

Bridging Beauty's Data Disconnect

KWI has been leading the evolution of digital retail for over three decades, elevating brands with technology through the power of the cloud.

Even more than most, the beauty industry is well versed in practicing personalized consumer experiences in retail. Engaged associates lead shoppers through intimate purchases, gathering crucial data for well-informed recommendations and decisions. While the immediate transaction is a success, it is a touchpoint that falls short of omnichannel conversion with data often never making it past its single purchase. So, when the key to technology in retail is in data acquisition, and lost data is a point of recurring hardship, a damaging disconnect occurs.

It is an unmitigated paradox that many beauty retailers face. Sam Kliger, chief executive officer and founder of KWI, the cloud-based retail technology platform, has the solution.

Kliger is known for imploring brands to think of the customer first when using technology, creating improved outcomes for both the consumer and retailer. When Kliger first introduced the cloud to retail, over three decades ago, it was revolutionary in driving the digitization of retail. Over time KWI's innovation has only continued to advance. Now, the cloud infrastructure includes a platform of high-tech solutions, providing 'unified commerce' for retailers with the technology to both distill and obtain data.

The KWI platform continues to utilize the cloud for a seamless, omni-channel experience with POS, merchandising, e-commerce, CRM and loss prevention all powered from a single database. Fueled by data, it's a system that also allows retailers the intelligence to offer noteworthy and personalized customer service. Carried out with accuracy and bolstered with the right data, KWI's technology leads brands to find natural success in clienteling and increase brand communities with personalized consumer experience.

Today, KWI works in partnership with many specialty retailers including beauty industry standouts, such as bluemercury, Morphe, Il Makiage, and NARS. Here, Kliger talks to WWD Studios about leveraging data, clienteling in the beauty industry, and how brands are getting it right.

WWD: How are some of the advancements of in-store technology creating a more personalized experience for consumers in all retail segments?

Sam Kliger: Advancements of in-store technology include the ability to deliver personalized recommendations on the spot – with mobile POS. The recommendations are based on prior purchase history of the customer and geographical data as well as some of the most popular sellers, chain-wide.

With KWI's solution, online behavior

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Sam Kliger,
CEO, KWI

such as browse and purchase history can also be leveraged by putting it in the hands of the store associate through the mobile POS. And that is what creates a more

personalized shopping experience. A lot of today's POS systems have information about the customer, but if it is not mobile, there's too much friction to access the data and insights, and use it to increase conversions or upsell the customer.

WWD: What retail segments are more aptly poised to take advantage of mobile POS?

S.K.: Two industries that work really well with mobile POS are footwear and beauty because associates are already actively engaging customers on the floor during the selling process. With both you can collect specific data about preferences as well as fit.

During a try-on experience with makeup, a customer answers a large range of questions based on likes and dislikes, and by using a mobile POS, the associate can record those preferences in real-time. Furthermore, not only can a retailer add samples to an online order box, but they can track whether the consumer purchases them at a later date. Data from all these customer touchpoints and browsing history can be used to drive personalized email messages.

In the store, mobile POS is the critical component to the overall shopping experience. It learns and creates a total brand experience for the customer.

WWD: How does technology enable a beauty brand to further build community among its customers?

S.K.: Retailers are using one-to-one marketing to build relationships and keep

consumers coming into the store. For example, it's relatively easy to add samples to an online order box, but the key is to enter this data into the consumer profile and track whether that person purchases it at a later date. With mobile POS, the store associate is armed with this information.

Clienteling is key to driving consumers into local stores and keeping them coming back. And with beauty, retailers and brands can leverage technology in many game-changing ways. Social media plays an important role as YouTube and Instagram influencers can drive customers into stores. And AR is also fueling conversions as it allows consumers to experiment with hundreds of makeup colors.

It's the 360-degree experience that makes a difference.

WWD: What can traditional beauty brands learn from startups in the industry?

S.K.: It is the about use of data and insights – across all touch points with the consumer, including at the POS – that generates success for many of these beauty brands.

Brands such as Glossier care about incorporating customer insights into their product development process, and have successfully leveraged crowdsourcing to identify and market new products concepts. Beauty startups have also used influencers to drive awareness and purchases where the traditional brands did not.

WWD: What are KWI clients doing to get it right?

S.K.: At bluemercury, the brand has designed a best-in-class loyalty program to improve customer retention and increase spend. With almost 200 stores, it uses KWI's Unified Commerce solution to integrate this data.

Another that comes to mind is Morphe, which leverages YouTube influencers to drive thousands of customers to their store openings. With such large turnouts, the need for speed and ease of use is paramount. So, Morphe relies on KWI's mobile POS to create a frictionless experience for consumers.

In a world where customer experience dictates your brand's success, technology can make all the difference in creating these very personalized, human connections.

