

In Focus: Business Insights

Think Tank

Global Fashion Eyes Beauty to Source Talent

By Kirk Palmer

Amazon recently announced that the former chief executive officer of Victoria's Secret Beauty, Christine Beauchamp, would head the company's fashion division. The high-profile hire comes on the heels of Ralph Lauren's recent appointment of Patrice Louvet, a Procter & Gamble veteran who most recently oversaw the company's global beauty business, to the post of ceo.

The moves signal growing demand for a diverse set of skills within both fashion and beauty industries as brands look to innovate through non-traditional hires. Beauchamp also held senior positions with fashion brands including Ann Taylor and the Ralph Lauren Group. Louvet spent decades leading various CPG brands at P&G, including Gillette.

With well-established companies like Sephora, Estée Lauder and Ulta showing continued growth and new brands like Supergoop gaining traction despite a saturated marketplace, beauty is a growing hotbed of innovative marketing know-how. Global fashion houses are increasingly crossing the line to beauty to identify and recruit new talent – particularly those with digital and/or retail expertise.

In a similar way, beauty brands are tapping fashion talent for expertise in merchandising, creating desire through a product-centric approach, and driving cross-collaborations with creative and business. Deborah Yeh, the senior vice president of brand and marketing at Sephora who joined from Gap, is one example. Greg Unis, formerly of Coach Inc., who was recently chosen to head up the Victoria's Secret beauty division, is another.

Here are the skills that beauty talent can bring to fashion:

Creating an Experience

Unlike in fashion, in beauty, products do not sell themselves. They often require a consumer to interact with the product to make the sale. Consider consumer favorite Sephora, or most any department store counter where sales staff engages with consumers through samples or different hands-on approaches. While fashion retailers talk about this idea, this kind of "experiential" shopping is a fundamental part of the culture of beauty companies.

Leveraging this concept within the fashion industry can be a game-changer for

many brands, and create a distinct difference for consumers in how they connect, engage and purchase the brand in-store versus online.

Leveraging Consumer Insights

In the beauty industry, knowing the consumer is the most important element of building a successful relationship that drives sales. Beauty companies have become masters in connecting with consumers, whether through an immersive, in-store environment, through social media or online, beauty brands have incredibly successful CRM platforms working to understand what motivates customer engagement.

Further, by segmenting and targeting high-growth categories like Millennials or

Generation Z, beauty companies know how to differentiate and the message to reach important, but smaller sub-segments across the customer base.

Tapping a Deeper Skill Set

In traditional fashion companies, executives build their careers within one functional area of expertise, leaving them ill prepared for senior management positions that require a broader perspective. Conversely, executives coming from the beauty industry bring with them a much more diverse set of skills. While training programs have largely gone by the wayside in fashion, in beauty, companies like L'Oréal still believe in rotating executives every two to three years through various functions and geographies. This, in turn, develops an overall management skill set and bigger-picture, global point of view necessary for leading a growing brand.

Fashion and beauty companies have long had a differentiated approach to marketing, consumer engagement and leadership. However, in the digital age where every company in every industry needs to be agile, innovative and forward-thinking to not only compete, but to stay alive, sharing best practices through talent may be one of the most efficient, effective ways to ensure success.

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Beacon Technology Informs Updated Beauty Retail Strategies

● **Despite the overwhelming move to digital commerce, physical stores still have a critical role to play. Brick-and-mortars require a refresh – specifically in moves to collect consumer data to inform the revamping of store experiences to maintain shoppers and optimize revenue opportunities.**

Meanwhile, the beauty industry has led the charge with deploying new technologies to better serve shoppers and improve the supply chain. From augmented reality product testing tools to smart mirrors, beacons are also being tactically deployed.

Here, Annie Jackson, chief operating officer at Credo Beauty, an organic and cruelty-free cosmetic company, discusses the brand's decision to implement Motionloft beacon technology in its stores and how the analytics are informing the next phase of development.

WWD: How has store design changed due to shifts in the retail market?

Annie Jackson: Real estate costs are at an all-time high – focused assortments are key to keep the footprint smaller. To maximize the use of space, we spend a tremendous amount of time thinking of creative ways to maximize the offering in a smaller environment. Customers are also seeking new ways to interact with products and engage in brands, so more experiential installations in stores are being tested.

WWD: How are sensors being deployed to inform the customer journey?

A.J.: Bricks-and-mortar are always more challenging to mine for quantifiable data compared to the digital space. The ability to measure the traffic both walking by and entering stores is valuable and allows us to measure marketing campaigns, staff schedules and event bookings.

WWD: What are best practices in deploying sensors technology?

A.J.: Ensuring all our staff is trained on the data so they are able to optimize it for their roles.

WWD: Consumer expectations are quickly evolving, how does this technology help the development of new business strategies?

A.J.: Millennials seek more value out of products they choose to buy, thus they do much more research – viewing unboxing videos, searching Instagram posts and reading online reviews, for example – before making a purchase. Motionloft helps Credo establish attribution models that can measure online to off-line traffic. Marketing campaign efficacy now has a KPI.

In the clean beauty space, there is a hunger for information. Millennials seek transparency and interactive experiences. Motionloft data allows Credo to ensure the appropriate amount of staffing is available in-store so a high level of service is guaranteed.

WWD: How do sensors contribute to overall shopper experiences?

A.J.: Understanding peak traffic times helps us know when to launch targeted campaigns and marketing promotions.

– ELIZABETH DOUPNIK