

FRAGRANCE AND PERSONAL CARE

## How Estée Lauder Cos. personalizes digital engagement for beauty shoppers

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*Virtual try-on services are still available in-store. Image credit: Estée Lauder*

By SARAH RAMIREZ

Beauty group Estée Lauder Companies has embraced a variety of omnichannel tactics, from virtual consultations to Postmate deliveries, to bring the cosmetics counter to shoppers' homes.

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Speaking at the National Retail Federation's Big Show on Jan. 21, an executive from Estée Lauder Companies explained how the beauty group quickly adapted to the challenges of COVID-19. With stores shut down for extended periods of time, beauty brands faced additional hurdles in digitizing the shopping experience.

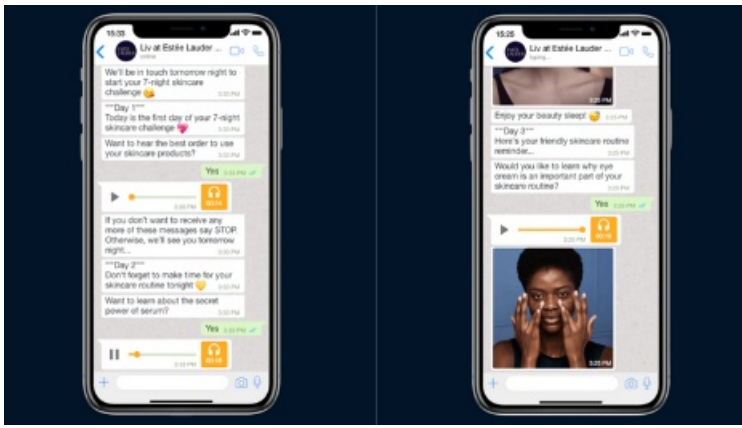
"Like many companies, we had to make a drastic pivot in the last nine months to adapt to this pandemic, especially because our products are sold in malls and stores," said Andrea Chin, executive director of global consumer care at Estée Lauder Companies, New York. "And it's that high-touch retail, to be able to try on that foundation, smell that fragrance.

"So we have to become really creative in terms of new technology," she said.

**Creativity meets the cloud**

Estée Lauder Cos., which has a brand portfolio including La Mer and Clinique, overhauled its customer relationship management system about two and a half years ago. According to Ms. Chin, the switch to software platform Salesforce left the company well positioned for the sudden onset of the COVID-19 pandemic.

With a hybrid cloud system in place, customer care employees were better able to assist consumers whose orders were impacted by supply chain issues. Fulfillment problems stemmed from manufacturing and packaging disruptions, increases in online orders across sectors and overwhelmed mail systems.



*The Estée Lauder chatbot on WhatsApp. Image credit: Rehab Agency*

Whether customers reached out about fulfillment issues on social media, email or another channel, the team was able to use one centralized system to assist. This was especially helpful in markets with the same language, as employees were able to help in overloaded areas through the global platform.

Salesforce allows empowers Estée Lauder advisors to more easily offer product recommendations if their items are out of stock or backordered, keeping shoppers from turning to competitors. By viewing order history, advisors are better informed to suggest replenishment orders while addressing other concerns from shoppers.

Recognizing not all clients were interested in long waits to speak with an advisor on the phone, Estée Lauder launched new digital channels for customer care. The introduction of its WhatsApp live chat also encourages asynchronous conversations as questions arise, rather than focusing solely on complaints further building relationships between shopper and brand.

Customer care teams have also been forgiving with product exchanges, particularly given the challenges of testing foundation shades virtually and the inability to smell fragrances through a computer screen or smartphone.

"We want to have empathy for the customer," Ms. Chin said. "I think that's how brands build loyalty and trust."

Estée Lauder also pivoted to virtual selling by enlisting store staff members who were staying at home. This has taken several forms, including Zoom parties, live chats, FaceTime consultations or other virtual events.

"Don't be afraid to try new digital channels," Ms. Chin said.

Based on suggestions from people in the field, Estée Lauder also turned some shuttered stores into micro-fulfillment centers. Taking advantage of in-store inventory, the company used Postmates messengers to deliver products to nearby customers who were waiting for their orders.

## 2021 and beyond

Ms. Chin also encouraged brands to innovate and experiment by being willing to "fail fast, fail cheap." With a global footprint, Estée Lauder Cos. considers ideas to be "portable" and will try a concept from one market in a different region such as Mexico and Hong Kong to gauge its success after a short trial period.

For instance, Ms. Chin sees subscription services as an area the company may explore in the near future.

According to a report from Tinuiti, subscription services are a key driver of ecommerce growth in the beauty industry, with a third of respondents having tried subscription boxes.

These services seem to resonate especially with Generation Z consumers as they become more financially independent. In 2020, 41 percent of Gen Z beauty shoppers have used a subscription service, compared to 29 percent in 2019 ([see story](#)).

"We don't know what 2021 is going to bring," Ms. Chin said. "But in order to that next unicorn idea, you have to innovate."

With beauty retailers reopened, many cosmetics companies face a brave new world of how to sell products that once relied so heavily on close-up personal interactions.

Makeup counters and close-up product demos will have to be reformed using digital tools. This shift in strategy should include a hybrid model in which live and digital components of beauty sales complement each other ([see story](#)).

"Beauty advisors and makeup artists are the face of the brand," Ms. Chin said. "They've kind of come into being that face of the brand, which was so enlightening to all of us because we can be focused on the consumer."

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