

**AI
BOTS
ALGORITHMS:**

**the
new tools
of the cosmetic
industry!**

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Introduction

Artificial intelligence (AI) has become a strategic lever in the beauty industry. For manufacturers, AI represents much more than a simple technological advance: it's a veritable operational revolution.

Thanks to AI, it is possible to save precious time by automating repetitive tasks such as analyzing market trends, managing inventory or personalizing offers.

This tool can also be used to push back the limits of creativity, and bring new concepts, formulas and products to life.

Nevertheless, this technology is new, sometimes misunderstood and can be frightening. Are the algorithms developed by AIs reliable? Will these new virtual assistants eventually replace humans? These legitimate questions crystallize a lot of fears around these tools.

To help manufacturers get an idea of the benefits of using AI in their business, CosmeticOBS has designed this Minibook.

It takes stock of how companies can make concrete use of AI, and gives precise insights (from leading foresight firms), while taking into account the challenges and precautions to be taken upstream.

ON THE ROAD TO BEAUTY TECH!

There's no need to shy away from new technologies. On the contrary, they have their place in the beauty business. At least, that's the premise defended by Andrew McDougall, Director of Mintel's Beauty & Personal Care division, at the 2024 edition of in-cosmetics Global.

Will machines replace humans? The rise of artificial intelligence and other such tools is unleashing passions. According to the expert, public opinion is rather favorable to new technologies. *"40% of Finnish adults think that they will mainly benefit society (as opposed to 21% who disagree),"* he points out.

However, some people fear that AI will take over. 61% of Colombians are afraid of being forced out of their jobs by such technology. *"It's therefore important that the brands that use it adopt a pedagogical posture. AI should be used to help automate tasks, but certainly not to supplant humans and their creativity."*

Digital at the service of people

According to Mintel figures, 49% of Chinese believe that AI-generated suggestions are more authentic and reliable than those provided by humans. *"AI can also be used to target the new generation. For example, 78% of young Indians say chatbots make it easier to buy products online, as well as the customer journey,"* comments Andrew McDougall. *"Virtual trials and online skin diagnostics are also very interesting. They enable targeted recommendations to be made to Internet users. Today, 62% of Americans are attracted to hyper-customized cosmetics, and 28% would be willing to pay more for them."*

From a B2B point of view, AI can help brands write marketing briefs, create content for networks, better optimize the value chain (by controlling inventory management). *"It can also be beneficial in-store, as it can help with shelving and the checkout process, allowing staff to focus on the customer."* On the consumer side, AI can revolutionize the customer experience by offering the general public everything they need: quick answers, tailored recommendations, transparency and information on product sourcing. *"The key is to communicate effectively with customers, explaining the benefits of using new technologies."*