

3 ways beauty brands like Ulta Beauty and Sephora are using technology like AI and AR to engage with consumers

Article

Generative AI helps brands distill consumer insights to create personalized products while AR virtual try-on solutions give customers the ability to try before buying. Beauty brands are finding ways to draw consumers into their apps with exclusive content or services.

1. Generative AI for personalization

Because every body is different, true personalization in the beauty industry can be challenging. However, generative AI is helping brands get closer to this goal by enabling them to analyze and then use customer data to formulate customized products.

- **Prose unveiled its AI-powered skincare line**, which combines user insights and a proprietary algorithm to create an ultra-personalized formula for customers.
- **Sephora, Ulta Beauty, and tech company Haut AI** are also using generative AI to develop personalized skincare products.

Why it matters: Generative AI may still be in its early days, but brands recognize the technology's potential to personalize products and recommendations. As it matures, we expect more brands to use generative AI to create a more one-to-one experience for customers.

2. Virtual try-on to bridge the gap between physical and digital

Through social media platforms or tech company partnerships, beauty brands are embracing AR virtual try-on solutions as a way to bring a traditionally physical experience to the digital world.

- **Supergoop and OPI have partnered with Snap** to roll out try-on lenses for their new products.
- Self-tanning and suncare brand Bondi Sands has teamed up with beauty and fashion tech provider Perfect Corp. to offer a **self-tanner virtual try-on solution** across the US, the UK, Europe, and Australia.
- Perfect Corp. is also partnering with travel retailer Dufry to bring **AR-powered makeup try-on experiences** to airports around the world.
- **Dior is offering a live online consultation service** for beauty customers using AR makeup virtual try-on technology.

Why it matters: Nearly one-fifth (19%) of US beauty consumers say that virtual product try-ons would help them feel more confident purchasing products digitally, per Bolt. Beyond triggering a purchase, virtual try-on technology encourages consumers to spend time with a brand, increasing brand awareness and potentially brand affinity.

3. Apps that go beyond loyalty

Many consumers use branded apps solely to keep track of loyalty points or discounts. But beauty brands can use their apps to engage customers beyond the point of purchase with one-of-a-kind content or services.

- **Charlotte Tilbury rolled out its first-ever ecommerce app**, which features personalized recommendations, early access to new products, and a video library of how-to tutorials and other app-only content.
- Estée Lauder launched an app in the UK and Ireland that helps **visually impaired users more easily apply makeup**.

Why it matters: If done right, a branded app can lead to increased customer loyalty and higher sales numbers. For Charlotte Tilbury, it's using exclusivity to lure its already-dedicated customers onto the app, whereas Estée Lauder is finding a way to secure a niche audience's loyalty.

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