

# DIGITALIZATION IN THE BEAUTY INDUSTRY

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## INTRODUCTION

Beauty industry has become the fastest growing category under consumer goods due to digital transformation. Digitalization in the beauty industry simplifies the selling process of beauty products. After the introduction of digital technology, it has become convenient for the consumers to approach brands. Digitalization has changed consumer's behavior. The primary objective of digitalization of beauty industry is to provide its products across the globe. Digitalization has revolutionized the way brands can connect with their customers through online platforms which creates long lasting relationship between brands and their customers. The global digitalization of beauty industry market is projected to expand at a rapid pace during the forecast period, due to an increase in demand for digitalization in the beauty sector. Digitalization in the beauty industry implies using **digital platforms** to give customers a virtual experience of the beauty products, customizing beauty products according to skin types and numerous other features that are end-user specific. The beauty industry is, in fact, quite broad: it includes both services (such as hairdressers, barbers, etc.) as well as products. The aspects of how much people spend daily in online shopping, what mode of shopping they prefer (online or offline), segmentation of digitalization in the beauty industry all these relevant topics have been covered. Covid-19 had an adverse effect on many businesses. People usually tend to shop more online during the pandemic situation as it was difficult for people to leave their houses. Growth in the beauty industry has boomed in recent years, in a trend that many link to a broader generational trend of attention to physical wellbeing. Millennials are often quoted as being the main drivers behind the meteoric growth of the beauty segment.

## REVIEW OF LITERATURE

**(Rossman,2020)** The researcher in this article has discussed about the impact Covid – 19 has created on digitalization of the beauty industry. She has also shown how the overall sales of cosmetics and beauty products have grown as people tend to purchase more online rather than stepping outside and purchasing from stores. **(Ilaydasungar,2021)** concludes that the shopping experience has transformed drastically with the use of internet and the invention of online shopping. More awareness is being spread regarding sustainability of the beauty products. This article also shows an overview of how digitalization has created much more room for beauty influencers, bloggers, etc. it also talks about how beauty companies can now build and maintain diverse consumer profiles, and reach out to other potential customers in the future. **(Transparency Market Research,2020-30)** The researcher in this article has discussed about the global industry analysis, Trends and Forecast of digitalization of beauty products. It has mentioned what digitalization means and the primary objective of digitalization of beauty industry. It also talks about how digitalization has transformed the beauty industry in terms of online shopping and globalization. It also talks about the key drivers and restraints, also the impact of covid-19 regarding global digitalization of beauty industry. This article also gives an overview of Key Players Operating in the Global Digitalization of Beauty Industry Market. **(Signicent)** this article deals with top areas of innovation in digitalization in the beauty industry. Brands today are trying to sell their products with the use of Artificial Intelligence, trying products without touching them. This article also talks about how to can make your products best by 3-D Printing and infusion. It has also given the information regarding segmentation of digitalization in the beauty industry and how Artificial Intelligence plays a vital role in the digitalization of beauty industry market. **(Kalbalia,2022)** this article talks about how to speed up timelines and reduce cost. It also talks about sustainability and the need to use sustainable packaging by using recycled materials. Using organic ingredients drive up production costs. It also explains how digitalization enables brands to stay compliant and transparent without any downtime.

## RESEARCH OBJECTIVES

- To examine the impact of digitalization on the sales of beauty sector.
- To understand the changes Nykaa has led to in the online purchasing in the beauty sector.
- To analyze the impact/degree of influence of the social media beauty influencers on the consumers.
- To understand the segmentation of digitalization in the beauty industry.

## RESEARCH METHODOLOGY

**Primary Data:** The primary data is collected using Google form. The respondents were requested to answer several questions in the form of multiple-choice questions, check boxes and linear scale. This primary data has been used in the study for the purpose of further statistical calculation. Primary data has been collected from college students.

## RESULTS, ANALYSIS AND DISCUSSION

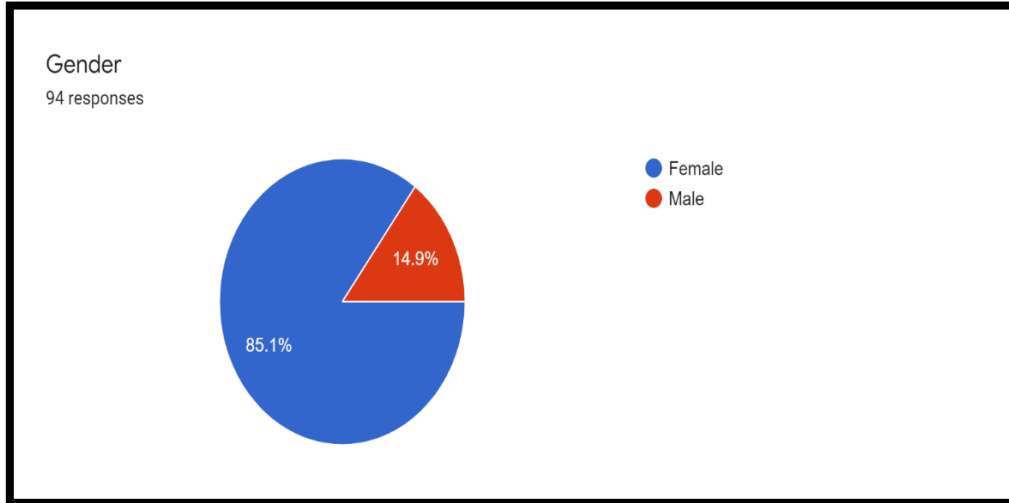


Fig. 1.1

In Figure 1.1 it is observed that 14.9% respondents are male and 85.1% are female. This helps us to know the gender profile for correlational studies.

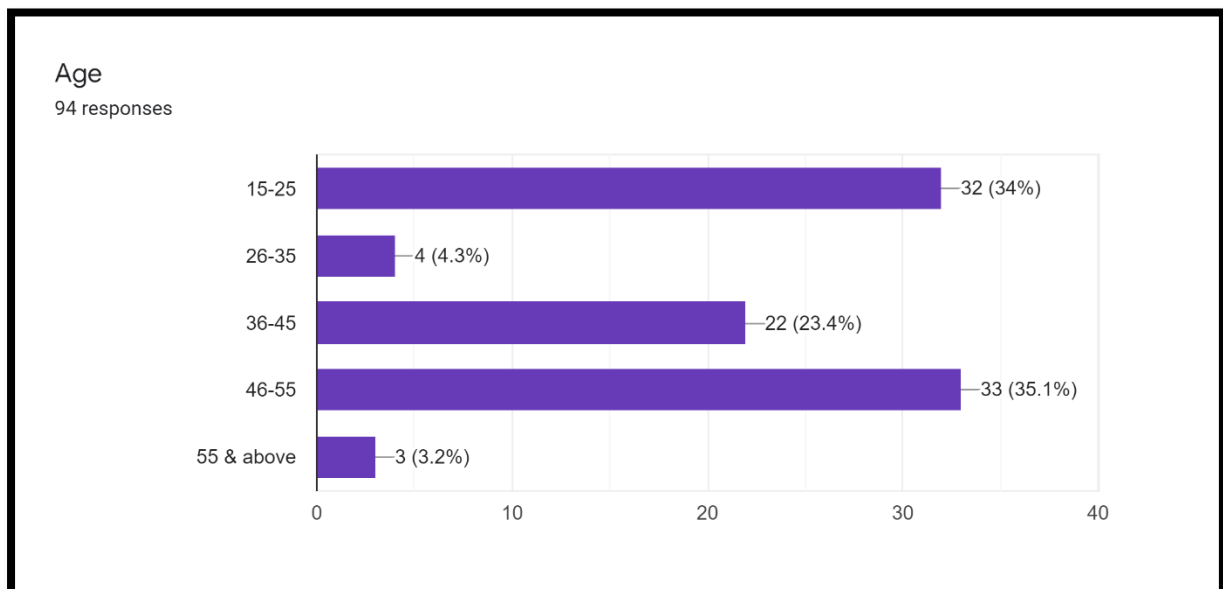


Fig. 1.2

From the respondents surveyed, majority of the respondents (35.1%) are in the 46-55 years age group, followed by 34% in the age group of 15-25 years, 23.4% in the age group of 36-45 years and 4.3% in the age group of 26-35 years. It helps us to understand age structure of the respondents for analysis.

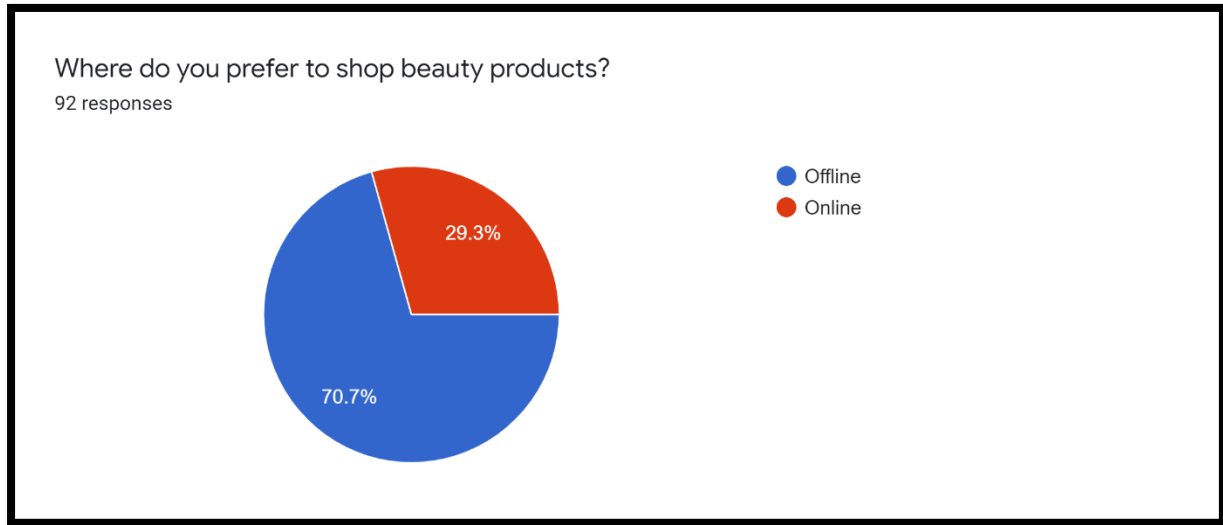


Fig. 1.3

It is observed that majority of the respondents(70.7%) have preferred shopping offline whereas only 29.3% prefer shopping online. So it can be seen that people tend to shop offline and purchase products from the stores rather than purchasing online.

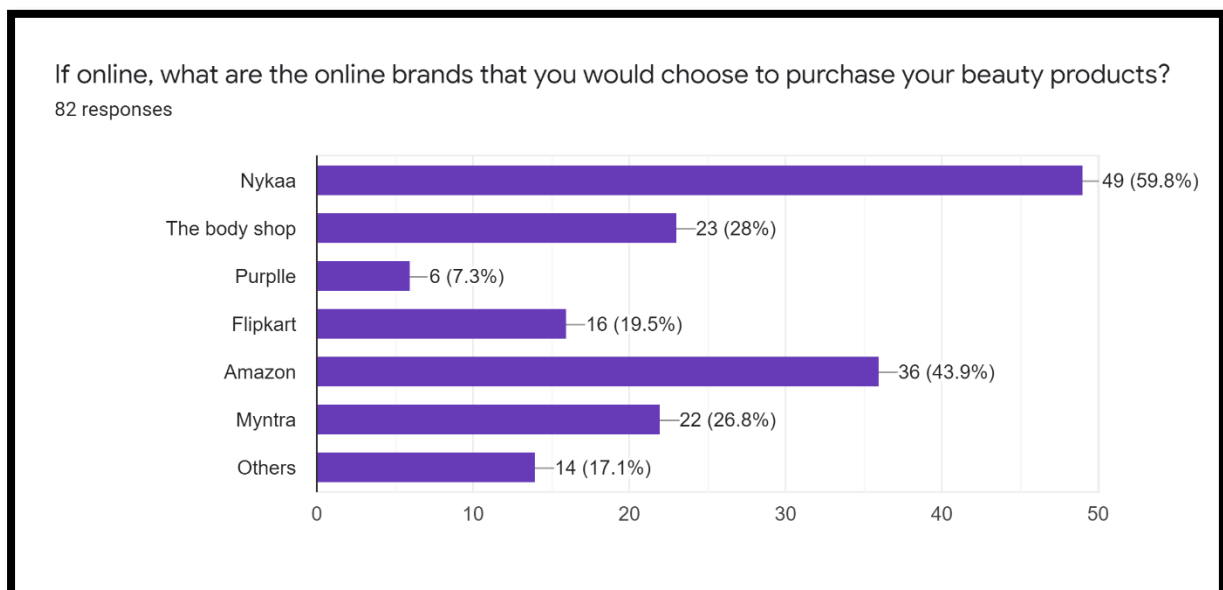


Fig. 1.4

This is the graphical representation of the websites that are used by the respondents to purchase Beauty Products. Respondents were allowed to select more than one option from the list provided. It is observed that majority of the respondents(59.8%) have chosen Nykaa and Amazon(43.9%) as their brands which they would choose while purchasing a beauty product.

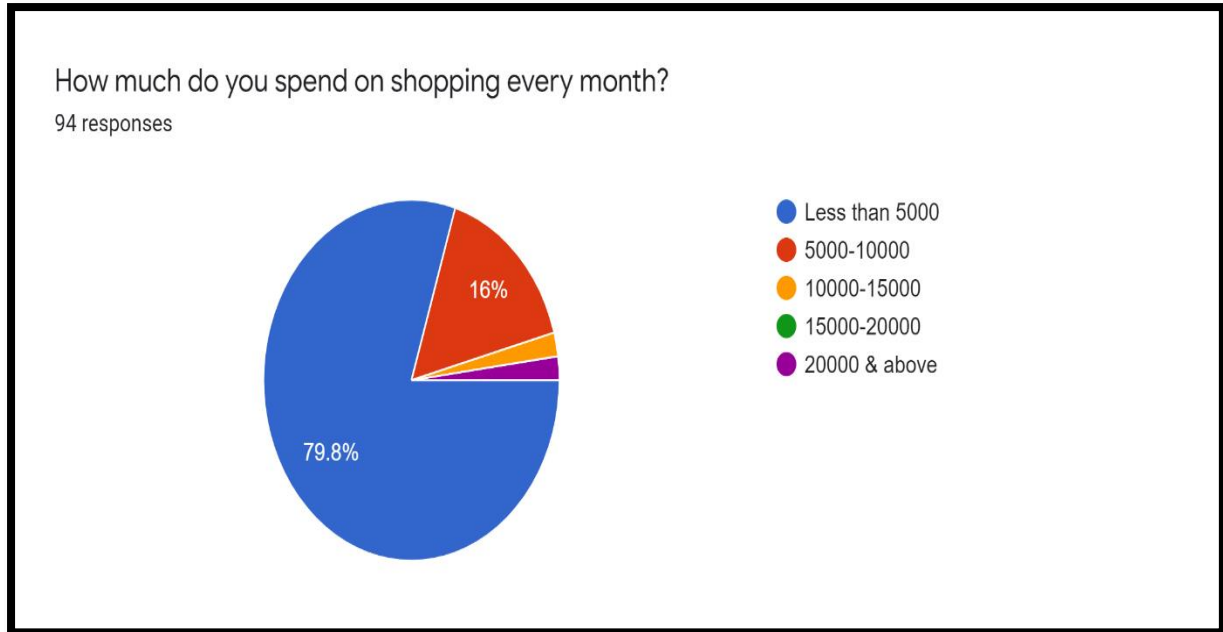


Fig. 1.5

It is observed that majority of the respondents are the lowest group (less than 5000).

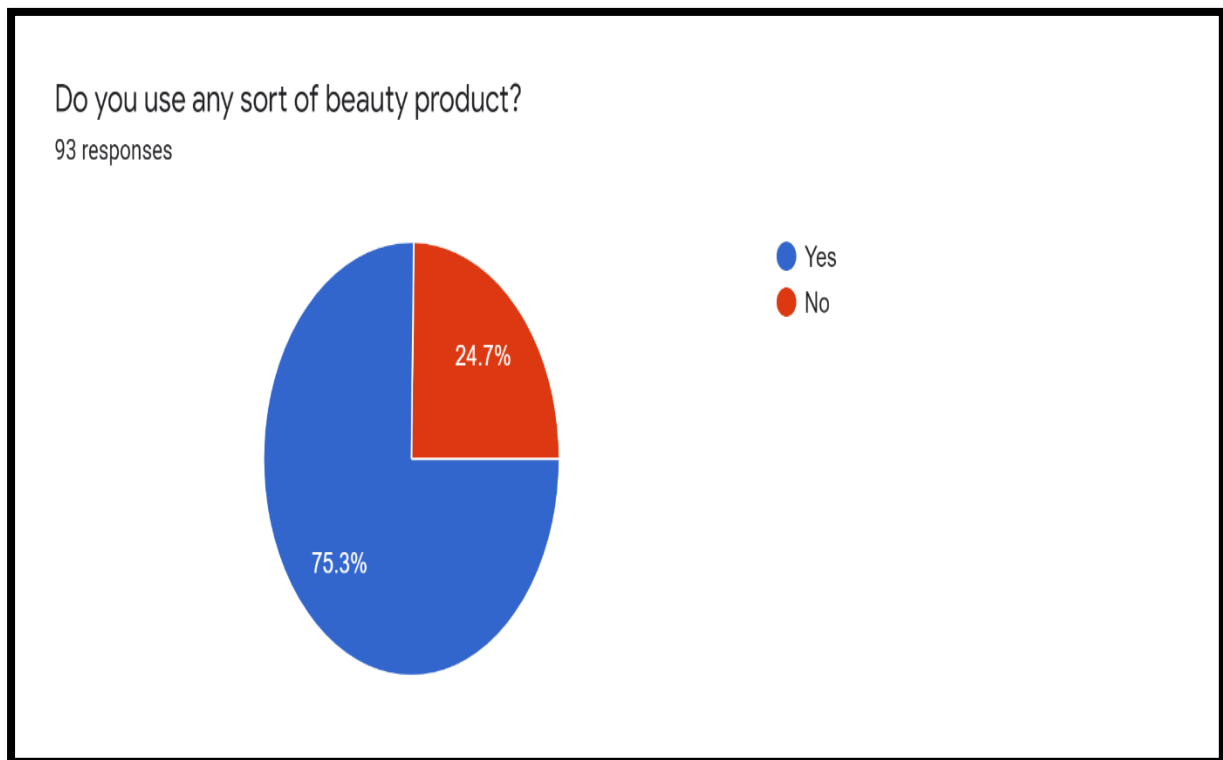


Fig. 1.6

It is observed that majority of the respondents do own a beauty product. Means that the product is a common product and has a large consumer market.

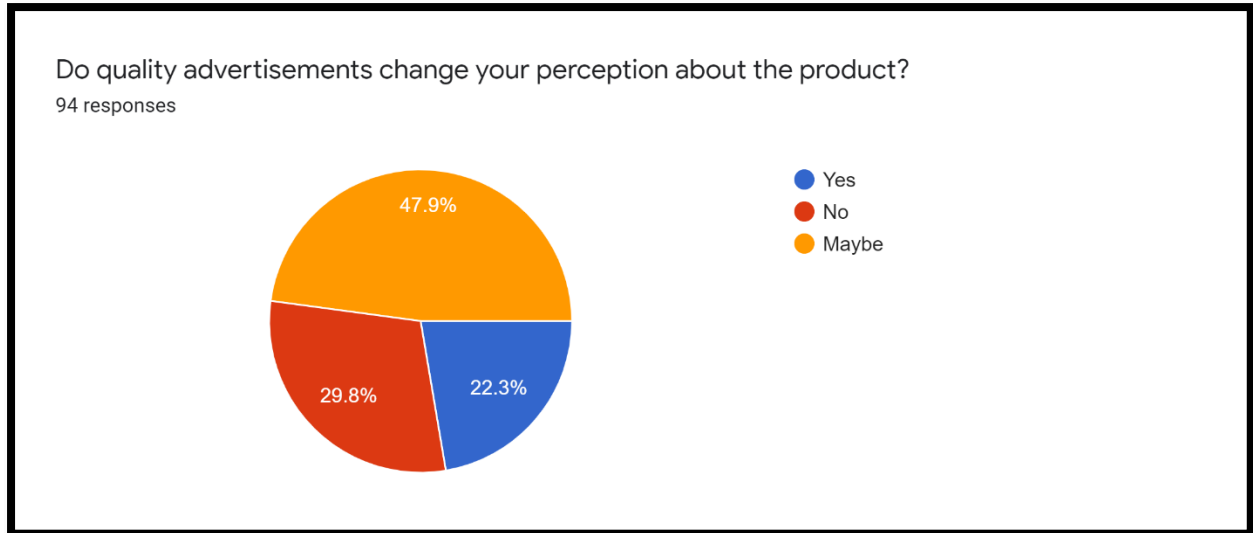


Fig. 1.7

It is observed that majority of the respondents(47.9%) are unsure whether quality advertisements change their perception about the product. whereas 29.8% think that quality advertisements does change the perception of the beauty product and 22.3% think it doesn't change.

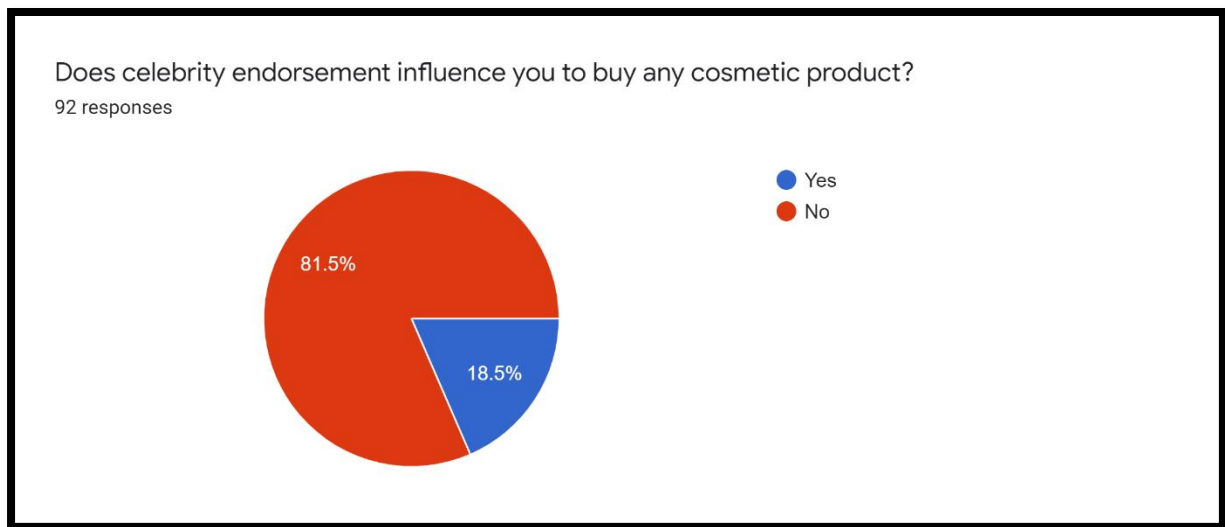


Fig. 1.8

Nowadays advertisements are done in various forms through celebrity endorsement, social media influencers and bloggers as well who promote their brands and do collaboration of beauty products as a source of income is generated as well. But majority of the respondents that is 81.5% think that celebrity endorsement doesn't influence them to buy a cosmetic product and 18.5% think that it does influence them.

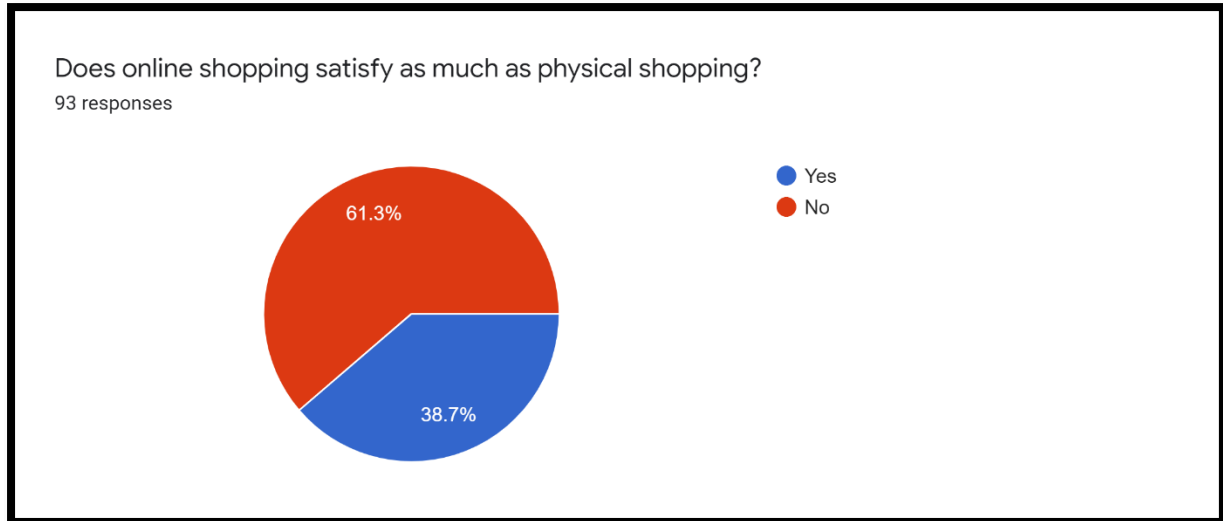


Fig. 1.9

Here it is observed that majority of respondents (61.3%) prefer physical shopping as it does not satisfy as much as online shopping, followed by 38.7% who think that online shopping does satisfy as much as physical shopping.

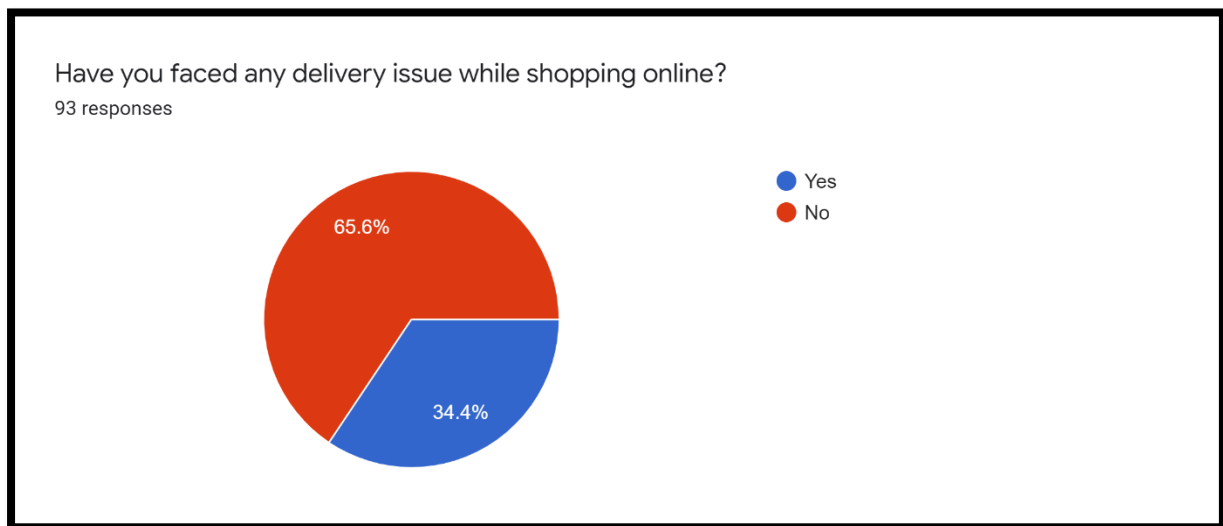


Fig. 1.10

It is observed that majority of the respondents (65.6%) say that they haven't faced any delivery issue while shopping online and 34.4% say that they did face a delivery issue while shopping online.

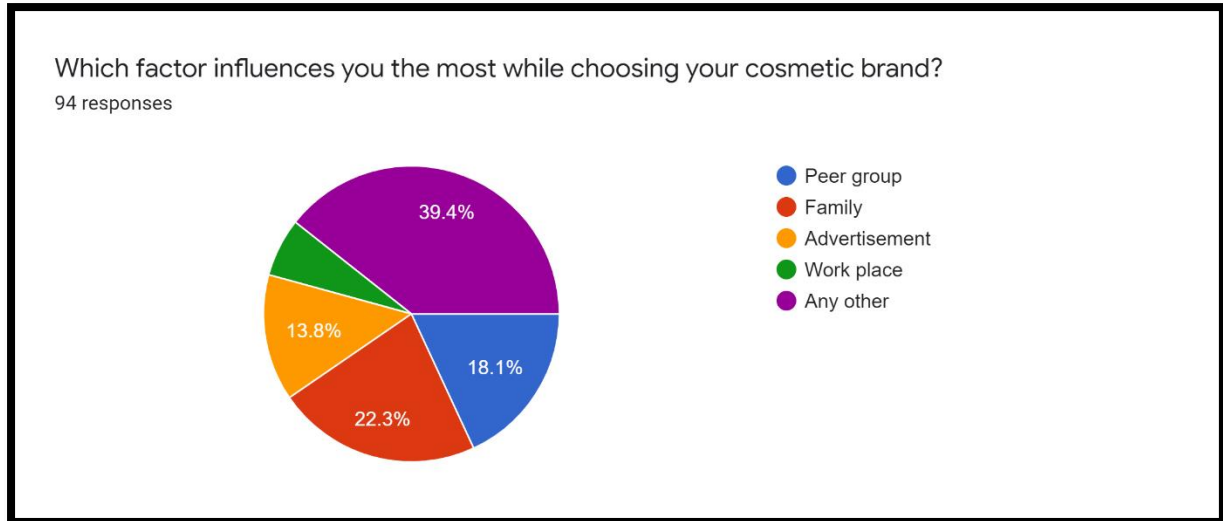


Fig. 1.11

It is observed that majority of the respondents(39.4%) have chosen other option and 22.3% have chosen family which influence them the most while choosing their cosmetic brand. Followed by 18.1% who say peer group and 13.8% who say advertisement.

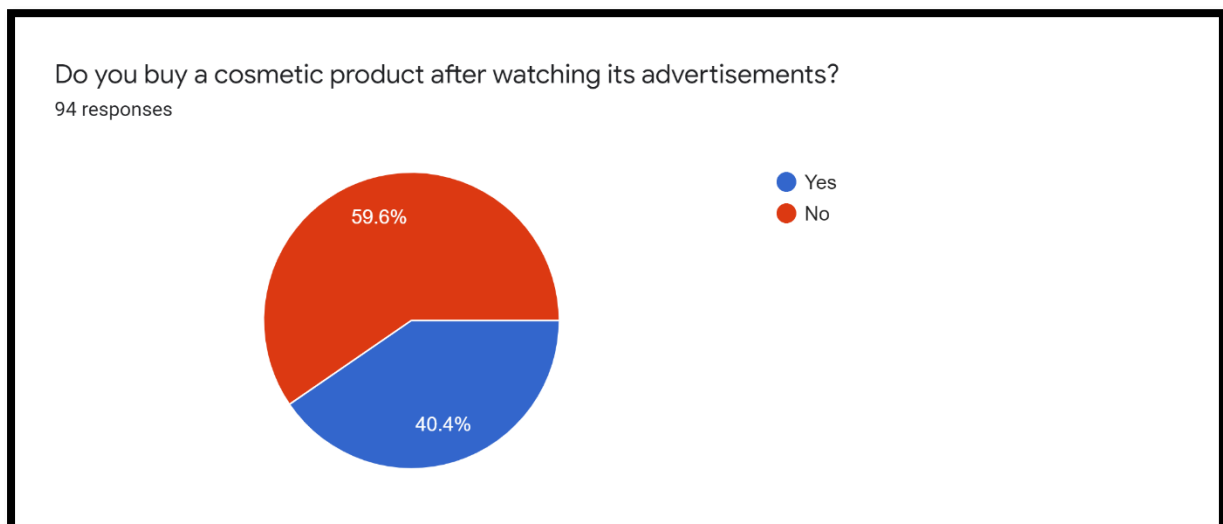


Fig. 1.12

It is observed that majority of the respondents (59.6%) do feel that advertisement change their perspective and they do buy a cosmetic product after watching its advertisements. There are 40.4% respondents who think that advertisements doesn't change their perspective for purchase.

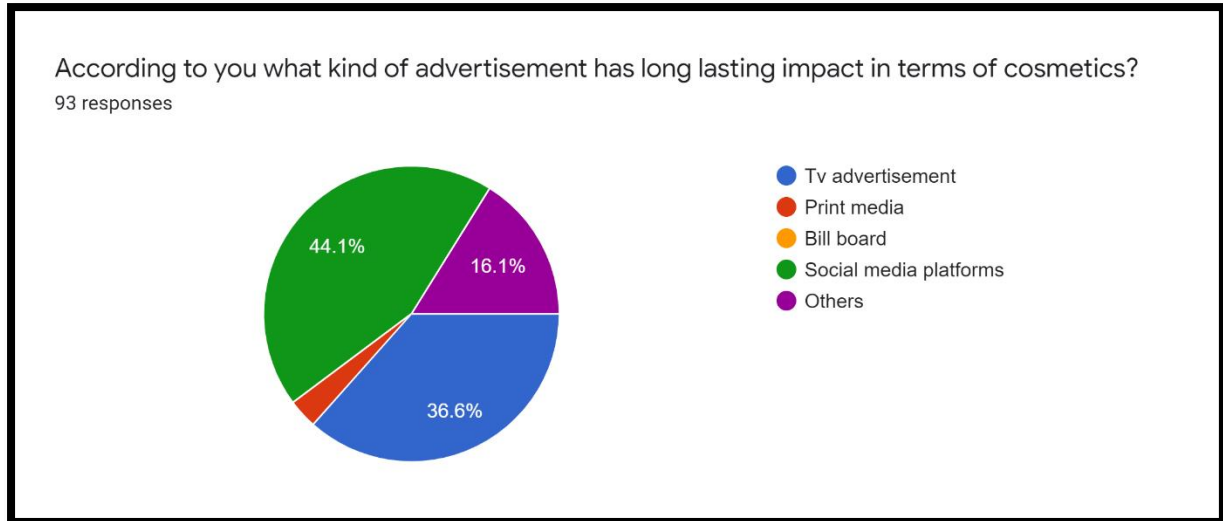


Fig. 1.13

It is observed that majority of the respondents think that social media platforms has long lasting impact in terms of cosmetics and TV advertisements as well. Followed by print media and bill board being the lowest.



Fig. 1.14

It is observed that majority respondents (45.7%) have chosen brand and features (38.3%). Here we can see that how brand and features play a vital role while purchasing a product. Followed by price (14.9%), advertisement and packaging being the lowest.



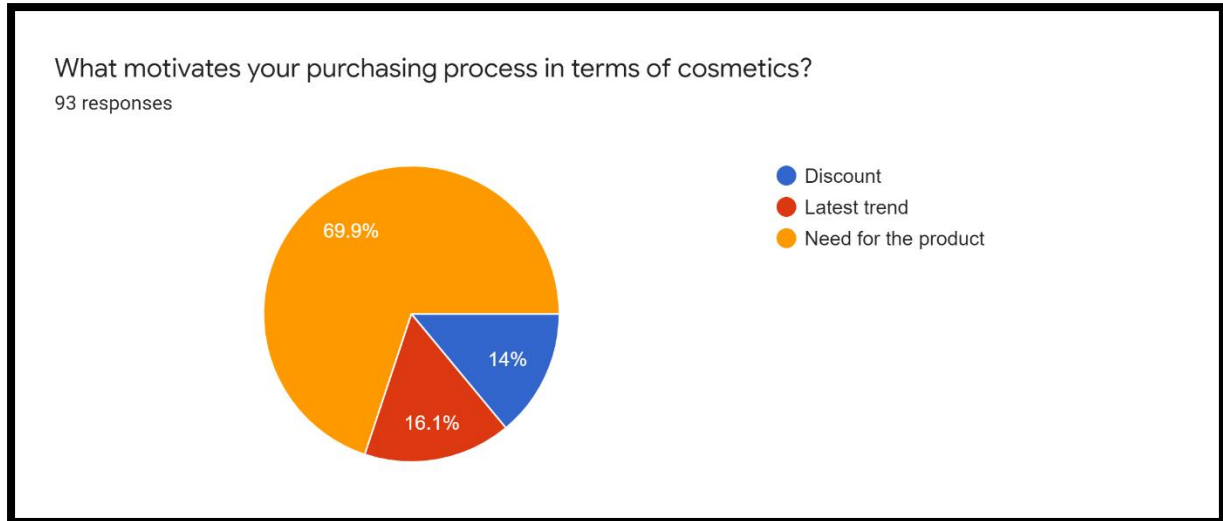


Fig. 1.15

It is observed that majority respondents (69.9%) have chosen need for the product as it plays a vital role in motivating the purchasing process in terms of cosmetics. Followed by, discount and latest trend being the lowest.

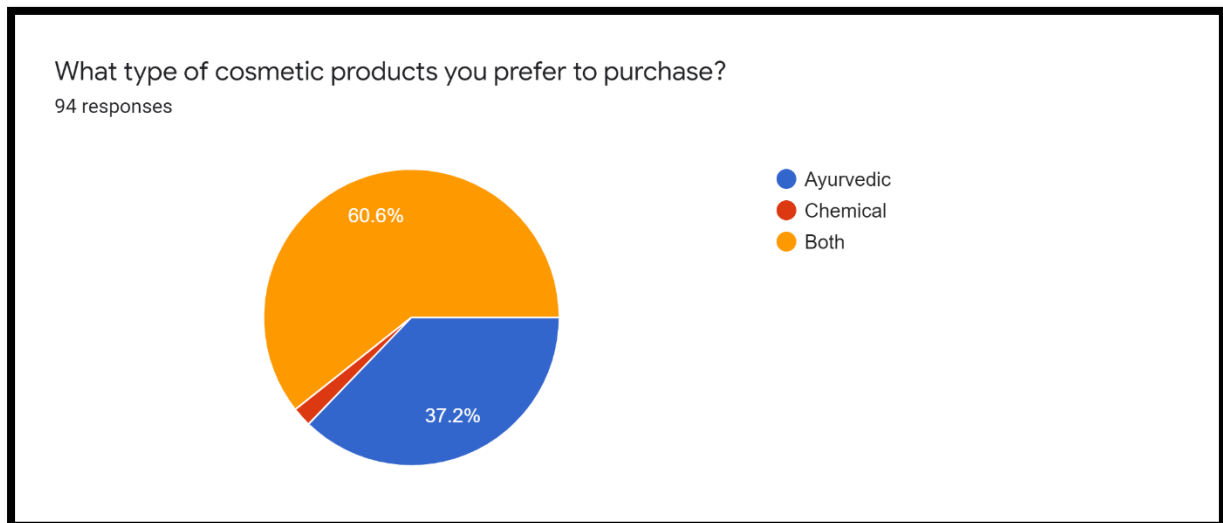


Fig. 1.16

Here we can see that majority respondents (60.6%) prefer both chemical as well as ayurvedic products. Followed by, 37.2% being ayurvedic products.

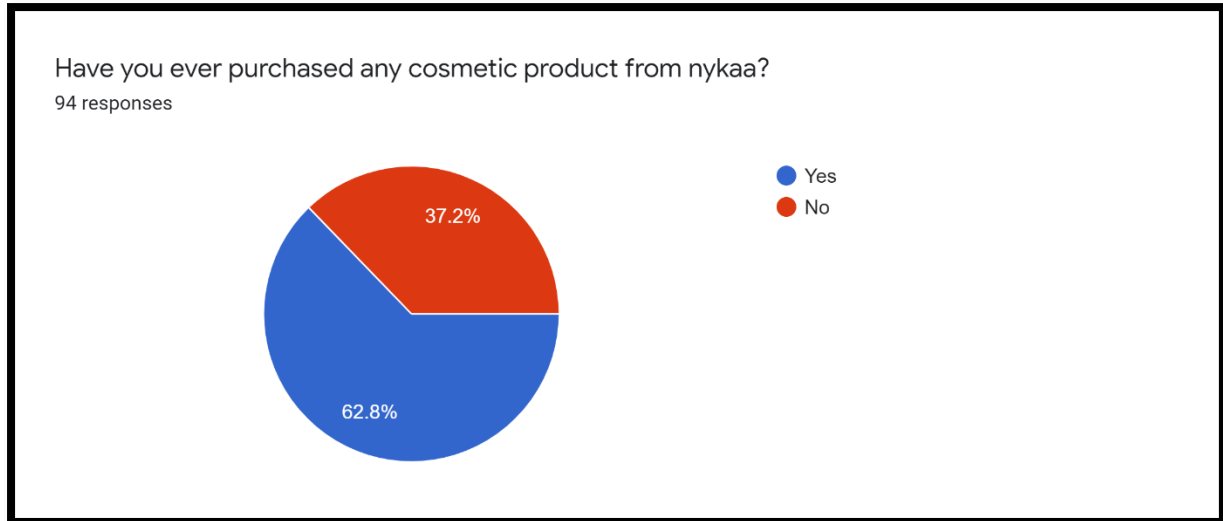


Fig. 1.17

Nykaa is a brand known for selling cosmetic and beauty products. Here It is observed that majority of respondents being 62.8% who have purchased from nykaa. Followed by, 37.2% who have not purchased any cosmetic product from nykaa.

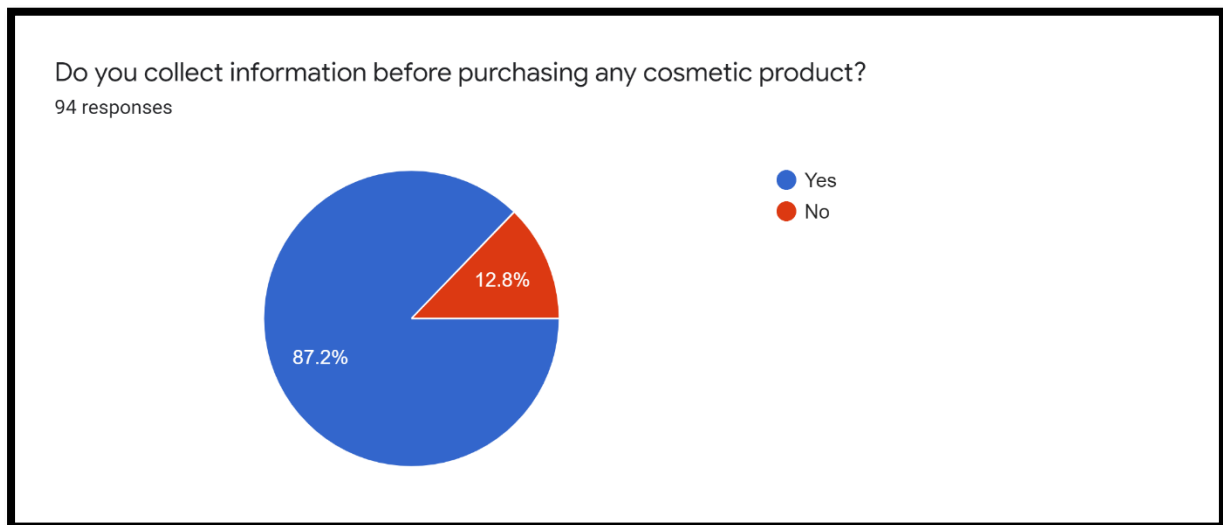


Fig. 1.18

Here it is observed that majority of the respondents (87.2%) do collect information before purchasing any cosmetic product. Followed by, 12.8% who do not collect information before purchasing any cosmetic product.

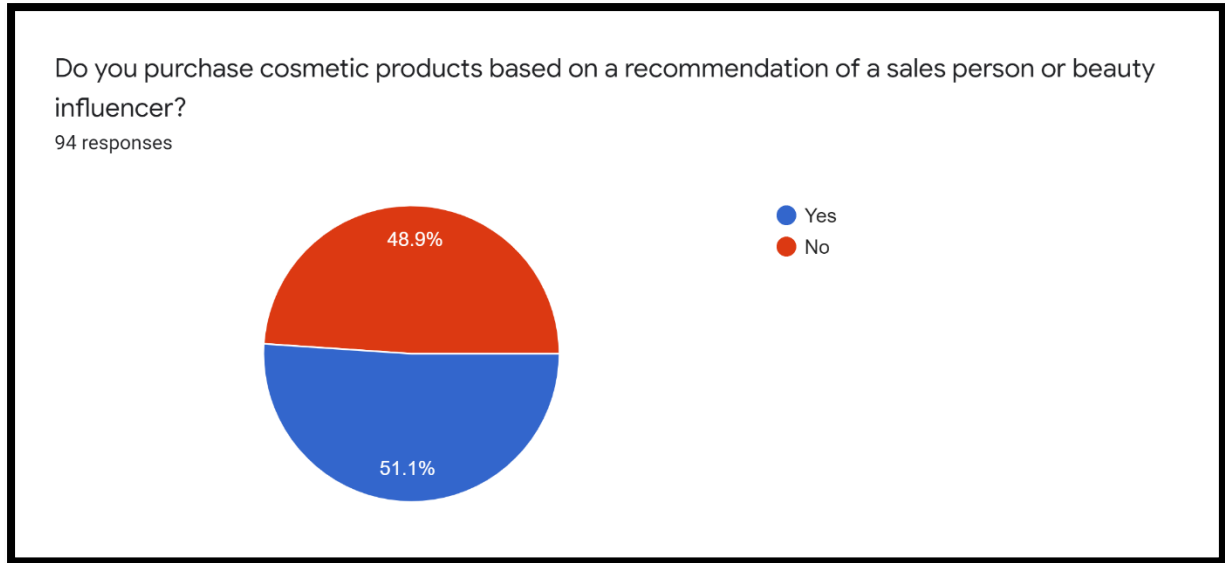


Fig. 1.19

As you can see that 51.1% respondents do purchase products based on a recommendation of a sales person or any beauty influencer. Followed by, 48.9% who do not agree with the same.

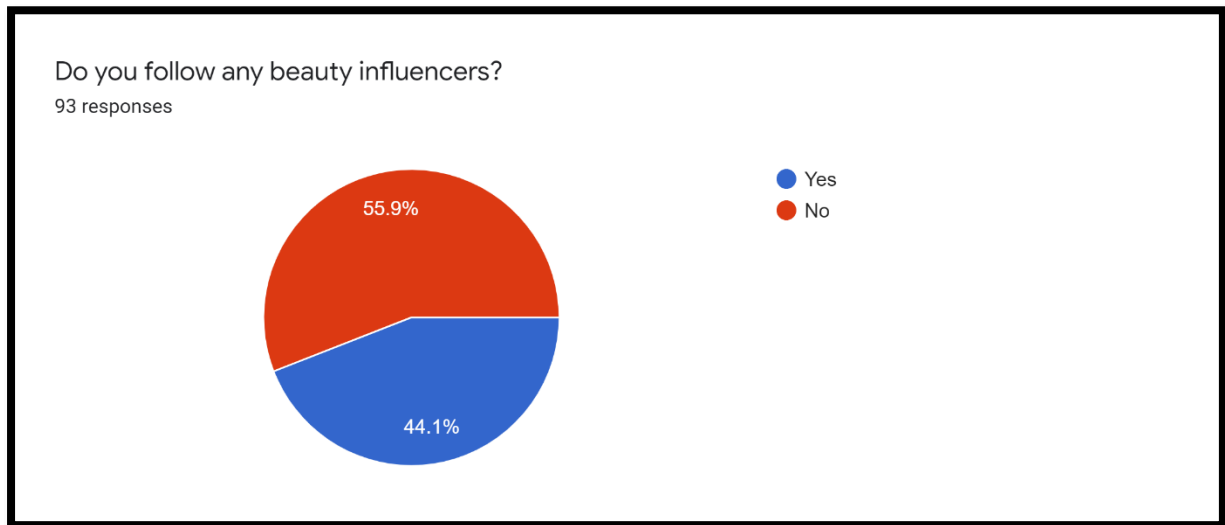


Fig. 1.20

Majority of the respondents that is 55.9% do follow beauty influencers and 44.1% do not follow any beauty influencers.

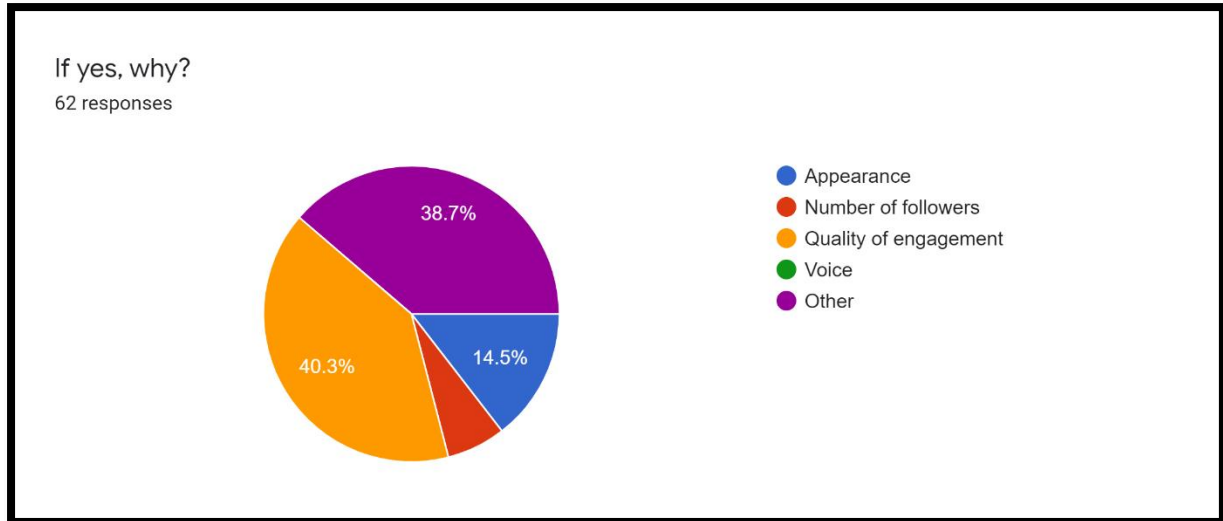


Fig. 1.21

Majority of the respondents (40.3%) follow beauty influencers for quality of their engagement. Followed by 38.7% for other reasons and 14.5% being the lowest for appearance and number of followers.

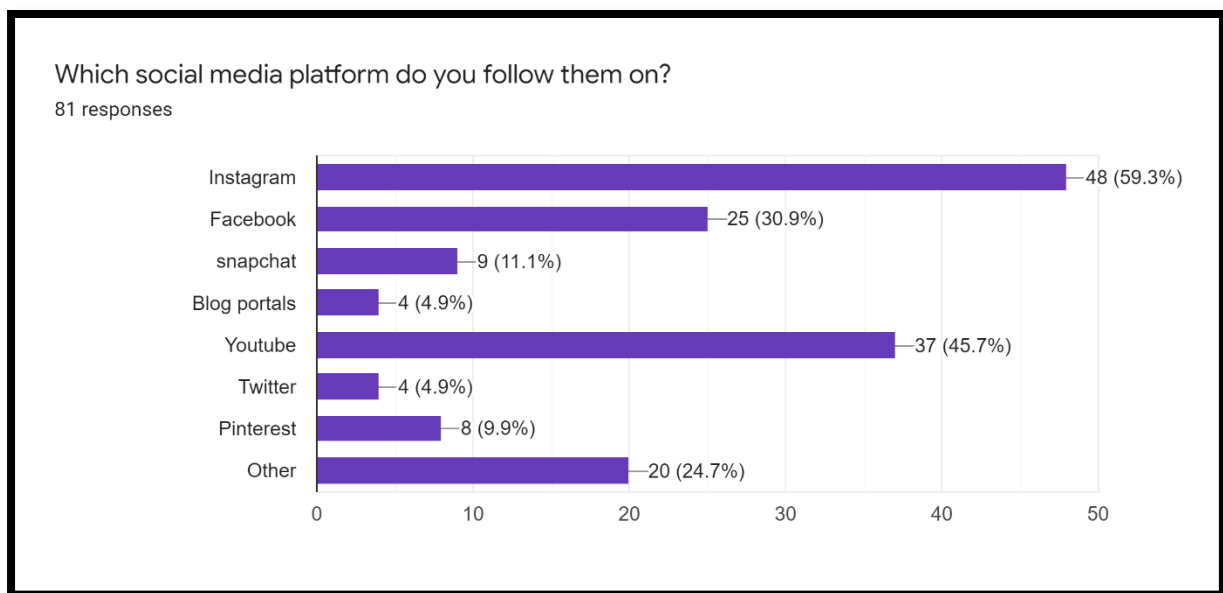


Fig. 1.22

Majority of the respondents (59.3%) have chosen Instagram followed by YouTube being the second highest that is 45.7% and Facebook (30.9%). The lowest were snapchat, blog portals, pinterest and twitter.

<https://www.gapbodhitaru.org/>

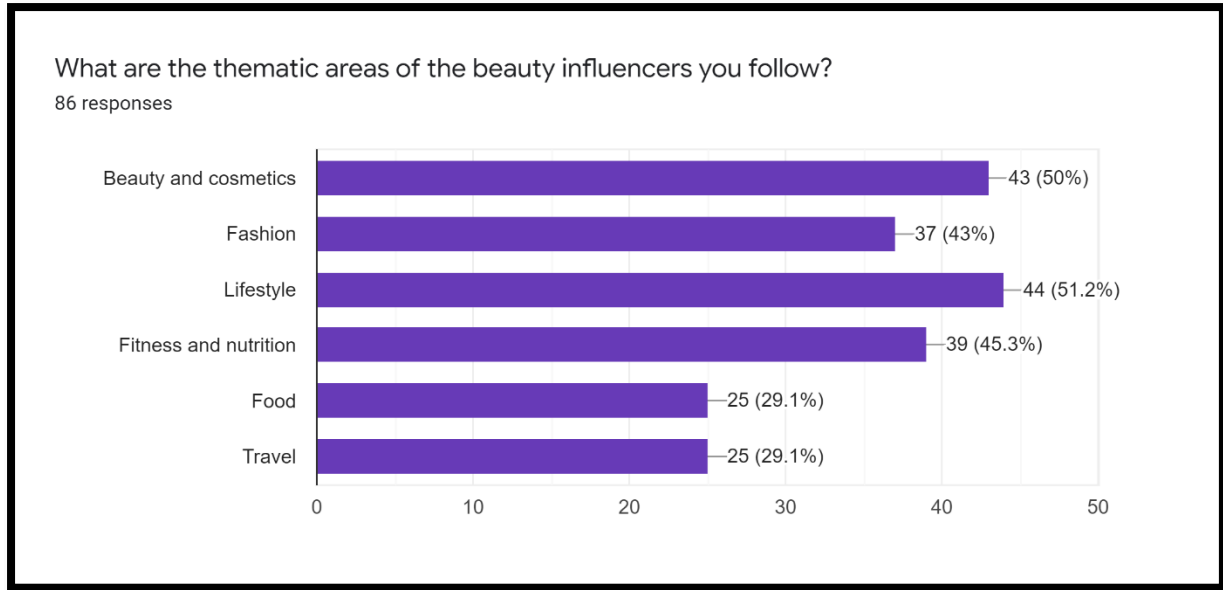


Fig. 1.23

Here we can see that majority of the respondents have chosen lifestyle (51.2%), beauty and cosmetics (50%), fitness and nutrition (45.3%) and fashion (43%) being the highest. Followed by food and travel being the lowest (29.1%).

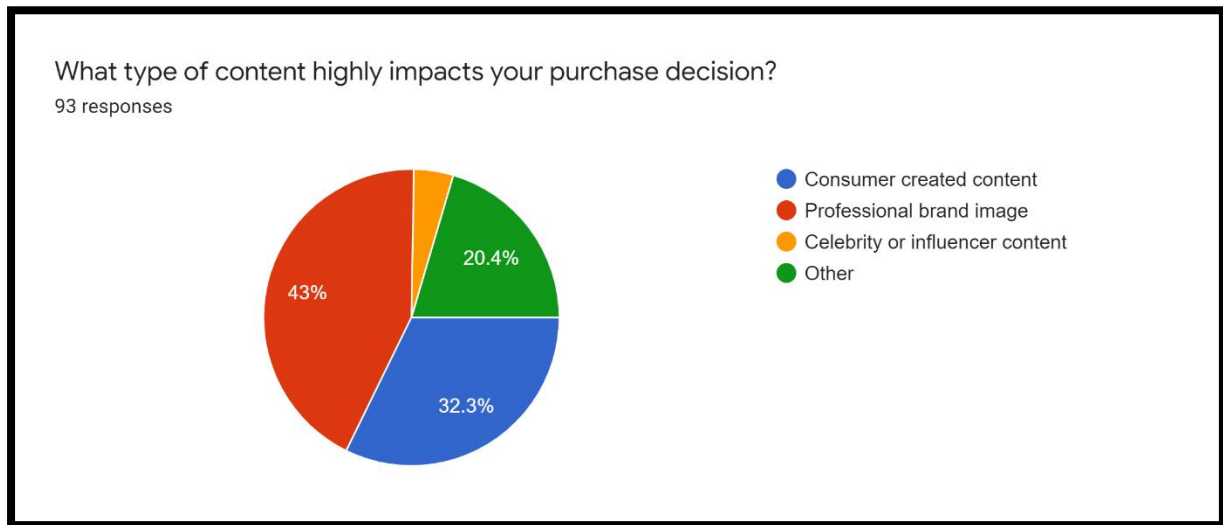


Fig. 1.24

Here it is observed that majority of the respondents (43%) have chosen professional brand image and consumer created content being the second highest (32.3%). According to the respondents celebrity or influencer content is not relevant.

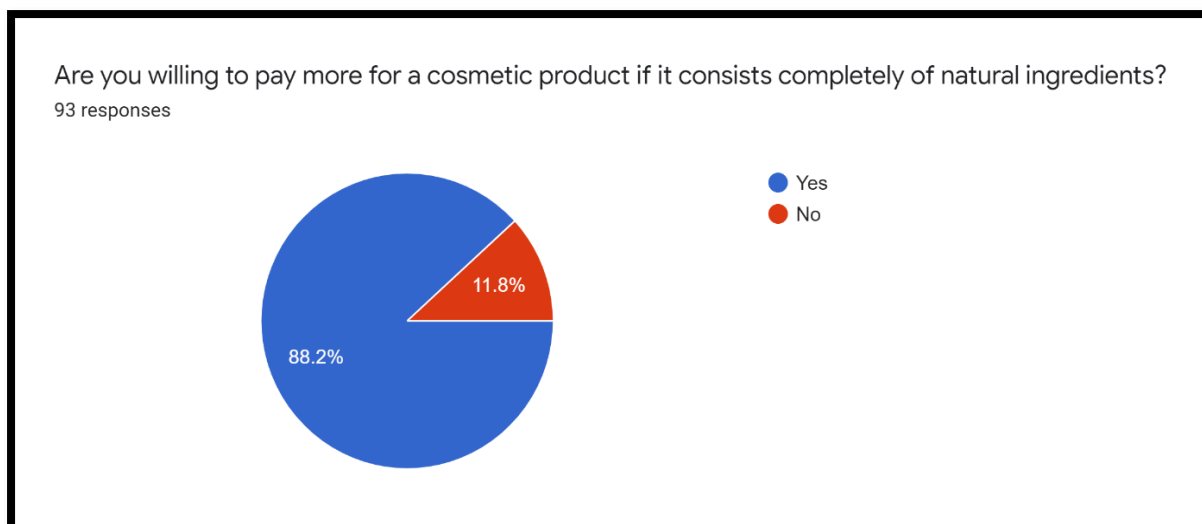


Fig. 1.25

Here it is observed that majority of the respondents (88.2%) are willing to pay more if the cosmetic product consists completely natural ingredients. Followed by 11.8% who are not willing to pay more for the same.

## CONCLUSION

From the study, it can be concluded that, the beauty industry has been evolving throughout the past decade essentially due to the integration of new technologies and the change on consumer shopping behaviour. Beauty companies have been integrating digital transformation on their business models to create the best shopping experience, so they can meet consumers' expectations and fulfil their needs. Furthermore, this digital transformation has also the main goal of changing internally the processes, generating more efficiency and creating more value along the value chain. The world has been facing pandemic during the past months and it has impacted all the sectors. The beauty market is no exception and in reality the beauty consumer was used to have now changed. Due to health concerns, the consumer cannot try the products offline. Despite being a world crisis, is now an opportunity for beauty brands to increase their investment on digital solutions to fill in this gap.

## RECOMMENDATIONS

- Websites that sell cosmetic products must target the younger generation as they mainly prefer online shopping.
- Deliver issues have been identified as one of the major obstacles for online purchase of Beauty products. This can be overcome by having an efficient delivery system in place which provides adequate tracking facilities.
- Sellers must also pitch their beauty products for daily wear as well to increase consumption.
- It would be beneficial for Retailers to sell with Amazon and Nykaa also besides their own websites as these emerged as popular among buyers of Beauty products.
- As we have seen above buyers prefer nature based products (ayurvedic) more than the chemical product, sellers must take this into consideration.

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