



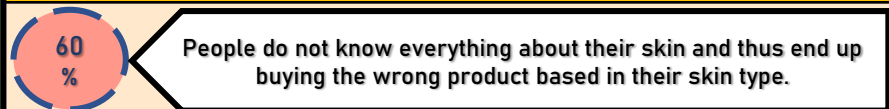
TEAM
PAPER
BAG

L'ORÉAL
PARIS

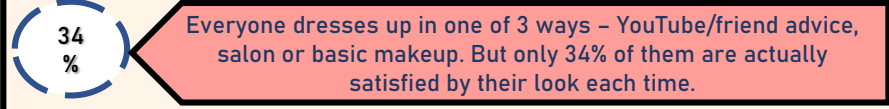
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Problem (Based on our survey)

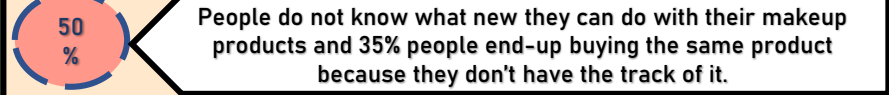
Feature that solves it



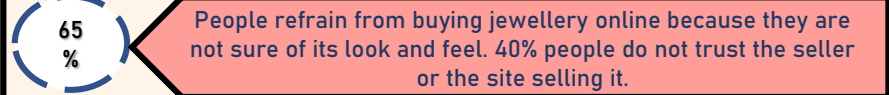
Face skin scanner



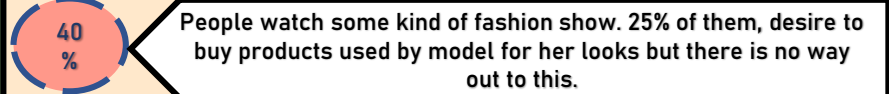
L'Oréal Paris Expert curated Chatbot (Dress Me Up)



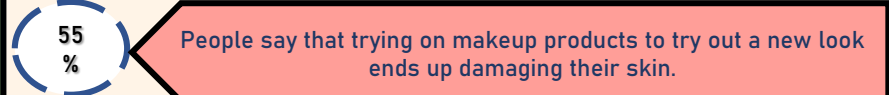
Know your products



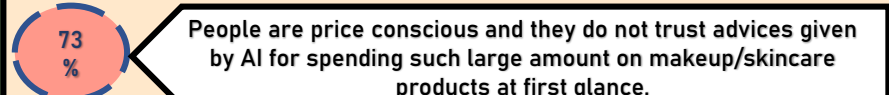
Icing on the cake



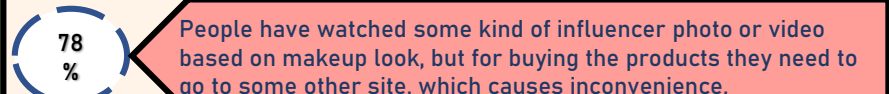
Live Fashion



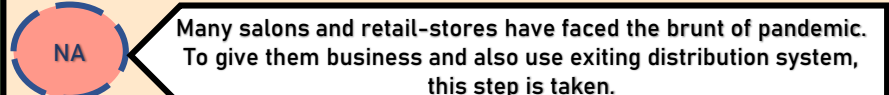
Gamification



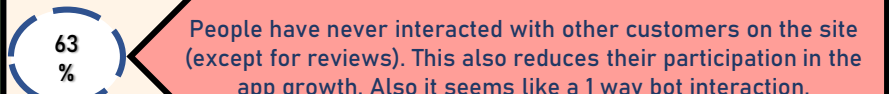
Try it out



Get influenced



2-day delivery (for non-exclusive products)



2-way interaction model (Customer as micro influencer)



Main Idea

To create a freemium model app which includes these mentioned features.

Most of resources used are already being used by L'Oréal. So only few additions to be made to make it adaptive.

Target group

- Middle, Upper middle class and Niche category people
- Men, Women
- Age 20-45 years
- Ones who like to dress and groom themselves well and search for new ways to look good

AI ethics

The AI will be modified to suit the vast skin-type diversity of India.

After this the app will be launched alongwith AI and with time additions will be made as per future analysis.

Basics of the idea

- The idea/innovation is **applicable across all brands** of L'Oréal (country adaptive). **Every aspect of loreal distribution** will play a role here.
- The idea/innovation is **scalable at world level** as the problems being solved are present at world level although in different intensities.

Data

- Data to be collected from customers (**with consent**) will gather their look preference, skin type, product demand in specific market, etc. Also access to their **Camera, Data, Storage & Location** will be asked.
- It will benefit L'Oréal with **new product launches** in skincare and makeup segment and also **with acquisitions (like Biotique)** as exact **consumer demand** will be known.

1. 1/3rd of new product purchases in our study were impacted by a beauty influencer

2. In India, girls aged 18-21 often visit makeup e-retailer sites to get tips & advice and learn about trending beauty products in the makeup section.

1. Half of Indian consumers said they're interested in using VR (67%) and AR (64%) to engage with beauty products.

2. 81% of consumers engage with at least one beauty influencer on YouTube

Bots are also increasingly used in all types of interactions between brands and potential customers. According to Gartner, by 2020 85% of such interactions will occur without human participation.

2. This phase can also be made better by partnering up with Myntra (country adaptive fashion site) so that once the look is ready, user can buy the same from Myntra.



Financials and KPI

| Roles Involved in App development | Cost (per annum) |
|-----------------------------------|-------------------------|
| Frontend (2-3) | 14 lakhs |
| Backend (2-3) | 27 lakhs each |
| 3D Modelers (Designers) | 8 lakhs |
| UI/UX (Designers) | 7 lakhs |
| Animator | 7 lakhs |
| AR specialist | 6 lakhs |
| Analyst | 9 lakhs |
| Operations | 5 lakhs |
| Total (considering 6 months) | 41.5 lakhs (83 lakhs/2) |

Return On Investment

- Min. ROI per annum is 73.84%.
- Here only aspects like Marketing Expense, App Development Expense and Subscription Income have been considered.
- Other aspects like Maintenance Expense (20% of app development expense), Income from sale of products, jewellery, listing of sellers, etc. can also be included.

Key Performance Indicators – KPIs

- **Churn rate** (lower as there is something for all)
- **Customer Acquisition Cost** (lower cost because of uniqueness of the app)
- **Monthly active users** (higher during festivals)
- **Average Revenue Per User** (higher as other items except makeup are also been sold like jewellery, makeup accessories, etc.)

Marketing and Advertising



Awareness

Promotions through traditional (Billboard, Magazine, etc.) and digital (Instagram, YouTube) modes.



Engagement

App experience,
Influencer videos, Live
fashion show, Chatbot



Conversion

Consumers purchasing products recommended by experts. Purchase of subscription model.



Delight

2-way interaction model where a customer can review the product online and promote the app through WOM.

Billboards to put up which will depict the main idea of the app – **Bringing L'Oréal Expert to your home.**

QR code to be included to reduce the time between viewing the ad and downloading the app.

QR code to be printed behind each product packaging so as to promote the app to every single customer.

This will reduce the effort to search out for app, leading to more downloads.

TVs/tablets to be installed at L'Oréal salons/shops to give the experience of the app to the customer.

For those who are not aware of app in first place, can experience the same and then download it.

Magazine ads to be published on a double spread page with QR codes in it to cut down the time of searching for the app.

Main Magazines -
Cosmopolitan,
Femina, Vogue

Traditional

Digital

| Subscription rates | | | | Particulars | Numbers |
|--------------------|---------|---------------|----------|---|------------------|
| | Monthly | Semi-annually | Annually | Target Audience | 100 million |
| Only Chatbot | Rs.100 | Rs.550 | Rs.1000 | Min. L'Oréal Market share | 8.5% = 85,00,000 |
| | | | | Min. percentage of people using the app | 40% = 34,00,000 |
| Only Gamification | Rs.100 | Rs.550 | Rs.1000 | Min. Conversion rate | 8% = 2,72,000 |
| | | | | Min. 2 months subscription/year | 200 |
| Both | Rs.180 | Rs.1000 | Rs.1800 | Min. revenue in first year | Rs. 5,44,00,000 |

| Marketing activities | Cost as per 15 states |
|---|---|
| Billboard with QR code | 37.5 Crores |
| Standing posters with QR code in malls | 15 lakhs |
| Celebrity Endorsements | 1.5 crores |
| AR TV/ Screen in L'Oréal salons | 36 lakhs |
| Magazine ads (Double spread page) | Cosmopolitan – 3 lakhs Femina – 4.7 lakhs Vogue – 6.9 lakhs |
| Social Media Promotion (includes influencers) | 10 lakhs |
| TOTAL | 397.56 million |

Social Media Strategy

- Major platforms – Instagram, YouTube
- Online ads by celebrities and influencer will be targeted to audience who usually search and view makeup/skincare related videos.

Social Media
Tagline
#IAmWorthIt

Total Reach – 30,85,714

Total Engagement – 96,751

CPR – 32%