

# CENTRAL

# The future of omni-channel

**TEAM EDDIE EDITED IT**

BOONYARAK | PIMPHIKA | BOON | SATAPORN



# Today's Agenda

01



Thailand Cosmetics  
trend and industry

Industry and changing  
consumer behaviors

02



The New "Central  
Beauty Club"

The redefined and  
personalized services

03



Communication  
and Promotion

Spread the words and create  
engagement

04



Implementation  
and Financial  
impacts

Returns and profits earned  
from the new services



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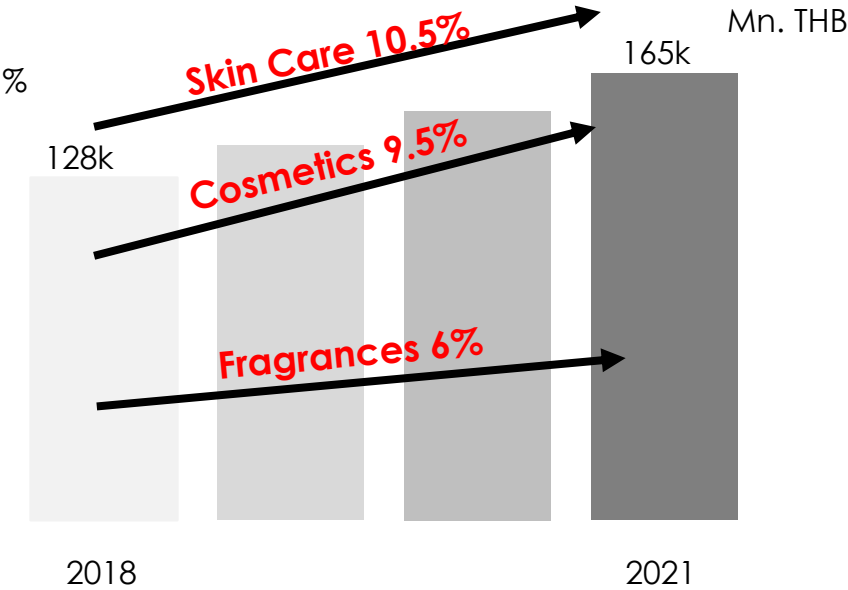
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## Cosmetics Industry

Sales of beauty products are increasing rapidly due to two important factors

### THAILAND COSMETICS & PERSONAL CARE



### MAJOR FACTORS AND CHANGING CUSTOMER BEHAIVOURS



#### Personalized products

Many brands launch product that aim to cater to specific individual needs and skin problems

#### Attractive promotions and campaigns

from all brands that trigger impulsive buying and **using influencers and bloggers** who can largely influence purchasing decision and lifestyle of Thai millennials



Source: Statista

# Shopping Beauty products

The most important factor is the journey of customers where they get information and purchase the product which is significantly changing

## Shopping Online Sites



## Counter Brand in Department Store



Beauty lover

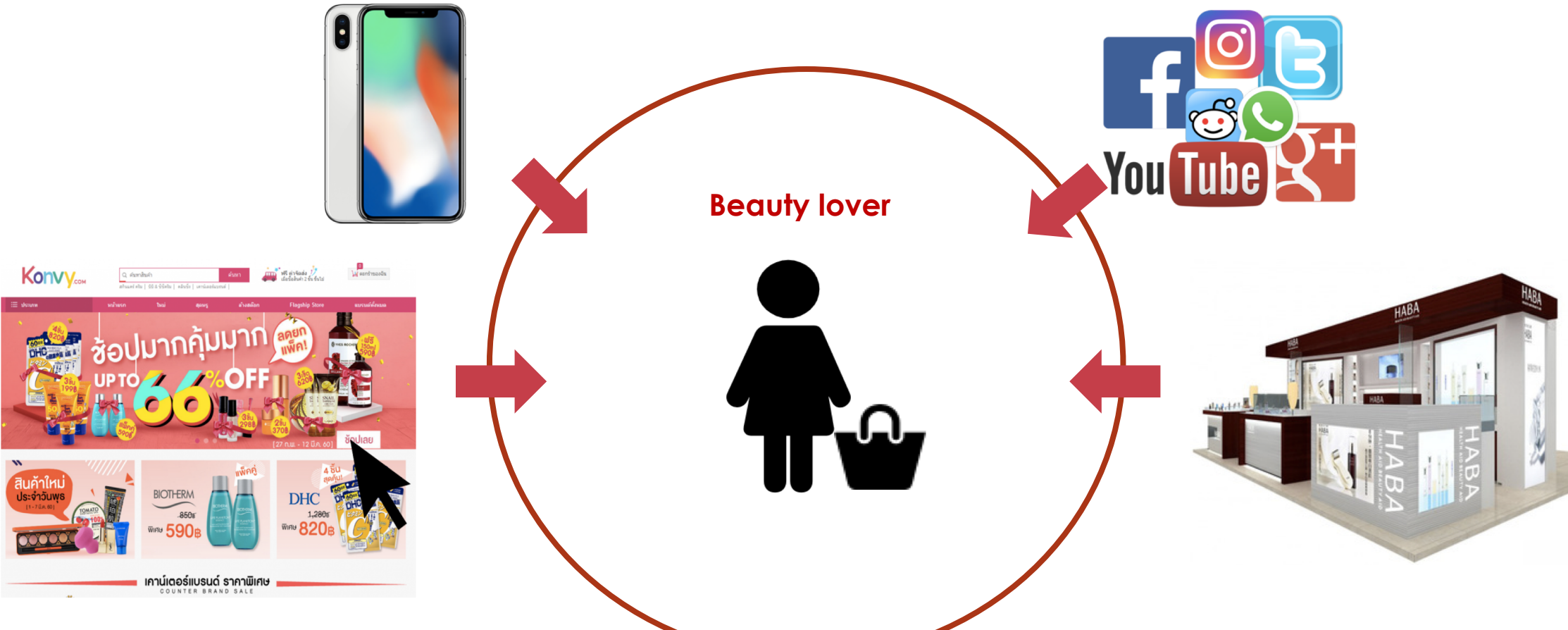


Source:



# Omni-Channel experiences

The most important factor is the journey of customers where they get information and purchase the product which is significantly changing

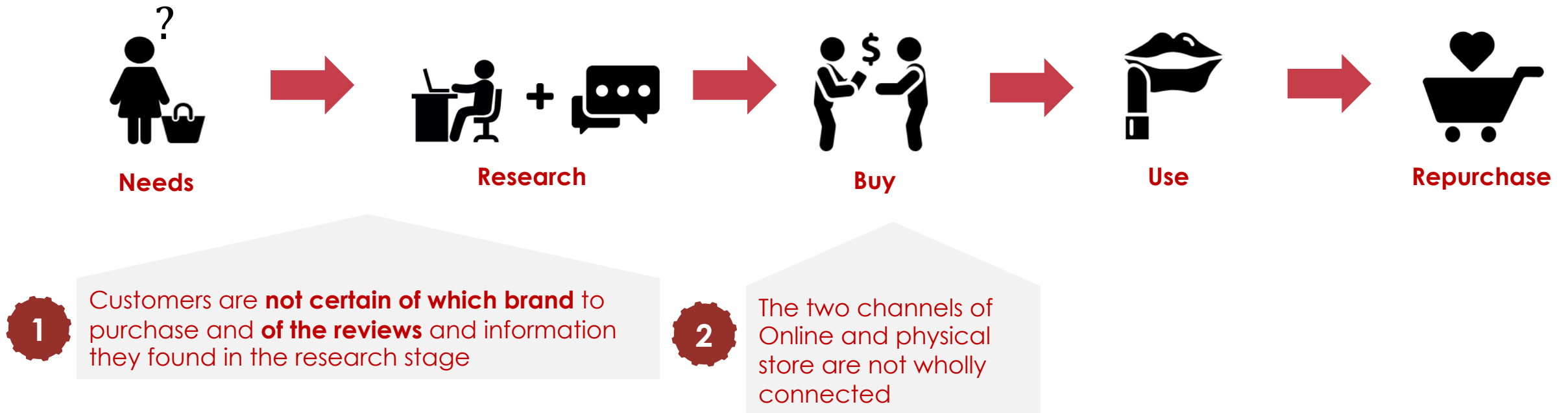


Central should establish its omni-channel presence to deliver the best shopping experiences for beauty shoppers

Source:

## Customer Journey

However, there are two pain points that customers still experience when they try to find the information and buy the product



## Further illustration

Customers have different skin tones and types and prefer different treatment, recommendations and shopping experiences

1

Customers are **not certain of which brand** to purchase and **of the reviews** and information they got in the research stage

## Needs & Research stages



Nan (25)

loves beauty, fashion and make-up  
Hobbies: Play Instagram  
Favorite sites: Jeban.com and Pantip.com  
Skin type: Sensitive and Oily skin



### Online Channels

Customer does not know which reviews and sources are reliable and she cannot try the actual product

**most customers feel unsecured of all products they have not used**



### Physical Stores (Brand Counters)

Some customers do not like B.A. of being too push to sell and some, especially millennials, would like to hover around on their own, **And some may not believe words of the staff and stop purchasing at this stage**

**Services that provide personalized advices and experiences for each shopper are required**

Source:



## Further illustration

Customers would like to have their personal beauty cart that enable them to shopping seamlessly both on online and at physical stores

2

The two channels of Online and physical store are not wholly connected

## Buy stage



Nan (25)  
loves beauty, fashion and make-up  
Hobbies: Play Instagram  
Favorite sites: Jeban.com and Pantip.com  
Skin type: Sensitive and Oily skin





## Key Implication

Providing personalized services are the key success factor that Central should engage in create seamless beauty shopping experiences

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A photograph of two women with long brown hair looking into a mirror. One woman is in the foreground, slightly out of focus, with her hand near her face. The other woman is in the background, looking at her reflection. The image is overlaid with a large red circle containing text and a red geometric shape in the top right corner.

# BRIDGE THE GAP

Provide the finest and  
seamless beauty journey  
through personalization  
across all channels

# Scope of new omnichannel service

To provide a seamless customer shopping experience, each touchpoint should be designed to meet customer expectations

STAGE	OBJECTIVES		WHAT & HOW	
KNOW ME	Need → Research	Collect beauty profile data of each individual customer to pull personalization across all channels		Establish Beauty counseling station and keep beauty information in The 1 Card database
SHOW ME YOU KNOW ME	Research → Buy	Act on that understanding by customizing their experience in physical stores		Use RFID technology to deliver personalized data for better product advice
ENABLE ME	Research → Buy	Connect online and offline channels to be more seamless and effortless		Enable scanning of QR Code displayed at POS for customers
RIGHT FOR ME	Need → Reconsider	Integrate both data collection and personalization efforts to create customer loyalty		Implement data intelligent to deliver tailored marketing efforts and create beauty community

Source: Team Analysis





Step 1:  
Check





**Diagnose**  
skin condition  
without any extra  
cost

- Breaks down visitors' skin type and skin health
- Update current skin condition
- E.g. She just got back from travelling in cold country so her current facial skin is more sensitive and dry than normal.







Step 2:  
Counsel

BEAUTY COUNSELING STATION BY CENTRAL





**Recommend**  
how to treat her  
skin well

**Benefits for customers**

Get in-dept skin treats from experienced aestheticians

Additional products apart form basic lines such as toner for those who have skin problems

What types of ingredients she should use or avoid

Situation Analysis

Bridge the gap

Realize

Hype it up

Realize

Financials

15

Stage 1 – Know Me



Introduce Beauty Counseling Station in Central Department Store


Aestheticians will tell her to download application!!


Central Beauty Club


Available on the App Store

ANDROID APP ON Google play








Step 3: Key In

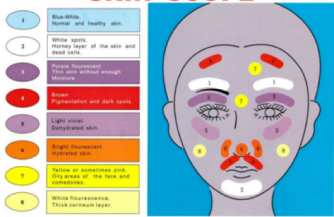
BEAUTY COUNSELING STATION BY CENTRAL



PROFILE

Aninya Runwong  
Age 25  
Phone number:  
081-xxx-xxxx

SKIN SCOPE



1

Blue-Mildly Normal and healthy skin

2

White spots Honey layer of the skin and dead cells

3

People's comment "This skin is very smooth" "Glowing"

4

Proton Pigmentation and dark spots

5

Light color Dehydrated skin

6

Dark complexion Darker skin

7

People are surprised when they meet at "the skin and complexion"


8

White fluorescence Thick cornium layer



INGREDIENT MATCHING

NO PARABENS

SKIN TONE




Purchased Products:

RECOMMEND:

Granactive Retinoid 2%



KEEP

Beauty profile recorded in The 1 card database

Situation Analysis

Bridge the gap

Realize

Hype it up

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16



## Stage 2: Show Me You Know Me

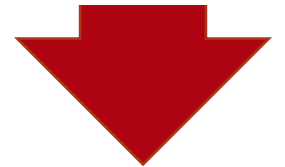
RFID technology will be implemented for every brand store to make information flow in seamlessly



Beauty profile of individual customer will pop up in BA device



WHY

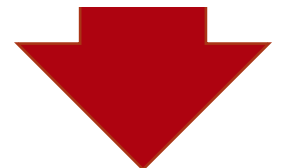


She doesn't have to tell about her skin story every shop that she steps in. BA can manage time better by asking less questions

Experienced BA recommend products based on current skin condition



WHY



Apparent evidence on her profile also makes it easier to convince her buying more products (more reliable advice)



## Stage 3 – Enable Me

Empower customers to have more information on hand during offline presence



### QR code at POS

Customers can **scan** it to...



**retrieve in-dept product information and real reviews** from beauty guru or bloggers (by using API in app)



**Check ingredients** in the products whether they match with her skin condition



If she doesn't want to purchase now, she can **simply click "Buy"** then it will be kept in an e-cart in **Central Beauty Club App**

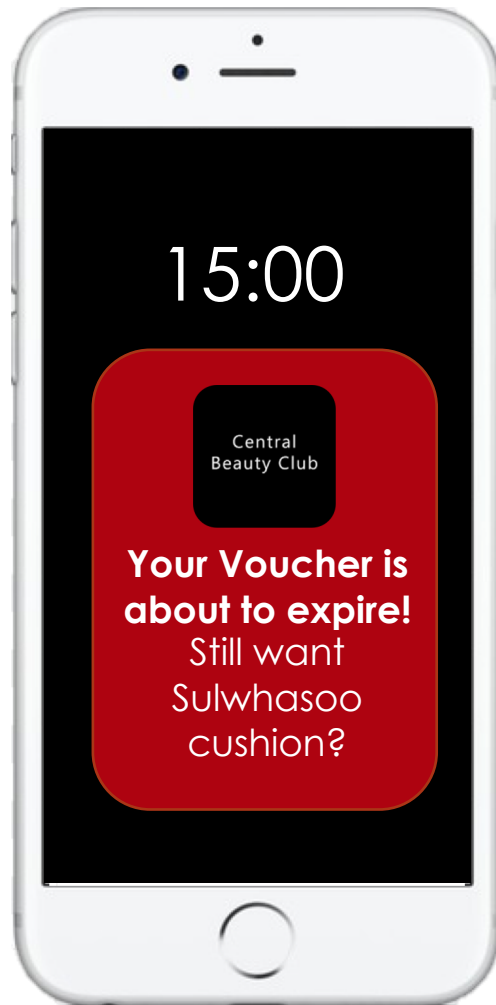
Very suitable for millennials who don't prefer interacting with BA



## Stage 4 – Right For Me

Obtained profile data should further be used to tailor online marketing efforts

Central  
Beauty Club



7 days later after shopping at Central Department Store...

### Issue

She still **abandons** her Sulwhasoo cushion **in e-cart**

### Why

Lingering hesitation **needs a trigger** to make an actual purchase

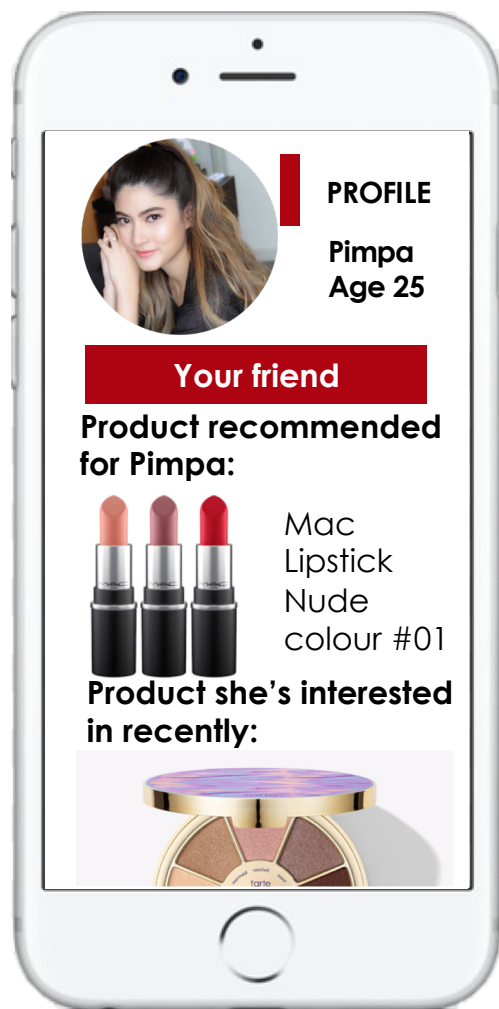
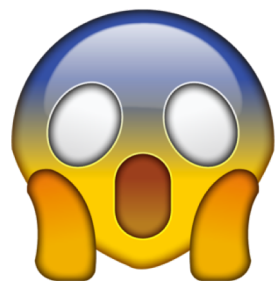
### Solution

Send her app notification and e-mail  
**“Secret voucher only for you: expire in 2 hours”**

She immediately decide to use a voucher and use “Click & collect option” so she can use it for tonight friends’ birthday party and also save shipping cost

## Stage 4 – Right For Me

Gift For Friends feature could enhance customer advocacy during journey



She just forgot that she hasn't bought any presents for her friend yet...



Central Beauty Club App also has community to share own beauty profile

One can choose...

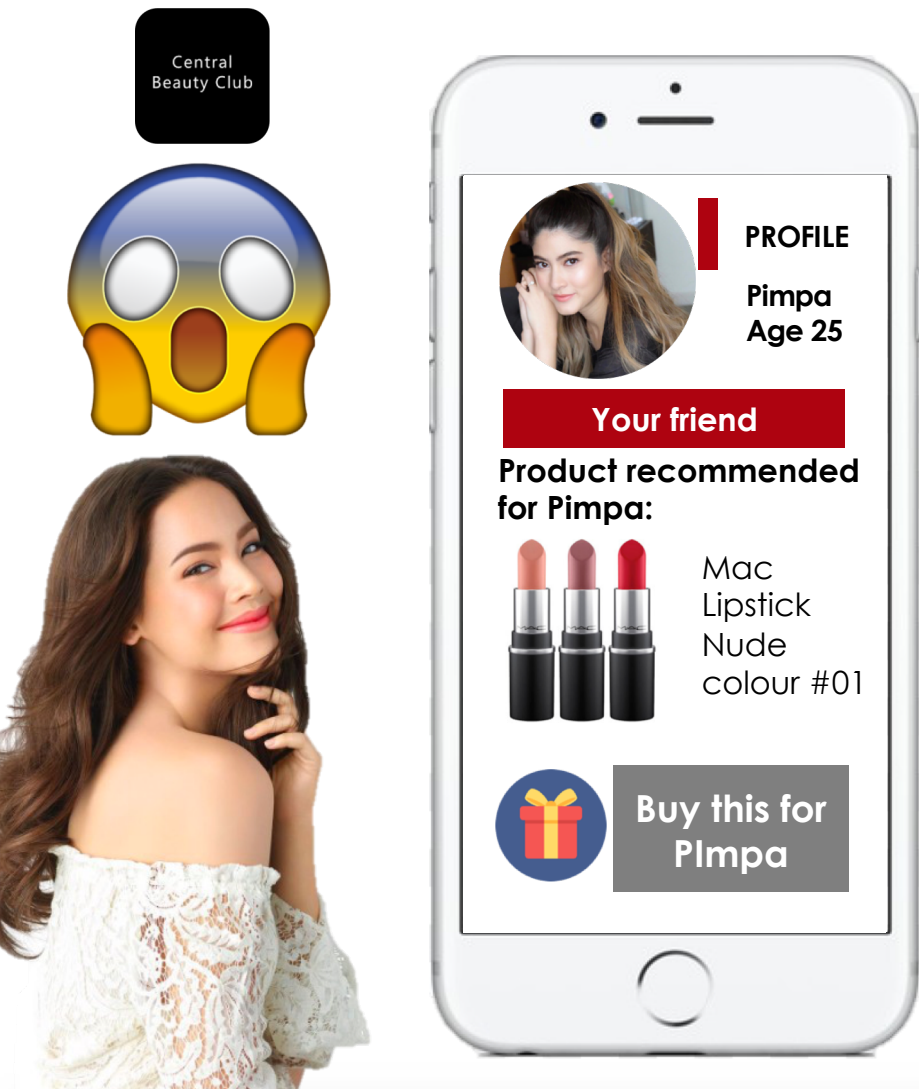
- Only me
- Friends
- Public

She can observe

- Pimpa's beauty profile
- Product recommended for her skin
- Product she clicked recently

## Stage 4 – Right For Me

Gift For Friends feature could enhance customer advocacy during journey



She just forgot that she hasn't bought any presents for her friend yet...



Central Beauty Club App also has community to share own beauty profile



Gift For Friend feature will allow you to buy products that match your friends

One can choose...



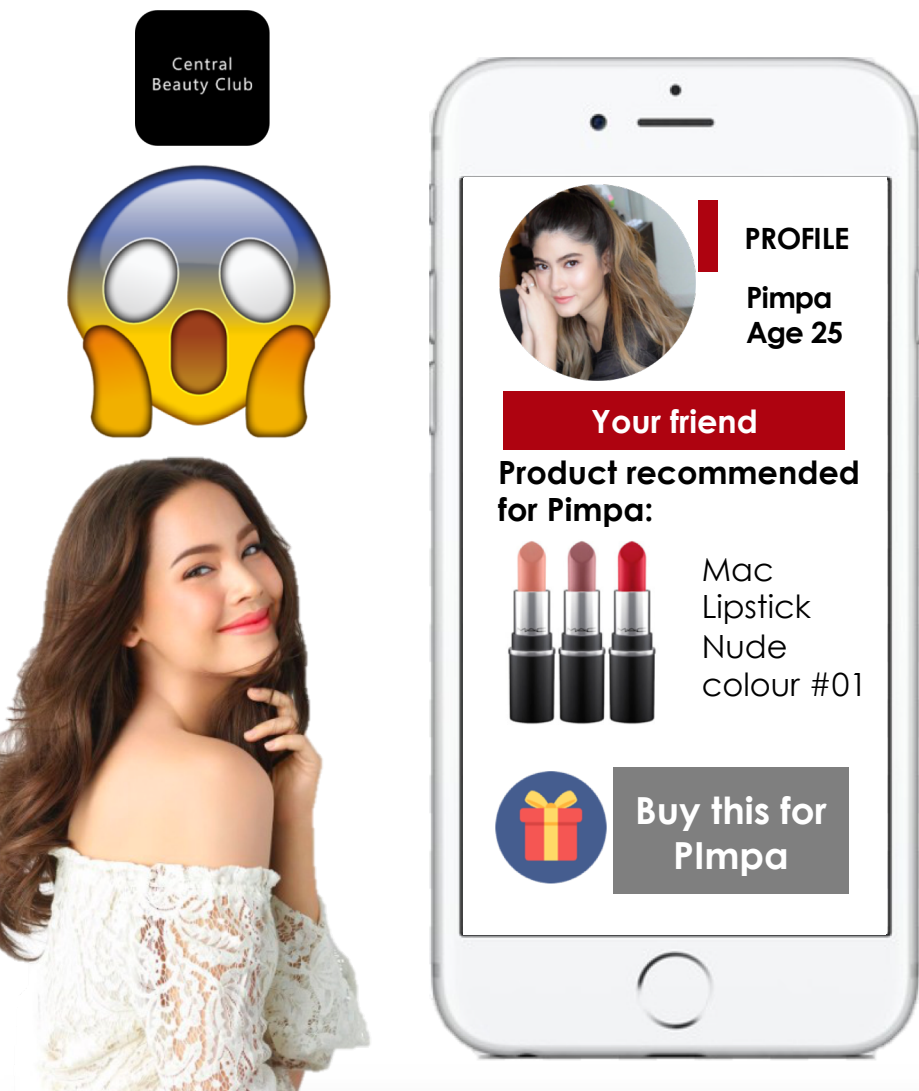
Buy online & send to her home

### Surprise gifts

- Central will use her friend's address recorded in The1Card and send products you purchased directly to her home (without disclosing personal info)

## Stage 4 – Right For Me

Gift For Friends feature could enhance customer advocacy during journey



She just forgot that she hasn't bought any presents for her friend yet...

Central Beauty Club App also has community to share own beauty profile

Gift For Friend feature which allow you to buy products that match your friends

Personalization in beauty community could create engagement between product users themselves and their peers

Click & Collect

ADDITIONAL FEATURES

PORTABLE MAKEUP TABLE

PRODUCT PACKAGE FOR SPECIFIC NEEDS



# Stage 4 – Right For Me

Beauty assistant (BA) is also the key to retain customers and create loyalty in the long run

## CURRENT PROBLEMS NAN IS FACING WHEN DHOPPING ONLINE

She does not have advisors to consult or ask further information

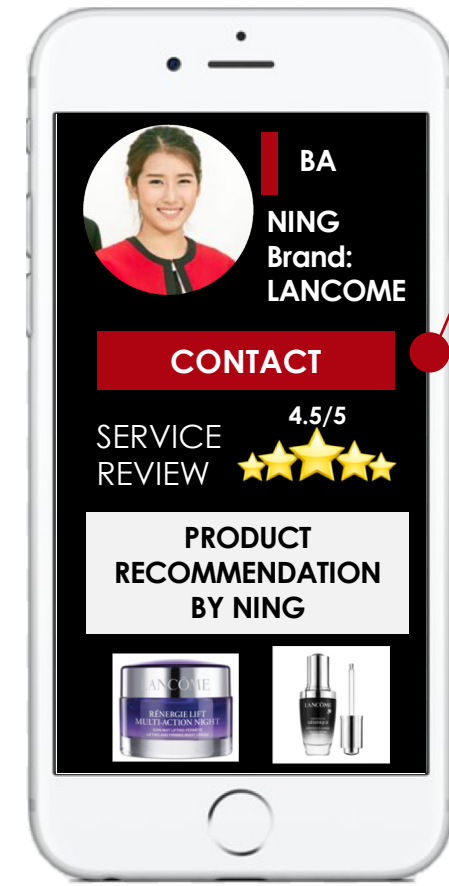
e.g.

- Are there any other promotions at the stores
- Is there a stock at the counter

Nan needs someone who can connect her with the physical store and to ask for further and real-time information

BA is the key to help Nan enhance shopping experiences both in online and offline channels

## BA SHOULD GET BENEFITS FROM SUGGESTING ONLINE PURCHASE TOO



### CONTACT THROUGH OFFICIAL PLATFORM

- If BA can close a sale online, she will get a commission too (less % than in-store)

WHY for customers

CUSTOMERS DON'T HAVE TO PUT EFFORT TO GO TO THE STORE IF PRODUCT TESTING IS NOT NEEDED

WHY for BA

BA CAN EXPAND CUSTOMER BASE EVEN THOSE WHO NEVER COME TO HER STORE BRANCH

WHY for CENTRAL

BA WILL COLLABORATIVELY WORK ALONG WITH OMNI-CHANNEL SERVICE



## KEY TAKEAWAY

By offering customers a personalized omni-channel experience in beauty shopping journey, Central will be able to serve them in their preferred channels anytime.

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# Hype It Up

To the bigger thing in order to  
blah blah blah to the future



# New Service Analysis

Our service will lead to the new shopping experience in the department store

## New Shopping Experience



Due to the new shopping journey, there **might have confusion** among customers; as follows

## 1 New Shopping Experience



QR Code



RFID

Because it is the first time for Central to implement these technologies, customers **could find it difficult** to adapt to this

Central must show **the ease of use** of this technology

## 2 Benefits of The Service



The benefits could become their concerns that it might not be worth **to spend time to receive such benefit**

Central must show that **the benefits** outweigh their effort

There still remains challenges for Central to make their customers adapt to, and, in turn attach to the new service

# Customers Analysis

Many new channels have become the main sources for customers to help make purchase decision

## Traditional method

In the past, there were only few channels where people can look for the products information and have a discussion with each other



### Pantip

Thai forum website where a person can create their own article, other are able to leave comments in the article



### Jeban

so popular these days; customers merely receive news by discussion in some websites

Customers tend to receive information which sometimes **cannot be justified reliable**

## Current Trend

Social media has played an important role in these days; in addition, there is an emergence of “Beauty Influencers”



### Youtube

Beauty influencers have involved in the channel more due to the ease of showing make-up tutorials and communicating with viewers, which later become their fans



Because of the reliability in influencers, customers **follow how-to and products suggested on videos**

**The changes of customers’ behavior have led the new way for Central to engage customers in a new fashion**



# IMC Plan





## Video Campaign

Central derives its campaign to announce the message "Right For You" through its existing YouTube channel

### Right For You



#### WHAT

The concept is to present that Central's new service **provides what is best** tailored to their needs and skin conditions

#### HOW

Beauty influencers wandering around beauty stores to choose products by **having the app as shopping companion**

### Examples of Influencers

Beauty Influencers selected must cover most of the generations in overall

#### Criteria

- 1 Aligning with Central's Brand Image
- 2 Having strong connections with viewers

Mayyr



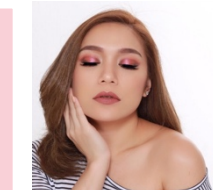
1,177,345 subscribers  
548,387 Views / Video

Archita



1,066,016 subscribers  
353,281 Views / Video

Momay



185,358 subscribers  
142,133 Views / Video

Source: Market Survey, Team Analysis



## Influencers' Vlogs

Beauty Influencers will illustrate on how to use the application through their vlogs



### Beyond Make-Up Tutorials

In the YouTube channels of influencers, apart from the make-up and skin caring tutorials, they **also present their daily lifestyles** which followers found it amusing and are likely to follow

### WHAT

Customers will know how to go along with the new service in order to perceive that it is **both convenient and beneficial to use**

### HOW

The influencers will record their own vlogs **to illustrate the shopping journey of Central** through stages, such as it is a must to have skin test before having other services

Source: Market Survey, Team Analysis

# Central Beauty Club

Central leverages their existing social media to spread the new service



Central has initiated its own Central Beauty Club which currently communicates with customers through Facebook and Instagram, newly created account

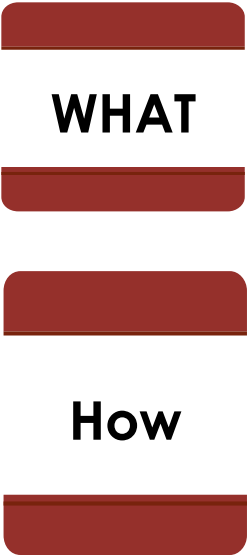


456,145 Likes

455,862 Followers



445 Followers



Customers can **shop seamlessly through Facebook and Instagram** as well, because nowadays they often look for new products and services by browsing in such social medias

When customers find products posted, such as in Instagram, there **will be a link to a purchase step in our new application**



Source:

# Central Beauty Club Workshops

Influencers show a shopping experience in central through their own channels

Due to the product lines of the beauty category, there will have workshops separated into two areas;  
How to “Make Your Own Look” & How to “Take Care Yourself”



## Make Your Own Look



### WHAT

Different purposes for each workshop;  
however, the features of the Central Beauty Club  
Application will **be illustrated in both occasions**

### HOW

Beauty influencers teach participants  
make-up techniques; also, this creates a  
chance for participants to use the app; for  
example, **add products influencers use to  
the app’s make-up table**

## Take Care Yourself



### HOW

Influencers specialized in skin caring suggest  
how to choose the proper products **by using  
the QR code to see the matching level**  
between skin and a product

Source:





## KEY TAKEAWAY

By understanding customers' trend and new service complications, Central will be able to attract beauty customers in the new service cycle



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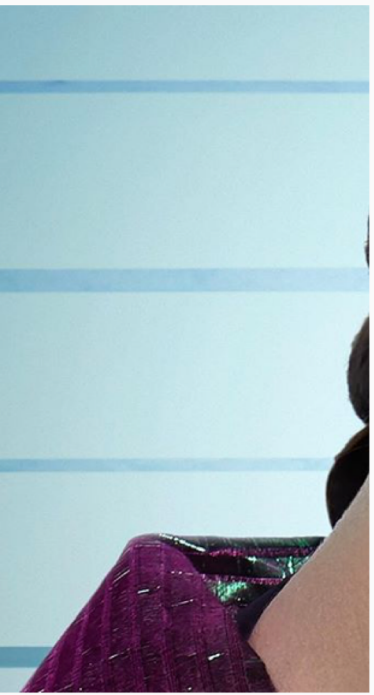
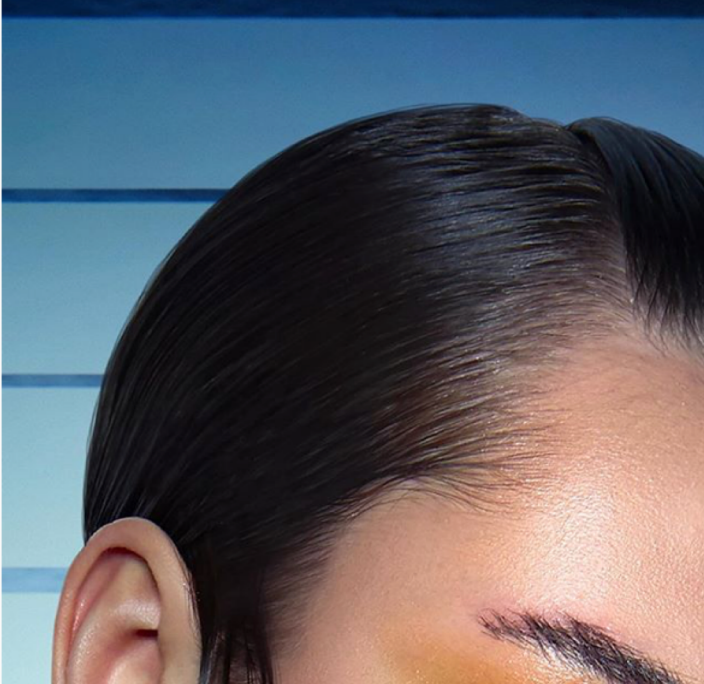
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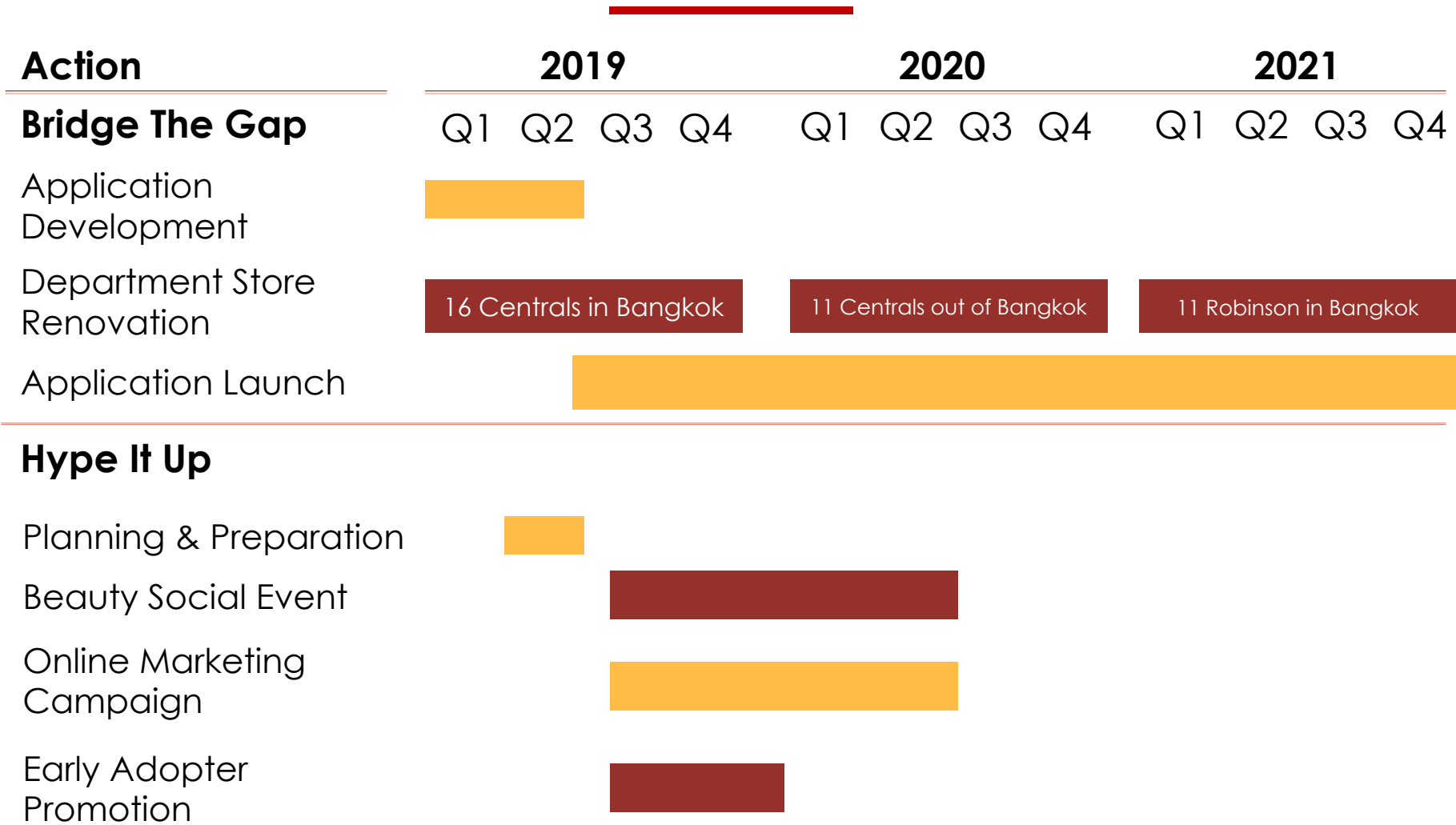
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and Financial  
impacts

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# FINANCE

# Implementation Timeline



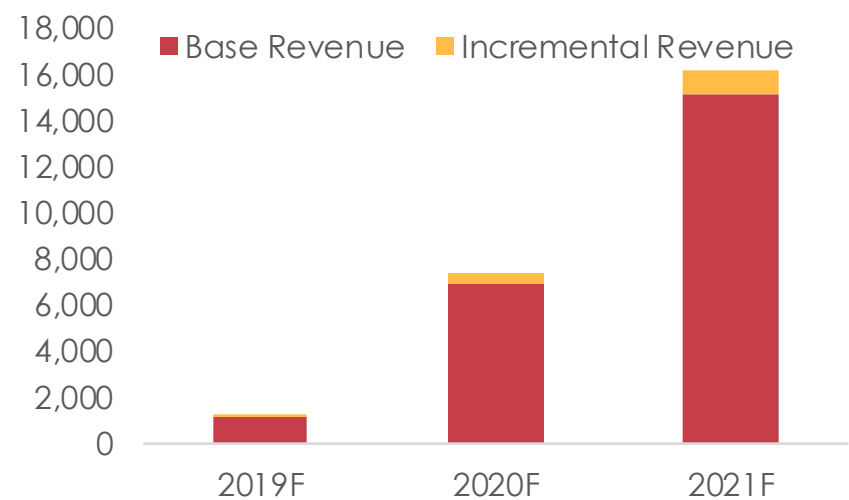
Source:



## Financial Highlight

By 2021, Central Beauty Club will be able to generate 15.167 billion THB in revenue

### An incremental Revenue is expected to reach 1,061 million THB in 2021



### Expected cost of 813.21 million THB from the Central Beauty Club services in 3 years

Major Investment		Operational Expense	
Application Development	49.5	Application Services	27.225
Store Renovation	77.5	Aestheticians Salary	73.92
		Marketing Cost	7.977
		COGS	614.04

(Unit in million THB)

### Key Assumption

The Central Beauty Club application will increase the frequency and quantity of purchase of beauty products through personalization offering and direct marketing.

The marketing of the application will be focus on utilizing beauty influencers to efficiently attract the customers who are most likely to purchase beauty products repeatedly as well as using POS incentives and ground force to encourage trial of machines leading into **12%** adaptation rate in 2021

Source: Case Handout, Q&A Sessions, Survey, Team Analysis



## Financial Highlight

Over the course of 3 years, The Central Beauty Club will achieve 619 million THB in profit

**In 2021, Central Beauty Club will increase the total value of yearly purchases by 69% in 2021**

24 › 26  
Times a year  
2,000 › 3,125  
Average THB a purchase

Through improvement in data analytic and personalized offering and marketing, Central Beauty Club users will not only be closer to us, but also more loyal

**The Central Beauty Club will be able to payback the cost in only 1 year**

Payback period of

1 YEAR

Utilizing existing technologies and Central's assets, the services will incur minimal cost comparing to the incremental revenue and value it provides leading into high project profitability and extremely short payback period

Source: Survey, Team Analysis, Q&A Sessions

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and Financial  
impacts

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from the new services