

EVENTS/ CAUSES

Personalization is key for beauty omnichannel strategy: L'Oreal Luxe exec

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By SARAH JONES

NEW YORK - Luxury cosmetic brands need to focus on a customer-driven messaging strategy to see results, said a L'Oreal Luxe executive at Luxury FirstLook: Strategy 2014.

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The luxury cosmetic consumer knows who she is and what she wants, so brands need to find ways to listen to their customers to find ways to reach them on an individual, personalized level. By using CRM in effective ways, brands can offer a higher level of service across channels.

“Given how connected our consumer is throughout her day, digital really represents multiple opportunities for us to engage with her on a one-to-one basis and give her that level of service and engagement and education that she’s grown up with with the beauty advisors at the counter,” said Rachael Johnson, vice president of digital strategy and ecommerce, L'Oreal Luxe. “As the market evolves, this is where it’s going.”

Luxury Daily organized Luxury FirstLook: Strategy 2014.

Consumer first

There is a disparity between what brands tell consumers and what the customers want to hear. Sales per customer were far greater when the brand's messaging focused on what the woman wanted to hear.

Common among beauty marketers, persona marketing does not work, since people outside of the supposed target audience are also customers. Instead, brands have to use data they gather from consumers to target them uniquely.



Lancôme products

This could present itself as targeted emails based on search or purchase history, or an autorefill program. The main focus should be finding ways to use digital to enhance the level of service provided.

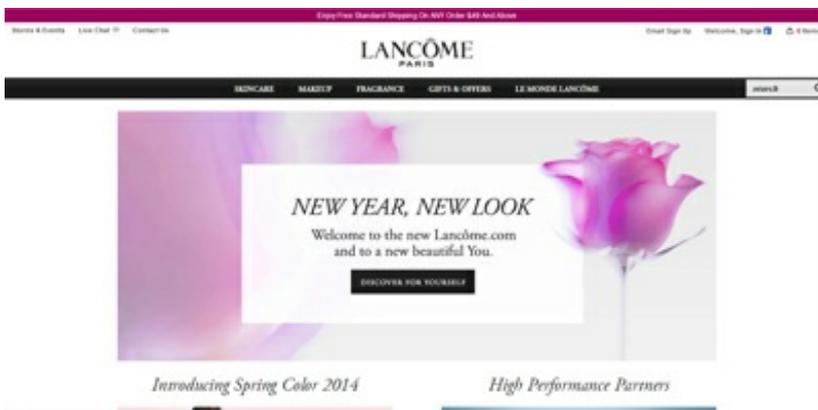
One of the challenges within CRM for a beauty brand that is also carried in a department store is the lack of control over data. When a consumer shops at a beauty counter, they give their email to the store, rather than to the brand.

Some cosmetic brands are solving this problem with loyalty programs, where the customer's information goes directly to them.

The path to purchase

Because of the consumer's individualistic mindset, brands need to reach them where they are, pointing to an omnichannel approach to both commerce and marketing. This means reaching consumers on the device that they are most likely to be using at a particular time of day, for instance reaching her at night on a tablet, when she is relaxing at home.

L'Oreal Luxe has been updating its Web sites to include more features, noting a Forrester study that listed the investments that have to be made to compete within the digital space, unveiling a new Lancôme Web site this month. Through these upgrades, L'Oreal brands Lancôme, Kiehl's and L'Oreal Paris rose to the top of L2's top 10 sites by digital IQ list in 2013 ([see story](#)).



Lancôme's redesigned Web site

The L'Oreal Luxe brands have redesigned their Web sites to feature cleaner navigation, since removing specific product names from the menu on the homepage does not affect sales. In an A/B test on Lancôme's Web site, eliminating a navigation menu option for its Absolue line did not decrease sales of that particular product.

In another test, L'Oreal Luxe tested requiring consumers to enter their email before proceeding to the checkout page, so that the brand could get in touch with the shopper if they abandoned their cart. Against the typical idea that the more steps in the path to purchase, the less likely the conversion, placing that gate ahead of checkout did not lead to more cart abandonment.

One thing that the L'Oreal Luxe brands have found successful is placing a shoppable widget within online editorial content, such as a magazine's Web site. The ad contains all of the checkout process, so the user does not have to leave the page to make the purchase.

"I think with personalization, and building one-to-one relationships, it's actually exciting, because the technology has finally caught up with what we've all been talking about, saying personalization is important, we want it to be dynamic, we want it to be real time," Ms. Johnson said.

"There's a number of tools out there that are available for use, and it's something that we're focusing on a lot this year," she said. "So as she continues to engage with the site, she sees an immediate benefit."

Final Take

Sarah Jones, editorial assistant on Luxury Daily, New York

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