

Chile | Retail and wholesale

L'Oréal Chile leverages the power of GenAI to capture social-commerce opportunities



L'ORÉAL
GROUPE

Client profile

L'Oréal is a leading international cosmetics brand. The company's purpose is to make the best luxury beauty products available and accessible to everyone. L'Oréal's range of products includes makeup, skincare, haircare and hair color. Founded 110 years ago and driven by constant innovation, the brand is a pioneer in many respects. For example, it has led the way in women's empowerment since the launch of its slogan, "Because I'm worth it", in 1971 and ceased animal testing in 1989, 14 years before this was mandatory.

NTT DATA has created Lore, L'Oréal's virtual assistant, to change the world of beauty and take communication with its customers to a new level. Lore provides advice and recommendations focusing on the world of beauty and also helps users in the purchasing process, improving the customer service experience.

The solution is powered by Syntphony, our conversational platform that uses AI with GenAI, capable of understanding and delivering hyperpersonalized responses that unfold in a conversation with users via WhatsApp and Instagram.

Lore is available 24x7 for all the brand's customers, thus achieving loyalty and positively impacting the customer experience.

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Working with NTT DATA was remarkable. First, because they were committed to the project to the point of **understanding exactly what we needed**, and second, because they provided us with a solution that evolved to what it is today.”

Arturo Pérez Wong, General Manager CPD CERAN, L'Oréal Chile

Business need

Taking customer engagement to a new level

L'Oréal Chile wanted to drive deeper and more meaningful engagement with customers. They noticed consumers were more open to considering products and making purchasing decisions when using platforms such as WhatsApp and Instagram. To capture this rich social-commerce opportunity, NTT DATA combined the capabilities of Syntphony, our conversational AI platform, with the power of Microsoft Azure OpenAI generative AI technology to create Lore: a virtual assistant that offers customers beauty and makeup advice and recommendations. Lore has revolutionized L'Oréal's social-commerce strategy and is an essential tool in their digital transformation. This pioneering development has demonstrated how companies can revolutionize the way they communicate and engage with their customers through AI.

Solution

From simple answers to personalized advice: A constantly evolving solution

The first step on this cocreation journey was to create a bot that could answer customers' queries and allow them to shop on the virtual channel at the same time — and in real time.

Then, the emergence of GenAI made it possible to take an exponential leap forward by building on the concept of the "digital human." Azure OpenAI technologies enhanced the skills of the original bot and generated additional benefits, such as a significant reduction in training time compared to previous models. Furthermore, Azure OpenAI services guarantee the protection and security of data, giving consumers confidence and trust that their personal information is not at risk when they use the tool.

"The Lore project led us to think about how these technologies could improve our business and how we should focus on what language to use," says Francisca Unda, Key Account Manager at L'Oréal Chile. "It started as a dream, and now we have a humanized solution allowing customers to get the best of two worlds: beauty and technology."

A world of conversations

Lore interacts seamlessly on WhatsApp and Instagram and answers context-specific questions — in natural language — such as:

- How should I do my makeup for a wedding if my dress looks like this?
- What should I wear for a job interview if I don't like to wear a lot of makeup?
- Which makeup tips and tools should I consider for a costume party?

With the ability to understand nuanced contexts, Lore can provide accurate and highly personalized advice on makeup and skincare — and goes a step further by recommending products that are customized to each customer's needs and circumstances, ensuring a seamless and intuitive shopping experience. A straightforward interface significantly reduces user resistance: customer adoption of Lore has been impressive.

For L'Oréal Chile, this opens the door to having millions of insightful one-on-one conversations with current and potential customers across the country.

Outcomes

Obsessed with consumer engagement

"We're obsessed with raising awareness of our brands, gaining penetration and, above all, generating consumer engagement," emphasizes Wong. By collecting valuable data from consumer conversations, Lore has functioned as a catalyst for L'Oréal Chile.

In its interactions with customers, Lore gathers a large amount of data that will fuel the model to understand users better, generate tailored and nonintrusive actions, and provide better answers, helping consumers with their needs in an even more precise way.

"It's fascinating to witness consumers' satisfaction when they receive recommendations from Lore and realize this is exactly what they've been looking for and they can buy it immediately. And then, after being delivered on time, that the product does exactly what was promised," says Wong.

This collaborative project demonstrates how an experienced technology partner with extensive knowledge of market trends is essential to not just adopting emerging technologies but turning them into business value.

- Generates accurate, tailored and low-intrusive actions
- Helps customers answer questions with precision
- Azure OpenAI services guarantee data protection and security
- Interacts seamlessly on WhatsApp and Instagram and answers context-specific questions

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Francisca Unda, Key Account Manager at L'Oréal Chile

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