SAMVAD

S.P MANDALI'S weschool Welingkar Education

December
2019

BEAUTY AND PERSONAL CARE INDUSTRY

"Aging Is A Fact of LifeLooking Your Age Is Not"
-Dr Howard Murad

We Chat :

MR. SUHAS VIJAYAN

DIGITAL MARKETING HEAD
AT L'OREAL INDIA LTD

ABOUT US

OUR VISION

"To nurture thought leaders and practitioners through inventive education"

CORE VALUES

Breakthrough Thinking and Breakthrough Execution

Result Oriented, Process Driven Work Ethic

We Link and Care

Passion

"*The illiterate of this century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn.*" - Alvin Toffler

At WeSchool, we are deeply inspired by the words of this great American writer and futurist. Undoubtedly, being convinced of the need for a radical change in management education, we decided to tread the path that leads to corporate revolution.

Emerging unarticulated needs and realities require a new approach both in terms of thought as well as action. Cross-disciplinary learning, discovering, scrutinizing, prototyping, learning to create and destroy the mind's eye needs to be nurtured and differently so.

We school has chosen the 'design thinking' approach towards management education. All our efforts and manifestations as a result stem from the integration of design thinking into management education. We dream to create an environment conducive to experiential learning.

MESSAGE FROM THE DIRECTOR

Dear Readers,

Prof. Dr. Uday Salunkhe
Group Director

It gives me great pride to introduce SAMVAD's edition every month. Our SAMVAD team's efforts seem to be paying off and our readers seem to be hooked onto our magazine. At WeSchool we try to acquire as much knowledge as we can and we try and share it with everyone.

As we begin a new journey with 2019, I sincerely hope that SAMVAD will reach new heights with the unmatched enthusiasm and talent of the entire team.

Here at WeSchool, we believe in the concept of AAA: Acquire Apply and Assimilate. The knowledge that you have acquired over the last couple of months will be applied somewhere down the line. When you carry out a process repeatedly it becomes ingrained in you and eventually tends to come out effortlessly. This is when you have really assimilated all the knowledge that you have gathered.

At WeSchool, we aspire to be the best and to be unique, and we expect nothing but the extraordinary from all those who join our college. From the point of view of our magazine, we look forward to having more readers and having more contributions from our new readers.

SAMVAD is a platform to share and acquire knowledge and develop ourselves into integrative managers. It is our earnest desire to disseminate our knowledge and experience with not only WeSchool students, but also the society at large.

Prof. Dr. Uday Salunkhe,
Group Director

FROM THE EDITOR'S DESK

Dear Readers,

Welcome to the December Issue of SAMVAD for the year 2019!

SAMVAD is a platform for "***Inspiring Futuristic Ideas***" and we constantly strive to provide articles that are thought provoking and that add value to your management education.

With courses pertaining to all spheres of management at WeSchool, we too aspire to represent every industry by bringing you different themes every month. We have an audacious goal of becoming the most coveted business magazine for B-school students across the country. To help this dream become a reality we invite articles from all spheres of management giving a holistic view and bridge the gap between industry veterans and students through our WeChat section.

The response to SAMVAD has been overwhelming and the support and appreciation that we have received has truly encouraged and motivated us to work towards bringing out a better magazine every month. We bring to you the November Issue of SAMVAD which revolves around the theme of "Beauty and Personal Care Industry".

It's about time that we talk about the Beauty Industry in India. With the increase in the spending capacity and women's indulgence in makeup and personal care, this industry has been constantly growing, and with added features of technology, the Beauty market in India is estimated to reach $25 billion by 2025. This is a massively growing sector and as future managers, we wanted to understand what goes behind managing such fast-evolving industry.

We hope you read, share and grow with us!

Hope you have a great time reading SAMVAD!

Best Wishes,

Team SAMVAD.

"There are no limits to what you can accomplish, except the limits you place on your own thinking"

- *Brian Tracy.*

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WECHAT

Mr. Suhas Vijayan

Digital Marketing Head at L'Oreal India Ltd.

Team SAMVAD

1. Could you please take us through your journey in the Beauty and Personal Care industry?

Ans. I joined Abbott India Ltd (erstwhile Nicholas Primal Pvt Ltd) as a part of my campus placement. Here is where I got an opportunity to work on a dermo-cosmetic skincare brand. Well, I consider that as a fortunate stroke of serendipity as this was my first actual introduction to Beauty & Personal care. In 2010, I got an opportunity to work with L'Oreal India, where I moved across beauty categories like skincare, makeup, fragrance, and hair care.

2. How has the Beauty and Personal Care Industry changed over the years?

Ans. The need for cosmetics is seen from very ancient days - people were using a variety of cosmetics products both for therapeutic purposes as well as for enhancing beauty. Today beauty is one of the fastest-growing categories in India. The consumer is moving away from washing their face from soap to now cleanser, Using Heena on hair to professional Hair colour, cold cream to moisturizer.

I see shifts across all beauty categories. People are getting evolved in terms of their brands and product selections. Beauty companies have invested mainly in education, helping consumers choose the right product. India's young populace, the rise of social media, and e-commerce are trends that are driving this category.

3. Can you highlight the effect of emerging technologies in the Beauty and Personal Care Industry?

Ans. Digitalization is disrupting all industries, including beauty. The Discovery of products has become easier than before. Online beauty services like virtual try-on are helping consumers experience the brand even before buying it. You should try out L'Oreal Style My Hair app to see how augmented reality is helping the consumer to select their hair color. Today our digitals ads carry makeup try-one where the consumer can try the exact shade of lipstick on her mobile screen itself

4. According to you, what are the significant challenges that this industry is facing?

Ans. I think it's a lack of enough education on beauty. E.g., Sunscreen should be one of the essential parts of your skin regime, but the penetration is pretty low. However, the interest level is increasing because of beauty knowledge and trends, which are moving to India faster than before, thanks to increasing access to the internet and other information mediums. Beauty is also becoming more accessible to consumers, thanks to influencers, online beauty channels, e-commerce sites. This is helping in recruiting more consumers to the category

5. Considering the fierce competition, how is customer delight ensured in the Beauty and

Personal Care Industry?

Ans. Consumer delight is all about helping him or her gets the desired result. This starts even before the buying journey begins. Proper diagnosis, help from beauty expert at the point of sale, education on how to use the products, etc. are key factors which will ensure the trust and confidence in the brand.

6. What advice would you like to give to students who would start their careers soon?

Ans. Beauty and Personal care is a niche category to join. After all, finding what women want is an exciting quest. There is a lot of scope for innovation in terms of products and categories etc. All the best!

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OPERATIONS

The Challenges of the Cosmetics Supply Chain Industry

Pavankumar Shetty, Xaviers Institute of Management and Research, Mumbai

Introduction

The cosmetic industry has been one of the fore-front leaders in terms of the growth rate it has experienced in the previous years. It also is expected to experience significant growth in the coming years. Globally, the cosmetic industry is a $ 532 bn industry. It is forecasted to grow to $ 750 bn industry by 2024.

The cosmetic industry is undergoing considerable changes that present a significant amount of challenges moving ahead. The supply chain also would need to adapt to these changes and deal with the challenges posed.

Changing trends in the cosmetic industry

Changing trends in the cosmetic industry are experiencing significant changes due to the changing customer outlook. There is a greater emphasis on customization, localization, and inclusivity. The change is basically due to the increase in self-awareness and experiential nature of the millennial and Gen Z.

These generations value individual values and products reinforcing them, more than the brand values. There is a dramatic shift to reach prospective customers. Influencers are pivotal in engaging their users with the brand. Even top brands have a pervasive social media presence.

The challenges of the cosmetics supply chain industry

The inherent challenges that the beauty supply chain faces are

Special Storage Challenges

. The cosmetic supply chain procures materials that require moderated ambient conditions. This makes it mandatory to have refrigeration systems and modern warehousing. This mandates a substantial investment in these facilities, thereby raising the overall operational costs. The main challenge is to improve the overall value offered to the customer by streamlining operational costs.

Global Sourcing Challenges

The cosmetic supply chain is integrated and depends on the stability of many countries. Global raw materials for cosmetics include cocoa, avocado, vanilla, zinc, iron ore, maize, mica, and others, procured from around the world. African nations, Latin American nations, and Asian nations are major suppliers of these raw materials.

These countries suffer from volatile economic and political situation along with their under-developed transport and storage infrastructure. This makes the supply chain highly volatile and risks disruption due to sudden miss happenings from the supply side and makes it imperative to store a sufficient level of inventory to cater to such sudden disruptions. This adds to the overall operational costs. The challenges of the

cosmetics supply chain industry. The new trend and dynamics pose additional challenges that are due to the changing behavioural pattern of consumers. Some of the challenges are as follows:

Radical Transparency Business Model

The business models are changing. There is a higher emphasis on transparency, and consumers are willing to pay a premium for disclosing information about sourcing location, the total cost of the product, and the strategies adopted by the company. This makes it imperative for the company to adopt a responsible approach.

The consumers have become socially very responsible, and the entire process, right from sourcing to final delivery matters to them, and they might punish a brand for violating human rights at any of these stages. This makes the company take notice of the violations at the downstream levels as well. The raw materials are acquired mostly from countries that employ forced labour in large numbers. So, the company can't just turn a blind eye to these violations and find an alternative to this. This can be through establishing new supply chain linkages or acquiring it directly from the growers and maintaining strict control on the process.

Omni Channel Distribution

The onset of online stores has mandated most of the companies to adopt an Omni channel mode of distribution. And for it to succeed, they must have the competence to recognize the inventory levels in the warehouse and retail chain and recognize the best compromise of order fulfilment cost and closeness to the consumer to satisfy the order. An Omni channel using stores as localized distribution centres needs both the product reliably on the shelf and also precise information about the inventory levels. This all poses a significant challenge to the supply chain in the coming times. The reverse logistics cost also becomes substantial as most of the online channels offer returns, which creates additional costs on the supply chain and makes it mandatory for them to focus on cost optimization.

Localization

The cosmetics markets are diverse with distinct needs. To full-fill these varied needs, any cosmetic company needs to learn the market. This knowledge can be attained if they are in proximity to the market. This makes it imperative to develop production facilities in the close vicinity of the market.

The reason is because of the changing view of the customer from being brand-centric to being individualistic. Previously, manufacturing activities were clustered around a location, and the products were distributed to global markets from that location. The localization makes it mandatory for the supply chain to be restructured. The supply chain which enjoyed both economies of scale and scope are facing huge difficulties to reduce costs due to the decentralized procurement. This significantly raises the cost of procurement. So, the challenge would be to reduce these costs to keep the products attractive in terms of price.

Customization

Due to online offerings, consumers are expecting customized products. The consumers see a product online, and they have access to directly right by clicking a button, and they expect the delivery to be by the next day. This makes it mandatory for the supply chain to be highly responsive, as well as fast.

Price Centric

The brand value is also losing its significance.

The premium charged by these brands would be difficult to retain in the coming times. There are retail shops which are selling beauty products without any brand name but customized to consumer needs. This makes cost-cutting very important as there are only two means to differentiate; one is by a unique product offering, and the other is through price leadership. A highly efficient supply chain can help in a significant reduction in costs.

Conclusion

The cosmetics supply chain industry is an emerging industry. Like any other global supply chain, it faces challenges too. The sector demands leaders who can implement agile supply chain solutions and who understand the importance of sourcing and procurement.

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FINANCE

Synergies of Mergers in Beauty Industry

Dwiti Thakkar, PGDM RBA 2019-21, Prin L. N. Welingkar Institute of Management Development and Research, Mumbai

A combination of two or more companies to keep up with the competition in the market, create higher share value, and maximize the wealth has been in trend right now, and the beauty industry is no exception to this.

Types of the merger in the beauty industry:

Horizontal Merger: Mergers of the companies involved in the same sector and direct competition.

Vertical Merger: Merger of two companies belonging to the same industry but at different levels within the industry's supply chain.

Conglomerate Merger: Where completely unrelated companies come together to achieve synergy benefit.

Further, for an effective and efficient merger to take place between the two companies in the beauty industry, it is the most essential to carry out necessary due diligence in respect of the company to be taken over by reviewing the following:

Tax Due Diligence:

Assessing the tax benefit to be derived from the merger and thereby assisting the buyer in evaluating a tax-efficient acquisition structure to ring-fence the tax liabilities and leave them behind with the seller.

Vendor Due Diligence:

Identify the vendors of the company and use it as leverage in carrying out the negotiation process.

The shareholders of the transferor beauty company are allotted shares as consideration for their holding in the transferee company keeping in mind the adherence to the policies of the following regulatory framework:

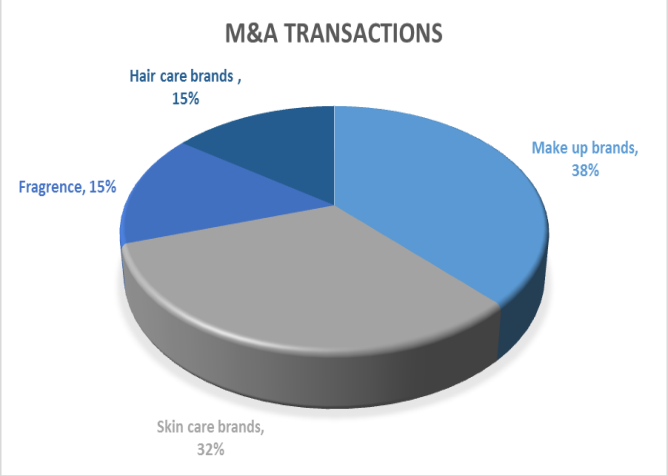
- Company Law
- Income Tax Act, 1961
- Securities Law
- Foreign exchange regulations (in case of a merger between an Indian company and an international beauty company)
- Competition regulations

Signs of strong synergies in the beauty industry are,

- Improved lines of products,
- Strong brand awareness,
- Enhanced social media presence,
- Diversification in distribution channels,
- Unique and creative marketing and positioning strategies
- Expansion in the foreign markets.

Trends in the last five years show the most transactions in mergers and acquisition of Makeup brands, Skincare brands, Fragrances,

and the Hair Care brands.



2019 proved to be a highly successful year for the beauty industry concerning mergers.

Givaudan, the world's largest company in the area of flavor and fragrances, acquired 'Albert Vielle,' a French Naturals company to dive deeper into natural flavors and aroma, also to improve its position in France. It further received 'Dorm' to strengthen its place in the world fragrance market. It also acquired 'Fragrance Oils,' a UK based perfume essence company to penetrate the demands of the UK, Africa, and Southeast Asia.

L'Oréal also announced an acquisition of a fragrance portfolio of 'Clarins,' which included taking over Iconic brands like Mugler and Azzaro. It also announced a merger with the luxury fashion brand 'Prada' to launch a luxury beauty line under the name of 'Prada.'

Firmenich is getting together with 'Robertet' to align its strategic focus on natural and sustainable products.

Colgate-Palmolive got into an agreement with an aesthetic medical laboratory, 'Filorga,' this step was taken by Colgate to venture into the premium skincare products.

Avon got along with 'HCL Technologies' for its Infrastructure development and moving ahead with digitization of the brand, intending to improve efficiencies throughout the business process.

These were few amongst the many successful Mergers & Acquisitions in the past year.

As per Capstone Headwaters, from 2018 to 2019, the mergers in the beauty industry have already grown by 19%. 2020 also seems to be following the same trend as the pipeline of beauty and skincare deals is at its highest by far at the investment banks across the globe.

The way forward for the beauty industry is:

Sustainability: sustainable products are now a sentiment of spirituality for the young consumers, and few of the companies focusing on sustainable beauty products are, 'Tata Harper,' 'Milk Makeup.'

Socio-Political Appeal: Brands should now portray themselves in a way that they raise voice for the current socio-political environment, bringing on board such brands will focus on aligning with customers' beliefs.

Catering To Older Generations: brands having product lines in favor of the aging population if brought on board shall identify and cater to the needs of generation X as in the current times staying young is the new motto.

Social Media Presence: The beauty products now are seen reaching to masses via the route of bloggers and influencers on social media, than the traditional act of television advertisement.

The ability to gain various products through mergers and acquisitions is far less timeconsuming and cost-productive than to develop a product line of your brand. With the ever-growing change in the choices of the consumers, mergers have a long way to go in the beauty industry.

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MARKETING

Shaping the Future of Beauty and Personal Care Brands with Augmented Reality

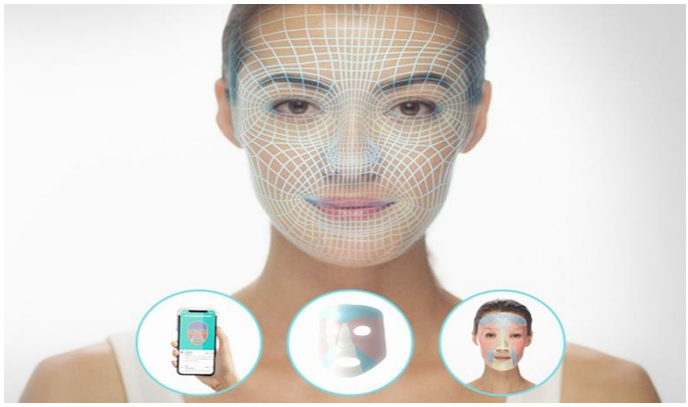
Ishani Maheshwari , PGDM 2019-21, Prin L. N. Welingkar Institute of Management Development and Research, Mumbai

Millennials in this selfie generation want to look presentable at all times, and this is where augmented reality has taken the lead. AR is the future that enables the consumer to experience shopping in a completely new way, and the introduction of technology brings a whole new level of interaction between the product and the consumer.

By allowing consumers to view and test products virtually, it enhances the shopping experience, and it's already proving to be a game-changer for cosmetic, Beauty, and Personal care brands. Also, with Premiumization, which primarily refers to the ability and willingness to spend on exclusive, superior quality product AR will get a boost.

Euro monitor International study reveals that $774 million worth of premium personal care and beauty products were sold in India in 2018. According to this study, with a gradual increase in disposable incomes of females, the per capita expenditure on premium beauty products and personal care items is expected to show a CAGR of 15% in the next five years. (Source: IBEF Report).

AR has played a significant role in this industry. There are more textures and colours available more than ever before. Many consumers don't like physically trying the product at stores. With AR, people can try out products virtually without applying it to their skin. It allows features to steal looks from the people and instantly order the products. Tracking technology ultimately predicting our emotions and, most importantly, consumer buying behaviour. So, in future technology will going to tell what customer wants and the other way round. AR will track social media as a lot of purchases come when people see Instagram, Facebook, Twitter, etc. feeds of celebrities, their friends, model, or anything trending and demands that look as they liked it. So



many AR companies started building an application which is looking at Social media feeds of top beauty companies. And also began tracking hash tags and look for what is trending? What are people talking about? So by monitoring individual behaviour, this is tracking future purchases by the customer through machines.

COTY, an American multinational beauty company, introduced a blended reality beauty magic mirror powered by physical products. When shoppers pick up a lipstick, the chosen colour instantly appears on their lips. Holition and AI studios use technology to

formulate and generalize shape and features point of a face based on tracking information using 1000's of facial images. So when the camera detects the face algorithm using machine learning pinpoint likely feature in the video streaming by fitting a flexible face model to image and tracking it over time as the face moves. This allows how different makeup applied to individual looks and features.

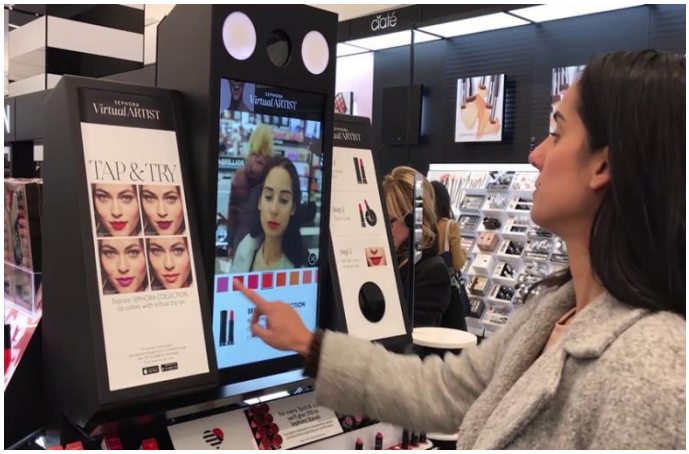
Eye, Lips, Face (ELF) Cosmetics boosts Click-through 23% with AI personalization on e-commerce. AI is leading to massive gains in click-through and sales conversion.

J&J consumers introduced the application of 3D printing in Beauty, which leads to customize the devices we use daily like cell phones and can see which are the different parts of your face that need different treatments. So, you need not buy the same product every single time but can customize right at your home.

You can print a particular product which suits your face then. So, this is the ability to write any kind of skin treatment right at your home. Thus, through this, people can personalize and customize the product they need.

They also have Digitally Beauty Quickfire Challenge, which brings entrepreneurs to self-summit the biggest challenge in Beauty in technology and skincare to develop out of the box and innovative. For the best idea, they will be awarded $50000 and allow housing them in one of the JLABS so that they get Insights-generating tools, Digital technology, access to their scientists at J&J.

L'Oreal is an organization been developing longer than a century. Their topic in the year 2019 is "Boundless Beauty," which will be utilized to exhibit their vision of things to come of magnificence through developments controlled by voice, Artificial Intelligence (AI), and Augmented Reality (AR). They made Virtual Hair Advisor by L'Oréal Professional is the new age of hair counsel. In essence, you'll attempt diverse hair hues while tuning in to the vocal associate proficient exhortation from L'Oréal experts. Powered by voice orders, this one of a kind encounter is made by Modiface, their Augmented Reality and Artificial Intelligence company.100% voice enacted, 100% increased reality, 100% personalized. Skin Consult AI by Vichy is an advanced skin symptomatic, which distinguishes indications of maturing, yet also, gives customized skincare.



This best in class advancement has been co-created with dermatologists, in association with ModiFace and L'Oréal R&I. The product of 15 years of relevant research on skin maturing joined with AI, it's an absolute necessity attempt when you visit the stand. Last, yet in no way, shape, or form least, you'll get the opportunity to encounter our Effaclar Spotscan by La Roche-Posay.

This web application, additionally co-created with dermatologists, utilizes AI and pertinent information to examine skin inflammation prone skin. It gives you individual counsel and proposals to cure skin break out sores and keep them from deteriorating.

In augmented reality, what might have been considered a gimmick merely five years ago is now very much believable. It has stepped up and crossed that line into usefulness. It can mould itself into a meaningful decision that can create a difference as well as let users have fun at the same time.

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HUMAN RESOURCES

Use of Gamification to Improve Employee Engagement in Beauty Industry

Chinmay Saraf , PGDM 2019-21, Prin L. N. Welingkar Institute of Management Development and Research, Mumbai

An industry that boomed even during the economic recession was the beauty industry! The products for hair care, skincare, cosmetics, perfumes and colognes, antiperspirant, and oral hygiene have been an integral part of today's lifestyle. The Bureau of Labour Statistics throws light on the expected increase in the global reach of the beauty industry. While nearly one million people are employed in the primary service segment of this market, the estimated market value by 2023 will be $805 billion. The beauty industry will be pivotal for global businesses

An industry grows when it has a strong foundation in domains like Finance, Marketing, and operations as well. But today, even the Human Resources department is changing very fast. The beauty industry markets the product on a substantial basis. Can it adapt some changes in the HR functions with the help of the technology like gamification?

Gamification is a process of using game-based elements like rewards or competition in the workplace to engage people in a better way. The leading companies can think of developing an App that will be capable of achieving various motives. One idea is to create an App that will have a comprehensive product portfolio. Such App will have different options for selecting a type of event we are going to attend. For example, if a lady wants to participate in a marriage function, she will put the details about her outfits on the App. The App will suggest her make-up and related products that will help her to get ready for the function. These things will improve even an employee to understand the company products well. It will not only benefit him, but knowledge of the company products will help an employee to market these products in a better way.

Organizing a game like an online fashion show is another idea to improve employee engagement. The employee will be given virtual money to hire the models and their outfits. From the available cash, he will choose the beauty products his model can have. An employee will consider the parameters like color, height, etc. while suggesting an outfit and a make-up. Beauty experts will judge these suggestions. Rewards will be given to an employee who has efficiently and smartly used the available resources to make his model look good. Such employees will be rewarded with promotions, holiday packages, new job roles, etc.

Having in-depth knowledge about the company product is essential for an employee. The company can organize online quizzes and competitions to enhance this knowledge. The employees will need to answer questions about product portfolio as well as about the history of the company. These things will help an employee to understand the company in a better way. The winners from such competitions will be rewarded on a grand scale to motivate other employees as well.

Another great example is none other than the famous Nike brand. They developed a Nike app

that rewarded the consumers with 'cheers' each time they shared statistics related to calories burnt, running, and more on social media. Similarly, a beauty product company can develop an App that will let the employees record the number of times they used products of their own company in one-month duration

. They will buy the products from the company outlets and records of the quantity purchased by an employee concerning the records of his use of the products in a month. The App will give the reward points to the employees that are frequent buyers and users of their company products.

The company should have a portal that will brief the employees about the operations involved in the manufacturing and marketing of the products. This portal will have a suggestion box at the end of every operation's information.

The employees will be asked to suggest an excellent way that can be more efficient to achieve similar operational results. The employee will use their technological and marketing skills to improve operational efficiency.

This will help to reduce the necessary time, labor, and finance required to achieve the targets. The brilliant suggestions will be rewarded and executed.

Employees love to attend company functions and outings. Beauty Product companies can arrange the shows where the employees themselves will have a touch up by using the company products. The company will reward the one who will be creative and come up with innovative ideas.

Microsoft has an array of language localization requirements. They developed a 'Language Quality' game. The game was simple and involved a Silverlight application that allows users to just view screens to check for accuracy of the language.

To make its employees pay attention, Microsoft intentionally included different poor translations while improving the focus of its employees. A similar idea can be executed in the beauty industry. It will help the industry to grow in a rural market as well. These steps will help the beauty industry to have a robust employee engagement, which can be crucial factor to reach the new heights and accomplishments.

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GENERAL MANAGEMENT

Advent of AI and Customization in the Beauty Industry

Harshal Chandak , PGDM 2019-21, Prin L. N. Welingkar Institute of Management Development and Research, Mumbai

"We want L'Oréal to be the world's biggest 'Beauty Tech' business and not just a 'Beauty' Business," says Lubomira Rochet Chief Digital Officer at L'Oréal, who was also instrumental in acquiring Augmented Reality start-up Modiface for L'Oreal. This is just one example of how Artificial Intelligence (AI) is changing the way businesses are working.

Similar to other industries, in the beauty Industry too, Artificial Intelligence and Digitization is at the heart of everything, be it marketing, sales, communications, finance, supply chain or operations. This article is focused on the new ways in which the beauty industry is discovering, testing, and implementing to study and improve customer experience to expand their businesses and match customer expectations to remain in the competition.

Barely four years back, one could have only imagined a portable device which can be used at home for facial massage and cleansing purpose and can be customized as per own requirements of movements, intensity, and duration. But today it's reality. FOREO, a Swedish beauty tech brand, has come up with such a device named LUNA FOFO. This device has advanced embedded sensors that analyze a user's skin and generates customized spa massage routines for its users. It is associated with the app on the phone, which unlocks all the critical features of the device and saves user data. And likewise, many of such equipment and services that were just imagination a few years back are all now or will be going to become a reality.

Product personalization - Gone are the days when customers were using the same product with different skin tones. Today customers need a specific product that can suffice their requirements and is unique. AI has made this possible for Beauty Brands through the concept of Product Personalization.

The function of Beauty – A customized hair care brand claims to be the first company to leverage AI in the beauty sector in 2015. Some other brands like Prose - personalize shampoo and conditioner and Lancome (L'Oreal subsidiary) foundation machine called Le Teint Particulier, which promises to find the "exact match" for your skin using AI are also in Beauty market.

Virtual' try on' Apps - Nowadays, the accuracy of image recognition and face tracking has tremendously improved customer experience. Make-up try-on experience integrates physical products with digital content to make the experience feel more real. One classic example is Sephora's Virtual Artist, which lets customers virtually try on thousands of shades of lipstick and eye shadow through their smartphones. The app works by measuring where your lips and eyes are in real-time, then tracking those facial feature points, so it knows where to put the cosmetics.

Another beneficial application is HiMirror, a "smart mirror" in-app made by Taiwan's New Kinpo Group, which takes a photo of the face as a person logs in and scans it for wrinkles, red spots, pores, fine lines, and brightness levels.

Also going in reverse direction through these Apps to get information is possible. Sometimes individuals struggle to know what lip shade is being worn by their friends/colleagues sitting next to them. The user also may forget the exact shade number amongst the wide range provided to them by the brand. But the day is not far when with just one photo of this lip shade, one will be able to get all details of the product on the app.

Retail Store Experiences - Today, brick and mortar retail stores are finding it tough to woe customers when everything is so readily available at their doorsteps through e-commerce retail players and apps. But these are not a substitute to try on products for real before you buy them. So it's a need of time for these stores to reinvent new ways to remain in Business, and this is where exactly AI and AR technology is becoming helpful for them. AR magic mirrors from Macy, Bourjois, MAC, and some others are improving customer experience. Also, Perfect Corp and ModiFace are establishing themselves as leading providers of AR technology in their exclusive stores.

Chatbots Back in 2016, Microsoft CEO Satya Nadella said: "Bots are the new apps." In November 2016, CoverGirl launched the world's first influencer chatbot, based on TV celebrity Kalani Hilliker. Brands like L'Oréal, Estée Lauder, Sephora also came up with this type of Chatbots. Other examples in this industry include La Mer, which offers Regimen Finder for personalized skincare routines; Madison Reed's hair color bot Madi; Dior's Insider chat bot which answers product-related questions and offers beauty advice on their messenger; Smashbox, which in 2018 launched its first chatbot that incorporates full-face augmented reality looks.

Skin advisors - One of the most significant developments in this area is Olay's Skin Advisor, an AI-led skin analysis platform that was launched by the brand after its research foundthat consumers needed help to shop more efficiently for their skincare products. A Finnish start-up, Revive's Digital Beauty Advisor, provides skincare advice and recommendations after analyzing 68 factors such as redness and wrinkles via selfie analysis and running data through its AI-powered Personalization Engine. Now, digital advisors could be about to join the industry and act as in-store beauty consultants too.

Voice activation - Shortly, voice-based artificial intelligence could be a game-changer in the beauty industry as it would not only unlock the new experiences and address shopping concerns but also change the relationship beauty brands have with customers. Recent innovations include Estée Lauder Nighttime Expert app in collaboration with Google to customize your nightly skincare routine and Coty's Let's Get Ready voice-driven personal beauty assistant with Amazon Echo.

Printed/3D Makeup - Opté wand from Proctor and Gamble (P&G), unveiled a make-up printer that scans the skin and precisely applies tiny amounts of make-up to hide age spots, burst blood vessels and other blemishes. P&G, which hopes to launch the product by this year, says that due to the printer's precision and its need for relatively little serum, people's make-up bills should drop. Design agency Seymour Powell came up with a printer concept that would allow make-up looks seen online to be downloaded and printed directly on to the face. Inspired by the craze for AR filters on Snapchat and Instagram, "e-make up," artists enable us to download outlandish make-up looks to enhance digital self. Combining such 3D-printing, facial recognition technology, and AI-powered image analysis, the Élever allows brands and influencers to sell make-up looks direct to consumers.In addition to above all, AI is becoming instrumental in improving plastic surgeries and facial reconstruction with its ability to predict with near-perfect accuracy what a person will look like post-surgery, which

is vital for customer satisfaction.

While using and implementing AI, it is also essential to know its limitations and how they can be addressed. One of the limitations of Artificial Intelligence is biased results due to its database. Most of the beauty bias comes from datasets and algorithms. If those are unbalanced or labeled by the researcher of only one of the gender, the machine learning model would reflect those biases. If data collection and data labeling is balanced and marked by both sexes, then the model becomes less biased. The good news is that we can minimize human bias by what we teach computers.

Another one is about getting incomplete and superficial information and negative feedback. Some skincare experts warn that, without giving users more contexts about their skin scores, such products could unnecessarily harm people's self-esteem if the input is negative.

Also, sometimes results are affected by external and environmental situations like lousy lighting or leftover make-up smudges. It is necessary to always remember - Excess of anything makes it Waste, so the user should avoid exploiting AI for trivial issues like the need for a smart mirror to know if the skin is shiny or oily.

Understanding these disruptions that AI has brought to the beauty industry, it is safe to assume for beauty brands that AI has a crucial role in the future of the beauty industry, and it will continue to make our life easier. So, they should strive to make it possible by assimilating AI in more sustainable ways, and by doing so, stay favorable for the customer.

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CALL FOR ARTICLES

We invite articles for the November, 2019 Issue of SAMVAD.

The Theme for the month of **January 2020 - "Blockchain"**

The articles can be from Finance, Marketing, Human Resources, Operations or General Management domains.

You may also refer to sub-themes on Dare2Compete.

Submission Guidelines:

- Word limit: 1000 words or a maximum of 4 pages with relevant images.
- Cover page should include your name, institute name, course details & contact no.
- The references for the images used in the article should be mentioned clearly and explicitly below the images.
- Send in your article in .doc or .docx format, Font size: 12, Font: Constantia, Line spacing: 1.05' to **samvad.we@gmail.com. Deadline for submission of articles: 31st December, 2019**
- Please name your file as: <Your Name>_<title>_<section name e.g. Marketing/Finance>
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