?

Implement chatbots and AI

To gain a competitive advantage, beauty brands should introduce personalised recommendations and customer service through chatbots and artificial intelligence, ensuring a tailored experience for each consumer. But do not rely solely on this and risk losing the personal touch. When asked about chatbots, consumers were on the fence:

Consumer sentiment towards
using chatbots

I ignore them generally but if I have a problem they are quite useful for getting an answer back quickly.

Female aged 35–44

I tend to stick to the same sites for beauty products and the main one I use has videos and tutorials to show you more about products, I'm much more comfortable with this than a chatbot. My experience with chatbots I have had to use for other products and services is frustrating – don't like them.

Female aged 25–34

They can be helpful for yes/no type questions but if you need specific advice or help on a condition, then I find it can fail or point at generic information that you can find anywhere online.

Female aged 25–34

How to win?

Utilise AR and VR technology

To take things to another level, enhance customer experiences with virtual try-on features and immersive experiences that showcase brand stories and product benefits. Brands such as MAC and Dior Beauty have introduced virtual try-on features.

When asked on Vypr, it revealed that 38% of consumers would be open to trying AR/VR for a virtual try-on.

How likely would you be to use AR / VR for a 'virtual try-on' if it was available?

Sent to those who actively buy beauty and skincare products
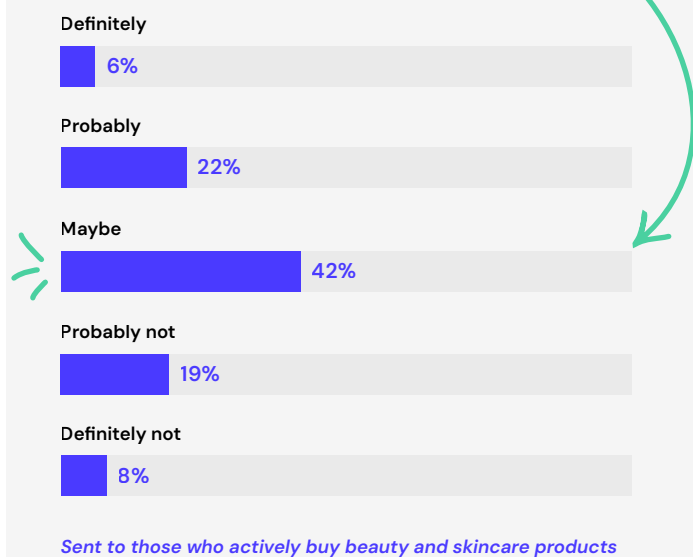
38% would use AR/VR
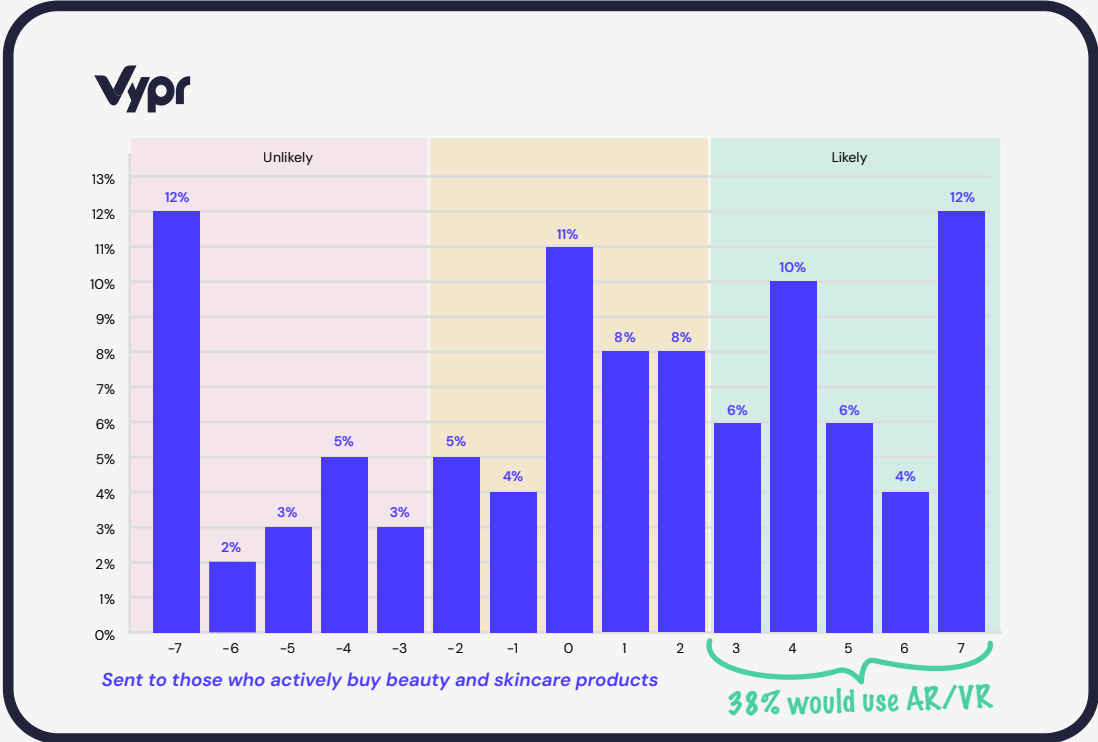
How to win?

Utilise AR and VR technology continued

Just under 30% of consumers would consider trying a new brand if it offered virtual try-on options, with 27% stating they probably wouldn't. 42% said they might do, suggesting that there is an opportunity if more information is provided.

Use data analytics

Consumer intelligence platforms like Vypr can play a significant role in helping you identifying consumer behaviour and preferences, and also in informing your product development and marketing strategies. Also, analysing social media engagement, website traffic, and sales data can help you identify trends and opportunities, ensuring your brand stays ahead of the curve.

Would you consider purchasing a product from a NEW brand following the use of AR/VR to conduct a 'virtual try on'?

Definitely
6%

Probably
22%

Maybe
42%

Probably not
19%

Definitely not
8%

Sent to those who actively buy beauty and skincare products

Instore activation

Instore activation plays a crucial role in attracting customers and driving sales. With 69% of consumers preferring to shop for beauty products instore, it is essential for brands to create a memorable and engaging shopping experience. This can include things like product demonstrations, interactive displays, promotional offers and live events.

Do you prefer to buy beauty products online or instore?

Instore

69%

Online

31%

Sent to those who actively buy beauty and skincare products

How to win?

Consumers are seeking more in-person experiences and human interaction. Beauty brands can capitalise on this by creating safe and inviting instore environments that cater to the needs and preferences of consumers.

Product sampling and testing

Consumers indicated that the ability to try out products and test their colours is a major factor in consumers' preference for instore shopping.

One respondent stated,

> ❝❞
>
> **I can see exactly if the product will suit me or be suited to my skin. I can smell and feel the product.**
>
> Female aged 35–44

Brands should ensure ample samples and testers are available for customers to experience the product first-hand. This can help them make informed decisions and increase the likelihood of a purchase.

How can beauty brands improve the in store experience when shopping?

More opportunities to test products
42%

Brand loyalty schemes
42%

Recycle points in store
35%

More expert staff available to approach
30%

Better lighting to see shades
28%

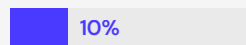Privacy screens when having treatments/makeup applied
28%

More brand specific counters
22%

More live events/tutorials
20%

More education on ingredients used
19%

Something else
10%

Sent to those who actively buy beauty and skincare products]

How to win?

Expert staff

Having knowledgeable and approachable staff on hand is essential for providing personalised guidance and advice to customers. Brands should invest in training their staff to ensure they are well-versed in the product offerings and can confidently address customer queries. This can greatly enhance the overall shopping experience and build trust with customers.
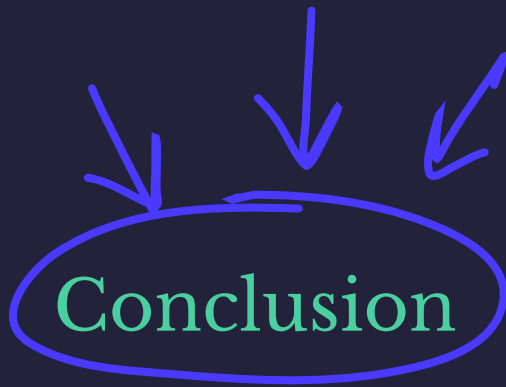
Immersive brand experience

Creating dedicated brand-specific counters or displays can provide a more immersive experience for customers. This allows them to engage with the products and learn about the brand's unique offerings. Also, incorporating interactive elements, such as digital screens or touchpoints, can further enhance the customer experience.

Loyalty schemes

Boost your customer base through rewards designed for your devoted customers. Perks may include early access to new products, exclusive discounts or instore events. This can strengthen customer loyalty, driving repeated visits to your brand.

Live events and tutorials

Hosting educational and interactive events, such as product demonstrations, make-up tutorials or skincare workshops, can engage customers and encourage product trials. These events can also help showcase the expertise of the brand and its staff, further building trust with customers.

Conclusion

To excel in the competitive beauty market, brands need to refine their online and instore experiences.

Here are the key focus areas to consider:

1. **Streamline websites**
   Ensure your website is easy to navigate with clear, responsive customer friendly tools.

2. **Content engagement**
   Develop engaging, relevant content that captures and retains consumer interest online.

3. **Advanced tech integration**
   Embrace AR, VR, and AI technologies to provide a cutting-edge online shopping experience.

4. **Instore product testing**
   Offer opportunities for product testing, allowing customers to experience products firsthand.

5. **Staff knowledge and training**
   Invest in training for staff to be knowledgeable and helpful, enhancing customer interactions.

6. **Immersive instore experiences**
   Create unique, memorable instore experiences that resonate with your brand identity.

7. **Personalisation strategies:**
   Implement personalisation in both online and instore experiences, using technology to cater to individual customer preferences and needs.

By focusing on these areas, beauty brands can create a harmonious balance between online innovation and instore engagement, setting the stage for enhanced customer satisfaction and brand loyalty.

Better decisions, winning products.

Are you ready to redefine your product development strategy and secure a competitive advantage in your industry? Find out about the power of Vypr today.

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What is important to you when buying branded products?

Quality
68%

Availability
68%

ne brand identity / values
24%

lusives / limited edition
14%

ice
65%

Sustainability
26%

Reviews from others
15%

Something else
9%

Sent to frequent Brand product buyers