

# The moment that... subscription models disrupted beauty

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**Beauty brands occupy a very special and intimate place in our hearts. The products we use on our bodies need to look, smell and feel just right. In the days before online shopping, experimentation happened in store or at specially curated events, opinion was garnered from friends, the retail environment and fragrance were vitally important in the sales process. Successful heritage companies could rely on their loyal customers who swore by their cosmetic lines, whilst new products had to work hard to be in the right shop at the right time.**

Then, shopping moved online and everything changed. A favourite skin cream can now be ordered from a smartphone whilst watching Netflix, a new eyeshadow picked out during the morning commute. We became more exposed to global beauty trends, more concerned with makeup techniques for the selfie than the first date. Decisions that would once have been dictated by availability, friendly advice and alluring perfume are now made via online review and video.

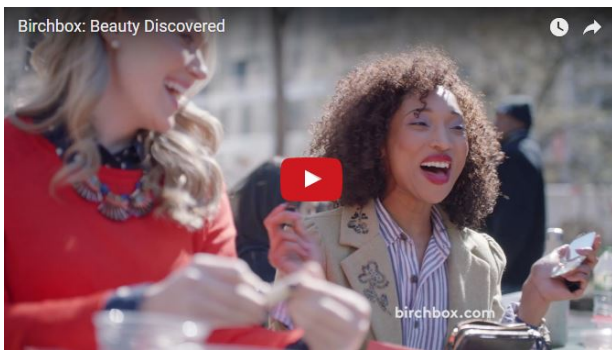
Spotting the opportunity presented by the rise in 'self gifting', savvy beauty brands and retailers launched subscription services. And they exploded: nearly 40% of US online shoppers are now signed up to at least one (Source: [Business Insider](#), 2014). As our lives became busier, services that protected our "me" time won out. Subscription models remove the need to make frequent trips to the store and create an indulgent unboxing moment when the package arrives.

The best new beauty brands are rethinking the moments they share with their customers entirely for the digital age. What are the keys to their success?

## **Make unboxing a moment of pleasure**

From birthdays, to Christmas, to an unexpected Valentine's gift, a present in the post is exciting to receive. The anticipation and excitement of opening a beautiful gift creates a powerful moment between the gifter and receiver, replacing the traditional 'smell and experiment' moments experienced in store. Products that are beautifully packaged or lend themselves to online experimentation can create intrigue and drive sales.

These products also make great social media content. A Snapchat video capturing the moment an influencer opens a box full of self-gifted goodies can reach millions. The rising trend of visually arresting (and bizarre!) facemasks are perfect for showcasing on social and satisfy customers' addiction to Instagram. Already popular on the market are 'charcoal masks' and 'cloud masks.'



To satisfy the desire for indulgence, Birchbox has built its brand experience around the unboxing moment. Beautifully crafted beauty boxes are curated by influencers and beauty brands and contain five surprise premium products a month. A winning brand experience that their customers depend on each month and want to share.

Beauty Pie takes a different approach, offering luxury skincare and makeup at "straight-off the production line prices" in stripped-back packaging. Just as effective and ironically, visually arresting, Beauty Pie caters to an audience that doesn't buy into fancy packaging, but values what's inside. The brand focus is still effectively on how the product looks (or doesn't look) and creates the feel good moment of unboxing luxury-quality personal care. Beauty pie aptly attracts Instagrammers too, with very strong visuals on their feed and clever prompts to collect customer feedback.



**Don't be afraid to target a niche**

In a world where even the most obscure products are but a smartphone click away, beauty brands no longer need to secure in-store distribution to survive. This online era has paved the way for niche products to thrive, and to influence the mainstream. Niche demographics and cult beauty groups tend to stick together (especially online) and are more likely to champion their favourite luxury, novelty, cruelty free or vegan products. Companies who successfully engage a niche market will quickly see influential customers becoming enthusiastic brand ambassadors.



Stowaway's 'rightsizing' cosmetics are designed to fit into a woman's handbag, meaning she need never be short of everything she needs to complete her look.

A niche may not only mean targeting a special interest group. Identifying moments when mainstream consumers need a specific product or service can also bring dividends.

The shift to online beauty sales means access to key customer data: direct marketing just got a lot more exciting. Birthdays, seasons, weather changes, marriages - all are life moments that affect day-to-day behaviour and could help build great customer relationships if brands targeted them directly. When done well, one-to-one marketing such as sending out tanning lotion on a hot week, or a favourite shade of eyeshadow on a birthday can create special moments and reinforce loyalty.

Subscription boxes from brands like **Pink Parcel** and **Betty Box** arrive at the start of a woman's monthly cycle, helping to counteract a moment which often signals malaise. Boxes are ready-filled with sanitary products and treats such as tea, biscuits, chocolates, and cosmetics, appearing just when comfort is most needed.

### Create special moments with your most dedicated customers

Social media managers have long known the value of nurturing an engaged community and there is much to learn from their model of special offers, sneak peaks and exclusive access to new products and services. Essentially, a subscription community is a valuable market research asset that can allow bigger brands and retailers to test out new ideas, whilst enabling moments that create new brand advocates.

Big retailers such as Walmart and Sephora include customers in brand testing and promotion, offering low cost samples and hosting in-store experiences with experts to test new products. Sephora's subscription service catalyses personal moments by enticing people to real-life tutorials, helping to drive traffic in-store.

Online forums and informal focus groups with incentives are new and popular ways for brands to leverage and amplify customers' love for products new and old. With the right platform to feedback and share their thoughts online, people can become powerful brand ambassadors for products they love, amplifying the brand message organically and providing valuable, no-nonsense reviews that inform many paths to purchase, especially with beauty products.

### The waning importance of instore experience is redefining the moments we share with beauty brands

In a world of online shopping, make-up selfies and subscription models, brands need to diversify enticing moments for customers. People now opt for photogenic eye-candy in place of their favourite fragrances. Subscription models present both an opportunity to cement relationships with customers over time and a tool for encouraging greater experimentation. The data they provide opens-up powerful opportunities on which new and more established brands to capitalise. However, the more competitive the market becomes, the more important it will be to target your customers directly and personally. By understanding the moments facilitated by different beauty products for different people, you can create a brand experiences that's tailored exactly for your customer's unique beauty needs.



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