

Beyond Skin Deep

Post Sales Communications

# Beauty in Asia

Extend the luxury experience beyond point-of-sale to drive long term customer engagement



## 1-to-1 Communications Beyond Point-of-Sale

Retail operators spend tremendous effort creating an in-store funnel that converts foot traffic to sales. Why stop there? The luxury beauty experience should extend beyond the point-of-sale, into the daily lives of consumers.

Chinese consumers are relatively new to the luxury beauty market. As a result, many consumers are open to experimentation, resulting in fragile brand loyalty. Marketing efforts in Asia have primarily focused on generating awareness. To increase brand loyalty and recurring sales, retail operators should create 1-to-1 communication plans that reach consumers at key moments in the repurchasing cycle.

## 5 Best Practices for Post Sales Communications

- 1. Reach consumers when they are most likely to switch brands**
- 2. Top selling products take some time to impress customers:**  
**Upsell at the right moment**
- 3. Celebrate the first purchase**
- 4. Personalize the conversation to build trust**
- 5. Chinese shoppers spend a much larger portion of their beauty budget when traveling to Hong Kong and abroad. Make considerations for travel retail**



## **1. Reach consumers when they are most likely to switch brands**

A survey of 300 Chinese consumers showed that women are most likely to switch brands or experiment with new products when they are running low on a previous purchase. This is particularly true if the preferred brand is difficult to get, or is sold at a large premium in their home city (see #5 for Travel Retail communications).

**Beauty brands should reach out to consumers 3 – 6 months after an initial purchase to suggest simple ways to repurchase the same product, or to suggest seasonal adjustments appropriate for the customer’s skin type and geographic environment.**

For example: Vicky L. from Hong Kong previously bought Aesop’s Oil Free Hydrating Facial Serum for her combination skin (and humid summer environment). By Nov, she was running low on her moisturizer. Rather than purchasing a winter equivalent from Aesop, she purchased a Madara cream from Beyond Organic Beauty. The reason? “I saw Beyorg on the way home from work. The sales lady told me that it was perfect for winter weather”. When asked about a higher hydration line from Aesop, she said “Really? I didn’t really think about it. I had come to equate the brand with my lightweight moisturizer.”

Asia’s consumers are increasing in sophistication, but still desire education. If Aesop had reached out to Vicky L. to educate her on their winter hydration products, they would have retained one more customer and built greater brand loyalty.

*Reduce customer attrition with just-in-time communication. Messaging automation from SILK enables retail operators to reach consumers on a personalized repurchase cycle.*



## **2. Top selling products take time to impress customers**

### **Upsell at the right moment**

Upselling is based on trust. First time consumers will often trust a brand enough to try a “top seller”, or other purchases perceived to be “low risk”. Immediate upselling attempts can seem pushy, and decrease customer trust.

Most “top sellers” take 4-12 weeks to show material difference to a customer. This is the optimal time frame to reach out for customer feedback, and upselling opportunities.

Example: Winnie C. bought a l’Occitane Immortelle Precious Cream and found it satisfactory. It was her first brand touchpoint. 4 weeks later, her friend suggested that she tried using the Immortelle Precious Water as a toner to maximize results. She is now willing to try the complete set because she has a trust of the brand, and of the ingredients found in that line. What would have happened if Winnie’s friend had not mentioned Precious Water as a substantial addition at precisely the right moment?

*Long term customer relationships are built on trust. Send upselling messages when customers are most likely to be impressed by your product offering with SILK automated communications.*

## **3. Celebrate the purchase to minimize buyer’s remorse**

High end beauty consumers in Asia often spend a greater percent of their income on beauty products than their Western counterparts. Almost 10% of Chinese female white collar consumers surveyed in the last SILK insights reported 1 or more instance of Buyer’s Remorse in premium beauty products.



With word of mouth as such a large driver of brand awareness and loyalty, it is increasingly important for premium beauty providers to ensure that existing consumers are happy with their purchase. SILK explored top reasons for buyer's remorse.

- 1) Unrealistic expectations of products. Some women are upset that their new moisturizer does not work after a few days.
- 2) Becoming unsure if product purchased is right for their skin. Could they have gone for a cheaper alternative that offers similar results?
- 3) Finding out that their new purchase is incompatible with their existing products. For example, some heavier SFP moisturizers may not look right under certain foundation or concealer. On average, women have 5 – 8 products in their regimen from at least 2 brands.

*Premium beauty retailers should consider checking in with new customers 2-3 days after their first purchase. This is usually not enough time for consumers to see results, but it creates a halo effect, showing consumers that you care.*

## **4. Personalize the conversation to build trust**

Asian consumers are increasing in sophistication at a rapid pace. The question is no longer “What’s the best brand?” The question is now “*What is the best skin care regimen for my skin type, for my daily habits, my lifestyle, my environment, and my budget this season?*”



Beauty brands are starting to provide education and content in their marketing, addressing key concerns and benefits provided by their products. However, content marketing should still address customer lifecycle, as beauty sophistication varies greatly across different consumers.

The 3 most common segments we found amongst under 40 white collar Chinese women:

1) **Quick & Easy:** short routine consisting of cleansing, toning and moisturizing on a daily basis. Has time on weekends for maybe 1 facial mask.

Receptive to beauty products that will save them time (eg. Combining SPF with moisturizers and chapsticks). Low tolerance for high maintenance products. Does not want to hear about primer or illumination powders.

2) **Modest:** Often upgrades from Quick & Easy routine. Besides basic three step process, is willing to try serums and more frequent makeup usage. Move is sometimes prompted by career promotion, new lifestyle aspirations. Several respondents requested “10 minute morning beauty & makeup routines for the office”.

3) **In Full Bloom:** is willing to spend one hour or more per day on beauty routine  
Wants education on new techniques, color palettes. Willing to buy brush kits and contouring kits. Signed up for at least one cosmetics sitting in a department or dedicated store. Often disappointed by the lack of knowledge of in-store sales associates in China locations.

*Women are very receptive to receiving educational marketing so long as it is specific to their needs. SILK provides simple segmentation that can be used by marketing and retail operations, without assistance from IT or back office.*



## 5. Make considerations for travel retail

With China's high domestic tariffs, consumers often load up on cosmetics while abroad, effectively creating a new class of "omni-location" shoppers. The most common time for mainland Chinese consumers to travel to Hong Kong include: Chinese New Year (Feb), Summer holidays (May – Aug), Golden Week (Oct). Younger shoppers tend to buy more for themselves during summer holidays, whereas Chinese New Year is seen more as family and gifting season.

Older shoppers tend to create longer shopping lists before they arrive in store, creating a need to stay top of mind before a trip. Younger shoppers are less likely to predetermine their shopping list, creating a need to stay visible on WeChat and other everyday apps used by young Chinese shoppers as they travel. Retailers should tie WeChat messaging with core CRM, creating a simple way for traveling shoppers to find the stores and products they desire.

*Chinese beauty consumers are far from a homogenous group. It is increasingly important to manage the lifecycle of consumers, creating trust and loyalty through post sales communications. See how SILK CRM can boost incremental revenues and brand loyalty by automating post sales communications.*



# SILK

## **Digital Blackbook for Luxury in Asia**

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