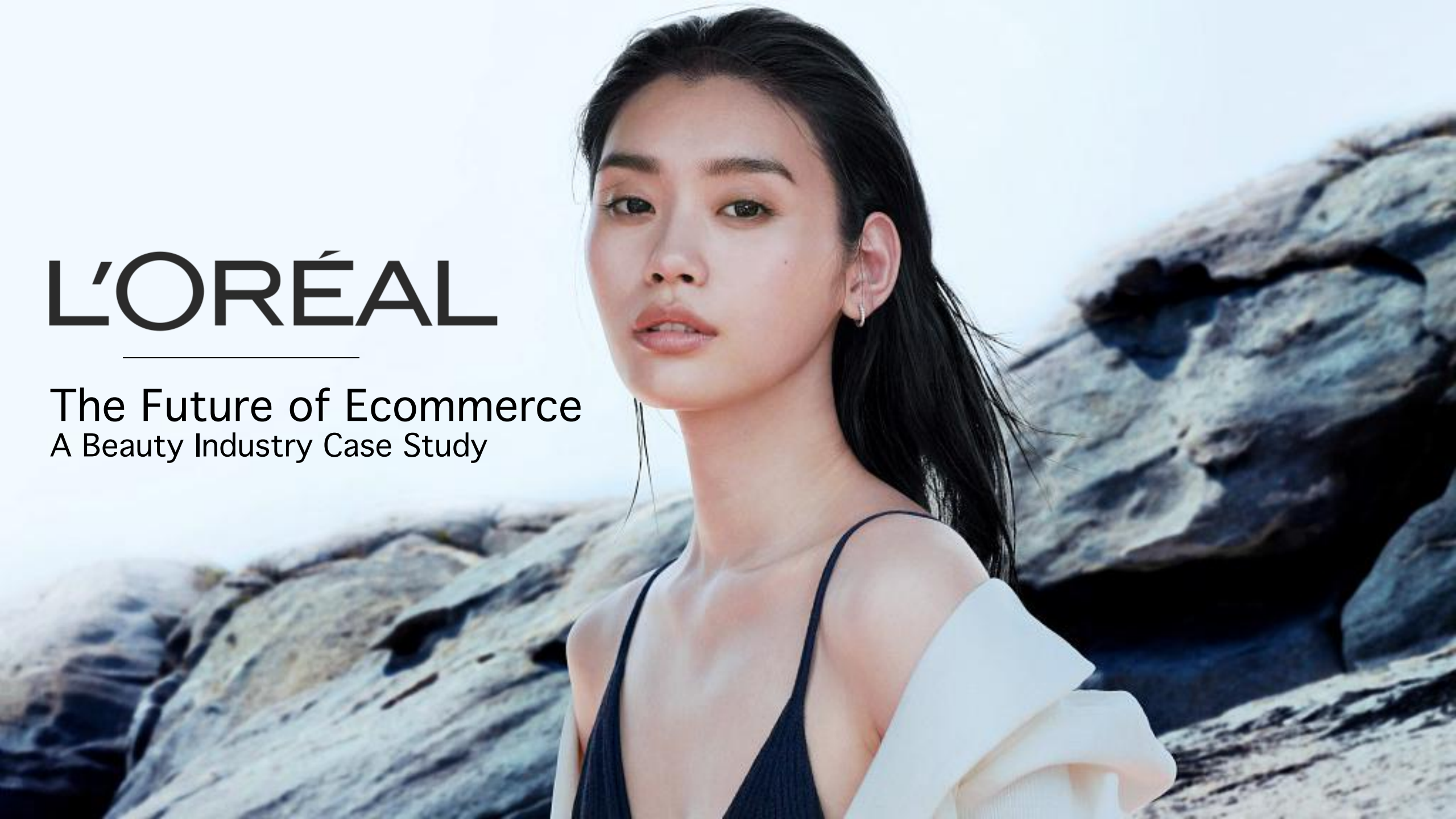


L'ORÉAL

The Future of Ecommerce A Beauty Industry Case Study



WHY THE BEAUTY INDUSTRY?

KEY FIGURES

MAJOR INDUSTRY ----- ECOMMERCE GROWTH ----- EVEN MORE POTENTIAL

\$532 Bln

Worldwide Beauty
Industry in USD

\$6.5 Bln

Australia Beauty
Industry in AUD

+36% YOY

Australia Online
Beauty Sales Growth
2019

11%

Beauty represents
only 11% of Total
Online Sales in
Australia

L'ORÉAL

THE FUTURE OF BEAUTY ECOMMERCE

THREE KEY TRENDS

1 Personalisation



2 Convenience



2 Social Commerce



L'ORÉAL

THE FUTURE OF BEAUTY ECOMMERCE

« PASSIVE » PERSONALISATION

Search brands, products, articles...

ADOREBEAUTY

Hello, Sign in

SHOP BY CATEGORY

BRANDS

NEW

THE SCENT ROOM

GIFT

ADORE YOU

BEAUTY IQ

PROMOTIONS

FREE Express Post*

2 Free Samples

Official Retailer

90 Day Returns

Shop Kérastase

Bathe - Shampoo

Care - Conditioners & Treatments

Styling & Leave-Ins

Aura Botanica (Natural Luxe)

Chronologiste (Youth Enhancing)

Densifique (Densify)

Discipline (Smoothie)

Initialiste (Scalp)

Elixir Ultime (Radiance)

Filter by

Price

Under \$25

\$25 - \$50

\$50 - \$100

\$100 - \$200

From \$200

Choices

Hair Type

Hair Concern

Hair Texture

Key Ingredients

Age


Home / Kérastase

Shop Kérastase

Official Stockist of Kérastase Paris

Kérastase Paris has been the Hair and Scalp Expert since 1964, offering continuous innovation in its product creations and prescriptive solutions for every haircare need.

Read more



KÉRASTASE PARIS

TRY THE HAIRCARE COLLECTION FORMULATED TO ACHIEVE LONG, HEALTHY HAIR.

SHOP NOW

Popular Categories

BATHE - SHAMPOO

CARE - CONDITIONERS & TREATMENTS

STYLING & LEAVE-INS

NUTRITIVE (HYDRATION)

71 products found.

Recommended

TRY THE 3 HOUR MAGIC NIGHT SERUM

SHOP NOW

Kérastase 123 Extentioniste Pack

\$88.00

★★★★★

Kérastase Densifique Bain Densité Shampoo

\$46.00

★★★★★

Kérastase Elixir Ultime Beautifying Hair Oil 100ml

\$59.00

★★★★★

Antioxidant and Brightening Serums

Filter by

Price

Under \$25

\$25 - \$50

\$50 - \$100

\$100 - \$200

From \$200

Choices

Brand

Key Ingredients

Skin Type

Skin Concern

Eye Concern

Age

Home / Skin Care / Serums & Treatments / Antioxidant and Brightening Serums / Vitamin C Serums

Shop Vitamin C Serums

52 products found.

Recommended

TODAY ONLY

SKINCEUTICALS C E FERULIC SERUM 4ML

Free gift with all orders placed today only*

SHOP NOW +

*T&C's apply

The Ordinary Vitamin C Suspension 30% in Silicone

\$12.80

★★★★★

Skinstitut Vitamin C 100%

\$40.00

\$34.30

★★★★★

asap super c serum 30ml

\$80.00

\$69.42

★★★★★

Alpha-H Vitamin C 25ml

\$69.06

\$59.46

★★★★★

L'ORÉAL

THE FUTURE OF BEAUTY ECOMMERCE « ACTIVE » PERSONALISATION

NEWS L'ORÉAL ACQUIRES MODIFACE
FURTHER EXPANDING ITS WORLDWIDE
EXPERTISE IN BEAUTY TECH



L'Oréal Paris • Virtual Try On

VIRTUAL MAKEUP TOOL

Choose from over one hundred shades across L'Oréal Paris **make up** and **hair colour**



KEY TREND: PERSONALISATION

MODIFACE IMPLEMENTATION AUSTRALIA

Stores

Customer Service

Email Sign Up

ENG

中文

GIORGIO ARMANI
fragrances & beauty

QUICK REORDER

MY ACCOUNT

MY BAG

NEW

MAKEUP

SKINCARE

FRAGRANCES

GIFTS

ARMANI PRIVE

DISCOVER ARMANI

SEARCH

home > makeup > lips > lip gloss > lip maestro liquid lipstick

SHARE

EDIT ALIGNMENT

LIVE CAMERA

UPLOAD PHOTO

BEST SELLER

LIP MAESTRO LIQUID LIPSTICK

A VELVET-MATTE, HIGH PIGMENT LIQUID LIPSTICK WITH A CREAMY PLUSH TEXTURE

★★★★★ 4.5 (143) [Write a review](#)

Lip Maestro Liquid Lipstick is a creamy formula infused with concentrated pigments which results in an incredible depth of color while leaving the lips with a plush velvet matte finish. Available in ... [more](#)

Select Color

All

Browns

Corals

Reds

Pinks

300- Flesh

\$38.00

☐ Add Complimentary Engraving

Select Quantity

- 1 +

ADD TO BAG

Now Live on all L’Oreal Australia Sites with Cosmetics and Hair Colour Categories

5x

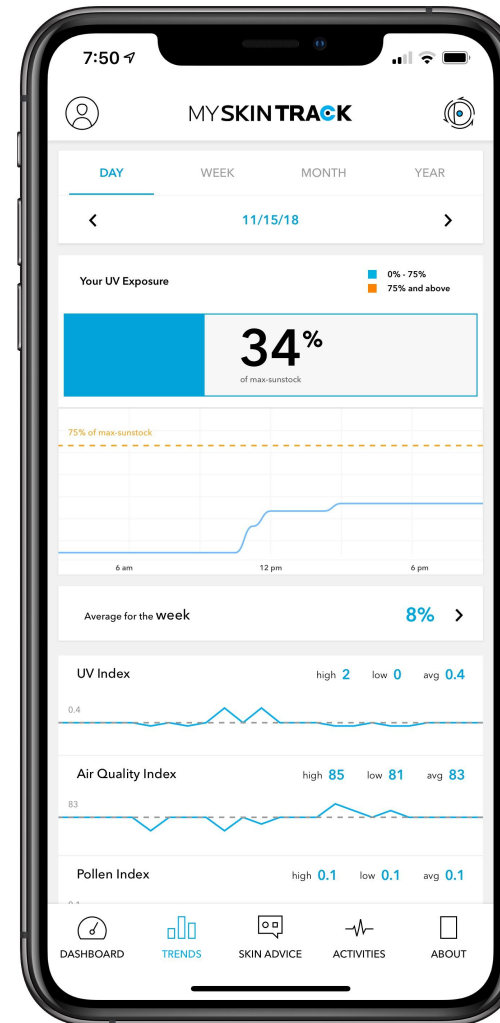
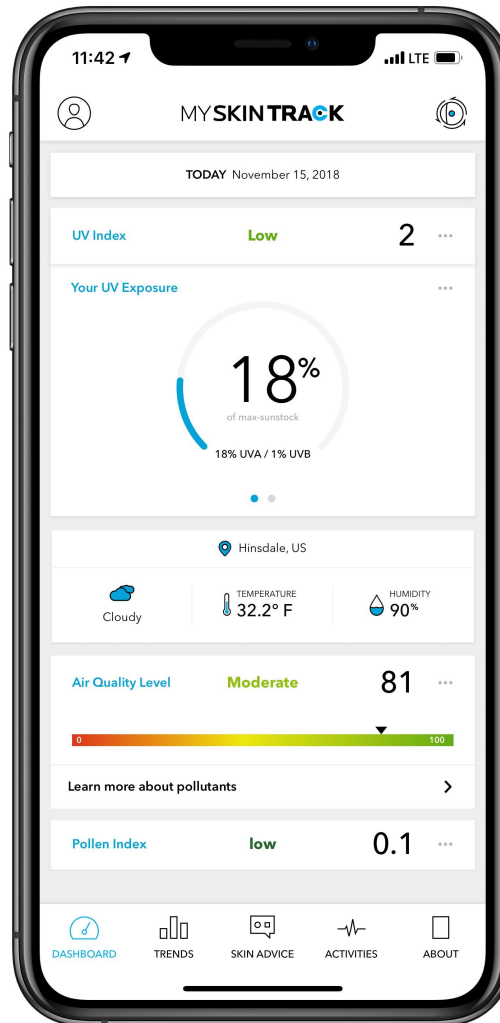
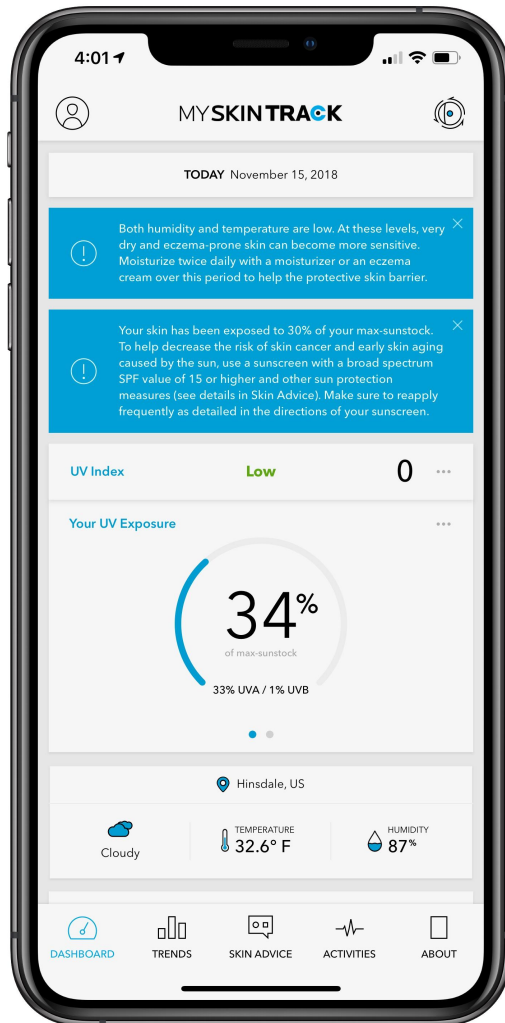
Browsing Time on Site

2x

Conversion rate for Sales

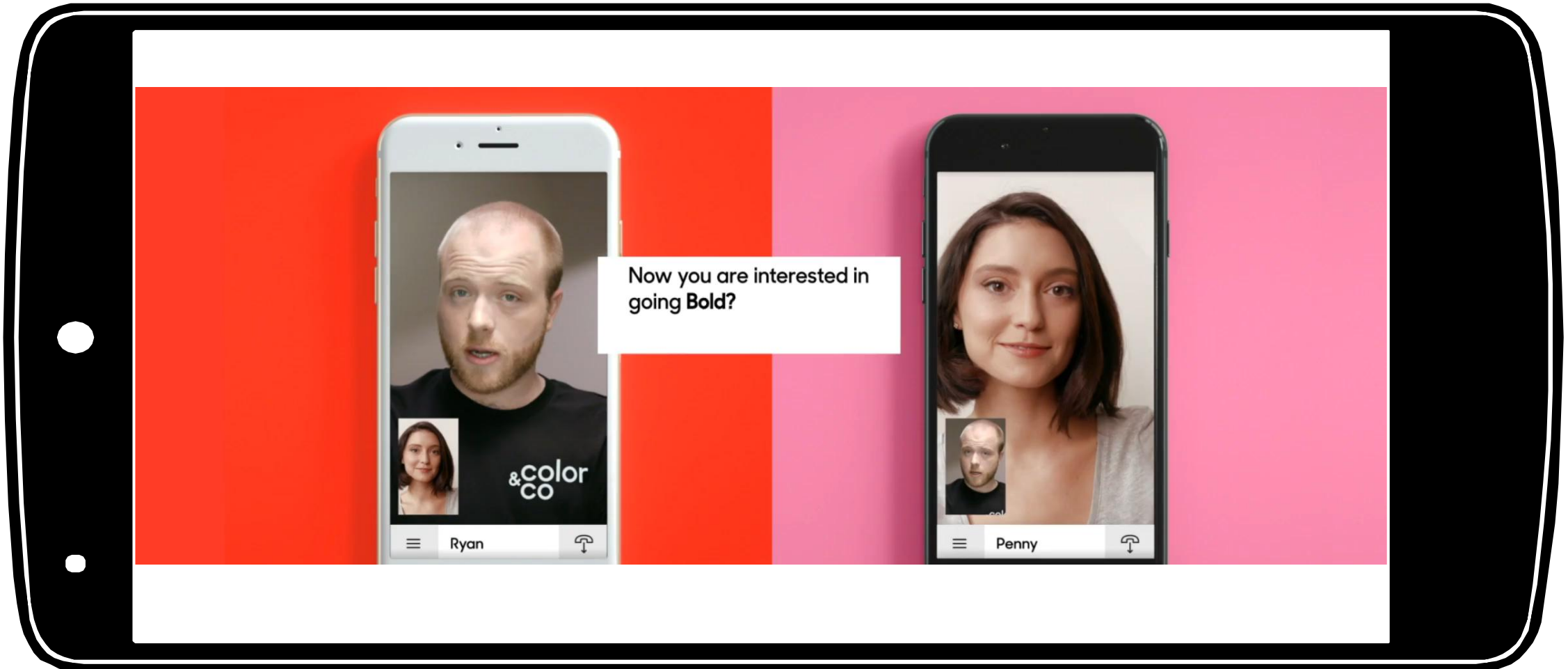
KEY TREND: PERSONALISATION

THE BALANCE BETWEEN PRIVACY AND PERSONALISATION



KEY TREND: PERSONALISATION PERSONAL RELATIONSHIPS WITH CUSTOMERS

&color
co.®



KEY TREND: PERSONALISATION

PRODUCT PERSONALISATION



In APRIL 2020

SkinCeuticals will launch L'Oreals first fully customised targeted serum, combining diagnostic technology with doctor expertise – and using the best of both the online and offline worlds to create a truly unique skincare proposition

CUSTOM D.O.S.E is a professional service that combines high-potency ingredients with professional expertise to create a personalized corrective serum just for you – developed, measured, and dispensed in only 10 minutes.

KEY TREND: PERSONALISATION SKINCEUTICALS CUSTOM D.O.S.E.

KEY TREND: PERSONALISATION

PRODUCT PERSONALISATION

Function of Beauty

Is a New York based start up launched in 2017 which uses a diagnostic quiz to allow customers to customise their shampoo and conditioner to suit their hair type and choose from a range of additional benefits. You can also choose the fragrance, colour and size and how often you will receive the product on subscription


hair quiz 4/4

choose a size and frequency

SHAMPOO + CONDITIONER SET


best deal

16oz shampoo
16oz conditioner




A\$79

8oz shampoo
8oz conditioner




A\$59

8oz shampoo
16oz conditioner




A\$69

16oz shampoo
8oz conditioner




A\$69

16oz shampoo



A\$59

16oz conditioner



A\$59

FREQUENCY

cancel anytime


every month
free shipping

every 3 months
free shipping

every 6 months
free shipping

just once
+ A\$5 shipping

BOOST YOUR SET?



A\$19

ADD

Travel Toiletry Set

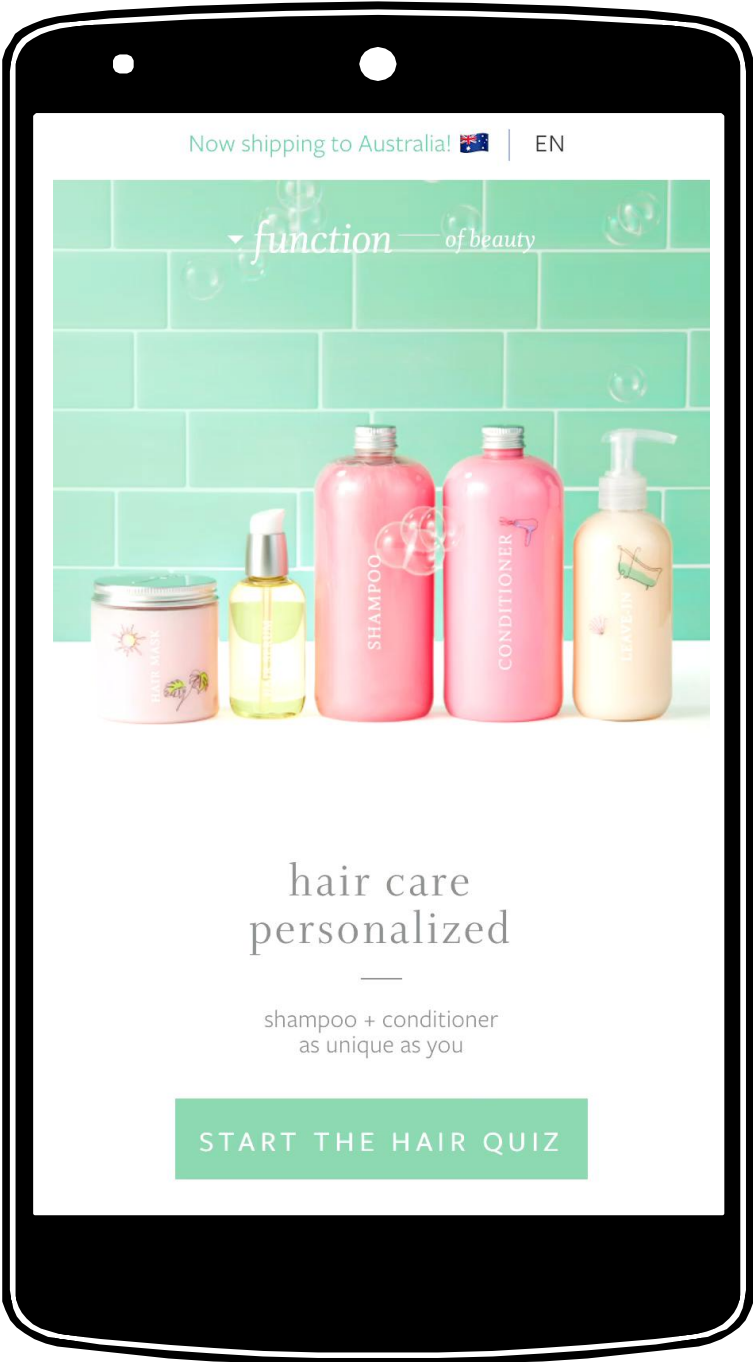
ATSA-friendly travel pouch featuring four reusable travel bottles and a set of Function hair ties.

is this a gift?

PREVIOUS

CONTINUE

over 33,000 five-star reviews



THE FUTURE OF BEAUTY ECOMMERCE

CONVENIENCE: SUBSCRIPTION MODELS

CURATED

Data you share will be used to create or customise end product selection e.g. Birchbox



PERSONALISED

Beauty Services and Diagnostic Tools used to create or customise end product which can then be replenished via subscription



NECESSITY

No personalisation – closer to commodity item – but subscription offers cost savings over one off purchase



LUXURY

No personalisation – Luxe Item – subscription necessary due to guarantee availability due to artisanal nature of product



KEY TREND: CONVENIENCE

PUTTING IT ALTOGETHER: PERSO AND AT HOME

PERSONALISATION



L'Oréal > Media > News > Perso CES Innovation



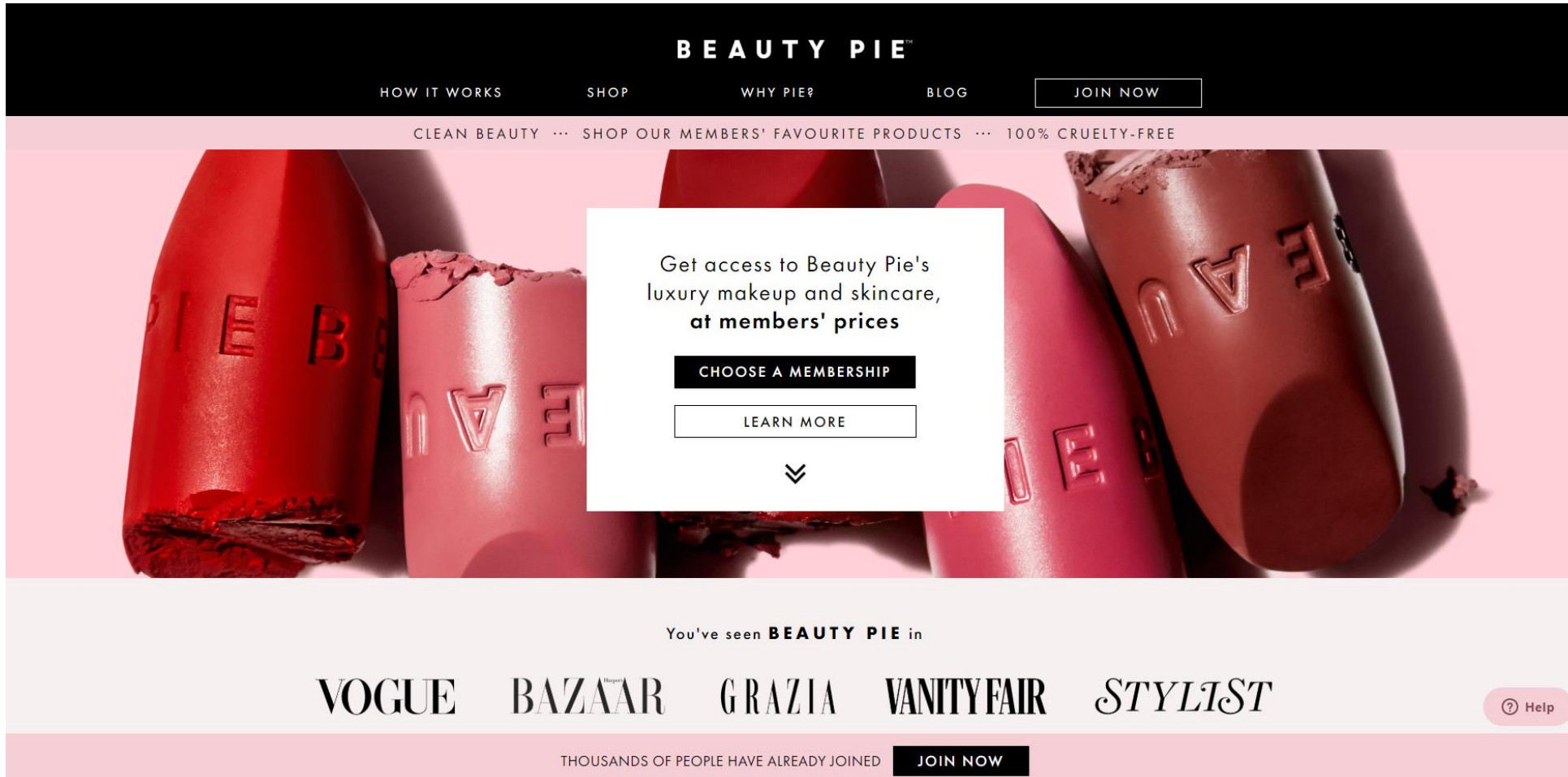
UNVEIL PERSO, THE WORLD'S FIRST AI-POWERED DEVICE FOR SKINCARE AND COSMETICS

RESEARCH & INNOVATION - 09.01.2020



L'ORÉAL

KEY TREND: CONVENIENCE MEMBERSHIP MODELS



15%

Of Online Shoppers in the US have subscribed to at least one ecommerce service

13%

Of subscribers subscribe for access to particular products or offers

KEY TREND: CONVENIENCE LOCATION AND SPEED



26%

Of orders placed on mobile but growing at +29% YOY in contrast to declines on laptop and desktop

19%

Of orders delivered using express delivery on average, increasing to 32% week before Christmas

40%

Only 40% of Australian Retailers offer a Click and Collect Option

Sources: https://auspost.com.au/content/dam/auspost_corp/media/documents/inside-australian-online-shopping-ecommerce-report.pdf; <https://www.smh.com.au/business/companies/no-parcel-no-worries-why-australia-is-embracing-click-and-collect-20190811-p52fzo.html>

KEY TREND: CONVENIENCE

SHOP FROM ANYWHERE, ANYTIME

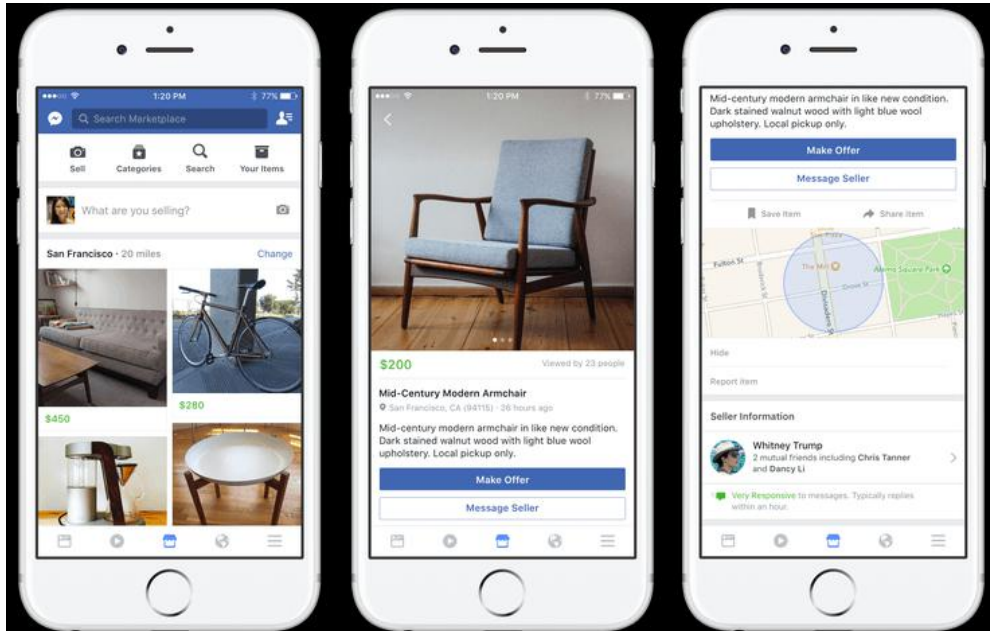
HEADLESS CART TECHNOLOGY -- ENABLING OTHER CHANNELS -- AND INSTAGRAM BECOMES FULLY SHOPPABLE



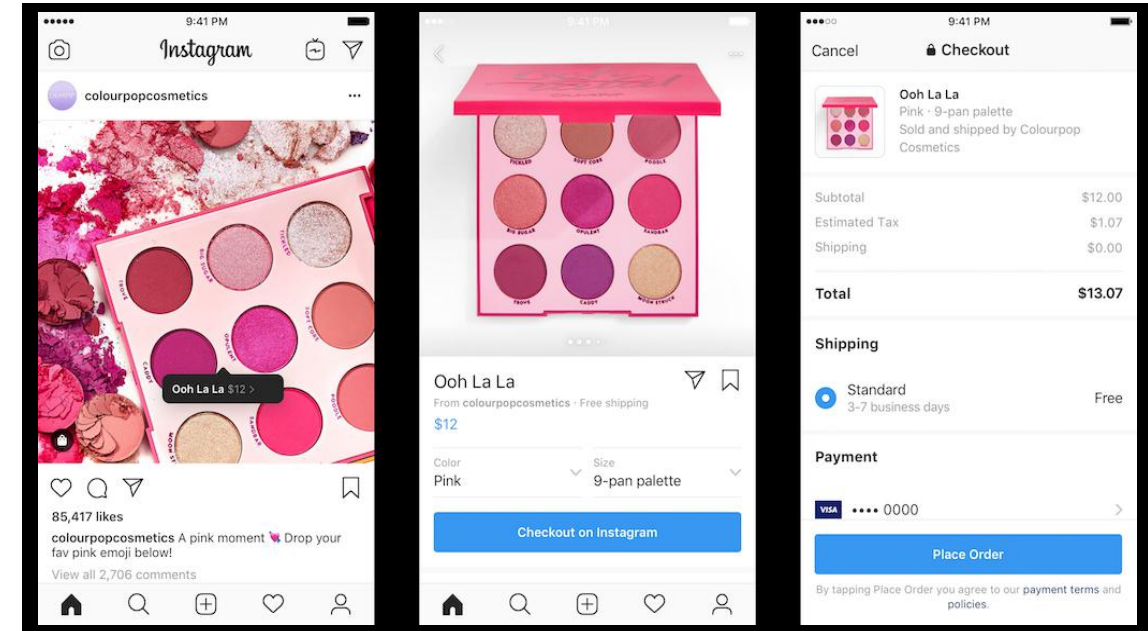
THE FUTURE OF BEAUTY ECOMMERCE SOCIAL COMMERCE IN AUSTRALIA



Facebook launched Marketplace in Australia in 2016. Currently 83% Social Commerce is via this platform



Instagram currently beta testing checkout feature in the US. In Australia 34% Social Commerce is via this platform





THE FUTURE OF ECOMMERCE SO WHAT CAN WE LEARN FROM THE BEAUTY INDUSTRY?

- Growing a sustainable ecommerce business for the future will mean providing services, adding value and creating a personal experience for customers
- Customers will commit to subscriptions which offer convenience and novelty – not just better pricing
- In a few years, ecommerce will be everywhere – with the lines between physical and online retail blurring as physical locations become online stores and online stores link back to physical locations

THANK YOU

L'ORÉAL