

Beauty and the Digital Beast - a study of digitalization in beauty retail

To establish how digitalization conquers the beauty industry, the industry can be analyzed using four vital variables, which outline the major shifts within digitalization based on priorly studied – and more digitally mature – retail industries. From this, an understanding of the possibilities and limitations can be detected. The role of brick-and-mortar stores within beauty is assumed to remain as one of the key players, in combination with high-tech solutions in order to optimize the customer experience.

While the beauty industry was one of the earliest and most successful industries in the evolution of social media for businesses – and social media marketing especially – digitalization as a whole was seemingly found to be less progressive than within other retail categories. By analyzing the beauty industry using a framework consisting of four vital variables, it became clear that the need for service and extensive knowledge of these types of products, which are strongly based on individual consumer preferences, still lingers in favor of the brick-and-mortar store. Digitalization within this industry has therefore taken a different turn, using the platforms and tools suited for the products and placing more emphasis on how the consumer will overcome the desire to experience the product physically prior to making a purchase. However, the need for a seamless experience is growing – making it an industry suitable for unified commerce over omnichannel as this enables a more personalized, customer-centric experience.

When analyzing digitalization within retail, a theoretical framework illustrating the critical areas was essential. This developed framework, based on prior research and current market developments and trends, establishes four variables, with the market

system and consumer perspective as an overarching aspect.

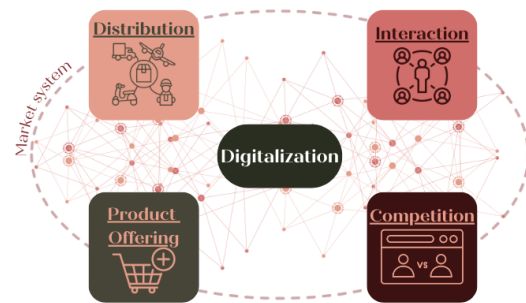


Figure 1: The theoretical framework

The variables are distribution, interaction, competition and product offering. By analyzing an industry based on these variables, a deeper understanding of the possibilities within digitalization can be found. Not only does the conducted research present a theoretical framework applicable to retail industries, it also gives an idea on the effects varieties of the variables. This was showcased through applying the framework on already digital immersive industries with extensive prior research in order to comfortably apply it and analyze an industry with major lack of research, namely the beauty industry. The lack of academic interest for this industry early on became a topic of discussion pertaining to male dominated research. This was especially clear in comparison to the gaming industry, which has almost double the amount of

academic articles published despite being a significantly smaller industry in terms of revenue.

In essence, one can clearly state that the evolution of digitalization within retail is driven by the variables of this developed theoretical framework. Connections between the variables are also shown, as when one aspect is driving the change eventually all variables will join. The framework is valid both when applying it to traditional and

personalized industries such as the beauty industry as well as to the digital pioneering book industry, or to the fashion industry, characterized by mass produced and distributed goods.

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