

FRAGRANCE AND PERSONAL CARE

## What luxury beauty brands can learn from e.l.f. Cosmetics about digital

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Ekta Chopra, chief technology officer of e.l.f. Cosmetics, shared ideas on how beauty brands can adapt to the realities of a digital-only retail world at virtual eTail. Image credit: eTail

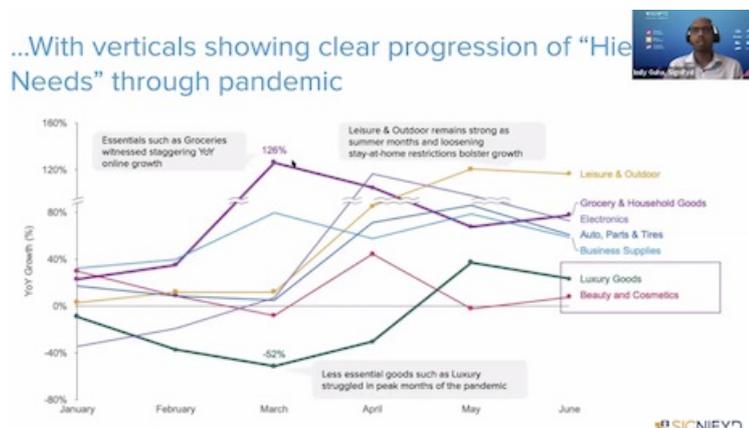
By DIANNA DILWORTH

When the ecommerce channel took off during the pandemic this year, e.l.f. Cosmetics was well prepared.

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The brand had begun its digital transformation two years ago when it shut down its retail stores and invested its money in the powerhouse of behind-the-scenes ecommerce, digital marketing and fulfillment to make the customer experience as smooth as possible.

"That decision got us ready for this year, we were very well situated to handle this event," said Ekta Chopra, chief technology officer of e.l.f. Cosmetics, Dublin, CA, during an eTail fireside chat this week. "In week 1, we were working remotely. In Week 2, we built a consumer insights tiger team so that we were reacting, adapting, looking at insights and driving our marketing strategy from there."



Indhy Guha, SVP, Marketing & Alliances at Signifyd revealed how categories were impacted by the lockdown. Image credit: eTail

Building a digital team

The beauty category dropped year-over-year in March when consumers were focused on their basic needs such as

toilet paper and canned goods, but quickly the category saw more than 40 percent growth in April when it became clear that beauty was an essential category for self-care.

"There was a bit of headwind as people went away from what they considered non-essential, then many in the beauty industry came back with a self-care treat yourself message which helped the category," said Indhy Guha, senior vice president for marketing and alliances at Signifyd, San Francisco, during the fireside chat.

For e.l.f. Cosmetics, skincare was growing even before COVID-19 and it saw a dramatic shift of consumers opting in for more skincare during the pandemic, with sales up 66 percent. The brand reacted by having its tiger team focus on the insights about self care trends on sites such as Pinterest and Google.

"We took that information and we knew people were at home and finding ways to meditate and take care of themselves and we took that as an opportunity to get into storytelling and marketing," Ms. Chopra said.

During the pandemic, the brand found that 66 percent of shoppers were visiting Elf.com for the first time, so the company hired a director of CRM.

"We knew that all these consumers coming in is a great opportunity to build loyalists to increase customer lifetime value," Ms. Chopra said.

The CRM approach was to focus on education to people who were unfamiliar with the brand. They debuted an e.l.f discovery page as a way to introduce the products, as well as a brand purpose page to educate consumers about the brand's values and commitments.

"We saw all of these new pages convert new consumers into loyalty members," Ms. Chopra said.



*The beauty industry adapted to the pandemic by promoting its products as essentials. Image credit: eTail*

### Driving digital commerce

To help drive ecommerce, Ms. Chopra said her brand is focused on four areas investing in a digital ecosystem, harnessing data to drive personalization, creating a beautiful consumer experience and building brand advocacy.

Before going digital two years ago, 90 percent of the brand's sales stemmed from bricks-and-mortar stores.

To convince the C-suite that digital deserved the investment, the marketing department had to educate leaders. COVID-19 has changed all that and made it clear how much brand should be invested in digital to survive the new normal.

"Each channel has a role and each investment should be vetted," Ms. Chopra said. "But it might not be a financial payoff, it might be about getting new customers or because it is a cool factor and attracts Gen Z."

The key is to be data driven and to understand how and why you are investing in a channel.

As beauty brands look to navigate their strategy, they should give all marketers a voice at tech table to share their ideas.

"Ideas come from everyone within your team," Ms. Chopra said. "Make sure you are talking to everyone who is close to the product and close to social. This data is the currency for this ecosystem, never underestimate the power of that."

E.l.f. launched an augmented reality (AR) tool last fall and it proved its value during lockdown. Those consumers who engaged with the tool saw a 70 percent higher conversion rate than who that had not and the app had more than

1 million impressions during lockdown.

"AR is the future in terms of discovery," Ms. Chopra said.

"Gone are the days of testers," she said. "But make sure you are solving a problem for the consumer, not just trying to be cool to the consumer. Pick a problem that you are trying to solve and solve it with AR."

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