Beauty is Personal

How to Deliver on E-Commerce Product Attributes

Beauty is Personal: How to Deliver on E–Commerce Product Attributes

There's no doubt about it, **beauty is personal.**

When a consumer goes online to look for their next beauty product, they not only want to find the right product that serves as a reflection of themselves, they want to find the right product without breaking a sweat (or smudging their mascara).

Like apparel, shopping for beauty products is an experience where one size (or shade) does not fit all. Each customer is going to have their likes and dislikes or different needs they want addressed with a product. Makeup showcases personal style, and whether it's because the product is a current trend, fits their lifestyle or ethics, or because it offers a wide variety of well-matched shades for one's skin tone, shoppers want to find the products that make them feel and look their best.

In beauty, developing a personal style can take some practice or trial and error, but once a consumer has found their preferred brand and go-to products, they tend to stick to them. However, the purchasing process of browsing for a new blush to the final step of checkout, is not always streamlined and gaining that sought after customer loyalty is often easier said than done.

This doesn't need to be the case though! With the power of human-crafted, artificial intelligence (AI)-powered product taxonomies on your side, you'll be sure to build brand loyalty, convert intent into purchases, and thrive in today's ever-shifting market no matter how quick a trend comes or goes.

In this guide, we'll take a look at both the historical and modern evolution of the beauty industry, as well as some big recent shifts in the current beauty landscape. You'll also learn about beauty product attribution, and how small details can lead to significant retail e-commerce success. Read on!

The Evolution of the Beauty Industry

The Beginning of Beauty

The use of beauty and cosmetic products is present in almost every society on earth and spans thousands of years. In fact, its history can be traced all the way back to 4,000 B.C.

Picture the ancient Egyptians, one of the earliest cultures documented to use cosmetics, with thick, dark and dramatic outlines around their eyes made from powdered black kohl. This was their signature version of what we now refer to as eyeliner. They were also known to wear blush, lip color, and eyeshadow made out of natural ingredients like red ochre, malachite, lapis lazuli, and turquoise.

Other early forms and expressions of makeup have been noted by historians as occurring during ancient Greece and Rome, the Byzantine Empire, the Renaissance era, and the Victorian era. Each era had their own opinions on beauty standards. Just like today, styles shifted, opinions on how heavy the degree of makeup should be varied, and the reasons why it was worn and who wore it were mixed.

By the 18th and 19th centuries, however, it was considered much more widely acceptable to wear makeup. Although beauty products were often more accessible to citizens who were considered nobility and high-class than those who were not. Beauty standards also went through many shifts during these time periods and popular cosmetic trends wavered in and out of fashion as could be expected.

Building Modern Beauty

The modern beauty industry, or the closest resemblance to what exists now, emerged in the 20th century. This time period brought a large boost to the beauty and cosmetic industry with the rise of film, photography, and innovation. Beauty and cosmetic products became a key essential for the everyday household in the western world. During the first few decades of this century, the beauty industry rapidly expanded and cosmetic companies introduced popular products that (literally) changed the face of modern society such as lipstick, lip gloss, eyeliner, mascara, foundation, powder, bronzer, and blush.

Now, in the 21st century, makeup is for *everyone*. Beauty products are incredibly accessible, the industry is increasingly breaking new ground, and trends have more power than ever before to spread like wildfire with the use of social media. However, no matter how trailblazing a trend might be, consumers will always have their unique preferences.

Like fashion, trends have come and gone in beauty.

From the 1960's mod, wide-eyed, and matte look; to the 1980's obsession with colorful pops of bright eyeshadow; to the early 2000's fixation on frosted pigments, fake tanner, and body glitter; beauty is a lot like a ferris wheel. Let's just be happy the notorious overplucked eyebrows trend got off the ride. Although the demand for beauty and cosmetic products has proven itself to be evergreen, the makeup looks that are considered "in" at any given time are certainly not as everlasting.

Going forward, the beauty industry has its work cut out for them to keep up with the shifts in beauty standards, continuously deliver advancements in quality, and consistently offer a powerful and personalized approach to beauty for each consumer.
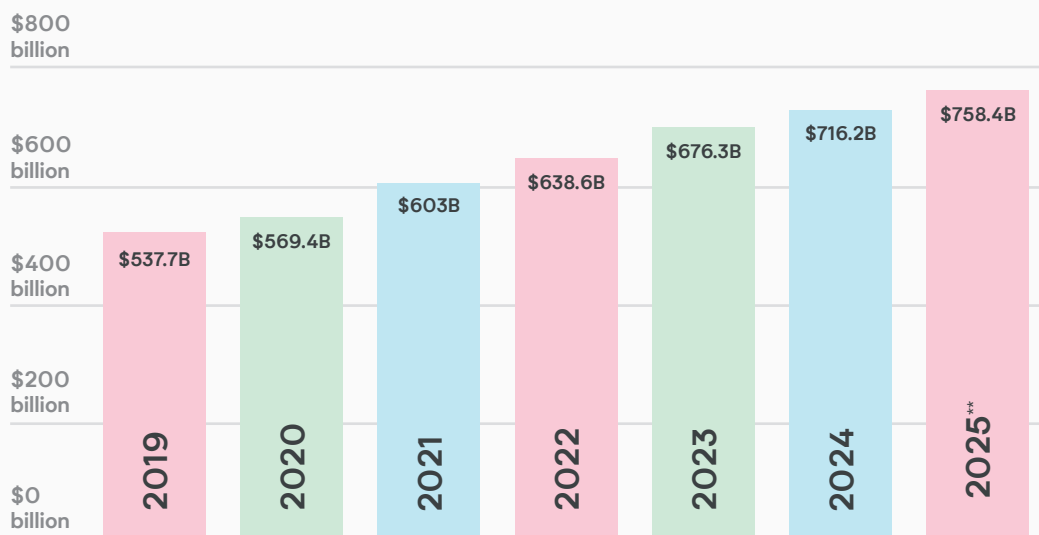
The Beauty Industry Today

Today's Beauty: The Stats

According to Statista, the worldwide beauty industry today is worth an estimated $638.6 billion, with a jaw-dropping projected value of $758.4 billion by 2025. In the largest cosmetic market alone, the United States, the industry is worth a staggering $62.46 billion.

In fact, according to Byrdie, the amount of money an American spends on their appearance could pay for four years of college tuition! The average woman spends about $313 per month on her appearance - this adds up to $3,756 per year, or $225,360 over the course of a lifetime. Of course this cost covers just about the whole shebang, including experiences and beauty rituals like facials and haircuts, not just simple products alone.

On cosmetics and beauty products specifically, Americans on average spend an annual amount of $199.17, a considerable amount that is steadily increasing each year.

Value of the cosmetics market worldwide from 2018 to 2025

Year	Value
2019	$537.7B
2020	$569.4B
2021	$603B
2022	$638.6B
2023	$676.3B
2024	$716.2B
2025**	$758.4B

Source: Statista 2022 **Projected Sales

Today's Beauty: What's Different in 2022

In current times, beauty is a rapidly growing industry that has just begun to dip its toes into new innovations like personalized products/routines, AI, and more. It's a fast-paced industry and brands must be adaptive and open to alterations in order to keep from falling behind and becoming obsolete.

Historically, most beauty products have been purchased in brick-and-mortar stores, but this is no longer the case. In fact, online sales are projected to make up 48% of the total of all beauty sales by 2023, according to Terakeet, and nearly one in three dollars spent on beauty products in the U.S. today is spent online. In fact, nearly one in three dollars spent on beauty products in the U.S. today is spent online.

Today, contemporary beauty is quite purposeful and has become an "ecosystem" in and of itself that is quick to rebound and recover from times of turmoil. Even during times of economic downturn like the Great Recession or times of crisis like the COVID-19 pandemic, people are still willing to part with their hard-earned money to sustain their beauty rituals.

$44.75 billion

the amount of cosmetic and beauty revenue that was still generated in 2022, despite the pandemic.

For example, despite the pandemic, the entire cosmetic and beauty industry in the US still managed to generate a revenue of $44.75 billion, according to Statista. Although this was less than 2019's $49.58 billion and 2022's forecasted $49 billion, the tumultuous 2020 still managed to deliver the goods.

For most people, beauty products are essential, not expendable.

In 2022, consumers are now very much on a journey of exploration and self-expression. They want to enjoy new products and seek out new brands that not only empower them as individuals, but brands which deliver on products that are less harmful to the environment and one's own body. As consumers are now increasingly multifaceted, they expect to be met with products that fit their needs to a tee.

We're only just beginning to see what's possible as brands start to focus more on evolving and going to market with more products tailored to insightfully address age, gender, race, ethnicity, size, and ability. Inclusivity, accessibility, and adaptability are all key specifications needed to meet a consumer's individuality at the level 2022 and beyond demands from beauty retailers.

However, due to thin and inconsistent product details, poor search results, and non-usable data for demand prediction and allocation, both the consumer experience and revenues are still lacking for the beauty industry.

3 Major Shifts in the Beauty Industry

1. The Revolution of Clean Beauty

If beauty is an evolution, clean beauty is a **revolution**. Over the last few years, the focus in the beauty industry has expanded to one fixated on natural beauty and cosmetic products, also known as "clean beauty." It's commonplace now for a consumer to double check if the products they're putting on their bodies are free of harmful chemicals or not. Consumers want transparency and the clean beauty revolution is a clear indicator of that desire to know what ingredients are being used and why. According to Statista, 58% of American women prefer organic and natural skincare products compared to their counterparts. As a result of the clean beauty movement, the global market value of natural cosmetics is projected to hit $54 billion by 2027.

Today, it's hard to pin down an exact definition for clean beauty. However, when it comes to clean beauty products, there are specific keywords to keep an eye out for that fall under the clean beauty umbrella. These terms include: **clean/organic, vegan, cruelty-free, paraben-free, phthalate-free, sulfate-free, silicone free, mineral oil-free, synthetic fragrance-free,** and **petrolatum-free**. Often, products will offer a combination of these abc-free ingredients.

GLUTEN FREE   ORGANIC   VEGAN   NATURAL   PARABEN FREE   NON TOXIC

However, despite the rise in popularity of clean beauty products, many retailers and brands have done little to no work in defining what "clean" actually means to them. Because of this, Lily AI has taken the leap toward building an understanding of these ingredients and solidifying a way to differentiate between the many types of clean beauty out there. Rather than grouping them all in one generic category, Lily has taken the time to learn and define what it takes to classify a product as cruelty-free, vegan, or sensitive-skin friendly. We even have a word to match the products that fall under the lines of both clean and clinical - "cleanical."

2. A Personalized Approach

"Tell me what I want, before I know I want it." - Today's Consumer.

With endless options available online, consumers have dramatically embraced the power of choice and highly personalized shopping. The same shoppers who are redefining what healthier, more natural products look like are also the ones taking the reins behind wanting a more personalized approach.

Many emerging beauty and cosmetic brands have recognized the ineffectiveness and inefficiency of a traditional mass market strategy, instead focusing their efforts on building brand loyalty through targeted, personalized, and ultimately more relevant methods. This can be seen, for example, with beauty brands offering rewards programs or by being more transparent and providing more inclusive and relatable images that consumers can successfully identify with.

Today's consumer is knowledgeable, sophisticated, and generally knows *exactly* what they want or need in a beauty product. And now, more often than not, today's consumer wants personalization. The truth of the matter is, the more a consumer is involved in the customizable process of finding a product - the search, the purchase, the overall shopping experience - the more likely they are to come back, repurchase, and then spread the word to peers. Thoughtless incentives only impact the short term, whereas emotional components like personalization impact the long term and drive customer loyalty.

At Lily AI, we've ensured that retailers can start matching shoppers to the products they actually want, and we can do this *without* actually needing extensive personalized data to do so. Our AI models can be customized to optimize for revenue, conversion, or any other metric that fits a retailer's business needs. Lily helps to build personalization in an entirely new and groundbreaking way.

3. A Closer Relationship to the Customer

As consumer expectations rapidly change and purchasing shifts online, retailers often struggle to maintain customer loyalty. Although the internet is undeniably one of the greatest tools ever created for reaching consumers, constant connectivity means shoppers have the ability to research and buy whenever - and *wherever* - they like, making it hard to build close relationships. Even though there are plenty of opportunities at hand for retailers to sustain a connection with a consumer, the connection isn't always a one-shade-fits-all.

Despite the fact that it may seem like a daunting task with ever-short product cycles, relentless micro-trends and consumers overwhelmingly searching for newness, taking the time to build stronger relationships needs to be a priority. Engaging consumers and adding value to their experience will keep a retailer's brand at the front of their minds.

The better engaged a consumer is, the longer they'll be a loyal customer. Success, effort, and emotion are the three most important factors impacting customer loyalty, according to the Temkin Group, with an *improvement in emotion* increasing loyalty the most. Providing meaningful customer engagement is the most effective way to stir up the positive emotions that keep consumers coming back.

Beauty brands have made advancements in improving relationships such as by being more transparent with their ingredient lists and providing more inclusive and relatable images to successfully identify with a consumer. But do they know *why* their target consumer base is purchasing a particular product? Or do they just know that they are purchasing it and they should probably recommend products similar to it? This is where Lily AI comes in.

Lily AI enables brands to now speak in the customer's language. Retail brands can now boost site conversion, order size, and full-margin sales by immediately moving away from categorizing and presenting products according to legacy, out-of-the-box attributes. They can instead start presenting products in the *language of customers*. This takes the voice of the customer across the entire retail ecommerce value chain, providing retailers with one tool that dramatically impacts all systems.

Think how much deeper beauty brands could take their relationship to consumers with a solution like Lily AI by their side to streamline product attributes, increase sell-through, improve demand forecasting even further.

How Detailed Beauty Attributes Contribute to Your Success

Product attribution in beauty matters as there are so *many* alternative ways an attribute can be named. For example, lip gloss is *not* known by only that singular name. Lip gloss can also be known as *lip glaze, lip shine, lip topper, liquid gloss,* and *tinted gloss*. That's a lot of different ways a customer may refer to just one product!

To date, beauty descriptions have been much more retailer-focused, not user-focused. These descriptions come straight from the manufacturers, but don't actually capture or represent what consumers truly want. In fact, every retailer's product data has a different distribution, as in each retailer's images are going to look a bit different than their competitor's images and their text descriptions are going to have their own unique style. This lack of streamlined customer-centered product attribution has compounding negative effects across the entire retail value chain.

Consider the recent expansion of color within complexion products. Historically, many products of this nature allowed for only a limited range of skin tones. But, in recent years, brands have advanced and become more inclusive, offering a wider range of colors and undertones. And while this is great, it also opens up new challenges for consumers. They may often be unsure which color matches their skin tone or not know what their undertone even is.

With streamlined product attributes, skin tones and undertones can be correctly categorized when tagging products, condensing shades into the most commonly used ranges and phrases amongst brands. The same can be said for fragrance with the variety of fragrance families, fragrance styles, and notes available.
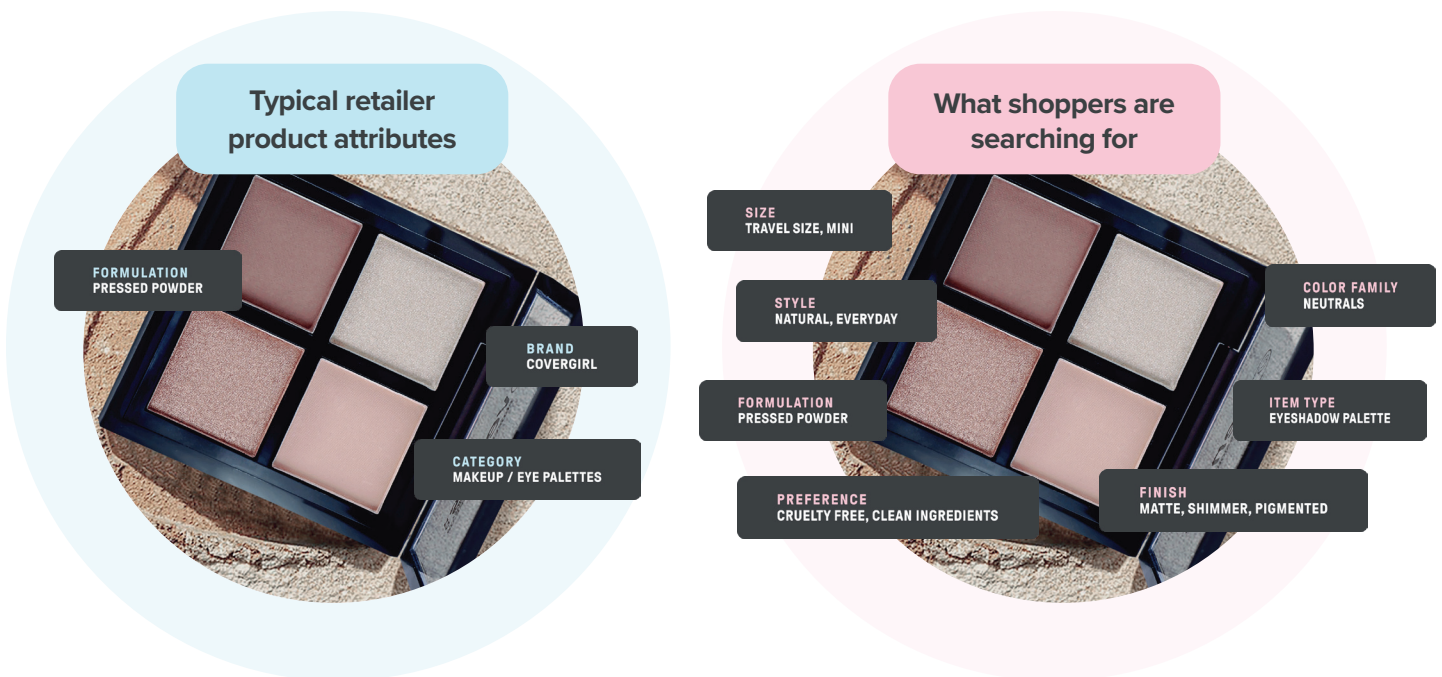
Many consumers even want to know how a certain product may feel on their skin, not only on its own, but also when layered or mixed with other products. They want to know if using a formulation type or ingredient mixed with another will work well or not.

Lily AI's Product Attribution Capabilities

Lily AI is the only platform that injects the language of the customer across your existing retail stack, accurately connecting your shoppers with the beauty products they're actually looking to buy. As we focus on capturing all the details in each product, more accurate product recommendations can be provided.

Speaking in the language of the consumers has hugely beneficial ramifications across the entire retail value chain. A product with two to three attributes can, through visual, AI-driven tagging and a carefully-designed taxonomy, immediately unlock its sales potential to become a product with 10 to 15 attributes. With Lily AI's tagging capabilities (15,000+ attributes), Lily AI can help present every unique consumer with exactly what they're looking for in real time.

When product attribution is done correctly in this manner, it instantly drives better site search, filters and facets, product discovery/recommendations, and demand forecasting. On-site conversion even goes from a lowly retail industry average of 2.5% to 4%, to 5% and more. "It's the way we've always done it" becomes a thing of the past and retail customers have a new set of forward-looking, customer-focused brands to pin their shopping allegiances to.

Typical retailer product attributes

FORMULATION
PRESSED POWDER

BRAND
COVERGIRL

CATEGORY
MAKEUP / EYE PALETTES

What shoppers are searching for

SIZE
TRAVEL SIZE, MINI

STYLE
NATURAL, EVERYDAY

COLOR FAMILY
NEUTRALS

FORMULATION
PRESSED POWDER

ITEM TYPE
EYESHADOW PALETTE

PREFERENCE
CRUELTY FREE, CLEAN INGREDIENTS

FINISH
MATTE, SHIMMER, PIGMENTED

Lily AI's Beauty Product Taxonomies

Lily AI has built an extensive taxonomy of over 15,000 attributes that are currently being used by retailers in fashion like Bloomingdale's and The Gap. Now, we've brought this expertise in product attribution to beauty. We have extensive taxonomies built for skincare, bath and body, face makeup, eye makeup, lip makeup, haircare, hair tools, makeup brushes and tools, spa tools, nails, and fragrance.

One way Lily's beauty taxonomy will turn heads and turn a profit for beauty brands is based on our ability to provide synonyms that will enhance a retailer's product recommendations. For example, if a consumer is on the hunt for lip gloss but searches for "lip topper," they won't be limited to search results returning only "lip topper" products. They'll be able to see all lip gloss products, no matter the name they use. The search can return results for "lip shine," "liquid gloss," or any other "lip-keyword" products, if part of the same taxonomy. From another angle, categorizing lip gloss as just that - *lip gloss* - without a product attribute taxonomy that can provide synonyms means that a beauty retailer will be dead in the proverbial water if a customer tries to search for "lip shine" but gets "powders to remove shine from a forehead" as their top result.

Lily AI can even build a taxonomy for products that retailers might not have in current searches today, such as "false eyelashes."

We have the capability to manually tag which lashes fit best for what eye shape (i.e., downturned eyes vs. hooded eyes) and can also determine which lashes compliment the best for each eye shape.

Altogether, Lily's human-powered beauty product taxonomies combine beautifully with AI to provide a depth and scale of attribution that no other solution can match by turning qualitative product attributes into a universal mathematical language at a high volume with unprecedented accuracy. This customer-centered, AI-powered language, combined with our domain expertise, puts Lily AI in a unique position to inject this language across the entire retail stack in a way that's never been done before.

Lilyᵃⁱ ™

Lily AI is the **product attributes platform** that injects the language of the customer across your existing retail stack, accurately connecting your shoppers with the relevant products they're looking to buy. We drive 8-9 figure revenue uplift for retailers and brands by dramatically improving their on-site search conversion, relevant product recommendations and demand forecasting.

Learn more at www.lily.ai