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FRAGRANCE AND PERSONAL CARE

What is the future of makeup trials and sampling at retail?

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Model Bella Hadid stars in Dior's latest Backstage cosmetics campaign. Image courtesy of Dior

By DIANNA DILWORTH

The coronavirus pandemic could single-handedly uproot the way that cosmetics are sold, as consumers turn to video tutorials, online consultations and virtual reality apps to avoid the risks of catching the virus in person.



The category has been doing well, even during the retail shutdowns, with consumers showing up online to buy and learn how to apply new makeup.

"Consumers seem to be using their at-home time to try new beauty regimes and brands now, as well as give their skin and hair pampering thanks to their off-times," said Pamela N. Danziger, president of Unity Marketing, Stevens, PA. "Numerous studies have found that beauty is one of the strongest categories selling now despite the retail shutdowns.

"That said, the traditional business of beauty retail will change dramatically once stores start to reopen," she said.

"Nobody will want a stranger to be touching their face going forward so the popular sales technique of applying makeup and personal sampling will go out the window."





Sephora's Product Try On and Virtual Artist apps. Image credit: Sephora

Online shifts

Even before the pandemic, consumers were increasingly purchasing cosmetics and skincare online.

Sixty-nine percent of consumers said that digital engagement influenced them to make a purchase in the category, according to a recent report from Euromontior International.

Skincare has the most ecommerce sales globally in the beauty sector, capturing 15 percent of sales in 2018, followed by color cosmetics, which garnered 13 percent market share and baby products that accounted for 10 percent (see story).

The spike in direct-to-consumer (D2C) skin care brands is pushing sales in the online beauty space.

These newer startup companies are driving a culture of online influencers and beauty advisors who share recommendations, which is a trend that more traditional luxury cosmetics brands are following.

LVMH-owned French fashion house Christian Dior, for example, is relying on online video tutorials and influential models to push its products.

The brand recently launched a new campaign to promote a new eye palette of its Dior Backstage line and is using online video tutorials to promote the new products.



Dior's latest Backstage eye shadow palette. Image courtesy of Dior

The campaign is featured on Dior Makeup's YouTube pages and gives illustrated directions on how best to use the products by Dior insiders (see story)

"Brands that have mastered online retail and that have activated virtual mirrors in the store will fare best in the post-coronavirus world," Ms. Danziger said.

"Retailers will have to adapt their in-store processes to sell in a new hands-off world," she said.

Additionally, the spike in augmented reality and 3D cameras that can enable consumers to virtually try on new colors is helping increase online cosmetics sales. Sephora, Pinterest and YouTube all offer apps to virtually try on new products.

Still, virtual apps are not the same as trying on real-life samples, especially among older consumers who spend more.

"Tech is a partial bridge, but I don't think it is the same as an interaction you have with a human at a cosmetics counter," said Allen Adamson, cofounder of Metaforce and adjunct professor at NYU Stern School of Business, New York.

"Everything looks good on a digital version of yourself, but you can't apply makeup realistically with VR [virtual reality]," he said. "Personal consultation is hard to deliver in an app."



Gucci counter at Harrods. Image credit: Harrods

Beauty floors

Beauty floors are the heart of department store business, often the first stop when a customer enters a store.

Saks Fifth Avenue, Harrods and Bloomingdale's are among the retailers that have recently built out their beauty floors and offer exclusive products as a strategy to draw customers into their stores.

This experience will have to be reinvented for the short term and potentially long term.

"The floor of Bloomingdale's where you can try and sample professionally applied makeup will be too close for comfort even if it is at six feet apart," Mr. Adamson said.

"It used to be the heart of driving cosmetics sales," he said. "It was experiential, allowing consumers to try on and see the product before they committed to it. The challenge for cosmetics companies now is enormous."

Not surprisingly, online video consultations with makeup specialists could become a new norm.

"Like the spirits business, where bartenders are doing online tutorials so that people can make mixed drinks at home, the cosmetics business will shift to one-on-one Zoom calls with beauty specialists," Mr. Adamson said.

It could look something like this.

A consumer schedules an online beauty consultation and the specialist recommends products to try, then sends out samples. The customer schedules a follow-up call once they have the product and the specialist advises the customer how to apply the makeup.

Then, customers can place orders on the items that look best.

"If they do it successfully, the cosmetics floor will never come back the way it was before because people will learn how to shop with video consultations and they will shop this way in order to avoid looking for parking and standing in line at the Este Lauder counter," Mr. Adamson said.

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