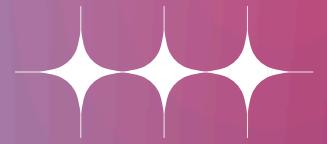


BEYONCA ADEMULEGUN



DIGITAL STRATEGIES IN THE BEAUTY INDUSTRY:

L'ORÉAL

CONTENTS

01

Big Data & Digital Strategy

02

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BIG DATA & DIGITAL STRATEGY



What is Big Data?

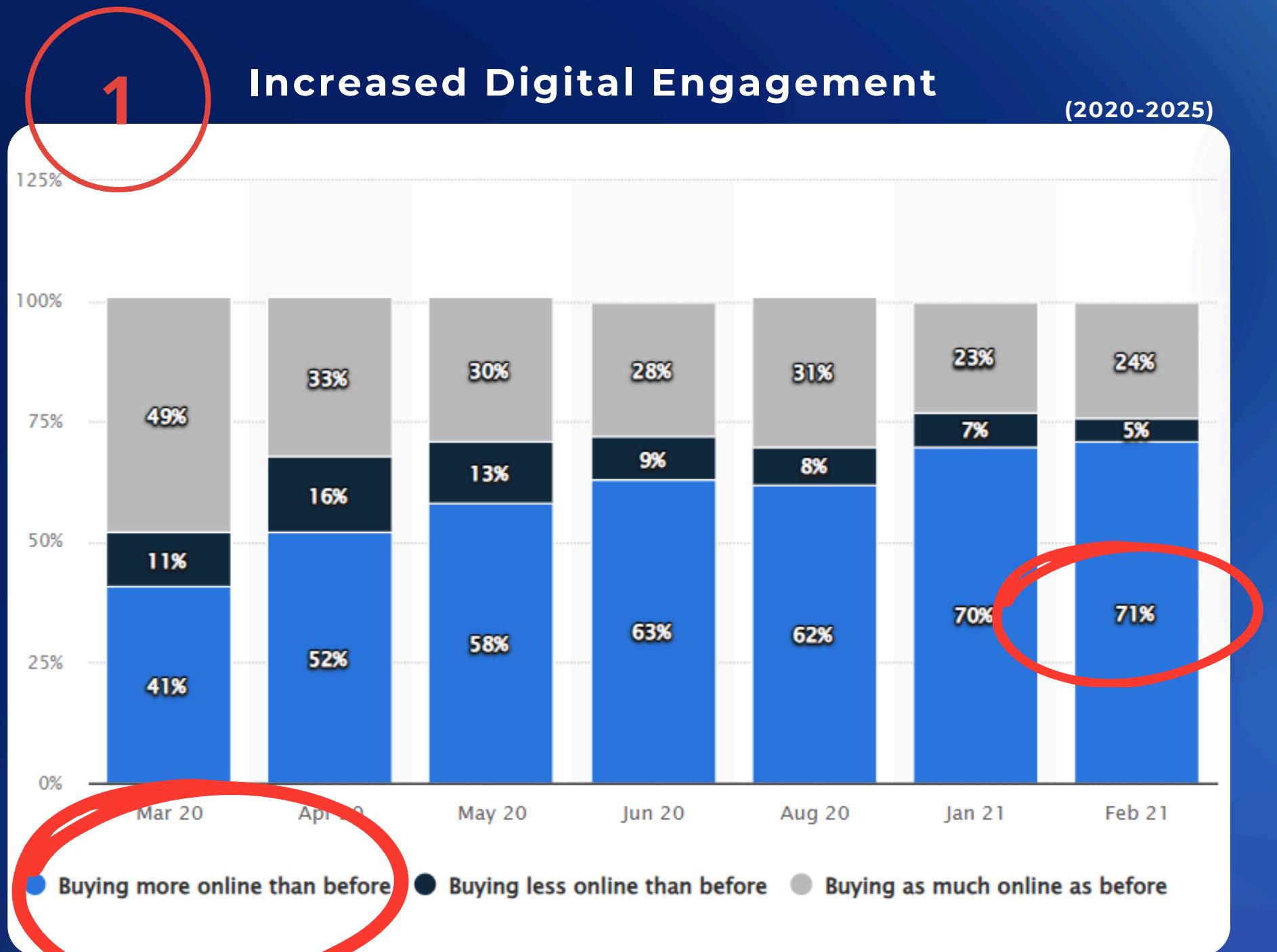
“Big data refers to massive, complex data sets that traditional data management systems cannot handle. When properly collected, managed and analysed, big data can help organisations discover new insights and make better business decisions.” (Badman & Kosinski, 2024)

What is a Digital Strategy?

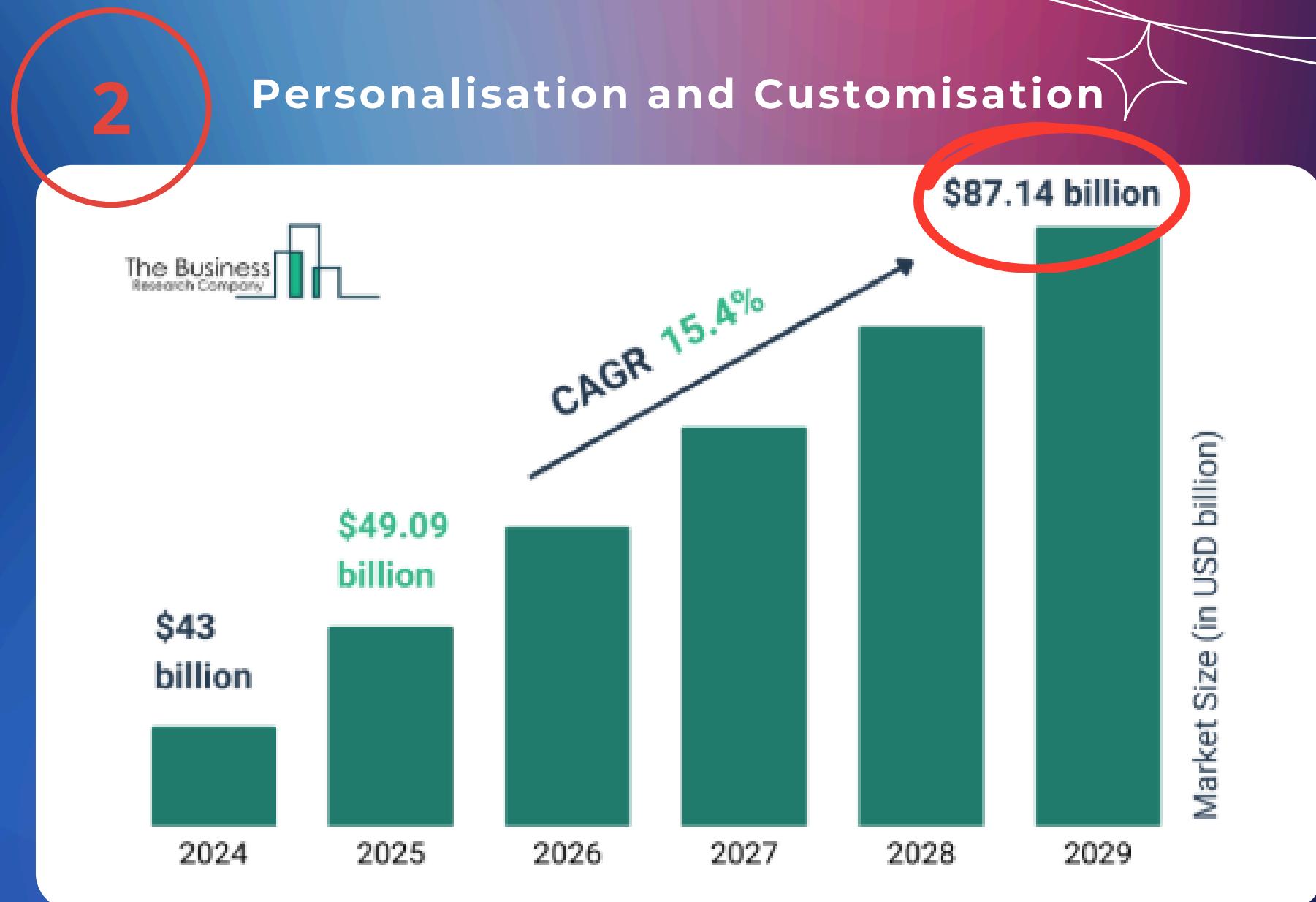
A plan that integrates technology into a business to create efficient processes, engage effectively with customers, and stay competitive in a digital world. (Olmstead, 2022)

It involves transforming how a business operates and delivers value, understanding customer needs, streamlining operations, and fostering an innovative company culture. (Olmstead, 2022)

CONSUMER BEHAVIOUR & EXPERIENCE



- Shift towards online shopping
- Rise of virtual try-ons
- Mobile apps and AR features



Next-Generation Personalized Beauty Market Size 2025 And Growth Rate
(The Business Research Company, 2025)

- Growing demand for personalized experiences
- Brands that offer customization have captured consumer attention by leveraging data.

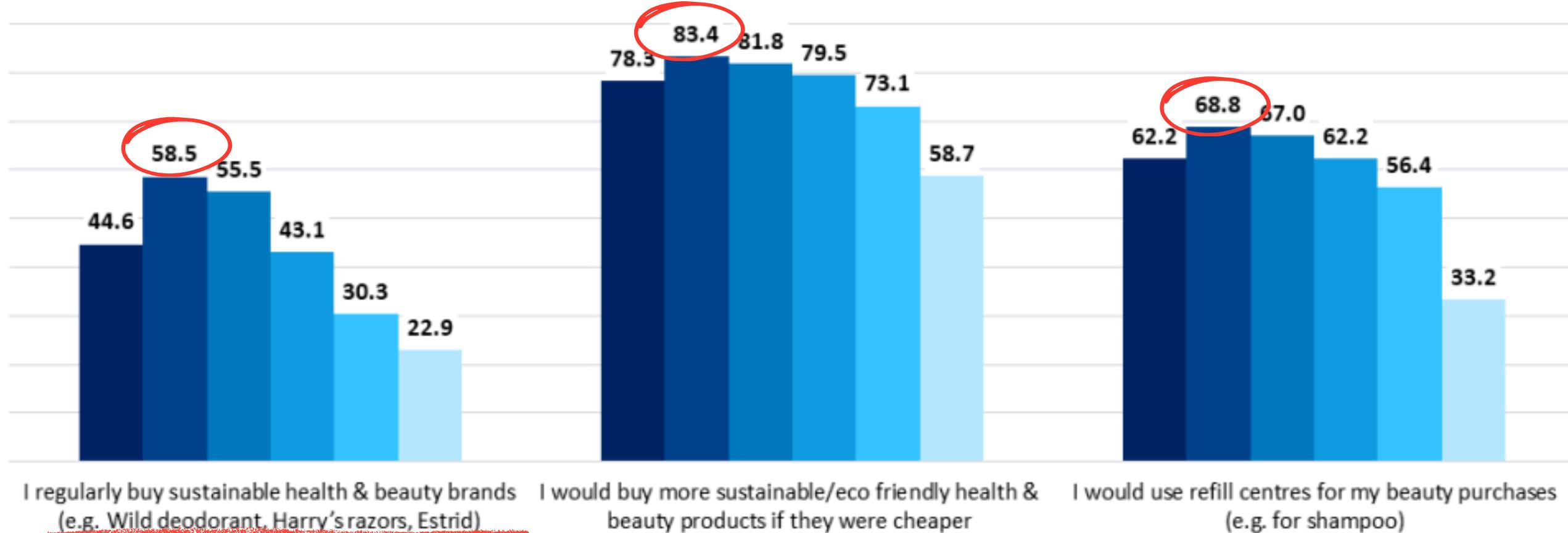
CONSUMER BEHAVIOUR & EXPERIENCE

3

Sustainability and Ethical Concerns

Agreement with various statements about sustainability within health & beauty by generations

■ Total ■ Gen Z ■ Millenials ■ Gen X ■ Boomers ■ Silent Generation



Source: All figures are percentages. The chart above shows agreement with various statements about sustainability within health & beauty, by generation. Data is derived from GlobalData's July 2024 monthly survey of 2,000 respondents.

GlobalData

Source: GlobalData Consumer Intelligence Center

Agreement about sustainability within health & beauty by generations (GobalData, 2024)

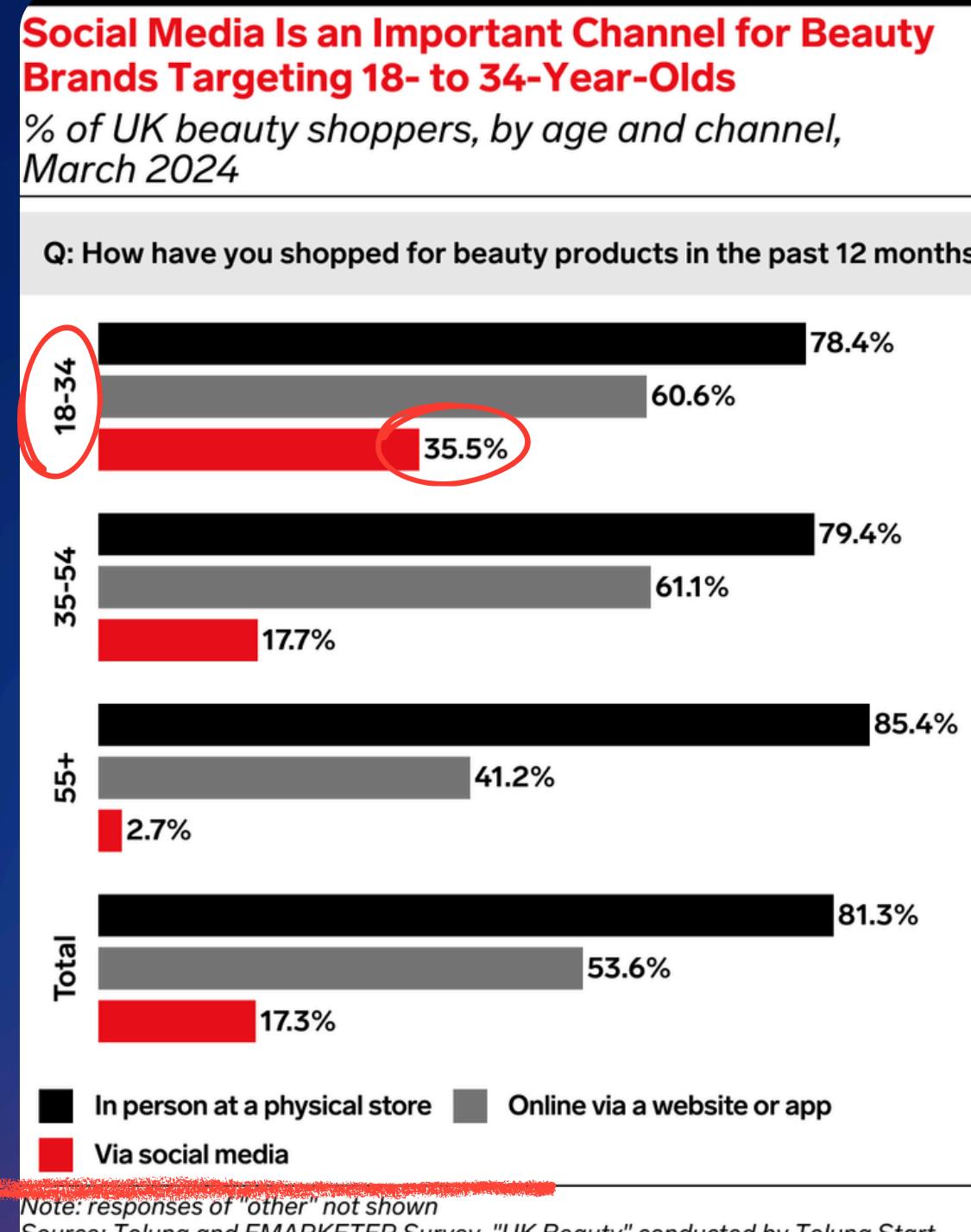
(Amed et al., 2021)

- Growing environmental and ethical considerations when purchasing
- Sustainability and cruelty-free claims became significant differentiators for brands.

CONSUMER BEHAVIOUR & EXPERIENCE

4

Social Media Influence



Instagram, TikTok, and YouTube have become central to consumers' discovery and purchasing behaviors.

Why Target Gen Z?

- **Growing Purchasing Power:** In 2020, Gen Z was already estimated to contribute \$143 billion to the global economy.
- **Skincare Expenditure:** In 2021, approximately 37% of UK Gen Z respondents spent between £10 and £20 on a single skincare product (Petruzzi, 2024).
- **Social Media Savvy:** Gen Z is the most digitally native generation.
- **Brand Loyalty & Advocacy:** Gen Z values authenticity and is more likely to support brands that align with their personal values. This generation is less brand loyal than Millennials but is more likely to advocate for brands they trust on social media.



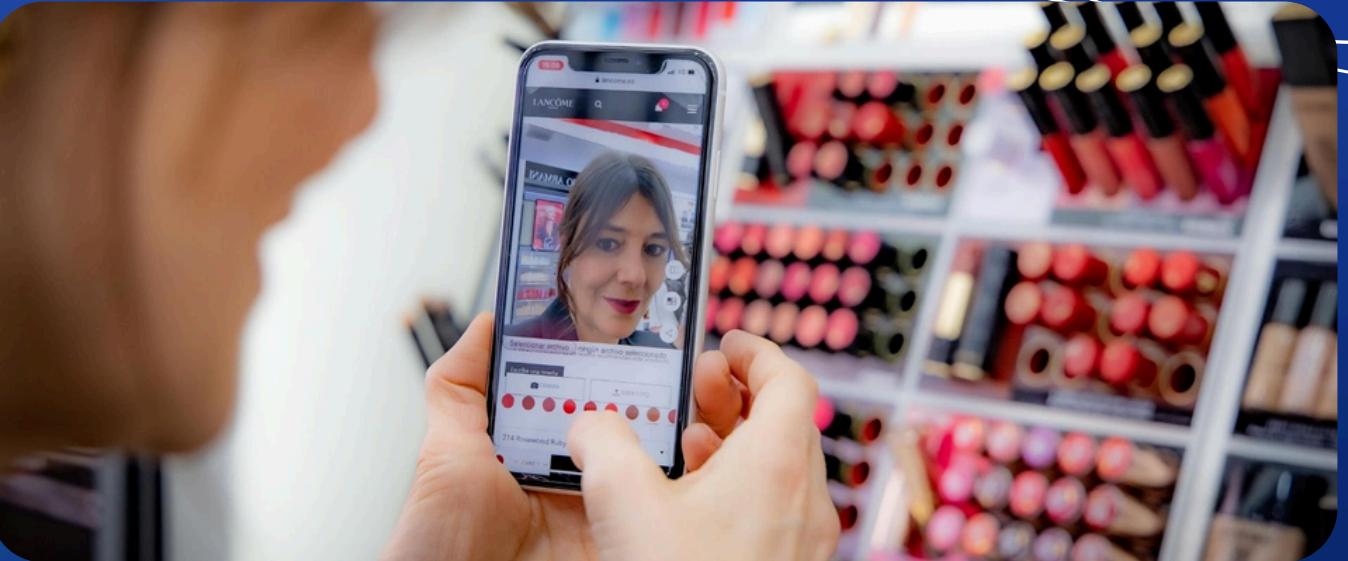


L'ORÉAL

Digital Innovation & AI-Powered Personalization

ModiFace AR & AI-powered Try-Ons

L'Oréal's ModiFace technology allows customers to virtually try on makeup through Instagram, Snapchat, and brand websites. It enhances product discovery and reduces return rates by 20% (Forbes, 2023).

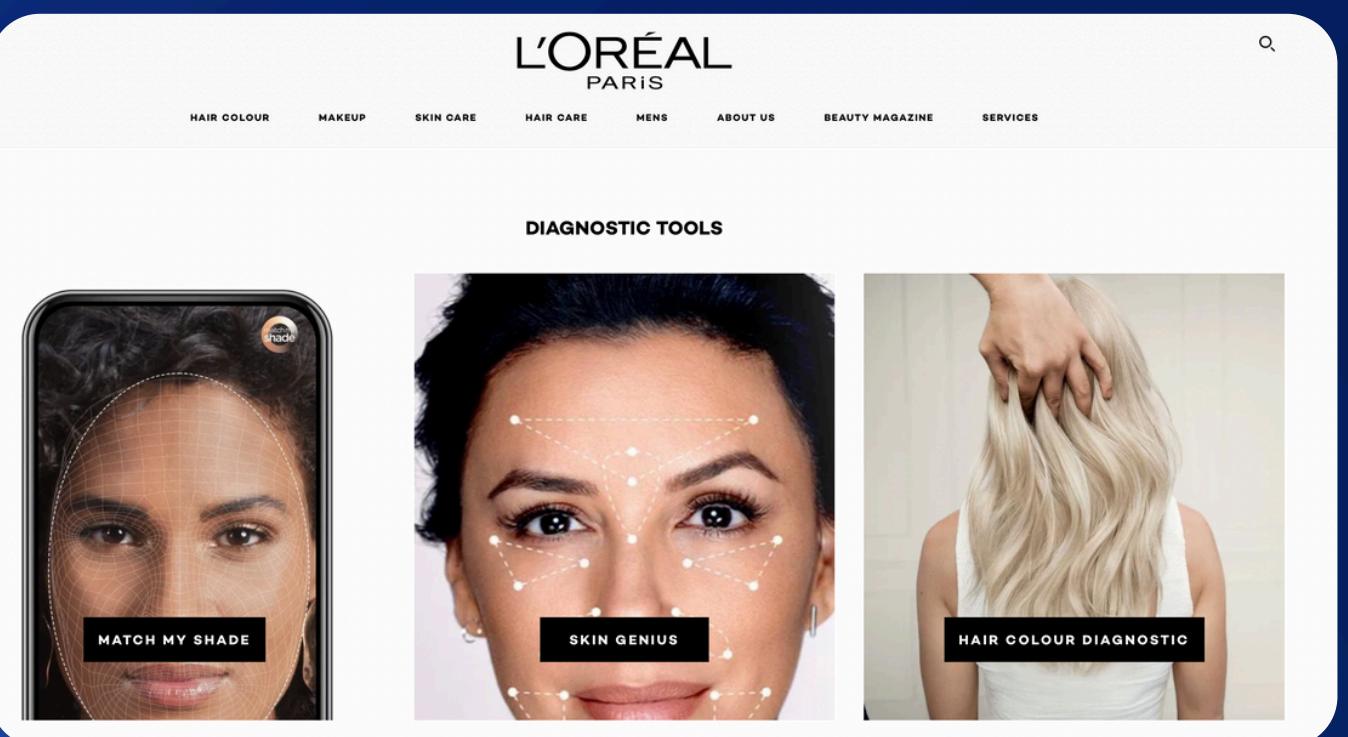


Google Cloud for Precision Advertising

L'Oréal leverages Google Cloud AI to optimize digital ad campaigns, increasing conversion rates by 30% through targeted, data-driven marketing (Marketing Dive, 2023).

AI Skin Analysis – Skin Genius & Perso

The Skin Genius tool assesses skin conditions from selfies and recommends personalized skincare products, while Perso creates custom skincare & lipstick shades tailored to user preferences (TechCrunch, 2024).



SWOT ANALYSIS: L'OREAL'S DIGITAL STRATEGY

Strengths

- Advanced AI technology (ModiFace, Skin Genius)
- Industry leadership in digital beauty
- Strong partnerships (Google Cloud, social media)

Weaknesses

- High investment costs for AI and tech integration
- Dependence on data accuracy for AI recommendations
- Potential privacy concerns with AI-driven personalization

Opportunities

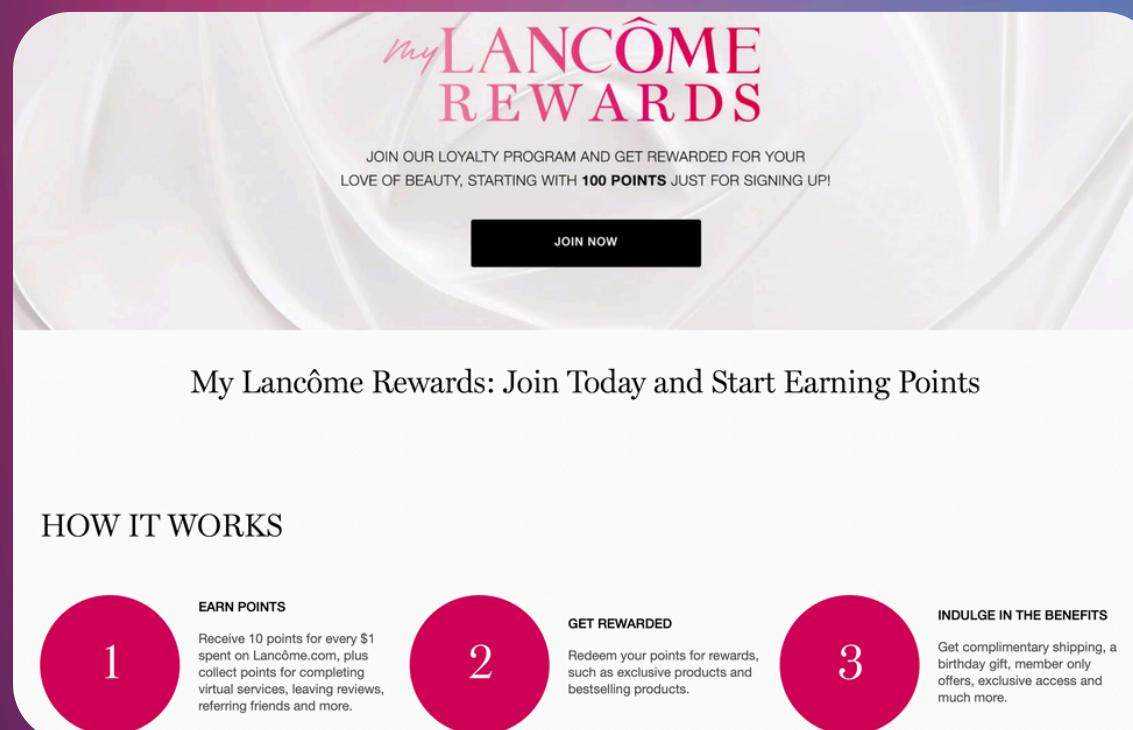
- Rising demand for personalized beauty experiences
- Expansion in emerging digital markets
- Growth in e-commerce and social commerce

Threats

- Intense competition from tech-driven beauty startups
- Evolving data privacy regulations
- Dependence on policies of social media platforms

TikTok's Role in L'Oréal's Growth

L'Oréal utilizes #LOrealParis trends, branded challenges, and influencer collaborations to drive engagement.



The image shows the My Lancôme Rewards landing page. At the top, it features the "myLANCÔME REWARDS" logo in pink. Below the logo, a subtext reads: "JOIN OUR LOYALTY PROGRAM AND GET REWARDED FOR YOUR LOVE OF BEAUTY, STARTING WITH 100 POINTS JUST FOR SIGNING UP!" A "JOIN NOW" button is visible. The main section is titled "My Lancôme Rewards: Join Today and Start Earning Points". Below this, a "HOW IT WORKS" section is shown with three circular steps: 1. EARN POINTS (Receive 10 points for every \$1 spent on Lancôme.com, plus collect points for completing virtual services, leaving reviews, referring friends and more.), 2. GET REWARDED (Redeem your points for rewards, such as exclusive products and bestselling products.), and 3. INDULGE IN THE BENEFITS (Get complimentary shipping, a birthday gift, member only offers, exclusive access and much more.).

AI-Driven Loyalty Programs

Programs like Lancôme Elite Rewards & NYX VIP offer personalized rewards, early access to launches, and VIP consultations, increasing retention by 20% (Forbes, 2024).

MY LANCÔME REWARDS OVERVIEW

My Lancôme Rewards is a complimentary loyalty program where members can earn 10 points for every \$1 spent. Additional points can be earned by leaving reviews, completing virtual services, enrolling in auto-replenishment and more!

Redeeming points has never been easier, with an exclusive rewards catalog accessible via your account or at checkout to receive with your next order.

MEMBERSHIP TIER



ROSE GOLD TIER

Up to 1,999 points earned each year
- Free shipping on \$49+
- 20% off birthday gift
- Early access to promotions and launches



GOLD TIER

Up to 6,499 points earned each year
- Free shipping on all orders
- 20% off birthday gift + 100 bonus points
- Early access to promotions and launches



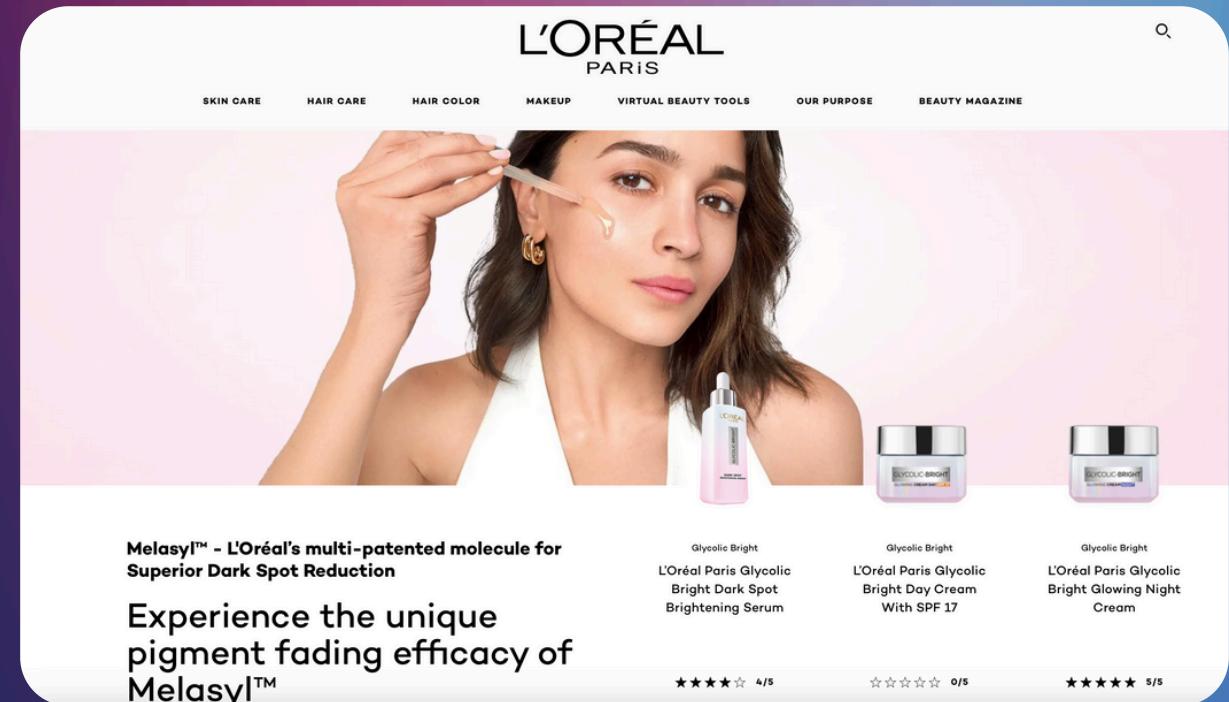
PLATINUM TIER

6,500+ points earned each year
- Free 2-day shipping on all orders
- 20% off birthday gift + 100 bonus points
- Early access to promotions and launches

AI & SMART BEAUTY TECH

AI Assistants on L'Oréal's Website

L'Oréal integrates AI assistants on their website for beauty consultations, allowing users to receive real-time product recommendations, skincare advice, and makeup tutorials.



Omnichannel Shopping Enhancements

Customers can seamlessly switch between in-store experiences and online purchases, improving the overall shopping experience.

A screenshot of a mobile-style AI consultation interface. At the top, there's a header with "Return to L'Oréal Paris" and a profile icon. Below the header is the text "Beauty, Simplified." and a sub-instruction "Ask a beauty-related question or select a popular starter topic below.". There are three cards with images of women: one showing a skincare consultation, another showing hair care, and a third showing makeup. Each card has a dropdown menu with a question like "How can I cover greys and strengthen my hair?". A message bubble at the bottom asks "What lipstick colors suit my skin tone?", followed by a response: "To help you find the perfect lipstick color, I'd love to know a bit more about your preferences and the look you're going for. Lipstick shades can complement your skin tone beautifully, but the finish of the lipstick also plays a big role in how the color appears on your lips." Another message bubble asks "Could you tell me what finish you prefer for your lip makeup?", and a final message bubble says "Ask a question or reply...".

COMMERCIAL SUCCESS

DIGITAL TRANSFORMATION



- By implementing a Customer Data Platform (CDP), the company achieved a **22.22% conversion rate** in media campaigns, surpassing average rates.
- Click-through rates increased by **26.25%**, reflecting improved customer engagement. (Tealium, 2024)
- AI and AR enabled **100 million virtual try on** sessions in 2023.
- E-commerce Growth: In 2021, L'Oréal's **e-commerce sales grew by 25.7%**, accounting for **28.9%** of total sales. (Tealium, 2024)
- L'Oréal's data platform houses **10 petabytes of data**, powering various AI models, including the latest large language models (LLMs).



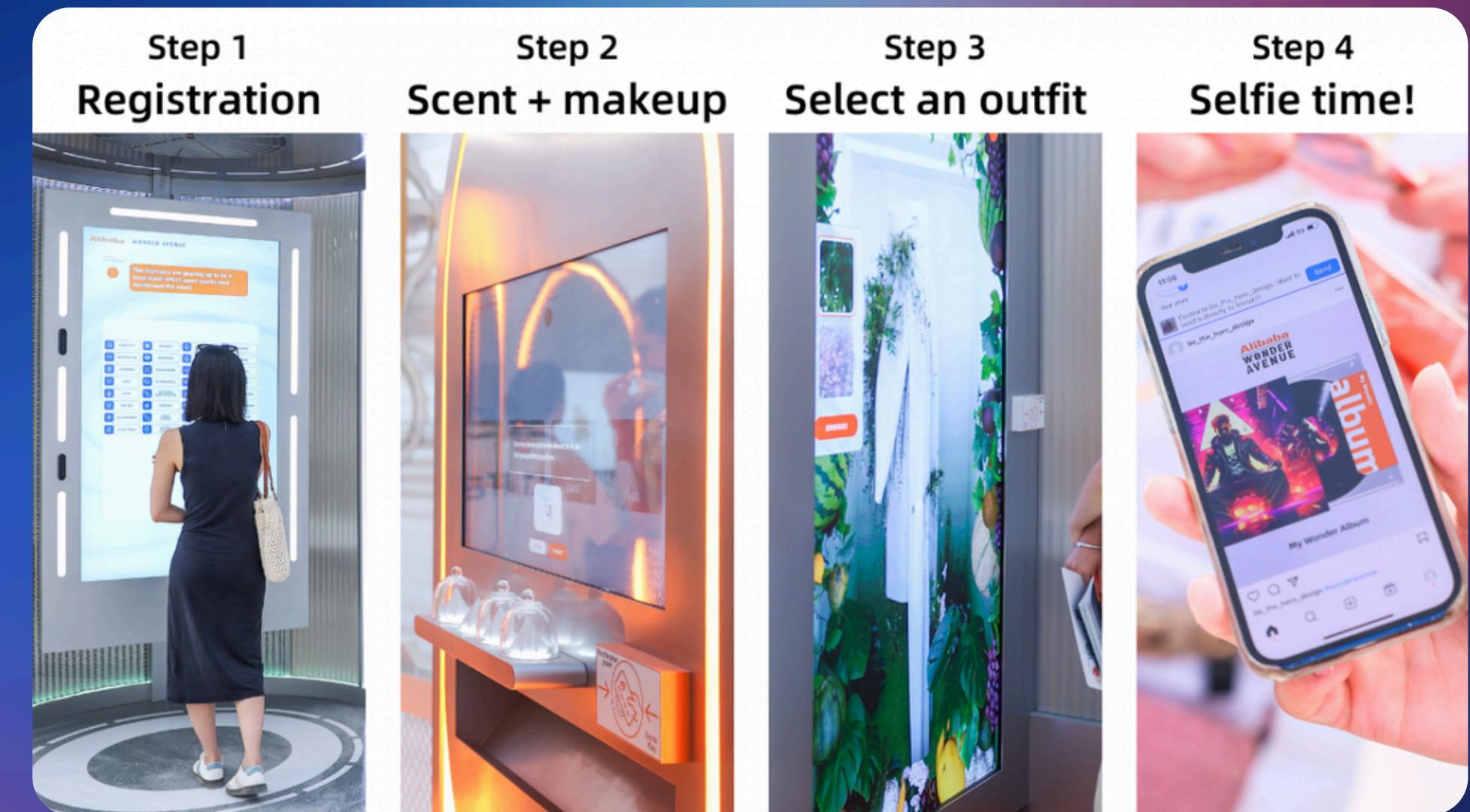
- Consumer data remains **fragmented** across global teams, making it difficult to turn massive digital insights into clear, actionable strategies.
- The explosion of digital content needs: from livestreams to platform-specific posts, has created a **“messy middle”** that strains resources and consistency.



INVESTMENT

DIGITAL WARDROBE INTEGRATION

1. Alibaba Wonder Avenue - Paris 2024 Olympics



Engage in runway shows with their digital twins, merging virtual try-ons with outfit matching

INVESTMENT

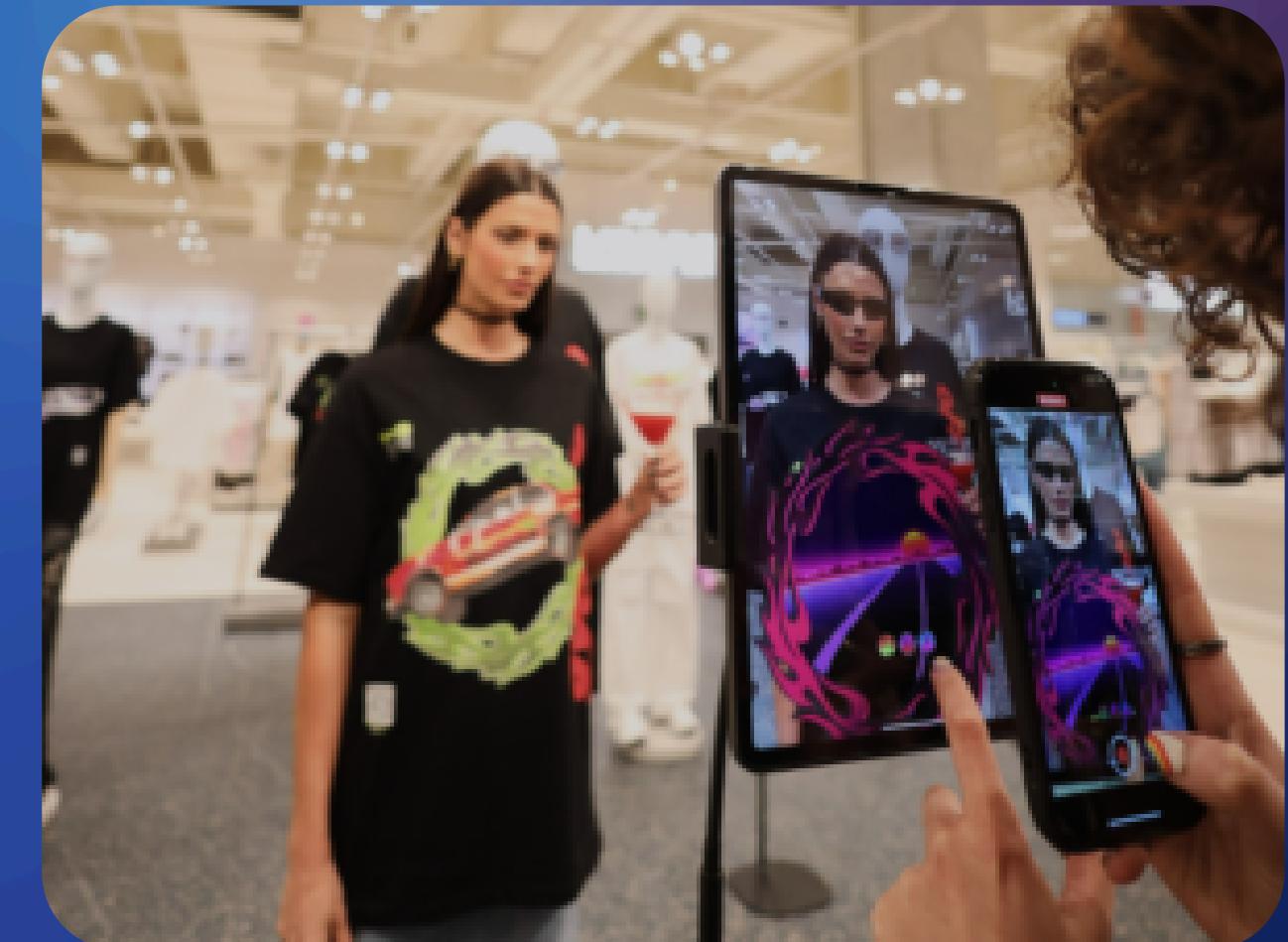
DIGITAL WARDROBE INTEGRATION

2. FFFACE.ME and Bershka Partnership

Add digital elements to specific physical garments using an Instagram filter, blending physical attire with virtual enhancements.



Inspired over 64,000 pieces of UGC'S, more than ten million online impressions, and achieved a complete sell-out.
(CXMToday, 2024)

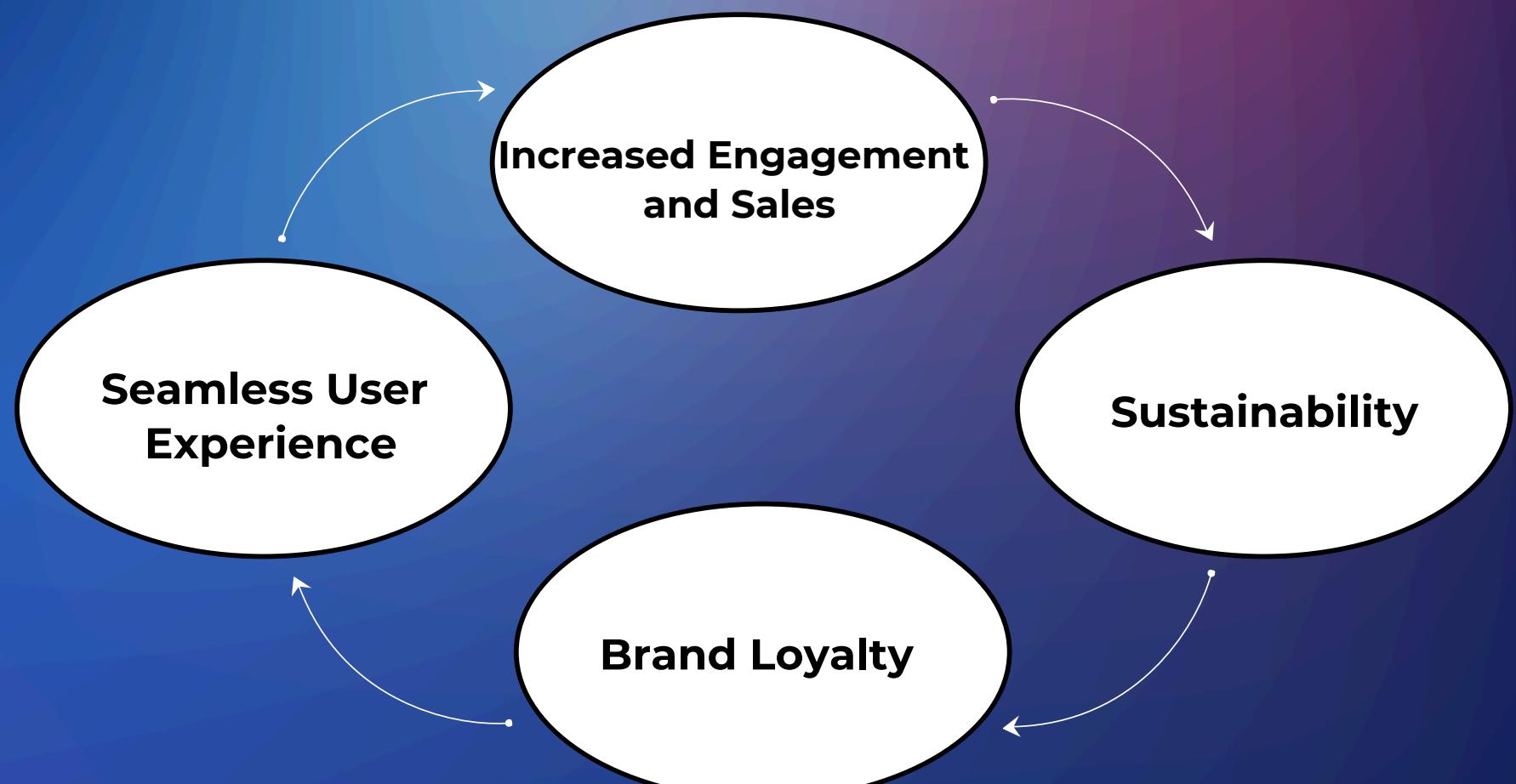
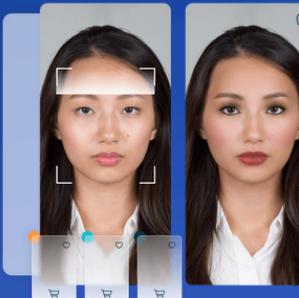


INVESTMENT

DIGITAL WARDROBE INTEGRATION

Potential Strategy

- Step 1: Outfit Upload
- Step 2: AI-Based Suggestions
- Step 3: AR Virtual Try-On
- Step 4: Purchase and Style Recommendations
- Step 5: Continuous Learning



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**THANK YOU VERY
MUCH!**