

FRAGRANCE AND PERSONAL CARE

Dominant generation setting direction for beauty buys

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The Estée Lauder x Kith collaboration spotlights natural beauty. Image credit: Estée Lauder

By SARAH RAMIREZ

Consumer preferences are shifting towards personal care products that promote health, wellness and diversity as society has started to embrace a broader definition of beauty.

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To connect with today's dominant generation of millennials, beauty brands are incorporating personalization from product development to marketing strategies. According to panelists participating in *Luxury Daily's* fragrance and beauty webinar on July 10, the industry has also sped up significantly as brands launch quicker than ever and consumers develop shorter attention spans.

"For a brand to succeed, it needs to anticipate new consumer habits," said Dimitri Katsachnias, president/CEO at **Air Paris**. "Five years ago, I would say the starting point is the brand.

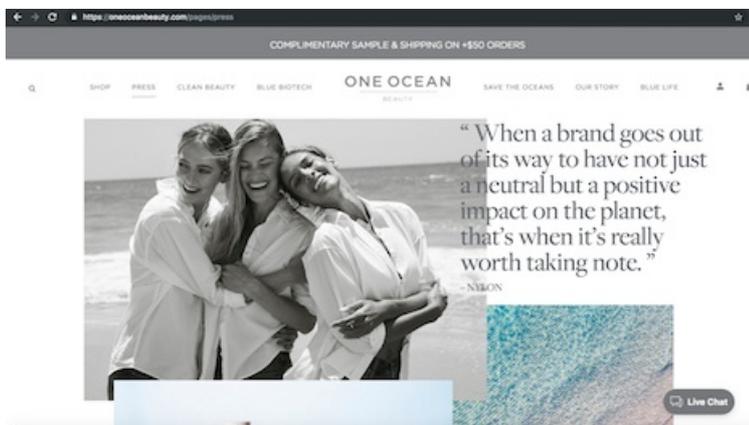
"The only way to get noticed today [as a beauty brand] is to behave like a niche brand," he said. "Everything is much more than simple personalization it's about individuality and flattering that individuality."

Bending beauty rules

Not only do millennials have considerable purchasing power, but Mr. Katsachnias opines that their behaviors also influence other generations.

"The dominant generation will impact consumers," Mr. Katsachnias said. "I think everyone behaves like a millennial today."

For instance, millennial priorities could be impacting the growing popularity in self-care, or activities and habits that positively contribute to individuals' mental, emotional or physical health. More consumers are looking to beauty and skincare rituals as ways to promote health, even purchasing products or favoring ingredients that support wellness for themselves or the environment.



Web site of One Ocean Beauty, a new clean skincare brand

Besides health, pillars of hygiene and science are also shaping the beauty industry. Today's consumers are well-informed and empowered with tools such as mobile applications that will review the toxicity of makeup's ingredients.

"Consumers want to look healthy and fresh for their age," Mr. Katsachnias said. "This behavior changes the market."

Shoppers are also interested in brands that cater to diverse audiences, whether regarding ethnicity, sexual orientation or gender, explained *Luxury Daily's* editor in chief Mickey Alam Khan.

Although some luxury labels have adjusted by expanding their offerings, as in the case of Chanel's Boy de Chanel collection, the beauty sector is also being disrupted by direct-to-consumer brands and celebrity collections.

"Business models have changed dramatically in the last few years," Mr. Katsachnias said. "A company has to change its three-year plan every six months."

Kylie Jenner's Kylie Cosmetics, as well as skincare successor Kylie Skin, has found traction with a DTC strategy including limited product offerings, streetwear-style drops and social media marketing.

LVMH's Kendo worked with pop star Rihanna to launch Fenty Beauty, which retails online and at retailers including Sephora.

Inspired by her own difficulty to find foundation that matched her complexion, Fenty Beauty set out on a mission to provide beauty for all with a line featuring 40 shades. Fenty Beauty's entry into the cosmetics arena shed light on beauty power players' lack of merchandise diversity for complexion products ([see story](#)).



Rihanna's Fenty Beauty was developed by LVMH's Kendo. Image credit: Kendo

These newcomers are also demonstrative of customer-centric marketing strategies taking hold.

"Brands cannot speak from above anymore," Mr. Katsachnias said. "Brands have to listen to the people."

"We're flattering the consumer," he said. "We take into consideration your smallest needs."

Luxury brands have also adopted some of these tactics.

Beauty brand Estée Lauder recently launched a limited-edition skincare collection with streetwear retailer Kith as the classic cosmetics label continues its push towards millennials and Generation Z. This collection is branded "Just You," a play on Kith's "Just Us" slogan that also underscores the importance of natural beauty, an emerging

movement embraced by younger consumers ([see story](#)).

However, the panelists expressed wariness about the longevity of some DTC brands and expect acquisitions in the future.

"Big brands will incorporate some aspects that challengers bring," Mr. Katsachnias said. "But I don't think this will last forever."

Cosmetic communities

Technology is also playing a role, with more high-end beauty players incorporating augmented reality and other ecommerce tools to help guide consumers. Other brands are offering on-demand styling services, reflecting the modern expectation of instant gratification and personalization.

SK-II showcased its Future X Smart Store at the Consumer Electronics Show earlier this year. The concept, which originally debuted in Tokyo and has since expanded to Shanghai and Singapore, aims to offer consumers a "phygital" experience.

By sitting in a booth, shoppers are able to get an individual skincare consultation through facial recognition-powered diagnostics. Unlike many other skincare analysis solutions, consumers do not need their face to have direct contact with a device to get a reading ([see story](#)).

Shiseido is also using technology to deliver tailored skincare to consumers through a brand that is solely available via subscription. Dubbed Optune, the brand's skincare system is powered by a mobile application, which analyzes a consumer's skin and the conditions in his or her area to blend customized products ([see story](#)).

Technology and social media also enable beauty brands and retailers to engage with consumers more closely.

Through its Beauty Insider Community, Sephora encourages peer-to-peer communications and emphasizes word-of-mouth.

Instead of spurring a dialogue between brand and consumers, as many marketers often work towards, Sephora is taking a different approach to generating conversation among its enthusiasts. The beauty industry relies heavily on peer recommendations, and consumers often put more stock into influencers and friends' opinions rather than brands themselves, making Sephora's Beauty Insider Community an accurate read of current trends ([see story](#)).

"The evolution [has taken the industry from] celebrities to influencers to micro influencers to collectives," Mr. Katsachnias said. "I think the big thing of tomorrow is creating a community around your brand."

"These communities [of followers] are very poorly managed today," he said. "Brands need to create, manage and interact with their communities."

"It's all about building communities around certain movements and finding products that fit into that."

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