



## Feature Focus: Changes in the UK beauty landscape

For years, Boots has been the UK's dominant Health and Beauty retailer, but with a part acquisition by Walgreens and various other retailers encroaching on the sector, shoppers and suppliers are going to see some big changes in their options.

Over Boots' 150 years on the British high street, shoppers have become emotionally attached, leaving them upset at the foreign acquisition. US retailer Walgreen will acquire a 45% stake, with the option of buying outstanding shares by 2015. The 2 businesses complement each other in their geographies, creating the first global pharmacy-led health and well-being enterprise. The pairing could lead to better service offering, and no name changes are being made at this stage, but many Boots shoppers are unsettled. Stefano Pessina, Executive Chairman, has tried to reassure; "How could I do a deal to kill Boots? I have done a deal to make Boots more visible, more international, to create a lot of new markets for Boots and for the manufacturing facility at Nottingham".

For those feeling disconnected from Boots, options for beauty shopping in the UK are expanding. Already a pharmacy and healthcare competitor, last year Tesco piloted beauty shops with salons in 3 stores. Although Tesco's value reputation could undermine some of the sector's indulgence and glamour, Tesco's Beauty Category Buying Manager explains that they "Make life as simple as possible". With lots of regular shoppers, often visiting when they might have time for a treatment, the logic is sound for a certain type of shopper. The beauty shop retails brands such as St Tropez, Barry M and new own-brand range, F&F Made Up. "There are a lot of fantastic products out there, available at good prices and we will be making a home for them at Tesco," Buying Manager for Tesco Prestige Beauty, Roddy Zevla commented.

Another established UK retailer making forays into the beauty market is Marks and Spencer, who aim to change the face of beauty, but without the usual beauty hall staples names (Dior, Clinique, etc. sold at the likes of John Lewis). M&S claim to bring consumers the world's most amazing beauty brands, naming the venture "Your Beauty: The Best of Nature and Science", with 14 M&S lines and more than 25 brands; many making their UK retail debut, such as Skyn (Iceland) and Dr.



Murad (US). One blogger described the range as "A really diverse and genuinely unique collection of brands that really fills a gap in the beauty hall market". Pioneered at the High Street Kensington store and online, M&S aim to earn trust through honesty and expertise. The beauty assistants will not work on commission – avoiding the pushy approach. Shoppers will also be able to test products via virtual makeover kiosks in store and online.

Whilst posing a challenge for Boots, these developments that offer convenience (Tesco) and something different (M&S) to UK beauty bring some more options and freedom to suppliers and consumers; which beauty shelf fits your needs?

## Consumer Connections: The rise of Mumsnet



Mumsnet began as an online forum for mums to connect and share advice. Now the community has grown to the point where its advice and opinion is sought by officials and major brands.

There are over a million regular "Mumsnetters", and the level of authority attributed to their opinions is high; when one Mumsnetter recommended Waitrose's "Bottom Butter" baby cream as an effective anti-wrinkle option, the tubs sold out, and later even appeared on e-bay for up to 6 times the retail price! Now 80% of users go to Mumsnet for product advice.

Tesco have approached Mumsnet for product advice too, working with users to design a new "first bra" range – a highly emotional purchase in which parents and daughters are involved. Mumsnet co-founder, Justine Roberts, was also hired to advise energy company, E.ON on rebuilding their brand image, to relay and represent the opinions and concerns of Mumsnetters over tariffs, overcharging and confusion, in order to help the company get on better with these customers.



## Consumer Connections cont.:

So who makes up this influential network? Of regular Mumsnetters, 90% are aged 25-45, 75% have a degree, 70% are employed and 50% earn over £50k. The factors motivating these users to join Mumsnet can be found in a variety of other demographics. Online communities united through sharing one passion, create a tribe where people can identify with other users and trust their views, making it their port of call for advice; believing they will get a more reliable review from 1000 people like them than one paid brand ambassador e.g. in a magazine. Providing the platform for sharing advice taps into the basic human inclination to give advice and share information (including marketing messages, according to Smith et al, 2007). Being able to answer questions posted by other users makes you feel accomplished and helpful; as if you have a higher level of knowledge than them. More extremely, NikePlus allows comparison of running performance against others online.

The newer, Gransnet provides further opportunities for brands to connect with specific consumer groups; particularly with this demographic being a historical source of advice and influence for their families. Gransnet members tend to have spare money, time to chat and want to be engaged. For brands, online communities like these offer great opportunity to gain understanding and build trust through engaging them; whether that means finding the relevant communities as they emerge or hosting them.

## Trend Spotting:

### Adverts and earworms

For those of us exposed to TV (or radio) in the UK, just seeing the words "Go compare" is likely to trigger an unwanted musical reaction inside our heads. Annoying as the comparison website's advert is, their catchy musical marketing has delivered big results. The jingle tactic has existed to aid recall for many years, and scientific research into the tune-you-can't-get-out-of-your-head phenomenon has named it the "earworm".

Earworms are common; 90% of people have experienced earworms lasting longer than an hour – one man even reported suffering for five years. Limited overlap between the offending songs for different people suggests that it is largely a person's experience of a song that causes the effect or "cognitive itch". Like an itch, ear worms are involuntary; part of the broader "involuntary memory retrieval" phenomena. Emotion often plays a role, one woman reports hearing a Bananarama song before an exam as a teen, which has since repeated in her head at moments of stress through her life. Creating branded links between emotion and music would be a challenge for marketers in order to get their brand song into the heads of consumers, thankfully a more simple (and obvious) cause of ear worms is repetition and exposure – more easily created.

Ear worms are often triggered by environmental cues, e.g. "Faith" by George Michael at the sight of a Faith shoe box. Once a brand-related song / jingle is established, cues in the brand's



Communications and elsewhere could help create earworms that reinforce the message in the same way.

Music is powerfully memorable; a "multi-sensory stimulus" that we remember on a number of levels – what it sounds like, how you sing it, what it looks like written etc., making it a more salient memory, which is why people have used it historically to aid recall, e.g. learning the alphabet. Daniel Levitin, expert in the neuroscience of music, says the rhythm, rhyme, and melody combination provides reinforcing cues that make songs easier to remember than words alone. It is suggested that the most memorable songs are characterised by loudness, high energy, and being easy to sing along to – the famous Cornetto jingle would be an example.

The question arises: it is a good branding tactic to create an "annoying" song association? Although Go Compare are now running a "saving the nation" campaign in which they silence their opera-singing mascot, the results he delivered for them are quantifiable; 450% increase in brand awareness, 20% rise in customer count in the first three months, 44% increase in quotes – a considerable return on investment, increasing recall, cut through and stand out at the risk of creating a love/hate relationship.



## Retail Therapy: *The social world in real life*

The rise of social media and the “two-way” conversations between companies and customers is inspiring brands to do more than launch on twitter, as many try to make their business more social and human in the real, non-virtual world.

Energy company, E.ON have made a bold investment in this direction by piloting a high street concept store called Open House – 13 years after the last energy supplier high street branch was closed. Designed like the inside of a home, Open House offers customers a place to get tips and advice on cutting their energy bills, make payments, give meter readings and register complaints. Rather than a selling tool, E.ON view the Open House as an alternative to their call centres – no sales targets have been set. Instead, the objective is to build trust based on the understanding that face-to-face contact is their customers preferred medium. Since the negative press around transparency and pricing, re-building trust is vital for energy providers.

Showing the human faces of a company and being transparent are essential in building trust, relationships and loyalty. Innocent Smoothies encourage consumers to contact or even visit their offices, Fruit Towers. The founders say this open-door policy reminds them why they are in existence; a handful of people take advantage of the opportunity to drop in every day.

Transparency and earned trust can have a profound effect on perception and attitudes towards a brand, creating a buffer to negative publicity that cannot be matched by reactionary steps. Starbucks practices transparency consistently; in 2008 they used PR and door signs to say that stores would be closed for a retraining day to improve their coffee. Their My Starbucks Idea site also allows consumers to comment, complain and share ideas in an open way, helping them to understand and feel involved in the company’s choices.

For retailer brands, the opportunity to be “social” offline is already there. Their goals for social media; engagement, relationship, WOM can all be applied to the in-store experience through their brand ambassadors – the employees.



## Brand Barometers: *Tesco – coupling new technology with consumer understanding*

Although QR codes (that can be scanned by smart phone to quickly navigate to a web page) have been dabbled with by brands over the past few years, Tesco South Korea can be accredited with the first application of QR codes that was celebrated and got people excited about this futuristic technology. Tesco South Korea used QR codes on subway posters designed to look like supermarket shelves, for commuters to scan their items and buy them quickly online. Now, on the other side of the world, Tesco are applying this initiative in the UK – with a shop-able poster in Gatwick Airport using bar codes. In such a big organisation as Tesco, the sharing of best practice across regions is an achievement, as is their adoption of this new technology, and their success has come through real consumer understanding. The Gatwick “virtual shop” targets holiday makers who often have the issue of returning home, tired and jetlagged to an empty fridge, offering them a quick solution – they can choose a delivery date for when they get back.



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