

An illustration depicting the intersection of technology and beauty. In the upper left, a man's profile is shown wearing Google Glass. In the lower right, a woman with blonde hair is looking at a smartphone that displays a social media-style interface with a profile picture and text. The background features shelves filled with various beauty products like bottles, tubes, and jars. A small sign on one of the shelves reads 'Beauty'. A horizontal bar with red, yellow, and green segments is positioned above the title.

The Beauty Revolution

Beauty @ Google™



"Thanks Google for an insightful & entertaining morning at Beauty@Google, I'm leaving inspired and ready to action new ideas."

Celine Gilg, General Manager,
Tom Ford Beauty.

"Great closing words from Gayle Tait at Beauty@Google: take some risks, try new things. Don't ask what your competitors are doing, ask what they're not doing."

Lucy Vaughan-Griffith, Director,
Activate PR.

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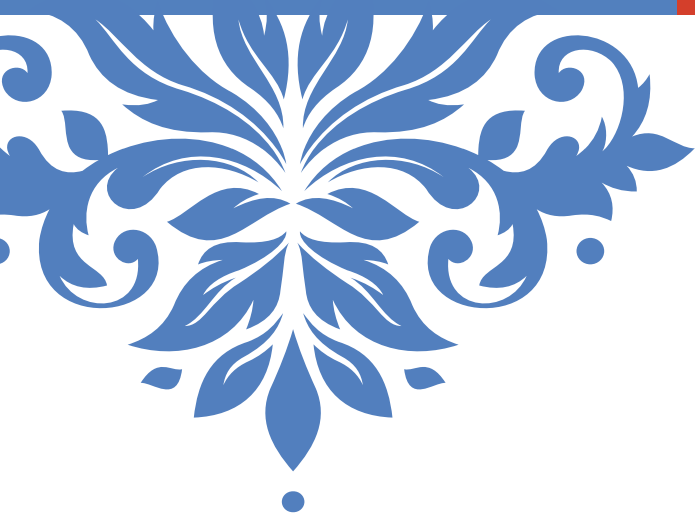
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Beauty is one of the most exhilarating industries to be in right now. It's at the beginning of a digital disruption that's fundamentally changing the way we engage the consumer. What's really exciting about this time that we're living in – and what's also a little scary – is just how fast things are changing. But here's an astonishing thought: today is the slowest rate of change that we'll ever witness.

With that in mind, we wanted to take a moment to explore how people's attitudes and behaviours are shifting in this ever-mutable environment. We believe that by understanding how consumers are discovering products and brands, we can

help beauty companies to anchor their strategies in the new reality.

Here we offer the latest insights on the beauty consumer and how she's using digital to discover and engage. We discuss how to win the moments that matter, while Pixability's Art Zeidman lifts the lid on YouTube's incredible influence in the beauty arena. Google Zoo's Head of Design Patrick Collister talks about how stories can bring brands to life, with these stories increasingly being expressed beyond the store or print.

We then introduce three leading YouTube vloggers whose collective subscribers outstrip the combined

readership of consumer press titles Vogue, Cosmopolitan, Grazia and Glamour. They share their insights on how brands can work within this burgeoning space.

Google's Director of Retail Martijn Bertisen demonstrates how digital is transforming the retail experience and what this means for beauty brands. Finally, we explore how an integrated digital strategy contributes to in-store and online engagement with an expert panel including Victor Gibson (Global Head of Digital, Liz Earle), Pamela Routley (Marketing Director, Coty), Claire Higgins (Head of Digital Marketing, Selfridges) and Tom Newbald (Marketing Director, feelunique.com).

Happy reading,

Gayle Tait

Gayle Tait, Director of Luxury, Health & Beauty, Google UK



19.9B

views of beauty content on YouTube

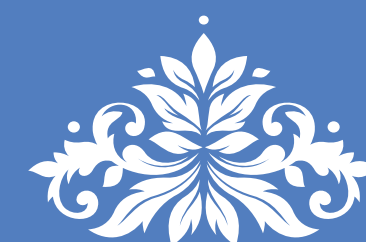
(Source: Pixability)



75+ hours

of beauty-related content is uploaded to YouTube daily

(Source: Pixability)




YouTube's top 20 beauty vloggers possess

100x

more subscribers than the average beauty brand channel

(Source: Pixability)

An illustration of a woman's head and shoulders. She has dark brown hair in a bob cut and a gentle smile. Various beauty-related icons are floating around her head, including a red perfume bottle, a green hairdryer, a yellow hairbrush, blue mascara, a yellow perfume bottle, red lipstick, a green pump bottle, and a blue tube of cream. At the bottom of the page, there is a makeup palette with a red brush and several lipsticks in a holder.

The Beauty Consumer

Media habits are changing, and so is the beauty consumer. Learn more about how YouTube has become a global beauty hub, and how digital and mobile have disrupted the beauty industry.

The Changing Face of Beauty

Media habits are changing so quickly that it's hard to keep up. In 2010, digital took up 25% of our daily media time; just four years later it accounts for 43%. Gayle Tait, Google's Director of Luxury, Fashion & Beauty, offered an overview of critical themes in this climate of transformation.

What we want
Behaviours, attitudes and expectations are changing. Now more than ever, consumers want control, choice, immediacy and the ability to create, curate and share. "We love things our way, curated to suit us, with full control and immediate choice, in an instant," Gayle explained.

How we learn
The way we learn is fundamentally changing, too. "We learn from the web in our pockets. With 5 billion searches per day on Google globally and one-third on mobile devices, instant answers really are the norm now," she explained. "We like to learn from **experts**, people who are passionate about their topics. We're

also learning from **patterns**, through wearable devices like Jawbone and Fitbit. And we learn from **people**. Social media makes this possible in real-time, much faster than ever before."

Beauty consumers today

What traits define today's beauty consumer? First, she is **demanding**. "She has never been so well informed," Gayle said. "All the opinions, all the information and processing power of the web are in her pocket." Second, she is **impatient**. "She wants endless choice, customisation and control – and she wants it now." Finally, she's **always on**. "She has on average three digital devices, and checks her mobile phone 150 times a day!"

Mobile, the main screen

In this new reality, it comes as no surprise that mobile is the primary screen for beauty, with 70% of consumers using their smartphones whilst in store. "That phone is an extension



of your packaging. It's an augmentation of your beauty consultant right at the moment of a purchase decision." UK beauty searches on Google today occur on desktops 48%, on smartphones 33% and on tablets 20% of the time.

The new experts

The world's second largest search engine is YouTube, with 35 million beauty searches performed on the platform in the UK every month. The space has given birth to a new breed of experts. Leading beauty content creator Zoella is a great example – her channel has more subscribers than Cosmopolitan

magazine, and Google analysis shows her influence on the beauty category is growing faster than Beyoncé's.

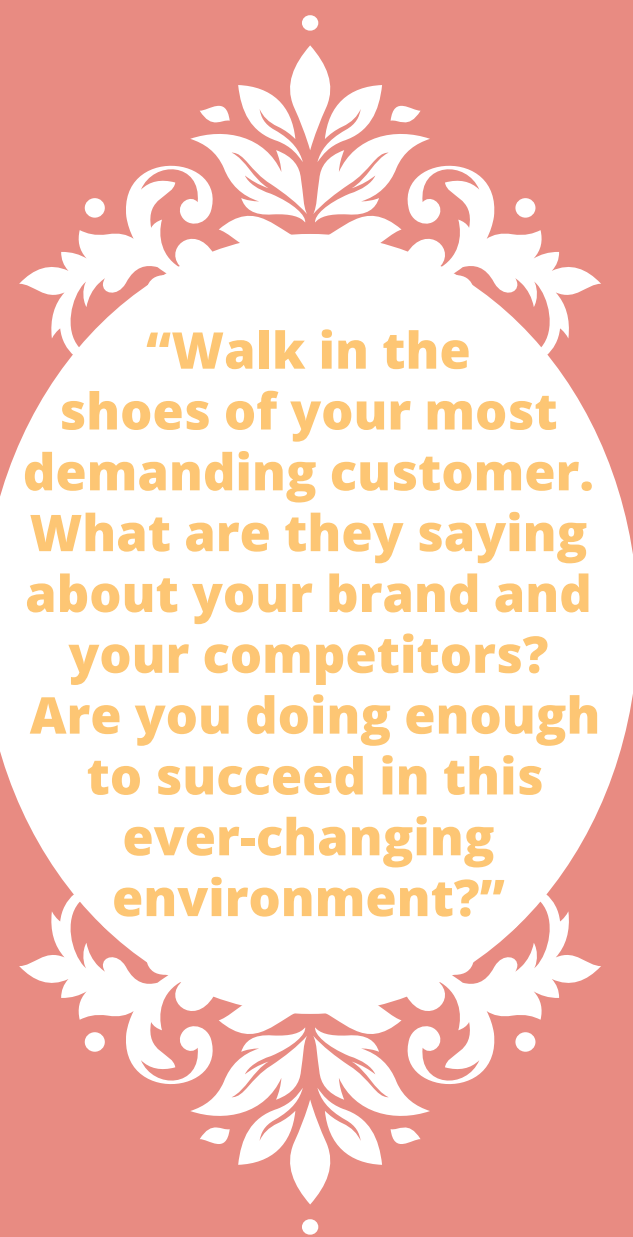
The new opinion formers

Recent research shows that YouTube channel subscribers are **early adopters** who like to try new brands and products, **trailblazers** who are frequently asked for recommendations by friends and **broadcasters** who enjoy telling others about brands and products that they've tried. According to Gayle, "YouTube holds a concentration of your most innovation-hungry consumers."

How to succeed in this new world

First, **be found** and win the moments that matter. "Search for your categories, products, competitors, reviews and advice," Gayle said. "What problems can you help your consumers to solve? Show up when you're wanted." Second, **be relevant** and leverage all data touchpoints. "I love the expression, 'Data makes

your briefcase heavy; insights make you rich,'" she continued. "Every touchpoint makes you smarter and better for the next customer." Finally, **be fast**. "At Google, we talk about being 'uncomfortably excited.' Accepting that things are changing and leveraging it as a catalyst for innovation.




The Beauty of YouTube

Thanks to his role as executive vice president at Pixability – a YouTube ad buying and video marketing technology company – Art Zeidman has a better appreciation of the power of the platform than most. He spoke about how YouTube is radically transforming the beauty industry and what this means for brands.

There's no doubt that YouTube is big – more than 1 billion unique users visit each month, while 100 hours of video are uploaded every minute and 17% of all internet traffic is flowing through the platform at any given time. The content is so compelling we literally can't put it down, with 1 billion views coming from mobile devices on a daily basis.

YouTube has become the world's hub for beauty, with content and consumption accelerating steadily within the category. In 2010, beauty-related content on YouTube averaged 300 million views per month; by 2013 this had grown to more than 700 million monthly views. Today we're seeing over 75 hours of beauty-related content uploaded every single day.

Pixability conducted research to learn about beauty content and consumers, and discovered that major beauty brands own a surprisingly small share of voice on YouTube. These brands control only 5% of YouTube's 19 billion beauty views. Vloggers, haul girls, and other beauty content creators meanwhile control an incredible 95% of



"What do we know about this new beauty consumer? We know that they are turning to YouTube to consume beauty-related content at an ever-increasing rate."

YouTube conversations around beauty. YouTube's top 20 beauty vloggers have 100 times more subscribers than the average beauty brand channel, which is how vloggers have become the trusted influencers for consumers when it comes to purchase decisions.

How can brands engage the new beauty consumer? First, **resist the urge to simply repurpose 30-second TV ads** and assume these will suffice. Successful beauty videos are often long, basic and uncut. Longer form content – such as hauls, tips and tricks, tutorials and how-to videos – earn higher engagement and more page views.

They also drive higher time on site and bigger basket values. Stress utility in the content offering to encourage subscriptions and give users a reason to make return visits. This goes for hero content and viral videos, too. Beyond stimulating social media

conversation, these initiatives offer more value if they can persuade users to subscribe and engage further.

Next, **understand when and how beauty fans are consuming content.**

Pixability's analysis reveals that view rates for beauty tutorials spike when users are getting dressed for work and preparing for an evening out. Seasonal spikes in searches coincide with tent pole events like New Year's Eve and Halloween. Use insights like these to **optimise for discoverability** – and don't assume that search habits on Google mirror those on YouTube. The new beauty consumer leverages Google search and YouTube search very differently.

The new beauty consumer also uses the platform in purchase decisions, so **use YouTube in customer acquisition and conversions.** One Pixability client began using YouTube for customer acquisition. Today

its cost per acquisition on YouTube is one-third cheaper than its banner ads – and the basket size is 17% higher.

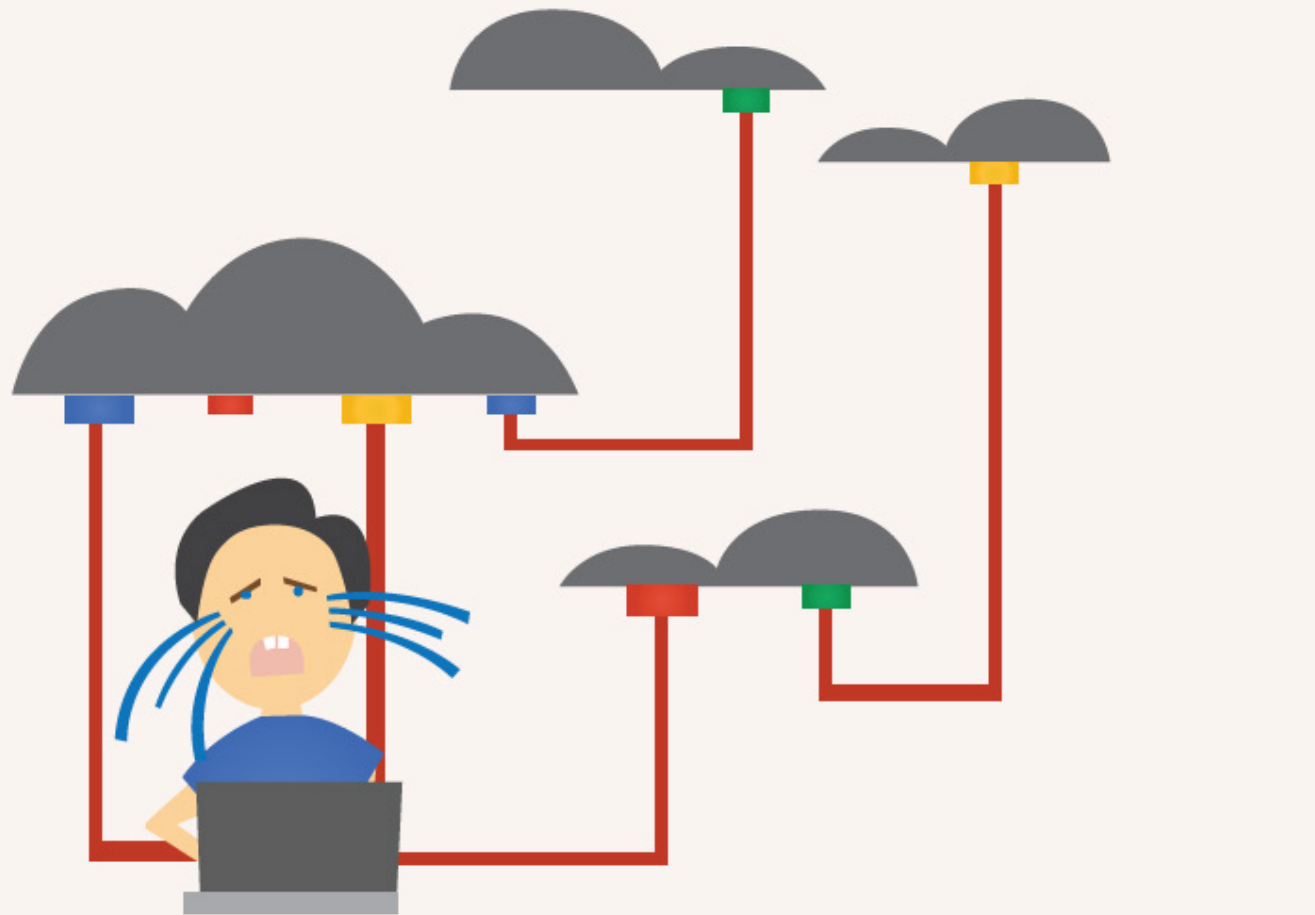
If you really want to win big, then take a page out of cosmetic brand NYX's book and **be where beauty consumers are** on YouTube. NYX stimulated organic brand conversation by engaging consumers on the ground and working with beauty vloggers. Today, NYX has a YouTube footprint that's bigger than some of the world's biggest beauty brands.



Consumer Engagement

Stories bring brands to life.
Increasingly, these stories are
expressed beyond print and in-store.
Learn how beauty brands can tell
engaging stories through digital to
build brand equity and drive sales.





IF YOU TALKED TO PEOPLE THE WAY

ADVERTISING

TALKED TO PEOPLE

THEY'D PUNCH YOU IN THE FACE

Creative Storytelling

Patrick Collister, Head of Design at Google, spoke about the ways advertising has changed. In many instances, the old rules have been inverted, which means businesses need to use new approaches to build brands and tell their stories. Here's his overview of the old ways and the new rules.

In the old days, clients spent money on media. Now, there's an argument that spending 90% of your budget on content is a better way to build brands. Before, clients weren't media owners; now, they are. (Think Bacardi and Coca-Cola with their radio station and Renault's channel on Sky TV.) And it used to be the case that the marketer was in control. "Now people have

extraordinary power," Patrick observed. Consumers are able to talk back, which means they're able to take charge of the conversation about a brand.

Ten years ago, brands were built through advertisements. "Now what you're looking for are advocates, brand ambassadors. Through social media, they're talking about you, and behind

that you've got this mass of people taking an interest in the conversation." It's about advertising not advertisement. "The point is, advertising and advertisements are not the same thing. People will consume advertising in a way that they reject advertisements. People believe in people."

Finally, under the old rules you managed campaigns. "Well, not any longer. You manage ecosystems." Take Lego's Mindstorm launch for example. Consumers hacked the software, but rather than sue their customers, Lego waited to see what would happen. The product got better and love for the brand grew.

So, what are the new rules of brand building? First, think **content**. "The whole business about branded content-advertising rather than advertisements – means that the nature of the brief that you put into your agencies has to

change dramatically, because people will walk away from what looks like an advertisement," Patrick explained. "It's about either being useful, educating or informing, or even occasionally entertaining."

Rule two: **go deeper**. "You're not talking about attributes any longer," he said. "Attributes become boring pretty quickly. So just talk like a human being! If you talk about shared values, then it becomes really quite interesting. The deeper you go, then actually the longer you can engage with people."

Next, **love data** – according to Patrick, it's the new oil. "I'm just blown away by what the insights offer. Dive down into the data, talk to the team analysts, use planning." Which brings us to the next rule: **be social**. Listen and respond, create something shareable and get people to recommend you. A brand needs to go where its

fans are. "You should be part of the conversation, sharing their interests and their likes."



"It's quite interesting to look at the old rules, because it's not so much that they've just changed – in many instances they've been diametrically reversed."

Beyond that, **innovate**; this lets you manage the ecosystem of content. "Learn to experiment," Patrick advised. "You'll start to discover your own metrics. From that, you'll be able to

predict your own success. Sometimes I say to clients, 'Just try it, see what happens because if it catches fire it's going to be really, really exciting.'

Finally, **collaborate**. "We have the technology to do loads of things; we just want to work with you guys to explore and exploit it. As Confucius said: 'Tell me and I will forget. Show me and I will remember. Involve me and I will understand.'"



Voices from the Vlogs

Dominic Smales, MD of talent agency Gleam Futures, introduced a panel of leading YouTube beauty content creators whose combined video views each month outstrip the monthly readership of Vogue, Cosmopolitan, Grazia and Glamour. Here they take the spotlight to reveal what brands need to know about the world of vlogs.

How do the relationships people have with vlogs differ from those they have with brands?

Louise Pentland: Our audience has spent years getting to know and trust us. For us, it's so easy to engage. We have such a close relationship, whereas a brand is not a person with a heart and soul and character. You might feel like you're close to a brand and you enjoy it, but it's just not the

same as a person who you feel like you have a friendship with.

Q: What are the challenges of working with brands?

Lily Martin: When you see a celebrity in a shampoo ad, no one really thinks, "Does Cat Deeley actually use that?" But with us, our audiences know us so well, we know them so well and it's such a close relationship. So my biggest challenge in working with brands is making them understand that we know our audience the best and we

know what will and won't work. The audience will always be my top, top, top priority. If there are key messages to get across in a video, it's best to let us think of how to communicate it rather than give us a script – because it won't work and will get a negative response.

Q: How do you get to know the audience so well?

Lily: I read every single comment and reply to most of them. It's not just talking to a camera; it's a two-way conversation.

Q: What makes a successful brand partnership?

Anna Gardner: It's really important that everything we do comes from a really genuine place with products and brand relationships. The ideal partnership would be long term and well crafted, with meet-ups, advertising, blog posts, their channel, my channel. If it's a brand or product that we already use and love, that's just the ultimate.

Louise: I turn down about 80% of the opportunities I'm offered because you want the right thing. I love brands that go, "You know best. This is the key message; please can you put it in, but package it how you like."

Q: What's the best way for a brand to initiate a partnership?

Anna: A really good way is to identify something that we do,



a feature that we normally run and think of some way to work together. That's just a really nice, natural way of partnering.

Q: What are your predictions for emerging trends on YouTube?

Lily: I think collaborating is quite a big deal. When people started collaborating their channels just blew up, so I think more people will start doing videos together.

Anna: I think it's only going to get slicker. Four years ago, I didn't edit my videos at all. I used to film them in one take, and if I messed up I'd start from the beginning! So I think videos are going to get glossier with better production.

Q: Do you view YouTube as a steppingstone to TV work?

Lily: No – YouTube is our generation's TV!





The Retail Revolution

Digital is transforming the retail experience. Beauty brands have to re-invent themselves, and use an integrated digital strategy that translates into in-store and online sales.

How Digital is Transforming the Retail Experience

When you consider all the technology we now interact with daily, it's clear that the world around us has changed. This has had an undeniable impact on consumers, but according to Google's Director of Retail Martijn Bertisen, don't assume that digital will be replacing the high street anytime soon...

You might expect someone in Martijn's role to claim that retail's future is entirely online, that the high street is dead and that stores will disappear. But that's not the case at all. Instead, he's in agreement with Marks & Spencer's Laura Wade-Gery. She once said that when you have 100 people on the high

street engaging with fashion, at the same time 200 or 300 people are engaging with fashion online – but those 100 on the high street actually make up 85% of retail sales.

"For me that really brings it to life," Martijn says. "It doesn't mean that online doesn't have any impact on the 85% of sales, but the majority

of sales still happen on the physical high street. And we love shops! Many of us love that experience. But we also love elements of the online experience." Successful retailers are working to integrate the two channels and provide a more seamless experience by using some of the best of online to make the offline experience better, and vice versa. Here are four key examples.

Product range

Online we have an infinite availability, so consumers now expect infinite access to inventory. Stores however are restricted by digital panels that enable consumers to virtually explore attributes, imagery, sizes, colours, social media and content for all available products. the size of the shop, which restricts what can be displayed. Adidas is using digital solutions to allow the display of its full range in the store. The Adiverse is made up of interactive digital panels that

enable consumers to virtually explore attributes, imagery, sizes, colours, social media and content for all available products.



"If you think about all the technology that is surrounding us all the time, the world has changed and clearly that is changing the consumer."

Delivery

Instant gratification is one of the strengths of shopping in a physical store that's sacrificed when shopping online. Kate Spade Saturday used technology to tackle

this. The brand created four shop windows in New York to show a capsule catalogue of 30 products. Shoppers could choose from these, order digitally and have their purchases delivered by courier anywhere in Manhattan or Brooklyn within 60 minutes.

Personal service

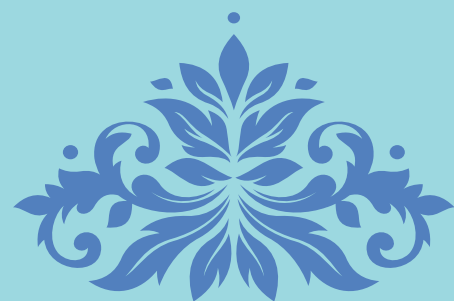
Shop assistants know your preferences and personality, while online has traditionally provided a more anonymous, generic experience. Going forward, many brands are using digital tools to offer personalised advice. For example, Morrisons.com's interactive taste test tool uses three questions to help consumers narrow the choice of wine from 487 in the total range down to 12 tailored suggestions.

Storytelling

Serendipity, delight and surprise are inherent in high street shopping. How can brands create the same

sense of inspiration online? Technology allows us to tell stories and initiate a two-way dialogue. Using Sainsbury's Food Rescue, consumers can use voice recognition on smartphones to list ingredients they have to hand. In real-time, the tool generates recipes and calculates money savings and food waste reduction.

Examples like these illustrate the revolution in retailing that's happening around us right now. "Technology has been incredibly disruptive to the retail space; I'm not going to preach that it's been an easy ride," Martijn says. "But it also creates tremendous amounts of opportunity for businesses, brands and retailers to engage with the consumer in very different, innovative ways."



The Future of Retail

We invited beauty brands to reveal how a digital strategy can translate to in-store and online sales. Introducing Victor Gibson (Global Head of Digital, Liz Earle), Pamela Routley (Marketing Director, Coty), Claire Higgins (Head of Digital Marketing, Selfridges) and Tom Newbald (Marketing Director, feelunique.com). Here's what they had to say...

How is digital changing Selfridges' retail experience?

Clare: We've established online as a sales channel, but over the last year and a half we've started to embrace digital for engaging in-store and connecting the experience between digital and in-store.

Q: With 50% of Liz Earle sales taking place online, what are the challenges of digital for your brand?

Victor: We've got four flagship retail outlets. Our customer advisers give really personal service in-store. We're trying to bring that personalised experience, that serendipity to online.

Q: How do you keep up with the constant innovations in this space?

Pamela: You pick your battles. We're very much digital-first, and social plays a huge part in all our communication strategies. We're trying to give the consumer as much as we can.

Q: For Feelunique.com it's not only digital-first – as a pure player it's digital-only. What are your challenges?

Tom: Our interaction with customers is more faceless than a company with a high street presence. We've invested heavily into content and editorial to make the experience richer. We realised a few years ago that it's not enough to just have a product listing on the website; we need to give a consumer a reason to come back.

Q: What is Selfridges doing to understand and facilitate the online-to-offline journey?

Claire: We're always soliciting feedback from our customers to try to keep up with them. In the upcoming renovation of the Oxford Street store, digital is present at the briefing stage so it doesn't have to be shoehorned in later.

Q: Digital offers a wealth of insights to make better decisions. How does data figure into your work?

Victor: We spend a lot of time listening to our customers and developing small data sets. We layer what we understand about our consumer to put insights together, and from those insights we can build campaigns that are truly personal. At the moment digital is really struggling with these paint-by-numbers experiences; what we want is a unique experience. When you go to the Liz Earle store, the beauty advisor knows you as an individual. Small data sets enable us to deliver a really personalised service that resonates with you as a consumer.

Q: What are your thoughts about data and your business?

Tom: There's a difference between the data you collect – which you can use to make assumptions – versus what

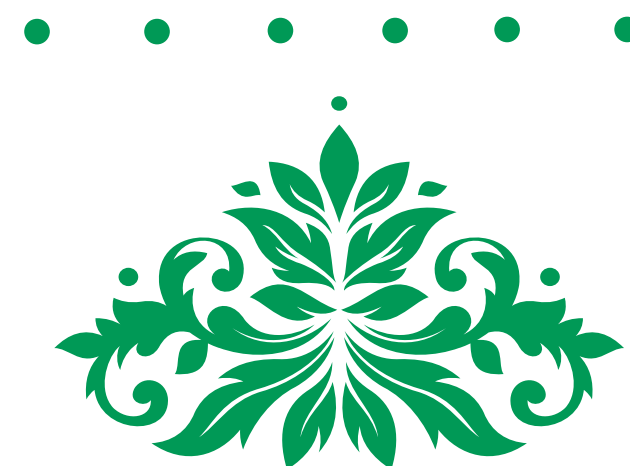
the customer will actually give you so that you can give more intelligent recommendations. We have to incentivise that.

Q: Your products are sold through other retailers. How does this play into your content strategy?

Pamela: Because we don't have pure-play ecommerce as a brand, we want to make sure that retailers give our consumers exactly the same experience. We use our website really as a product catalogue but the conversion is on the retailer's site, so the most important thing is that content is consistent across all channels. What you see on social, on Google, in-store, or on the web needs to be absolutely seamless for the consumer.



"We want to make sure that retailers give our consumers exactly the same experience. The most important thing is that content is consistent across all channels."



Mobile is the Main Screen for Beauty

48%

Desktop

33%

Smartphone

20%

Tablet





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