

NO.2

# BEAUTY RETAIL

ACCELERATED BEAUTY REPORT SERIES

**TOGETHER** x **THE BEAUTY CREATIVE**

# Introduction

Beauty retailing of the future commands the perfect blend of convenience and experience. As cities open up, in store beauty will increasingly be part of a blended shopping experience powered by tech and services that hone in on surprising, delighting and entertaining the customer.

Creativity and analytics unlock a new level of omnichannel experience where online and offline mimic and inform each other, closing the gap completely. Beauty consultations and services move online, and tech is brought in store.

Here we explore seven key recommendations for beauty retailing of the future.



# Re-imagine customer experiences, products and services using immersive technologies

- Elevate the customer shopping experience with AI and AR tech solutions that glue together online and offline products and services.
- Remove friction points across the entire customer journey, reducing wait times and returns.

## Examples of interactive products and services:

Virtual try on tools such as Youcam, enable try-before-you-buy and can be connected to instore barcodes.

Virtual consultations, accessed via an online booking system or with on demand beauty advisors available through a virtual beauty room.

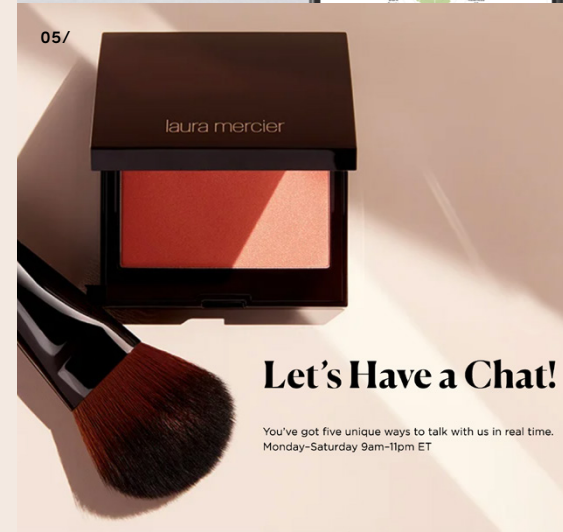
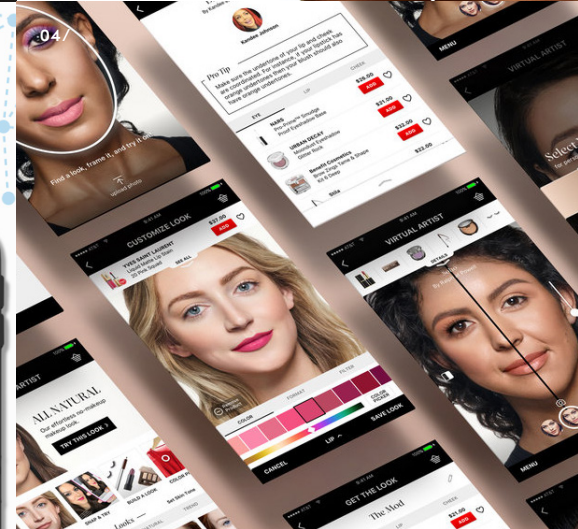
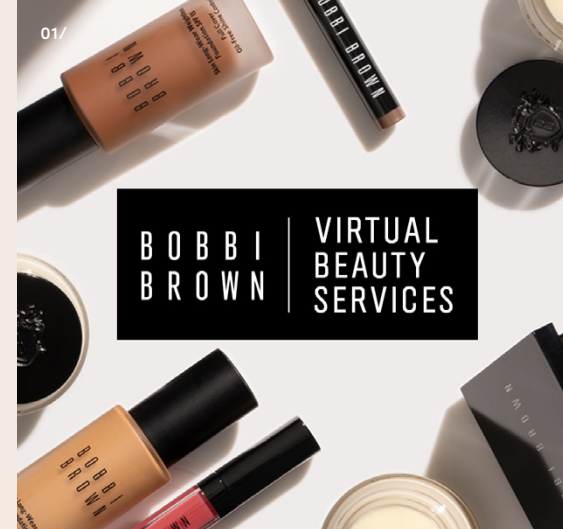
Interactive live streaming and masterclasses.

Live Hair colouring.

Skin diagnostic tools and shade finders.

Facial recognition (including with face masks) for product recommendations.

- 01/ Bobbi Brown
- 02/ Mac
- 03/ Boots No7 virtual skin analysis
- 04/ Sephora virtual artist
- 05/ Laura Mercier online live chat
- 06/ Charlotte Tilbury online live events.



Let's Have a Chat!

You've got five unique ways to talk with us in real time. Monday-Saturday 9am-11pm ET


01/




**Gesture Control**  
Eight simple gestures to fully navigate the virtual makeup try-on experience



**Voice Control**  
Easy voice activation to switch between virtual makeup products and categories




**Face Mask Detection**  
AI-enhanced engine automatically detects face masks and removes AR effects around the mask area



**Virtual Lipstick Swatches**  
Virtually try and compare multiple shades of lipstick directly on your arm

02/

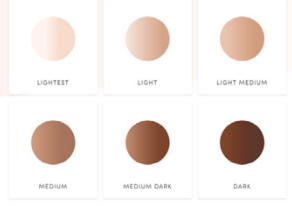


2 STEPS TO YOUR PERFECT MAKEUP

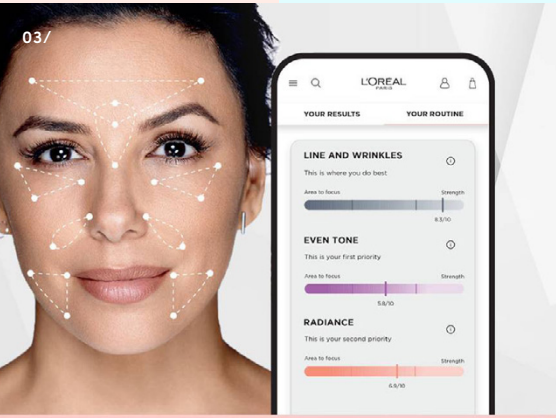
**SELECT YOUR SKIN FAMILY**

1. PICK

*Think about how your skin looks first thing in the morning, without any makeup.*



03/



**ANALYSE YOUR SKIN LIKE AN EXPERT.**

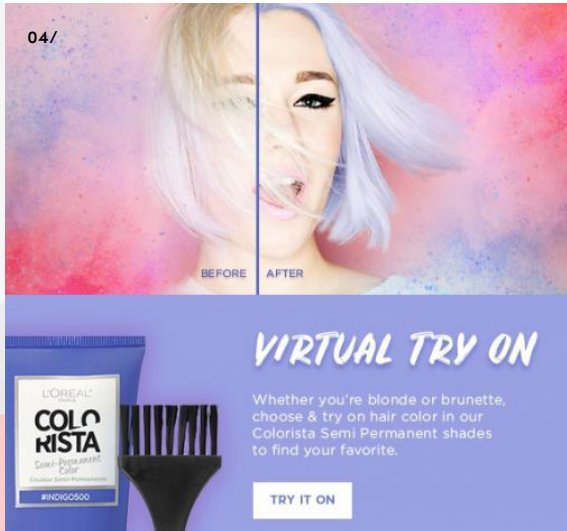
YOUR RESULTS    YOUR ROUTINE

**LINE AND WRINKLES**  
This is where you do best  
Area to focus: Strength 8.5/10

**EVEN TONE**  
This is your first priority  
Area to focus: Strength 5.8/10

**RADIANCE**  
This is your second priority  
Area to focus: Strength 6.8/10

04/

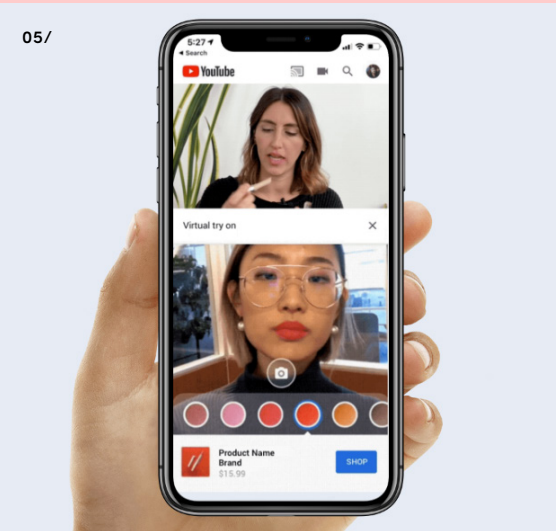


**VIRTUAL TRY ON**

Whether you're blonde or brunette, choose & try on hair color in our Colorista Semi Permanent shades to find your favorite.

TRY IT ON

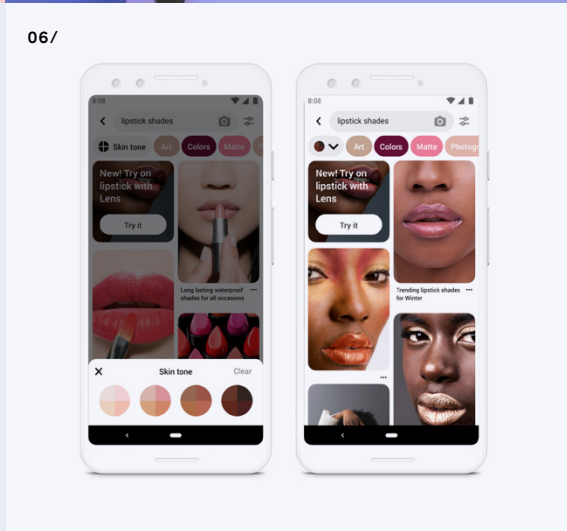
05/



Virtual try on

Product Name Brand \$15.99 SHOP

06/



lipstick shades

lipstick shades

RECOMMENDATION \_ 1

**Technology examples:**

Agile face tracking technology by tech provider Perfect Corp.

Virtual face masking by tech provider FaceUnity.

Aveda's live hair colour tool combines AR and AI.

Trinny London's Match2Me.

Pinterest's and YouTube's try-on tools.

Facebook's Spark AR Studio.

Ulta Beauty's Glam Lab.

Sephora's Virtual Artist.

L'Oréal Paris Make up Genius.

Bobbi Brown's Artistry like never before.

Other brands like Chanel, YSL, Charlotte Tilbury, and Maybelline all offer their own VR try on services.

01/ Perfect Corp

02/ Trinny London Match 2 Me

03/ L'Oréal Skin Genius – virtual skin analysis

04/ L'Oréal shade finder

05/ YouTube virtual try on

06/ Pinterest try on tool

## RECOMMENDATION \_ 1

### Examples of Seamless Digital Physical Experiences

Smart bracelets issued in store to display product information on products being considered which are swiped on exit.

**Alibaba's Fresh Hippo** supermarket asks customers to scan products with their mobile phones, creating virtual baskets. Digital in store checkouts use a scan from the mobile phone to complete the transaction.

Fresh Hippo's app can be used to place orders, offering speedy collection via a physical store up to 3 km away.

ACCORDING TO FORBES MAGAZINE IN 2021, BLUE MERCURY'S VIRTUAL BEAUTY MASTERCLASSES GREW TO 400 PER WEEK WITH MORE THAN 400 GUESTS ATTENDING. BRANDS EXPERIENCED TRIPLE SALES AND DOUBLE THE AVERAGE ORDER VALUE ONLINE POST CLASS

- 01/ Chanel Lip Scanner
- 02/ YSL
- 03/ Laura Mercier
- 04/ Maybelline
- 05/ 06/ Charlotte Tilbury





RECOMMENDATION \_ 2

# Further enable try-before-you buy

- A beauty box renaissance.
- Replace in store testing with sampling via subscription boxes like **Glossybox** and **Birchbox** whose popularity with customers is reigniting.
- Demonstrate application techniques interactively using digital technology.
- Invest in individual pre-packaged samples.



- 01/ 02/ Birchbox
- 03/ 04/ Glossybox
- 05/ Look Fantastic
- 06/ Cult Beauty

## RECOMMENDATION \_ 2

### Examples of sampling through touchless tech

Gesture-activated technology and voice activation are able to virtually change any makeup sku a customer is trying on.

**Perfect Corp's** Virtual lipstick arm swatch allows customers to virtually try lipstick colours on the skin of their arm.

#### CASE STUDY:

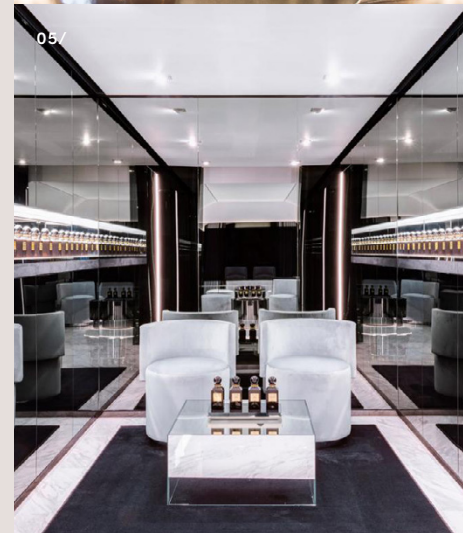
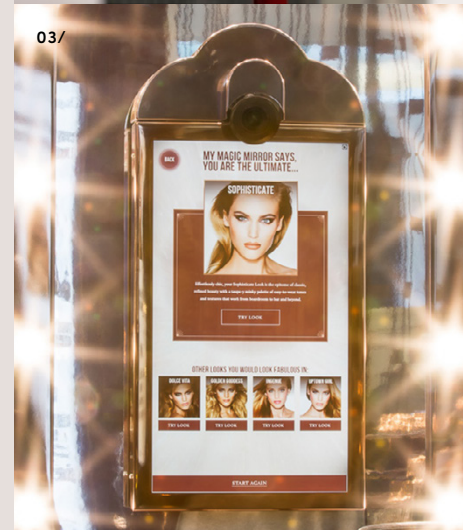
Digitally delve into **Tom Ford's** Private Blend fragrances with bespoke perfume experiences such as a fragrance discovery tool, a touchless fragrance sampler and a virtual try-on tool. A radio-frequency identification sensor sets off a fragrance-focused visual sampling video that's narrated by Tom Ford.

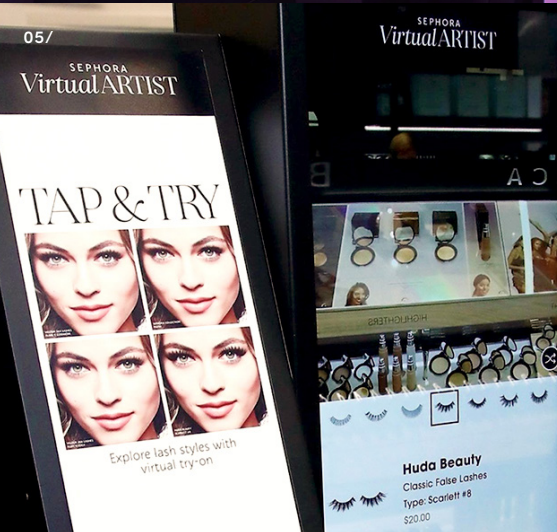
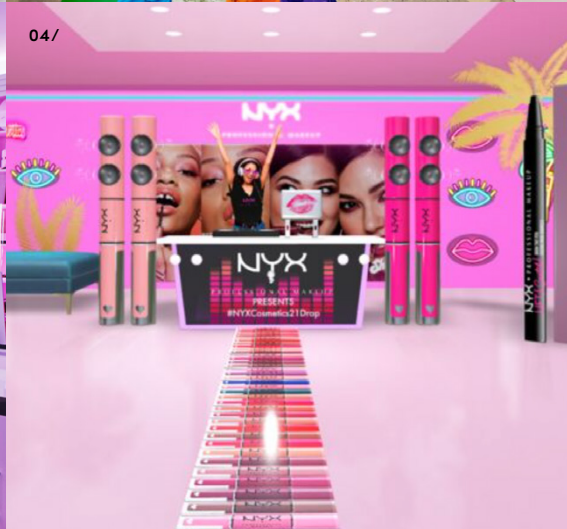
# 91%

OF RETAILERS ARE DEDICATING MORE STORE SPACE TO EXPERIENCES<sup>1</sup>

- 01/ 02/ **Burberry** Digital nail bar Covent Garden
- 03/ **Charlotte Tilbury** In store Magic Mirror
- 04/ **Chanel** Atelier Beauté NYC
- 05/ 06/ **Tom Ford** Private blend scenting experience

1. Westfield How We Shop: What's Changed Survey 2020





## RECOMMENDATION \_ 3

# Invest in virtual reality stores using improved software

- Re-imagine, re-create and elevate what it means to shop with fully immersive, interactive experiences that both entertain and enable purchase, using part virtual reality, part embellished websites.
- Accessible via desktop or mobile with non static elements create an imaginative shopping lens with fantastical details created to surprise and delight.
- Combine AR and VR assets that can be re-purposed as tech evolves.

**\$12BN** | THE AR RETAIL MARKET IS SET TO BE WORTH \$12BN BY 2025 THANKS TO PANDEMIC BOOST<sup>2</sup>

- 01/ 02/ Clinique
- 03/ Chanel
- 04/ NYX
- 05/ Sephora
- 06/ Mac

<sup>2</sup> Charged Retail Tech News  
Augmented Reality  
Published 3rd February 2021



## RECOMMENDATION \_ 3

### Examples of software providers

Experiential e-commerce software provider Obsess worked with **Charlotte Tilbury** and **Tommy Hilfiger** to create solutions to specific virtual shopping experiences that were akin to stores.

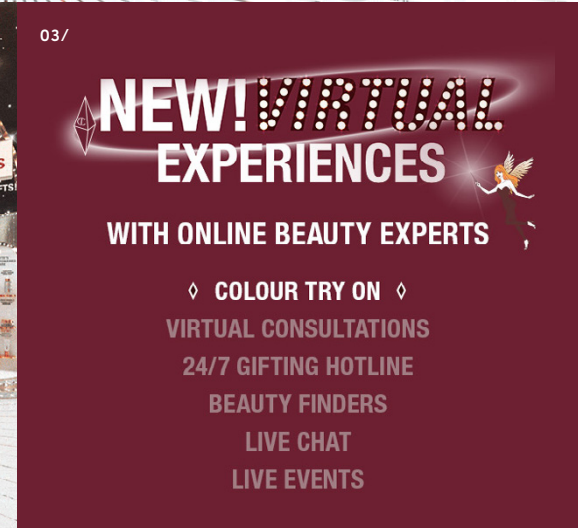
### CASE STUDY:

**Charlotte Tilbury's Beauty Wonderland** is fully integrated with the brands e-commerce system.

Product prices and availability are live.

A Magic Charlotte avatar guides visitors through three dimensional beauty zones like Hollywood or Rock n Roll as they shop customisable makeup kits.

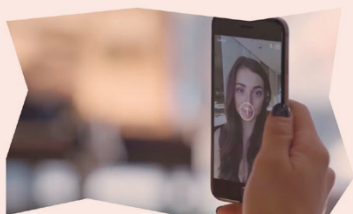
Customers can watch live events, recorded tutorials or invite a friend to join in.



01/

## THE REAL WAY TO SHOP VIRTUALLY.

Add the IRL experience to your online store with the #1 virtual shopping platform.



Nike Levi's SEPHORA

02/

## “CORONAVIRUS CLOSINGS CREATE VIRTUAL CONSULTATION UPTICK IN BEAUTY”

GLOSSY

RECOMMENDATION \_ 4

# Implement virtual shopping experiences

- Create community and human connection online.
- Bring the physical shopping experience to customers in their own home.

### CASE STUDY:

With **Credo & The Hero App**, customers can video call or message staff in store, connecting staff in real time to customers for personalised recommendations and to answer questions.

Staff have access to live inventory to help customers search for items.

Live virtual appointments for customers can be provided.

According to Hero, online customers who shop using Credo Live are up to **15 times more likely** to make a purchase versus those who don't. Sales via the technology, now account for **15%** of Credo Beauty's total revenue.

THE AVERAGE UK ADULT NOW SPENDS AN AVERAGE OF 3 HOURS AND 23 MINUTES ON THEIR PHONE EVERY DAY, EQUATING TO ROUGHLY 50 DAYS EVERY YEAR<sup>3</sup>

01/ 02/ 03/ Hero App  
04/ 05/ 06/ Hero App and Credo Beauty

3. Charged Retail Tech News  
Virtual shopping is set to be the next major trend in retail  
Published 5th January 2021

03/



## Helping customers shop for beauty with confidence.

From Sephora to Credo Beauty, discover how beauty brands are providing the human touch online – growing sales and foot traffic.

This is how Credo do it →

04/



05/



06/



## Credo Helps Online Shoppers Find Clean Beauty Virtually With HERO®

## RECOMMENDATION \_ 4

### CASE STUDIES:

**Space NK** and **L'Oréal** are refocussing on digital efforts and using virtual appointments as a tactic to drive sales during the pandemic.

From a 20 minute 'make-up bag refresh' to a 15-minute 'brand skincare spotlight', the retailer offers specific consultations, effectively honing in on categories and topics across skincare, make-up, fragrance, and haircare.

Alongside these bookable one-to-one appointments, Space NK has also set up 'Space Live', a new online platform for live-streaming, featuring influencers, industry experts, and brands.

L'Oréal combines live streaming, and Perfect Corps virtual try on technology, BA Beauty Advisor 1-on-1. This allows a consultant to call a customer using video, take over their video, and apply makeup on the customers face.

This initiative launched in Ulta in May 2020.

- 01/ **Space NK** Space Live events
- 02/ **L'Oréal** virtual try on technology
- 03/ **L'Oréal** Beauty advisor 1-1 technology

01/

## SPACE NK PRESENTS SPACE *live*



### 1-2-1 makeup masterclass (15 mins)

Whether it's the perfect red lip, concealing dark circles or eyeliner, during this 1-2-1 consultation you'll enjoy unlearn our Pro-Artists who will be on hand to guide you through c share their tips and tricks.

[BOOK NOW](#)

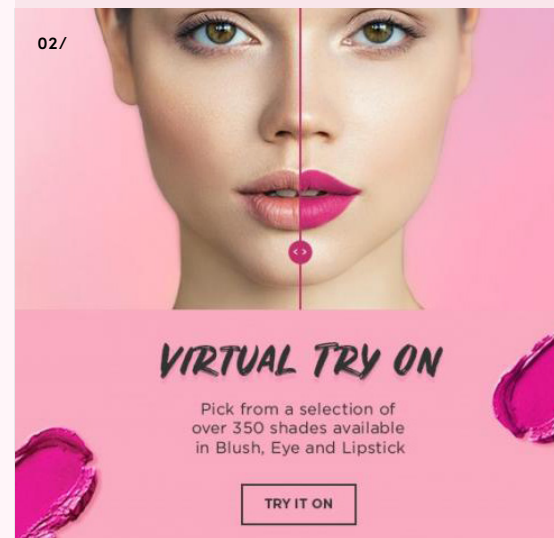


### Brand spotlight: I want to know more about this range (15 mins)

Find out all the insider information about the hottest new brands in beauty and receive expert advice on which products will work best for you in this focused consultation.

[BOOK NOW](#)

02/



## VIRTUAL TRY ON

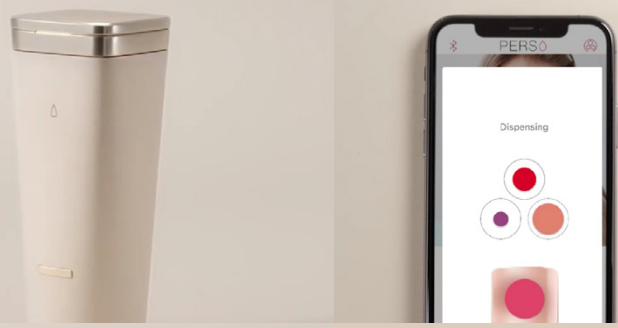
Pick from a selection of over 350 shades available in Blush, Eye and Lipstick

[TRY IT ON](#)

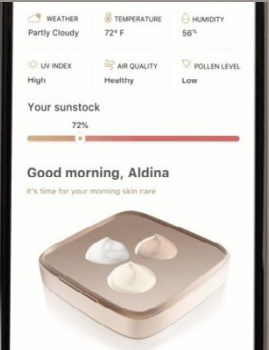
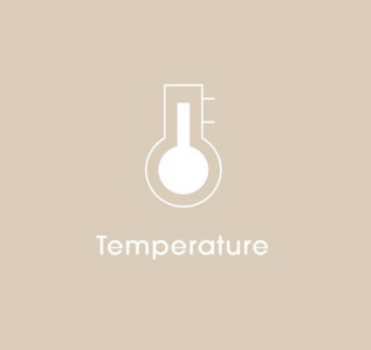
03/



Introducing  
**PERSO**  
by L'ORÉAL



Personalized  
Skincare  
Lipstick  
Foundation



RECOMMENDATION \_ 5

# Develop digitally enhanced product lines:

- Use technology to develop next-level innovation and experience.
- Deepen the product experience and results to heighten customer connection.
- AI powered- personalised products that combine data with dermatology for data-driven skincare.
- QR codes that bring experience to product.

**CASE STUDIES:**

**L'Oréal's Perso** is an AI powered beauty device that provides at home personalised formulas based on real-time data and trend analysis.

**Shiseido's Optune** uses a machine to adjust the users formula daily, based on factors as broad as pollen-count and sleep.

**Beiersdorf** have an AI powered personalised vegan face care range **O.W.N** (Only What's Needed) that blends formulas based on individual skin needs using a proprietary algorithm and scientific questionnaire.



01/ L'Oréal Perso AI powered beauty device  
02/ 03/ O.W.N AI powered personalised face care

## RECOMMENDATION \_ 5

### CASE STUDIES:

**Atypical Cosmetics** uses technology to re-imagine products and business models. Customers can receive made-to-order products where ingredients are fresh and active, with an algorithm identifying best formulations and ingredients to suit lifestyle and skin type.

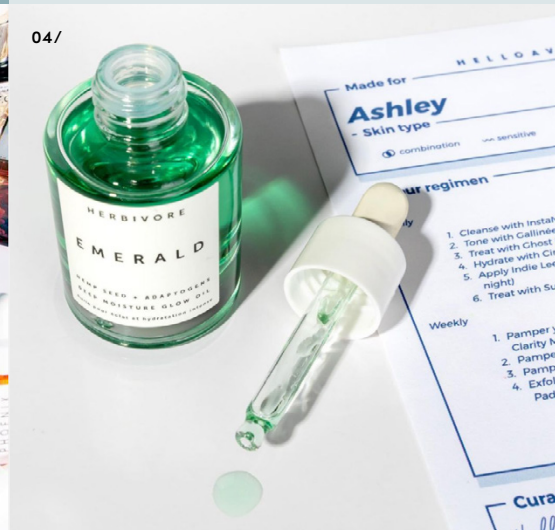
**Proven**, with a database that claims to be the biggest in the business, considers factors such as water hardness, humidity levels and local UV indexes to influence personalised formulas.

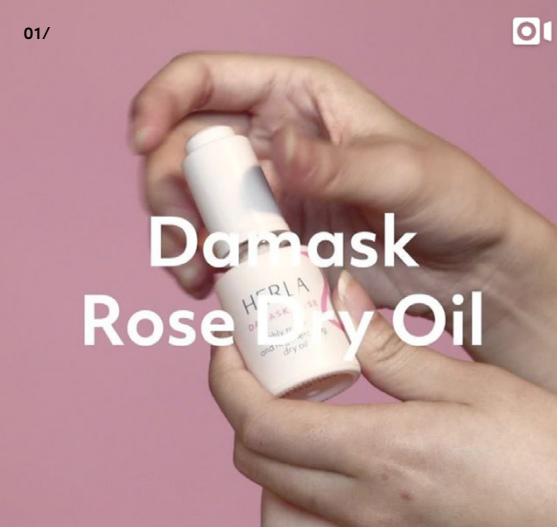
**HelloAva** provides a curation service that makes multi-brand product recommendations based on detailed analysis and Curology combines AI with human intelligence in the form of a dermatologist, who customises formulas and provides on-going support.

### QR codes:

**L'Oréal** has an initiative called 'augmented products,' where packaging has QR codes that help create a narrative leading to virtual try-on, or share content around ingredient sourcing, and so beginning the customer relationship with a conversation.

L'Oréal has deployed QR codes in many stores, reporting that between June and December 2020 more than 1 million such scans had been done in Europe alone.





03/

INGREDIENT DEEP DIVE:  
**OAT MILK**

ANTI-INFLAMMATORY

SOOTHING

ANTIOXIDANT-RICH

PLAYS NICELY WITH:	INGREDIENTS TO AVOID:
<ul style="list-style-type: none"> <li>1 Oat milk rarely leads to hypersensitivity when combined with other actives in your routine.</li> </ul>	<ul style="list-style-type: none"> <li>2 Works well with most Ingredients.</li> </ul>

04/

**CENTELLA ASIATICA**  
(GOTU KOLA)

**DRAGON'S BLOOD**  
(CROTOM LECHLERI SAP)

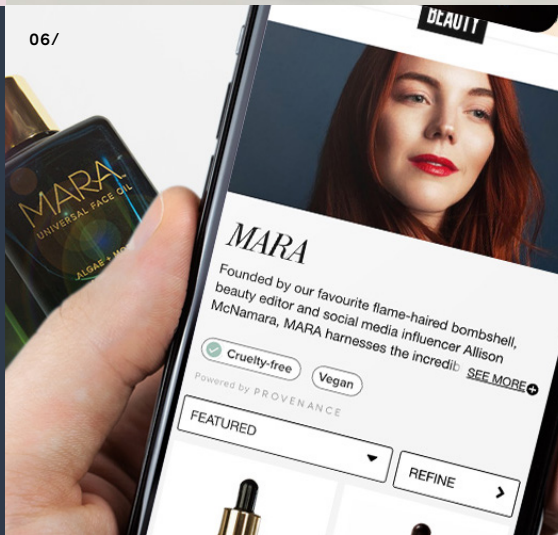
**EVENING PRIMROSE OIL**

**LACTIC ACID**

**VITAMIN C**  
(CROTOM LECHLERI SAP)

**SODIUM HYALURONATE**

**VITAMIN E**



RECOMMENDATION \_ 6

# Invest time in developing product information

- Convert information to content as part of the customer experience.
- Use image and video as well as descriptive product copy and ingredient libraries. Consumers are increasingly influenced by immersive, up to date product information and digital content to make purchase decisions.
- Consider blockchain technology which is being used to verify claims made by beauty brands, providing customers with statements of assurance, lab test results and even letters of documentation.

**CASE STUDY:**

**Cult Beauty**, an online beauty retailer which promises to “boycott bathroom cabinets full of hollow promises”, has partnered with tech-platform Provenance in an attempt to do away with false claims made by notoriously under regulated beauty brands.

Once launched, **Provenance** will use a combination of blockchain and open data to provide badge or “proof points” for items available on Cult Beauty.

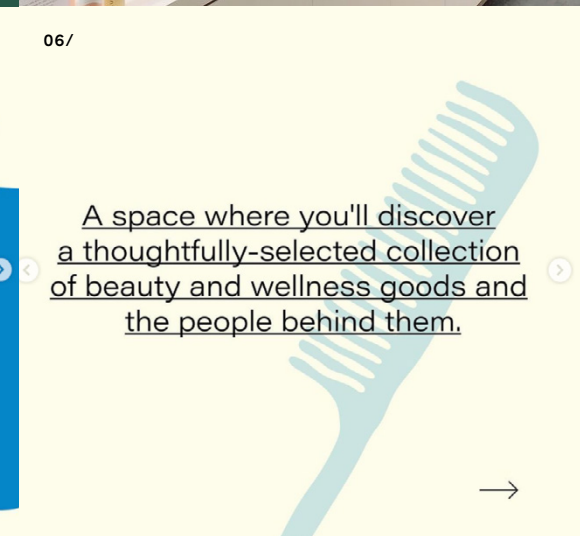
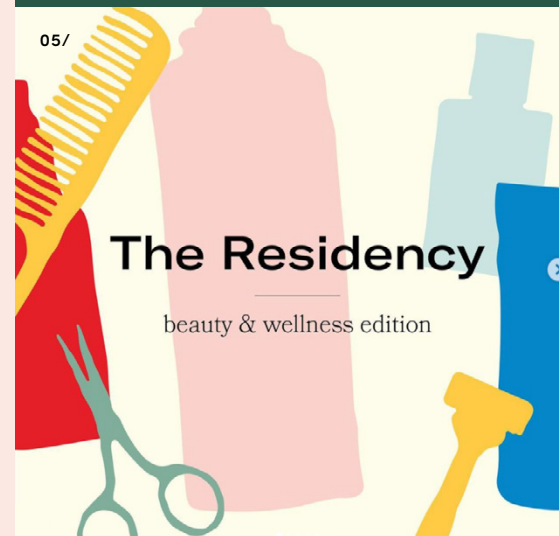
# Re-imagine the purpose of bricks and mortar

- Innovate the in-store shopping environment and customer experience by creating destinations of discovery driving purpose into the physical environment as a way to deepen customer connection, drive increased loyalty and develop a personal relationship.
- Foster a new culture around in store shopping with elevated customer service and memorable experiences from product curation, testing and education.
- Use in store as a fulfilment opportunity and click and collect vehicle, integrating a story of optimisation and sustainability.
- Consider beauty shop in shop concepts, pop-ups and concessions.
- Use mini store environments as an opportunity to develop local community hubs.

## CASE STUDIES:

**Neighborhood Goods** is a new type of department store, featuring an ever-changing landscape of the world's most thoughtful, progressive, and exciting brands. With two stores in Texas and one in New York, they strive to be a place for community, bringing people together to shop, eat and discover.

At the stores, you can discover dozens of exciting new brands, attend thoughtful events, and experience restaurants with amazing food and drinks, and more.





## RECOMMENDATION \_ 7

### CASE STUDIES:

**H Beauty** is a new beauty destination from Harrods at Intu Lakeside, Essex. A place to discover make-up, skincare and fragrance from a host of exciting brands – from legacy names to pioneering, next generation newcomers. It's the destination to see and be seen. We're talking an interactive Playtable where you can experiment with make-up, a Skincare Station for mini facials and masterclasses, plus an Instagram-worthy Champagne bar. There's also the Sampling Station - when you spend £50 you get to choose two exciting gifts.

**The Beauty Society** is a world of beauty inspiration in select John Lewis stores. The service gives shoppers the chance to receive independent advice on finding the right products for them from the retailer's beauty guides.

In a specially designed space, customers will receive consultations while sitting at play tables from where they will also be offered refreshments such as Prosecco and coffee. They can access the service through drop-in appointments or via three bookable appointment types.

**Next** have opened four new 'concept' stores across the UK. The aim of the new Next Beauty and Home stores is to create a premium retail environment for beauty, which complements the offerings of its online beauty business. There will also be experiential beauty services on offer, such as on-counter mini make-overs and brow shaping. As well as face-to-face advice on how best to shop for your beauty needs.

01/ 02/ 03 H Beauty

04/ The Beauty Society

05/ Next Beauty & Home

06/ The Beauty Society



# We're here to help

Whether you are looking to innovate your brand, product or retail experience to create a more immersive and connected customer journey Together Design and The Beauty Creative partnership can help.

We'd be delighted to speak further about this report and the impact of findings on your business, your innovation pipeline, product development, packaging and brand design.

We're passionate about facilitating a more immersive future for our clients and are proud of those we've supported so far.

**General Sources:**

McKinsey  
Vogue Business  
Retail Week

## Together Design

Together Design is an award-winning, brand design agency. For over nearly two decades we've been bringing energy and personality to brands, helping them better connect with people. We help established brands work harder, and guide start-ups on their journey. And we do it all in a deeply collaborative way, working closely together with our clients to find creative solutions that help them succeed.

We've extensive experience in the beauty sector, helping brands extend ranges, enter new markets, engage with new audiences and celebrate seasonality. Our beauty clients include, Liz Earle, No.7, QMS, Boots UK, French Connection, Seventeen, Tweakit, Noughty and WBA.

Our senior team, regularly sits on judging panels and speaks at conferences as well as contributing to editorial.

## Together Design Ltd

Brand strategy, design & packaging

T. 0207 6314545  
hello@togetherdesign.co.uk  
www.togetherdesign.co.uk

## The Beauty Creative

Lorna Mitchell, Founder of the Beauty Creative is a Brand and Product Curator who partners with brands to drive innovation in to the heart of brands and businesses. With over 20 years experience in Brand development and Product innovation for iconic, global, multi-channel beauty and fashion brands, Lorna knows what truly drives customer connection, purchase conversion and loyalty as well as best-selling and award-winning products. From sustainability, transparency, ethical values and best in class product performance, to community building, authentic story-telling and customer experience, Lorna considers every element of a brand through a purposeful lens to build or re-invent it in an optimal way.

Co-founder of Noughty Haircare, Lorna has spoken at innovation events and her products have landed over 45 Global Industry award-wins.

## The Beauty Creative

Innovation strategy & brand building

T. 07957 656414  
Lorna Mitchell  
lorna@thebeautycreative.co.uk