FRAGRANCE AND PERSONAL CARE

Beauty tech goes beyond camera filters

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Este Lauder provides in-store virtual try-on experiences to further engage beauty consumers. Image credit: Este Lauder

By NORA HOWE

Advances in technology have become critical for the beauty industry as its emphasizes optimizing in-store experiences, online engagement and global sales.

From augmented reality and live shopping to personalization and acquisitions, brands and consumers are constantly adapting to new trends and innovations in the space. During a session at the *Vogue Business* and Klarna Beauty Forum on Sept. 1, senior innovation editor at *Vogue Business* Maghan McDowell spoke with industry experts on what is working in the beauty and retail sectors.

"Gen Z and millennials like to discover products on social media, while older generations prefer retail platforms no surprise here," said Sindhura Sarikonda, vice president of growth at Klarna. "However, this means, for brands and retailers, there should be different strategies for these different platforms.

"Most use the same strategies across all platforms to create a cohesive story, but consumers on social media have different expectations than those on retail platforms or in stores."
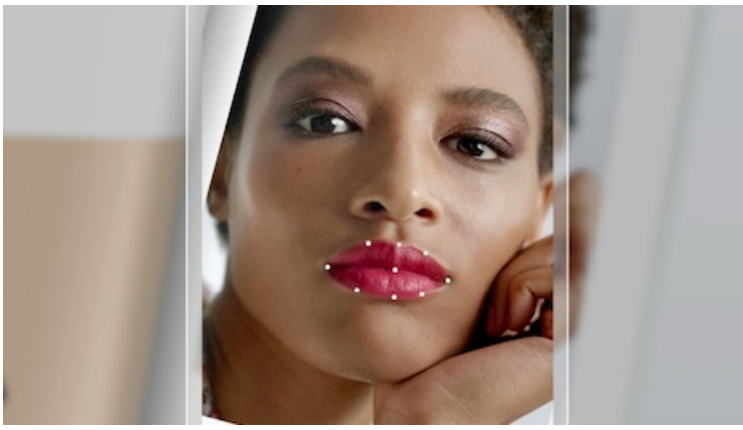
Key takeaways
The camera is no longer simply a tool for capturing pictures. It can enable new AR experiences, unlock social commerce opportunities and serve as a gateway to individual digital makeup products.

"Our customers are showing a 250 percent likelihood in purchase after trying a product virtually," said Allison Ferenci, cofounder/CEO of Camera IQ. "In line with a broader shift from consumers looking and engaging with passive media to really craving interactive experiences, we're seeing customers go beyond virtual try-on and creating full beauty looks that celebrate cultural moments."

Toward the end of 2020, tech giant Google began rolling out new features allowing consumers to digitally try on cosmetic products through the search function on mobile devices.

By using the front-facing camera on their phones, users can visualize products on themselves as well as on models with similar skin tones (see story).

Lipscanner is a new in-house beauty app that allows Chanel customers to match and try on different lipstick shades. Image credit: Chanel

High-end beauty brands and retailers have been exploring the possibilities of augmented reality technology in recent years, but the global pandemic has accelerated innovation and created new expectations for the shopping experience.

French fashion house Chanel joined the AI voyage in February by introducing a new lipstick color-matching tool, Lipscanner. Using artificial intelligence and virtual try-on technology, the brand can now match any color to its nearest lipstick shade (see story).

Another key to beauty is personalization, which includes both software and hardware, and can enable inclusivity and sustainability by extending options to consumers.

"Personalization is really a way to achieve inclusive beauty," said Guive Balooch, global vice president at L'Oral Technology Incubator. "The future is going to allow every human the ability to have some level of voice when it comes to the product they want.

"As society shifts, and beauty moves, we are going to need more technology to provide every person the product that is right for them," he said. "At L'Oral, we focus on precision beauty getting consumers the most precise products."

Earlier this year, L'Oral created and launched a new handheld AI-powered cosmetics device, Perso, with Yves Saint Laurent. Perso aims to deliver personalized on-the-spot skincare and cosmetic formulas.

Beauty brands should also think globally, developing unique mission statements that appeal to multiple geographies.

According to McKinsey, the global beauty industry generates more than $500 billion in sales each year.

Shiseido's pre-618 strategy focused largely on hosting live-streams and offering steep discounts. Image credit: Launchmetrics

"I have always been interested in beauty, so we have been looking to invest or acquire brands who appeal to various global geographies and have a strong mission statement," said Julian Reis, CEO/founder of SuperOrdinary. "We're

looking for unique behavior or unique brand proposition that can play into multiple regions."

Live shopping
The panelists also noted that video shopping is here to stay, whether through one-to-many broadcasts or one-to-one guidance, live commerce enables on-the-spot purchases and personal advice.

According to *Vogue Business*, AR commerce and social commerce in the United States is expected to hit $36 billion in 2021.

Short-form video sharing platform TikTok is exploring an expansion of its livestream shopping events as social media moves in a more transactional direction.

TikTok is continuing to evolve in response to growing trends, joining other platforms that have introduced more social shopping features. In particular, livestreaming has proven lucrative in China and is one promising addition that may entice luxury brands and advertisers on TikTok (see story).

During China's 618 shopping festival, the largest mid-year ecommerce promotion in the region, Japan's Shiseido generated over $33 million in sales on Tmall during the first day of the festival. Its success was due primarily to its aggressive livestreaming campaigns across all major social media and ecommerce platforms, including WeChat, Douyin and Tmall.

Shiseido generated the highest MIV of all 618 campaigns evaluated, having invested heavily in its promotional campaigns, working with high-profile influencers and media figures such as actress Liu Yifei (see story).

"Live shopping is undoubtedly one of the most important retail trends of 2021, and you would be hard pressed to find a brand or retailer who is not testing live shopping," Klarna's Ms. Sarikonda said.