Creating the Beauty Insights that Move Africa

AfriLab: How mobile digital communities are co-creating the future of beauty experiences across the continent

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Introduction

L'Oréal's vision is to create beauty that moves the world, and to be the most inclusive beauty leader by creating products for all people. Consumer needs are at the heart of L'Oréal's innovations, however, historically there has been limited understanding of the unique beauty needs of African consumers. To create the beauty that moves Africa, there has been a strong business drive within L'Oréal to explore, develop and test product experiences that are most relevant for consumers across the African continent. This must be achieved in a manner that provides quick turn-around results whilst withstanding last minute methodological adaptations, in line with changing and evolving business requirements, without compromising the integrity of research results.

In 2022, L'Oréal decided to collaborate with Mobile Digital Insights (MDI), a research agency specialised fully in mobile digital research. This collaboration resulted in the creation of AfriLab: fully mobile digital consumer research communities in Nigeria and South Africa, facilitating in-the-moment feedback from African consumers for the first time. The power of MDI's mobile research platform is that it captures the "real voice of the consumer" through photos, videos and verbatims in addition to survey and chat data. Thereby, this allows for a more in-depth understanding by L'Oréal's stakeholders of African consumer beauty needs, and so accelerating the development and delivery of products that meet these needs, with greater efficiency and effectiveness. This paper outlines the power of the AfriLab consumer community from both an agency and client-side perspective, and provides insight into how research outputs have directly impacted product launch communication and product developments.

The challenge / opportunity

Founded over 110 years ago, L'Oréal has become the largest cosmetics and beauty company in the world, creating a portfolio of beloved beauty brands (including L'Oréal Paris, Maybelline, Lancôme, Yves Saint Laurent, La Roche Posay, Cerave, Kérastase and Redken). The company's mission is to be the

most inclusive beauty leader; "creating beauty that moves the world and products for people of all identities, cultures, and backgrounds". In this light, L'Oréal aims to offer products that are increasingly suited to different skin and hair types, thus adapting to diverse regional beauty cultures. To realise this ambition, L'Oréal's Research and Innovation (R&I) centres worldwide continuously strive to deepen their knowledge, in order to address all customer needs in their infinite diversity.

L'Oréal expansion in Africa

Sub-Saharan Africa (SSA) is a fast-growing region for L'Oréal, posting very strong sales growth in Q1 2023 and progressing faster than the rest of the market. In 2015, a new R&I centre was established in Johannesburg, South Africa focussing on the specificities of melanin rich skin and curly, textured hair types, and developing beauty innovations tailored for the African consumer. This R&I hub is the group's seventh hub globally, adding to the regional centres in France, the US, Japan, China, India and Brazil. In 2021, L'Oréal announced the change in scope of some of its geographical zones, including the creation of a new sub- SSA zone. This new corporate structure allowed the organisation to better respond to consumer diversity by providing products and services that are relevant to local realities. To create beauty that moves the region, L'Oréal has established a strong business drive to explore, develop and test Africa-specific product experiences within the shortest amount of time possible.

Digital research shift

Traditional face-to-face research has typically been used for insight gathering in African markets: this in comparison to the global average where tech-enabled research (53%) surpasses traditional (47%). Reluctance to utilise newer digital approaches was driven by various concerns ranging from compromised data integrity, poor internet connectivity and lower research participation. As a result, quick project turnaround and providing real-time research results has been challenging, ultimately impacting timely market entry and responsiveness to consumer needs.

When COVID-19 raged across the globe in 2020 and 2021, there was a significant increase in digital adoption overall, including the way consumers engaged with brands and services. In South Africa, for instance, there has been a 16% increase in online shopping since lockdown and hybrid shopping has become the country's new normal, with IBM Research showing that this is the primary buying method for over one-in-four consumers. The market research industry similarly experienced accelerated change; research agencies were "forced" to interact with consumers and gather data by non-face-to-face methods. As a result, research clients accelerated their adoption of digital methodologies and, in doing so, overcame a long-standing reluctance to deploy fully digital methods.

Smartphone penetration growth

The power and representativeness of this methodological pivot is highlighted by mobile and smartphone penetration in the region: Nigeria's smartphone penetration leads the continent with over 80 million smartphone connections, followed by South Africa with over 22 million. These figures are projected to grow exponentially by 2025. Simultaneous to device penetration increase, mobile network operators have made a tremendous push over the last 12 months in the expansion of 5G networks across both markets: four telecommunication operators currently provide 5G coverage across most major metropolitan areas in South Africa, while in Nigeria two 5G providers offer coverage in major metros across six of the country's 36 states, as well as the Federal Capital Territory. These developments are particularly pertinent to L'Oréal, with smartphone penetration amongst their addressable target market being close to saturation, enabling them to take advantage of the opportunity to shift to mobile digital research approaches, and leverage the greater speed and depth of insights that the technology facilitates.

Research aligned with consumer interaction

Mobile Digital Insights' (MDI) ethos is based on the premise that market research should be aligned with the way in which consumers interact: with each other, with brands, with how they shop and how they access information. In line with global shifts, the primary manner in which African consumers interact with each other, brands, shops and service providers is via their phone. For instance, telecoms giant Vodafone recently reported that 75% of their customers expect to be able to interact with the brand anytime and anywhere via their digital services. Besides a straightforward communication tool, the mobile phone has become a conduit to express oneself, provide feedback, check facts, read books, order products, listen to music, take pictures and more. Conducting market research via mobile devices, when and where it suits the consumer, therefore, is not only a natural progression, but also a smart one. The key benefit being that the mobile device allows corporations to get much closer to their consumers than previously possible, and obtain an in-the-moment view of how consumers actually use and interact with products and brands, in addition to how they consume advertising.

The ability to obtain in-the-moment consumer feedback overcomes what is arguably the biggest weakness of market research: an over-reliance on measuring claimed as opposed to actual behaviour. It is irrefutable that in-the-moment research increases data accuracy as we no longer ask consumers to recall past behaviour but rather ask them to tell us what they are doing "in-the-now". Furthermore, the mobile device enables researchers to collect consumer feedback "in-their-own-words" by asking them to record short video or voice notes on how they are feeling, their thoughts or their feedback about a specific product at a specific point in time. Mobile digital research, a methodology that previously had seemed so out of reach, particularly in SSA, has suddenly become a very real method by which to survey consumers.

The solution

Over the last few years, L'Oréal Global has driven a worldwide Consumer Digital Acceleration programme, which includes an online co-development platform between consumers and internal partners named "Beauty CoLab". This tool has been part of a "real-life, real-time" digital initiative of remote testing, with the aim of reaching "more and more-diverse" consumers at scale and with more depth, to further guide inclusive innovation. The L'Oréal global standard for these online research communities has traditionally been via PC or laptop. However, in SSA, low household PC penetration (<10% at the end of 2019) was a significant consideration to L'Oréal partnering with MDI to roll out "AfriLab"–L'Oréal's first 100% mobile app-based digital consumer community in Nigeria and South Africa, making it a pivotal technology leapfrog for the business.

The power of AfriLab

AfriLab, through deployment via the MDI mobile research platform, is extremely agile and creates ongoing "real-life, real-time" dialogue with consumers, ensuring rapid feedback on topical business questions and, importantly, providing pertinent information to support in-market executions. Research is facilitated by a bespoke app (see Figure 1), designed in partnership between MDI and L'Oréal. After face-to-face recruitment to the community, each community member is invited to download the app, register and log in. The app sits on the home screen of members' phones, like any other app, and a personalised log in with a password keeps app access private and secure. When a survey becomes available, "AfriListas" (Afrilab members) receive a push message alerting them of a new task and the opportunity to participate. On the app's task screen members can select a survey of interest, and (depending on whether they comply with screening criteria) will be asked to complete a number of survey related tasks, such as questionnaire completion and sending in pictures or video content related to a specific topic, all dependant on the research methodology. AfriListas earn points for each survey they participate in. These can be saved up and redeemed at the end of the month (or even after several months) for a cash amount.
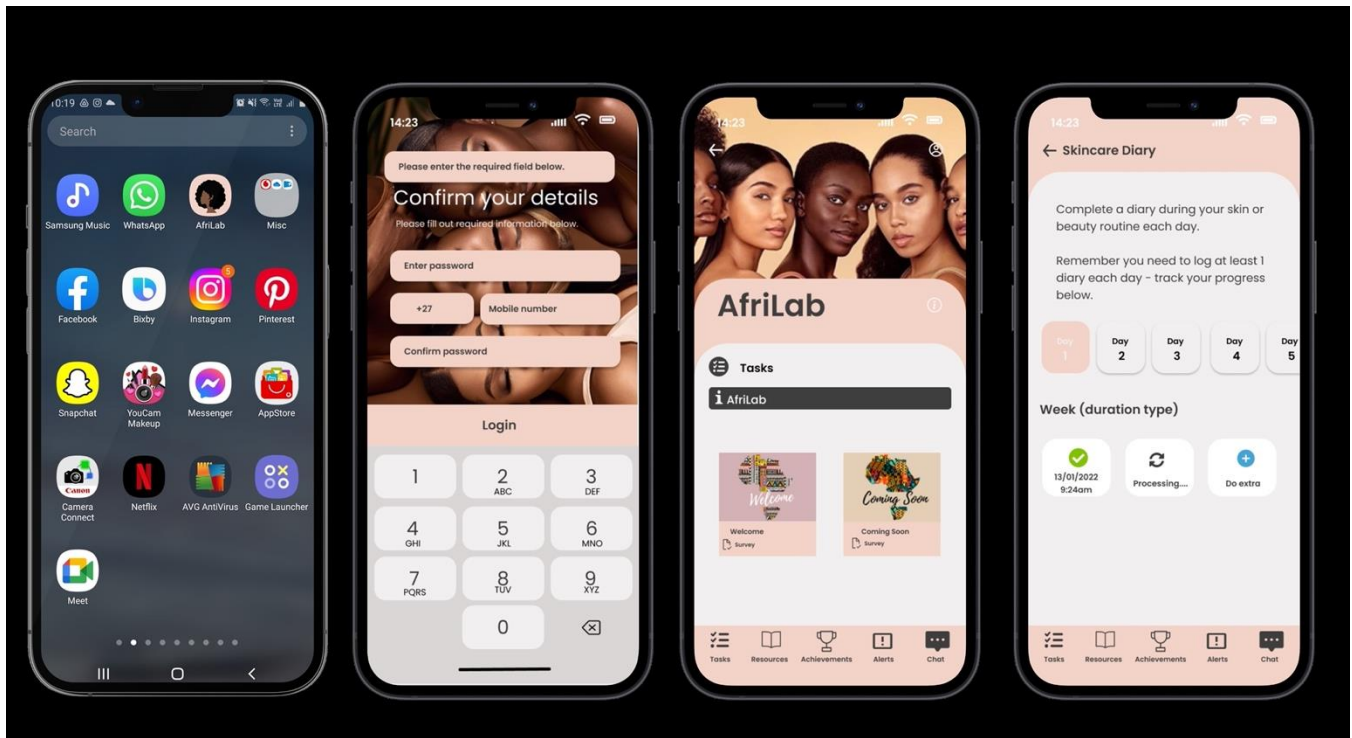
Figure 1

AfriLab community profile

AfriListas comprise the main addressable target market for L'Oréal SSA: Black women between the ages of 18 and 40 years, within the socio-economic segment ABC1, residing in major urban areas of South Africa (Johannesburg and Durban) and Nigeria (Lagos). As Africa's two largest economies, representing 44% of the continent's GDP, understanding these consumers specifically is critical to L'Oréal. In each of the markets, the community of AfriListas consists of 150 to 200 active members who participate in various, predominantly qualitative, research activities throughout the year.

Research conducted with AfriListas

Two main types of research studies have been conducted on the Afrilab platform thus far: engagement studies and product testing. Quick turnaround activities such as short, topical engagement studies of between three to five questions with a picture or video submission element are conducted in each market on a bi-monthly basis. These studies are open to participation by the entire community, and the results provide L'Oréal with consumer information regarding a wide array of topics ranging from perceptions around hair growth to the alternative beauty uses of toothpaste, all within a matter of days. This capability is extremely valuable for business decision-making, and currently no other research partners are able to share results so quickly.

Since early 2021, over 24 engagement studies have been conducted across both markets and study results have been used to validate new product claims and demonstrations for haircare. For instance, feedback on the meaning of hair softness, as illustrated in Figure 2, provided inspiration for the media communication for a curl elongating treatment launched in 2022 (Dark & Lovely Dream Big), which gives consumers softer, stronger and bigger hair.

Figure 2

Next to topical engagement tasks, the AfriLab community, with the app as research facilitator, has been extensively used across both markets for in-home, in-the-moment product testing. This methodology allows a select set of AfriListas (criteria for study inclusion are generally based on product/brand usership and/or hair or skin profiles) to test a face or hair care product in their natural setting, and as part of their usual personal care routine. Test periods can vary from four to 14 days, or more where required. The research design is structured to allow for daily consumer feedback on different product attributes. Additionally, consumers are asked to take "before" and "after" pictures of their face or hair to assess the potential visual impact of the product, as well as to provide a video on the first day of usage, covering initial impressions, and a final product review video. Thus, L'Oréal receives a "before and after" view of product results, whilst simultaneously bringing the voice of consumers into stakeholders' offices, laboratories and meeting rooms.

Methodologies can be deployed across multiple markets simultaneously, and target samples can include consumers that would typically be hard to reach geographically. Turnaround of top-line results are generally within a week from completion of fieldwork, allowing for the re-creation of a consumer journey in a quick and agile manner. The fundamental power of the AfriLab tool is derived from the fact that consumers enjoy providing feedback–they enjoy making their voices heard and being part of a community. Moreover, they genuinely are interested in sharing their opinions. The AfriLab platform imbues every "AfriLista" with the power that they are a content/product creator and influencer.

AfriLab business application

Since its launch in early 2022, AfriLab has been used extensively by L'Oréal SSA, and insights provided have been directly applied to support in-market executions and shape marketing communications. The Garnier Charcoal Serum project that was run in August 2022 is a prime example of how insights helped shape product launch communication.

Case study: Garnier AHA+BHA charcoal serum

Background

Acne is a major skin concern in SSA, with on average one-in-three consumers saying that they suffer from acne manifestations (particularly pimples and acne marks or scars), according to a 2021 U&A study conducted in Kenya, South Africa, Nigeria and Ivory Coast. Within SSA, Garnier has been on the rise as a face care brand, specifically within the acne market. The Garnier Pure Active range is currently Africa's number one acne range. This range offers various cleansing and moisturising products, however, an opportunity to offer more advanced care products to fully optimise skin care routines was identified during the course of 2022.

Serums have been identified as a fast-growing format within the global skin care market, globally valued at 3.5 billion USD in 2021 and forecasted by Allied Market Research to reach 5.6 billion USD by 2031. This trend is reflected in SSA, with the face serums category in South Africa almost doubling in market value from 2020 to 2022. Serums are skin care products that are especially designed to deliver a high concentration of active ingredients to treat different types of skin-related issues, including acne. They are typically clear, liquid or gel-based products that are thicker than moisturisers and able to hydrate more effectively than creams. As a result, L'Oréal decided to make a serum the lead face care product for the next launch in the Garnier Pure Active range in 2023.

This new serum was specifically targeted at consumers with acne prone skin, and the business considered two colour options for this formula. One was transparent in colour and aligned with the market norm of white or clear serums, while the other was black in colour, due to inclusion of charcoal as an active formula ingredient (see Figure 3). The black colour would potentially be quite disruptive to the market, and given the strategic importance of this serum launch, it was considered key to explore consumer reactions and preference of the colour options.

Research approach

A two-phased research approach was executed:

1. In phase 1, the concept of a charcoal serum was explored. As charcoal in face serums was a new concept in South Africa, it was key to observe whether the suggested communication was

well understood and was felt to be believable. Four digital focus groups were conducted, with four consumers each (quads) from the AfriLab community. Small, intimate groups such as these generally drive higher levels of engagement as each respondent is able to more actively participate and provide their perspective on the concept presented, as well as any excitement it generates or reservations they may have around the idea. Additionally, this methodology allowed for clients from South Africa, France and beyond to dial-in and view the sessions (facilitated on the Zoom platform), seeing consumer reactions first-hand.

2. In Phase 2, 16 AfriLab consumers were asked to blind-test the two serums in an in-home sequential monadic product test over a period of five days. Consumers were asked to use the serums as part of their normal face care routine, and discontinue the use of their regular serum during the testing period.

Figure 3

Consumers were asked to provide video footage for each product on the first day of product application, initial impressions and (at the end of the five-day trial period) provide an overview of the testing period alongside their final verdict on the product in question. Additionally, consumers completed a daily touch-point survey covering specific sensory attributes, such as overall application experience, texture, colour, consistency, smell and ease of use of packaging. After testing both products, consumers were asked to choose which one (if any) they preferred and why, which product was the best fit with the concept they were shown and whether product performance reflected the concepts communication.

Results and learnings: Research partner perspective

L'Oréal previously conducted numerous product test studies in SSA markets via face-to-face interviewing techniques, and by making use of a standard questionnaire that adhered to global protocol. A face-to-face session would be scheduled at the end of each testing period, during which all sensory product attributes would be reviewed by the interviewer and consumer in one sitting. As the interview would generally be conducted at the end of the product testing period, all responses were based on consumers' recall of their experience with the product. The questionnaire was lengthy; approximately 47 questions per product, of which 14 were open-ended questions.

This protocol was sub-optimal in the mobile world, therefore, requiring pertinent adjustments to ensure it remained viable. Working in unison with the L'Oréal consumer evaluation team, MDI grouped the questions from the global protocol document into buckets of sensory attributes, essentially bringing feedback of the product usage closer to the actual moment of experience. These buckets were then divided between the number of testing days; i.e., on day 0 (before product testing started) the consumer answered a number of classification questions regarding her skin, the type of serum she was currently using, how satisfied she was with her regular product, what benefits she was specifically looking for from a serum and what other types of products she used in her face care repertoire. This provided a comparison baseline against which the AfriLista could then compare the test product, and whether it performed better or worse than her current face serum.

Next, for each day of product testing (1 to 5) the consumer would answer a few key questions about one or two specific product attributes: for example, ease of use of the packaging and product texture. Where possible, all open-ended questions were tackled in the video feedback element rather than being typed, thus ensuring that daily touch-points were kept short, to the point and enjoyable to complete. In order for the analysis and reporting to be as user friendly as possible across various L'Oréal departments, it was imperative that consumer feedback was brought to life. This was achieved in two ways: by creating a short video of consumer feedback during and after product testing, highlighting key take-outs, findings and the overall conclusions and recommendations of the research (see Figure 4).

Research results are at their most powerful when heard in consumers' own words. Sub-titles played a key role in ensuring the video output could be understood by non-native English speakers and English speakers from other markets who may struggle with South African accents. Survey results were brought to life by creating infographic style output for each sensory attribute tested: a single slide per attribute with a clear conclusion on each, leading up to a final summary slide with the test results.
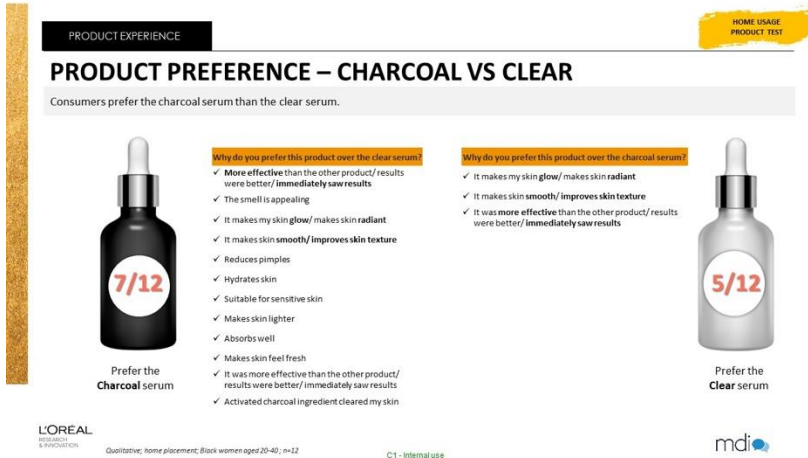
Figure 4

Results and business impact: Client perspective

- Business decision: The research findings from AfriLab showed the majority of consumers voiced a preference for the black serum versus the clear serum (through product usage), hence the business decided to launch the black formula. Emphasis was placed on the efficacy of the formula due to the dermatological ingredients, including 4% AHA+BHA, niacinamide and, the hero ingredient, charcoal.
- Marketing communication: The consumer concerns raised about the dark colour helped shape launch communications, and were directly incorporated into the messaging (e.g., "Rubs in clear, leaves no black residue on skin"). Feedback from internal stakeholders was that this was mainly driven by the ability to get the raw, unfiltered reaction from consumers in their own words. In addition, the quick turnaround of results enabled them to incorporate the findings into the launch communication plan in a timely manner.
- Launch: In Q2 2023, the Garnier AHA+BHA Charcoal Serum was launched in Kenya and South Africa, via launch events with consumers, partners, influencers and key opinion leaders. As of June 2023, it is still early stages of the launch and the products are just entering the retail environment. Therefore, market performance data is not currently available, although strong performance is anticipated.

The next steps for AfriLab

In January 2023, after a year of AfriLab studies, L'Oréal and MDI reviewed the successes and potential areas of growth for the platform. Various technological, methodological and scope opportunities are under exploration. From a technological perspective, several key improvements are being implemented over the course of the year, such as the incorporation of:

- Image recognition, which will optimise screening capabilities and ensure the correct consumer targets are recruited and surveyed in each study.
- Facial emotional AI, which will prove particularly relevant when analysing consumer feedback videos, and will allow us to go further rather than relying solely on what AfriListas are saying in order to actually delve into the feelings products elicit. This will further drive insights and actionability whilst streamlining analysis.
- A wide range of other methodologies, both quantitative and qualitative, can be deployed on the community via the AfriLab app, and the aim is to incorporate a number of these into the various testing protocols conducted through the community. Specifically, mobile self-ethnography, which is of particular interest when aiming to better understanding consumer usage journeys, and uncover engaging beauty experiences and services.

In terms of approach, AfriListas would be asked to participate in a variety of tasks, centred around a specific topic over a period of two to three days. For example, the decision-making process around buying a new brand of shampoo. Starting in-store, consumers may take pictures and/or video footage during their shopping occasion, allowing L'Oréal a view of the product trade-offs consumers make as well as the in-store advertising and promotions they encounter. After the shopping trip, AfriLista's would be asked to leave voice or video recordings answering key questions around the specific occasion or usage of the product, whether it lived up to expectations or fell short and why. More structured survey data can also be gathered through the app. After data and image analysis has been conducted, it is possible to recontact consumers via the app to probe for additional qualitative information surrounding issues pertinent to L'Oréal's business.

Additionally, L'Oréal sees the potential to increase AfriLab's footprint in SSA by extending the number of communities to other markets (e.g., Kenya is of particular interest), as well as increasing the number of members in each community to allow for quantitative studies with more robust sample sizes. These improvement to the AfriLab platform and community have, as an ultimate aim, to ensure the co-creation of products that matter and make a difference to African consumers, thereby addressing L'Oréal's business needs to create beauty that moves Africa.

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