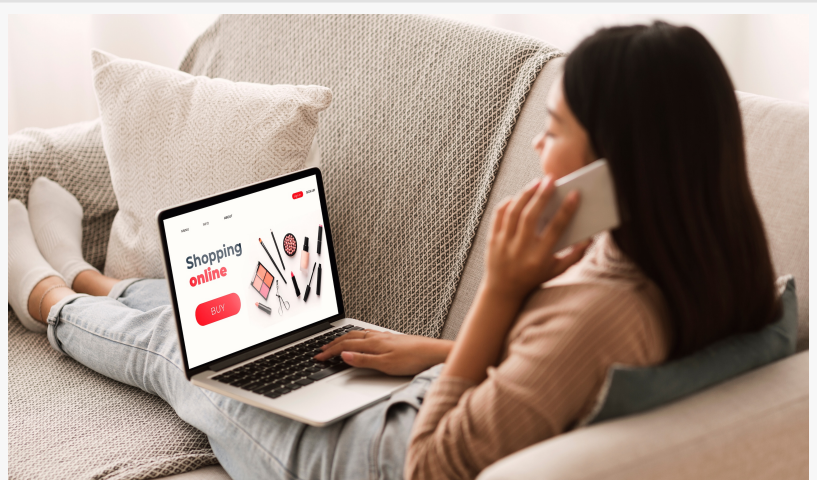


From No Personalization to Low AI Visibility: Why New Beauty E-Commerce Brands Fail

Why 70% of UK E-Commerce Brands Fail in Year One — and the Mistakes Beauty Retailers Can't Afford

ZURICH, SWITZERLAND, August 14, 2026 /EINPresswire.com/ -- According to a 2025 report published by SME News, about 70% of e-commerce businesses in the UK fail within their first year (SME News, 2025). This represents more than double the average rate of business failure.



Beauty E-Commerce 2026

Ben Szejka, ACA, and founder of Your Ecommerce Accountant, believes one of the primary reasons for such a high failure rate is that e-commerce business owners are usually novices, so they don't always understand business concepts or their numbers.

Recognizing common e-commerce challenges can help new online beauty retailers improve their chances of attracting and retaining customers. Below are some common issues that can affect how users interact with a website, discover new skincare products, and ultimately decide whether to make a purchase.

“

Why do people go to physical stores instead of buying everything online? Because a good old baker or butcher would remember their preferences and recommend the right products.”

Estella Benz, CEO of Inference Beauty

No Personalization

McKinsey & Company reports that 71% of consumers expect companies to deliver personalized interactions, and 76% experience frustration when this does not happen (McKinsey, 2021).

Today's e-commerce brands, on the other hand, are often anonymous, despite having access to technological tools

able to personalize each user's experience. For instance, online quizzes like the ones from [Inference Beauty](#) can help beauty retailers ask potential customers about their skin type, goals, and favorite brands, gathering valuable information that can then be used to provide specific

product recommendations.

General Marketing Campaigns

The data collected through quizzes can then be used to send personalized marketing campaigns that advertise skincare products tailored to each customer's preference and unique situation. This strategy prevents businesses from sending emails promoting a product that may offer no benefit to their customers, with the risk of reducing trust in their brand.

Personalized marketing campaigns can also increase the likelihood of future sales. Epsilon Survey from 2017 reported that 80% of consumers are more likely to shop with online brands that offer personalized recommendations.

Lack of Transparency

A report by Amazon agency Envision Horizons found that more than half of shoppers abandoned a purchase after AI flagged issues with their chosen product (Envision Horizons, 2026). According to Benchmarking's data nearly 86% of customers report having to look elsewhere for information because brands don't provide enough. These reports highlight the importance of providing clear product descriptions to help customers make informed decisions without consulting third-party websites.

E-commerce beauty brands can do so by providing key information about a product's impact on sustainability and animal welfare, along with complete ingredient lists that are easy for shoppers to understand. For instance, instead of using only the technical term "niacinamide," beauty brands can include the more common word "vitamin B3" to increase transparency.

Low AI Visibility

According to Professional Beauty, 49% of online shoppers today receive beauty suggestions from generative AI tools such as Gemini and ChatGPT (Professional Beauty, 2026). While focusing on SEO remains necessary, the report highlights that AI visibility is becoming increasingly important.

[LLM-based product data enrichment](#) uses large language models to translate the technical, often confusing data found in product descriptions into highly informative text that AI engines can read.

This technology increases the likelihood that AI will recommend a website's skincare products while also enhancing transparency by providing customers with key information about the items they may be interested in purchasing.

Not Granular Filters

Many beauty retailers sell thousands of products on their website. While this is often seen as a plus, customers faced with so many options often end up feeling overwhelmed and unable to select a single item to add to their shopping carts.

Granular filters can help solve this problem by allowing clients to narrow their choices by selecting price ranges, specific brands, and other key factors such as skin type.

Understanding these common mistakes can help new online beauty retailers quickly recognize key challenges in the skincare sector and identify areas of their websites where strategic changes may be needed.

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