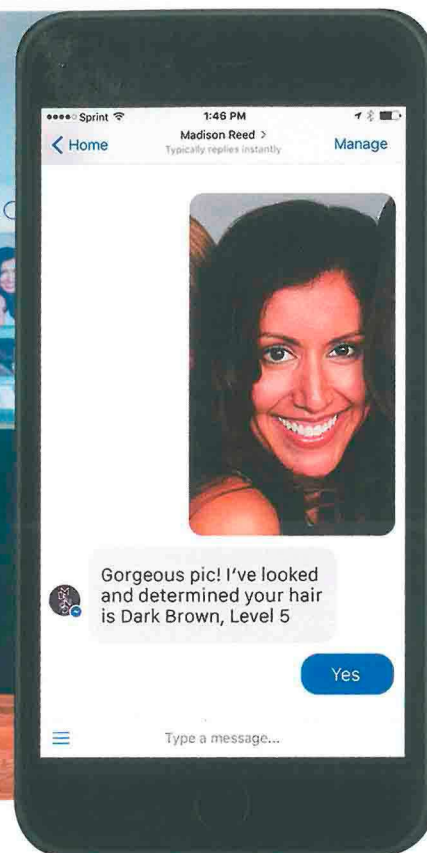


# Diving Deep on Beauty

Three disruption secrets behind hair color brand Madison Reed's success



by JULIE KNUDSON

Throughout her career, Amy Errett has seen the power of disruption. As a general partner in a venture capital firm, “I had started to be very driven about areas that were massive, but were yet to be disrupted by a product or a technology innovation,” she says.

One sector she felt was ripe for disruption was personal care. Through her research, she identified very little innovation — from the products offered to the ingredients used to the delivery methods available to consumers.

“That’s when Madison Reed started,” says Errett, the brand’s founder and CEO.

## SECRET NO. 1: THE WHAT

An estimated 95 million to 105 million women color their hair on an ongoing basis, Errett says, with most averaging six weeks between treatments. That repetitive exposure to chemicals and potential irritants was one of the first

issues that struck Errett, and a core disruption point that typifies Madison Reed’s approach to business.

“We went down a deep research path and found we could take out six of the harshest chemicals,” she says. “We have the lowest chemical profile in the market.” Madison Reed didn’t just pull the chemicals out: “We added nutrients that are very nourishing,” Errett says. “They’re restorative and reparative.”

The ingredients aren’t the only thing that separate Madison Reed hair color from other brands. Errett’s team recruited dozens of women through Craigslist and asked to observe them as they colored their hair.

“It was a revelation,” she says. “We saw the same behaviors over and over again. It allowed us to reinvent the box, change what’s in it and improve the user experience.”

Among the innovations was providing an additional set of gloves, after Errett says her team watched many women struggle to wear, remove and re-wear the single set normally offered by other manufacturers as they went through multiple steps of the coloring process.

## SECRET NO. 2: THE HOW

Few people understand trial and error better than someone who has colored their hair themselves. Simply selecting the right shade can be a chore, as they try to compare the color pictured on the box to the head of hair in the mirror.

Errett says it’s one of the biggest friction points consumers encounter. Color consultants can help, though users still wonder how an online or phone-based expert can get their color right without seeing them in person. Madison Reed has bridged that divide.

First, users take a 12-question quiz — Errett says an impressive 91 percent of people finish it, and the results have contributed to the more than 2.5 million hair profiles available to Madison Reed customers. A machine-learned algorithm uses the quiz responses to get smarter over time, helping to guide users to the right hair color.

“We take answers from the quiz and use them to serve customers the best recommended shades,” Errett says. The user is offered the shade that’s the best match, along with an additional two or three shades that would also likely give the desired results.

Also disrupting how consumers choose their hair shade is Madi, the brand’s color recognition chat bot. Customers take a selfie with their mobile device, then messenger or text it to Madi.

“The photo answers a number of questions you would answer online,” Errett says. A call center staffed by certified, licensed colorists works alongside Madi. “You can chat, have a phone call or email with any of our color crew.”

Using only a photo — analyzed by Madi’s algorithmic underpinnings or evaluated by Madison Reed’s experienced team of colorists — customers have new options beyond staring at a box in the grocery store as they search for their perfect hair color.

### DISRUPTION SECRET NO. 3: THE WHERE

Rather than being relegated to the typical drug store shelves, Madison Reed has embraced the web as a way to connect customers with its products. Technology and retail channels have come together to offer consumers a wide range of choices to fit their hair coloring needs, while also giving them more choices about where they purchase hair products and services.

But that presents a challenge, especially for hair color. “If you order a pair of shoes and they don’t fit, you might be irritated but the risk is only that you’ll need to ship them back,” Errett says. That risk factor goes up exponentially when customers are worried about screwing up their hair.



### BONUS SECRET NO. 4: GOING VIRAL

Just as Drybar offers fast and convenient blowouts, the Madison Reed Color Bar gives customers a place to get their color touched up without the hassle of a full-on salon appointment. Dubbed the “root reboot,” the concept has been part of

Brand awareness is key to building confidence among potential customers. “We have to earn her trust,” Errett says of today’s hair color customer. Companies that focus only on digital channels may not be discovered by as wide a range of consumers. Partnerships with retail powerhouses such as Sephora and Ulta have given Madison Reed an avenue to expose customers to the brand’s products in a known, trusted environment.

That omnichannel approach — marrying the brand’s online presence with its availability in established retail outlets and even its own bricks-and-mortar locations — increases customers’ awareness of Madison Reed’s products and gives them the opportunity to enjoy whichever type of buying experience best suits them. **STORES**

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the Madison Reed strategy from the beginning. The first Color Bar, a five-month pop-up in New York, went so well that founder and CEO Amy Errett says the company plans to open a full-time color bar nearby.

Errett says a combination of factors drove the Color Bar disruption plan. The marketplace is almost evenly split between customers who favor the do-it-yourself approach and those who prefer going to a salon. Crossing both segments is a group of women who feel the normal six-week span between colorings is a little too long.

“Some of them just can’t get to the salon every three weeks,” Errett says.

With the Color Bar, customers make an appointment online and then come in for a fast and affordable color treatment. “You take the same 12-question quiz that you do online, but you do it with a stylist who’s also color matching you,” Errett says.

“Repeat business was crazy” during the trial run, she says: 40 percent of women who made an appointment purchased another product, and 15 percent of customers became members and now receive products delivered to them on a continuous basis. “It exceeded our expectations,” Errett says.