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# The COVID-19 Impact on Beauty: 5 Tips & Takeaways

An industry normally heavily dependent on brick and mortar sales, beauty may have seen an initial hit in sales this pandemic, but they quickly rebounded. Consumers spent big on skincare and “affordable luxuries” thanks to ecommerce. With this newfound comfort in ecommerce, brands should plan to continue to shift dollars to their digital strategy, as well as build out content and multi-channel approaches to make shopping as appealing as possible.

**Health and beauty sales will grow 6.9% to \$556.30 billion**  
(eMarketer)

## Emphasize Skincare:

Consumers are investing in skincare products, and even bulk buying.

**64.5%**

of respondents (US Internet Users) are more likely to digitally purchase cosmetics and personal care during the coronavirus pandemic.  
(Redpoints via eMarketer)



“Our skin-care business grew versus a year ago during the COVID-19 crisis.” - Sephora CEO Jean-André Rougeot.  
(WWD)



Cosmetics and personal care products were the category US internet users were most likely to buy online during the pandemic, coming in above food and beverage and household products.  
(Redpoints via eMarketer)

Junior Pence, CMO and creative director at Peace Out Skincare, reported customers have shifted to buying in bulk: larger orders with more products and buying the “jumbo” sizes instead of regular. “It was what we’ve been calling the “toilet paper effect,” where people started hoarding skincare.”  
(eMarketer)

**Promote “Affordable Luxuries”** like new lipstick for Zoom happy hours or a fresh perfume scent to brighten the day.

Leonard Lauder famously noticed and coined the “**lipstick index**” phenomenon during the 2001 recession. Consumers tend to spend on small products that add a bit of glamour to increase confidence or offer a reminder of better times. Sales therefore tend to stay strong even in times of duress.  
(McKinsey)



Sephora saw sales of fragrance grow up to double digits over the last six months.  
(WWD)

**166%**

Nielsen reported rises in the sales of hair dye and hair clippers by 23 and 166%, respectively, in the first week of April 2020 versus a year ago in the U.S.  
(McKinsey)



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## Offer promotions and discounts to grab customers.

Loyalty is swaying. According to research, promotions are proving successful in bringing in new customers and clearing inventory.

40%

Several prestige brands are offering discounts online of up to 40% to capture promotion-oriented consumers, according to McKinsey. Promotions also help move unsold seasonal inventory.  
[McKinsey]

77%

More than 77% of Americans tried new shopping behaviors during the crisis (up from 76% in late July), including new methods, brands, and places, with the intention of sticking with them in the long-term.  
[McKinsey]

## Incorporate content to inspire and make shopping online easier and more alluring.

72%

A cohesive customer experience matters, or so consumers say. Last year, 72% of internet users worldwide said a disconnected experience would make them change service providers or brands.  
[MuleSoft and Opinium Research via eMarketer]



Incorporating content to aid customers in the experience - think online quizzes or recommendations - helps inspire customers, build trust, let them know of your brand's expertise, and maintain loyalty.

## Scale. Expect ecommerce to stick around, so blow out those digital budgets and efforts now.



Some beauty-product brands and retailers are reporting e-commerce sales twice as high as their pre-COVID-19 levels, according to McKinsey.  
[McKinsey]



Beauty-industry players will need to prioritize digital channels to capture and convert the attention of existing and new customers and reassure customers about hygiene efforts.  
[McKinsey]

30%

Sephora's US online sales are reportedly up 30% versus 2019.  
[McKinsey]

92.7%

New research by Mastercard shows U.S. ecommerce sales were up 92.7% in May 2020, with more than \$53 billion spent via ecommerce channels between April and May—the height of the pandemic. For scale, that's more spent online than that last 12 Cyber Mondays combined.  
[DigitalCommerce360]

Reach out to Bidtellect for more information or to initiate a head-to-head performance test.