Trends in Beauty Retail in India

The beauty retail market in India is expanding. New entrants and especially international players are considering the Indian market as a big market for them. In this article, we have outlined certain key trends emerging in the beauty retail space.

Premiumisation

The premium skin care brands are growing exponentially and it seems that the middle class woman of today has decided to leave no stone unturned when it comes to her looks.

According to industry sources, the average selling price in skincare has grown 20% in the last one year. More & more international brands are planning their launches in the near future.

Natural: the way to go

Natural ingredients have always been a part of the beauty regime of Indian women. It may be the ‘dahi-besan hair pack’ or ‘milk-honey face pack’ or for that matter even tomato skins. However time constraints have started forcing women to adopt more and more of instant solutions for their beauty needs. Moreover, the woman of today does not only want to rely on the grandmothers secrets but also want to experiment and create a treatment suited only to ‘her’.

Spencer’s Retail CEO Mohit Kampani recently announced that Olay Regenerist, a premium skin care product priced between Rs 2,200 and Rs 2,600 per pack, become one of the top-seller brands at its supermarkets last month. (Source: Economic Times)

Skeyndor, Spanish beauty & cosmetics company, to enter Indian retail market in three years- “We are very happy with the progress made in India. We are looking at least 20 per cent growth annually from the Indian business. We will always be a premium product company. We will never be a mass market product. As the demand for Skeyndor’s product grows, we will introduce more products in Indian market.” Skeyndor SLU CEO Jordi Moreillo said. (Source: Economic Times)
Globally, too the trend for natural cosmetics is on the rise. So many brands both Indian and International are basing their skin & hair care products on natural/organic ingredients. The latest entrant is Ma Earth Botanicals from En Inde, a jewellery brand. The brand recently opened up its store at the Mehrchand market in Delhi.

**Natural cosmetics continue to outshine other categories**

Growth rates for natural cosmetics continue to outperform other categories worldwide, as market researcher Kline Group points out that future growth is likely to shift to emerging markets.

*Source: www.cosmeticsdesign-europe.com*

**Personalisation**

Every individual is different and thus their beauty needs. Beauty brands across the world are trying to minimise the gap between generic beauty needs of an individual and the specific needs of an individual. Product segmentation is increasingly becoming an age–problem matrix. In fact, a lot the international brands such as Vichy, Shiseido etc, offer online consultations and then suggest a product within their range best suited to the individual. However the latest trend is to get a cream which is ‘made to order’. Forrest Essentials has introduced a concept of ‘made to order’ where the individual can log on to their website and can get a cream customised for herself on the basis of her age, skin type, current skin care routines and issues.

**Diagnosis**

Increasingly, premium beauty brands are offering skin diagnosis at their outlets to engage their customers and understand them better. Small conversation counters, with skin diagnostic machines, hand held devices for checking moisture levels, mirrors, cotton pads are etc. are very much becoming a part of the beauty retail counters. These diagnostic devices help the customer to make informed choices and also educate them about their skin. For the brand it means long term relationship based on credible results of the diagnosis and better sales. Although most brands offer these services on the spot but a few such as Estee Lauder also hold skin diagnosis sessions on appointment basis on a particular day of the week.

*Diagnosis corner at Lancôme*
**Conversation and not a sales pitch**

Personal interaction is becoming increasingly important in the beauty retail selling. All premium brands are investing in training their sales staff so that they can showcase a balance of product knowledge, customer need and sales pitch. Consumers are looking for individual attention which is not focussed on ‘only sales’ but ‘on their individual needs’.

The on-going trend is to have a conversation around the problems of the customer, offer her a skin diagnosis and then suggest a product. The sales staff is oriented to set a stage for a relationship with the customer.

Another trend which is growing in staffing at beauty retail is to engage male sales personnel. May it be Clinique, Lancôme, Shiseido all brands have male attendants helping the customers.

**Creating a critical first Impression**

In order to create a long lasting impression on the customers all brands are investing in careful planning of the layout, ambience & display of their products. Across brands one can notice that all outlets have all glass doors through which any customer passing by has an access to ‘what’s happening inside’ instantly. Additionally, all stores have bright lighting so that all inside the store is clearly visible.

The displays are also created in such a way that they navigate the customers to what they need. The displays are ingredient based in case of L’occitane or skin type based in case of Shiseido or benefit based in case of Lancome.
A recent trend in the product display is the ‘best seller’ counter. At Kiehl’s one finds a separate shelf in which all their best sellers are displayed. Body Shop also uses this technique but it does so within a range. L’occitane also display’s the price range of the product along with the product.

Another very key thing which is driving the impression are the well groomed and in uniform beauty advisors/sales personnel at the stores. The neatly dressed staff in their crisp uniforms/lab coats gives a sense of professionalism and team work.
Selling a Philosophy—
not just a product

In this world of beauty, all brands are trying to sell a philosophy they follow. Following trend of ‘earth friendly’ many brands believe in showcasing in what they believe. For example the Kiehls loyalty program has recycling of bottles built into it. The brand offers some discount on every reused bottle that you get back to the store. Natures Co. has e-brochures for its products and also offers an option of an e-bill to its customers. It also supports PETA. Body Shop is against animal testing and claims that each of its products is vegetarian i.e. with no animal derivatives.

Innovative promotions

In addition to the regular sales and discounts, brands these days have started offering facials and spa’s to their customers. This value added service draws many to the brand.

Natures co., Shiseido, Calrins are some of the brands which offer on the spot facial and spas to its customers on a purchase of a certain amount.

Additionally, brands also arrange for pre invitations to sales to special customers. Special previews for new product launches and events are also becoming order of the day. Some stores of Lancôme also offer to courier the product to another city if their brand is not present in that city.

Looking at the above trends, one can conclude that the beauty retail industry is being driven towards a ‘tangible’ service experience. In the forthcoming years, the competing brands will have to keep innovating to create a ‘skin deep’ experience.