Introduction

Brand perception has a strong influence on the success of any business, affecting how customers interact with the brand, how they relate to it with their family and friends, and ultimately, how much they spend on the company.

So many factors contribute to brand perception that it's virtually impossible to control, much less track. However, modern technology allows continuous monitoring of the brand's vital signs, to discover and get ahead of issues quickly, protecting against adverse situations. With new AI-powered consumer and market research technology, brands can even predict changes in the market to prepare for opportunities and hedge against threats. This is referred to as brand health analysis.

When conducting a comprehensive brand health analysis, it is increasingly important to factor in competition and contextualize brand performance. As competition grows and buyers consider alternatives, their previous perceptions of their favorite brands will change as they weigh them against the new offerings.

This is what one of our clients (a top cosmetics manufacturer) discovered recently after analyzing consumer and market data from various sources, including social media, mainstream media, and internal data. Using NetBase Quid® Intelligence Connector Brand Index, the cosmetics manufacturer was able to integrate all their data and set up custom KPIs for contextual analysis. This allowed them to understand their market position regarding how consumers viewed them in real time and the competitive landscape.

At a Glance

After declining in 2020, the cosmetics industry was one of the first to bounce back as the pandemic subsided. A strong recovery in 2021 returned it to pre-pandemic levels, and in 2022 market growth was at least 16 percent higher than the previous year. The industry is expected to generate at least $20 billion more in revenue by 2025 than its current $100 billion.

With so much capital, the industry spends a fortune on advertising, and as competition intensifies, the rate increases yearly: In 2022, companies spent about $7.7 billion.
Cosmetics is one of the most popular topics discussed by consumers across the globe, with users eager to share and learn others’ experiences and influencers in this category enjoying large followings.

**Top cosmetics brand: Global post distribution**

However, the greater share of advertising spend still goes to television. Meanwhile, product knowledge — a key purpose of advertising — is one of the most important factors consumers consider before buying. Few beauty products are universal regarding where on the body they are applied and other more individual factors such as skin tone and sensitivity. Thus, consumers need to have all the necessary information before deciding to buy a beauty product.

There are at least five more important consumer considerations, including the brand (and parent brand), prior experience with the product, price, packaging, and other people’s experiences.
As most beauty products are niche products, the industry is one of the most diverse. According to the British Beauty Council and Oxford Economics, the industry is divided into three main categories, which are further broken down into a total of 15 sub-categories. This has a range of implications for companies trying to understand consumer behavior and keep their customers as they expand.

As consumers weigh their purchase options, they are less likely to make compromises since their demands change over time. For instance, increased accessibility to imported products leads to more scrutiny of local products demanding higher quality, lower prices, better customer service, etc.

Additionally, a shift in demand for one aspect of beauty (i.e., one product category) may influence their perceptions about other product categories. For example, a skincare manufacturer touts their environmental activism, and the consumer transforms their entire dressing table to only have sustainable brands.

**Top cosmetics brand analysis: Post volume showing changing themes in consumer conversations**

Cosmetics brands like the one featured in this study, must not only know about the changing consumer expectations but also understand who is driving the change. It could be a new entry, a celebrity influencer (s), or consumer trends spanning multiple industries.
Top cosmetics brand analysis: A surge in topic conversation volume can reveal when a shift took shape

This requires sifting through vast amounts of data, sorting it out to find what’s relevant, and turning unstructured into structured data that can be easily interpreted. The process is impossible through manual methods, which do not scale, and through traditional consumer and market research techniques, which are time-consuming and fraught with inaccuracies.

The traditional way to understand brand health and competitive position is to conduct regular studies and react as issues emerge. However, it’s hard to stay up to date with consumer and market changes using this approach.

To keep up with consumer perceptions, beauty brands must adopt a continuous intelligence approach where consumer and market research is comprehensive, always-on, and insights are delivered in real time so decision-makers always act on the most valid and up to date information.

Continuous intelligence

Solution
For brands that want to accelerate and improve decision-making, the NetBase Quid® Intelligence Connector Brand Index offers a flexible and powerful solution to integrate and analyze vast amounts of unstructured data, internal data, and business intelligence from other tools to give it structure and context.

The Intelligence Connector Brand Index enabled this top cosmetics brand to consolidate data from various sources, including social media, blogs, forums, news outlets, and internal sources such as the company CRM tool.

**Top cosmetics brand: Data sources**

Post Source Distribution

![Pie chart showing data distribution across various sources: Instagram, YouTube, Twitter, News, etc.]

Through the Intelligence Connector, the analysts configured the data to fit their objectives by creating custom metrics and workflows to analyze and visualize it within their own applications. A continuous data stream into the system ensured real-time analysis and reporting for effective decision-making.

**How the Intelligence Connector works**

With the system set up and running, this top cosmetics brand utilized Intelligence Connector’s powerful AI algorithm to study and score trends, predict consumer trends, discover new audiences, rank risks in real time, and identify influences to promote their product.
The cosmetics brand used the Intelligence Connector Brand Index to gain an accurate understanding of its current position in the market, predict its trajectory, and develop strategies for the future. You, too, can develop a 360-degree view of your brand and market to make faster, more accurate decisions based on real-time insights. Reach out for a demo and protect your brand health today!

NetBase Quid® delivers AI-powered consumer and market intelligence to enable business reinvention in a noisy and unpredictable world.

Our platform uses advanced artificial intelligence to process billions of indexed resources across all forms of structured and unstructured data, empowering brand, agency, and consulting services customers to make smart, data-driven decisions accurately, quickly, and efficiently.

Learn more at www.netbasequid.com