

COSMETICS BUSINESS

COLOUR COSMETICS

Trend report

**ACCELERATING
E-COMMERCE 6**

How brands aim to bridge the offline-online sales gap

**VIRTUAL TRY-ON
TECH 8**

Why try-on tools moved from novelty to necessity

ON THE RISE 10

How social, economic and health matters will influence the category

**CONTENT
CREATION 12**

Bringing brands to life through digital content

**MAKE-UP BEYOND
THE MASK 14**

New opportunities in eye colour and foundation



COSMETICS BUSINESS

Trend Report

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Editor Jo Allen

Sub Editor Austyn King

Group Editor Lucy Tandon Copp

Art Editor Sibylla Duffy

Designer Charlotte Alldis

Print & Digital Production Executive Jodie Rawl

Digital Production Megan Daly

Head of Print & Digital Production Ross Murdoch

Head of Sales Cosmetics Group Carolina Quintana

Managing Director Colin Bailey-Wood

Editorial +44 20 7193 1909

joa@hpcimedia.com

Advertising +44 207 193 7447

carolinaq@hpcimedia.com

Subscriptions +44 20 7193 1279

subscriptions@hpcimedia.com

Monthly Trend Reports

With trends developing faster than ever before, the list of upcoming *Cosmetics Business* Trend Reports is updated every three months. Our next reports are outlined below.

September Eco-packaging

October Hair care

November Bath & body

Cosmetics Business

HPCi Media Limited

Natraj Building, The Tanneries

55 Bermondsey St, London SE1 3XG

+44 20 7193 1279

cbm@hpcimedia.com



@cb_beautynews



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Overview

COLOUR COSMETICS: THE DIGITAL REVOLUTION

Colour cosmetics is experiencing its toughest time in years, but brands that adopt a digital-first strategy stand to create a glowing future

Faced with plunging sales during the pandemic, on the back of a challenging past year, colour cosmetics is in many ways a shadow of its former self.

In 2019, sales of prestige make-up declined by 6% globally, with major markets including the US and UK shrinking by 7% and 8% respectively, according to The NPD Group, as consumers favoured a more natural look and opted for skin care over colour cosmetics. "The 'no make-up make-up' look has been popular while there has also been a trend for skin care to offer make-up benefits, such as skin primer products from brands like Glossier and Farsali, resulting in people trading out of make-up and into skin care," says Fiona Glen, Head of Projects at beauty brand consultancy The Red Tree.

But between January and May 2020, sales in many countries dropped by at least 20% and up to 40% for prestige products in some countries, including the UK and China. In the US, sales of prestige make-up plummeted by 52% between April and June, versus 2019, according to The NPD Group. "People have had less reason to use make-up as they stayed at home due to lockdown measures, and there have been further challenging factors, such as testers being taken out of stores due to hygiene issues," adds

**GLOBAL VALUE
& GROWTH,
2019**



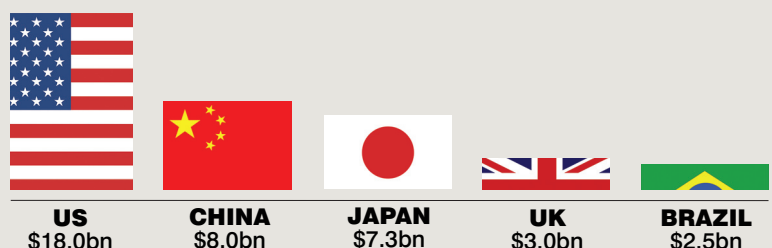
\$72.2bn



+3.5

Source: Euromonitor
International

COLOUR COSMETICS: TOP 5 COUNTRIES BY SIZE, 2019



Source: Euromonitor International



Glen. “With the category being in decline already before the pandemic, it has now had a double blow and I don’t think it will pick up again quickly.”

A digital makeover

Yet reinvention lies at the heart of colour cosmetics, and the category now has an opportunity to usher in a radically new future. The key lies in digital transformation.

During lockdown, online sales of colour cosmetics have rocketed. The US (prestige channel) and UK (total sales) soared by 79% as online overtook offline for the first time ever. Although these were unable to offset overall losses, as e-commerce takes a smaller share of the market, analysts believe that the change in shopping habits will stick.

Matt Maxwell, Strategic Insight Director at Kantar, says “Consumers will have been finding new retailers and maybe new brands as they shopped online, and this behaviour will continue.” Figures from a money.co.uk study reveal which brands UK consumers have been searching for

UK: ONLINE SEARCH INTEREST IN MAKE-UP BRANDS DURING LOCKDOWN

RANK	BRAND	% +/- SEARCHES
1	Charlotte Tilbury	+104
2	Revlon	+56
3	Rimmel	+38
4	Maybelline	+38
5	Glossier	+35
6	NYX	+30
7	Benefit	+11
8	MAC	+9
9	Bourjois	-2
10	Urban Decay	-13

Searches ranked between 1 April and 31 May 2020. Source: Brand-a-Lust Report, money.co.uk

IS THE D2C MODEL ENOUGH FOR COLOUR COSMETICS?

As the shift to e-commerce continues, the direct-to-consumer (D2C) model is becoming increasingly relevant in colour cosmetics. But is it enough for shoppers? Gabriella Beckwith, Senior Beauty and Fashion Research Analyst at Euromonitor International, shares her insights



“Consumers are becoming more interested in international brands and want to be able to access these online. Shopping directly with the brand often also allows consumers to find advice or access virtual communities to help find the products best suited for them. For D2C brands that launch their own permanent or pop-up shops, they are able to cultivate the in-store experience and convey their brand ethos to consumers exactly how they want to, which is an increasingly important aspect of the shopping experience. For example, Glossier’s floral themed London pop-up was so successful that the lease was extended.

“However, it is worth noting that many D2C brands often follow the path of subsequently partnering with bricks-and-mortar stores, indicating there are still gains to be made from a multi-retail strategy. Moreover, as the power of the brand declines, today’s consumers are less loyal and increasingly explorative, particularly within colour cosmetics. So, while the D2C model may continue to develop, multi-brand retailers offering more superior choice may still be the default destination for many shoppers.”



Focusing on digital content has also been a winning strategy for brands. Influencer marketing has increased in recent months and brands have been working closely with them to reach out to their audience instantaneously, says Janet Milner-Walker, founder and Director of beauty brand consultancy Bespoke Advantage. “Facebook Lives and IGTV have boomed. Having to react quickly to the situation, brands have not had the time or the tools to create carefully curated content. The focus has been on organic content that is unpolished and sincere. Covid-19 has seen brands moving away from traditional product-based marketing to addressing real live concerns – like how to use a particular product while working from home, and how this fits into your daily lifestyle – working together with influencers to livestream to their audience through authentic content.”

e.l.f. Cosmetics has built on its early TikTok success with two campaigns that have each seen the masstige brand earn more than one billion views. For its latest hit campaign, #elfMagicAct challenge, the brand teamed up with influencers @Laurengoodwin, @Itsjustaba and @Benjikrol and asked consumers to share their digital transformations using its Poreless Putty Primer and the brand’s original song *Magic Act* by M. Maggie.

Engagement through content

“A successful e-commerce strategy for a cosmetics brand is heavily reliant on carefully crafted content that introduces your products in a way that entices consumers without overtly selling to them, strongly differentiating your brand and engaging with your audience in a meaningful way,” says Milner-Walker. “This is a big marketplace with lots of opportunities for brands who invest in technology and in building real and meaningful relationships with their customers,” she adds. “Brands should adopt a digital-first approach, with their customer experience top of mind, leading with content, tutorials and the ability to try on products online.”

Virtual try-on tools have been rolled out by more brands in recent months to encourage consumers to discover, try and buy make-up products, with social distancing measures in place and in-store testers no longer available in stores. MAC Cosmetics, in partnership with Perfect Corp’s YouCam augmented reality technology, launched its Virtual Try On feature that can be tested on any skin tone with a choice of over 200 lip and eye shades and a range of different textures. Alice Chang, CEO of Perfect Corp, says: “The integration of virtual try-on across brand and retailer websites has introduced an enhanced online shopper experience that involves experimentation and discovery, also proving that the more consumers try, the more they buy.”

Although colour cosmetics is more difficult to sell online, brands like Beauty Pie, ColourPop, Kylie Cosmetics and Il Makiage have shown that it is possible to launch D2C models within the category with high levels of success. And although

online during lockdown. Charlotte Tilbury ranked first with 104% growth in search interest, followed by Revlon (+56%), Rimmel (+38%), Maybelline (+38%) and Glossier (+35%). Money.co.uk finance expert Salman Haqqi comments: “Make-up brands in the study could have seen an increase in searches during coronavirus restrictions, as they diversified their sales channels to meet consumer demand for online shopping. An example of this is luxury make-up brand Charlotte Tilbury, which relied on beauty counters to drive sales before lockdown, but is now stocked by online retail giant Asos.”

GLOBAL COLOUR COSMETICS SECTORS, VALUE & GROWTH, 2019



Source: Euromonitor International



Janet Milner-Walker

“**Brands should adopt a digital-first approach, with their customer experience top of mind, leading with content, tutorials, and the ability to try on products online**

Janet Milner-Walker, founder and Director, Bespoke Advantage

In the UK, prestige bronzers performed better than other face make-up as consumers simplified their routines

COLOUR COSMETICS: THE KEY CHALLENGES

Within beauty, colour cosmetics can be singled out as not only the category that has suffered more than others during the Covid-19 pandemic, but as the category that was struggling before it even hit.

“Colour cosmetics was already witnessing subdued demand pre-crisis, as consumers increasingly adopted a ‘skin first, make-up later’ attitude, whereby a good skin care routine could avoid the need for make-up altogether,” says Gabriella Beckwith, Senior Beauty and Fashion Research Analyst at Euromonitor International. “Simultaneously, the ‘natural’ look was continuing to gain popularity, with fewer consumers opting for heavy make-up looks.”

But the challenges wrought by the pandemic have seriously damaged the category. According to The NPD Group, 71% of US women who wear make-up say that they now wear make-up less often due to Covid-19 lifestyle changes.

“Colour cosmetics has felt one of the greatest impacts during Covid-19, as retail store closures, home working environments and a lack of social interaction has limited the need for such products,” says Beckwith. “Moreover, lower economic activity and high unemployment rates has weakened consumer spending power, which is causing consumers to downgrade from premium to lower price point items and dampening overall demand for discretionary categories such as colour cosmetics.”

Despite the significant challenges faced by brands both large and small, there are still success stories. “We are still seeing retailers launching new beauty brands, and in lockdown we saw the sale of Charlotte Tilbury to Puig,” says Fiona Glen, Head of Projects at The Red Tree. E-commerce has also been successful for many brands in recent months. In May, Nails Inc reported a 300% boom in sales at nailsinc.com across its UK and US markets as consumers experimented with bright colours on their nails during lockdown.

Capitalising on the digital acceleration that colour cosmetics brands and retailers have seen this year, and engaging consumers through content, virtual try-on tools and a seamless e-commerce journey will be a key strategy for brands. Picking up on new trends that have emerged as consumers adapt their lifestyles through the pandemic while communicating how colour cosmetics can be a way to gear up emotionally are all routes that brands can follow to help kickstart a vibrant future. Glen says: “Although there are a lot of factors going against the category at the moment, there is still success to be had.”



e-commerce charted quite a slow progression before the pandemic, brands are rapidly working to develop their digital strategies amid an increasingly difficult landscape in physical retail.

Content-driven e-commerce developments such as Google’s video-shopping app Shoploop, which enables customers to discover beauty products through vlog-style tutorials before making a purchase, that are designed to help people experience the look and feel of shopping for products without going to a physical store, will undoubtedly continue to grow.

Catering to consumers’ changing behaviour towards make-up through these times is also vital. “Brands need to reflect on how they are supporting their customers with the product solutions

they are providing to their customers, relevant to the current climate, and on the ease of decision-making and ease of purchasing their products,” says Milner-Walker. Gabriella Beckwith, Senior Beauty and Fashion Research Analyst at Euromonitor International, adds: “Consumers’ inevitable shift to the digital and online world should be seen as a longer-term opportunity for colour cosmetics

brands to elevate their omnichannel technologies, not just to push e-commerce but also to create platforms and communities for product discovery, advice and sharing. This includes beauty content, videos and livestreaming” ●

ACTION POINTS

- We have seen a shift in popularity from lip products to eye make-up including increases in virtual try-ons for mascara, eyeliner, eyeshadow and eyebrow categories. We anticipate brands following suit to meet the increasing consumer preferences surrounding this category.

Alice Chang, CEO, Perfect Corp

- Building a successful e-commerce journey requires consideration at every touchpoint in your customer’s journey. Your content strategy needs to be individually reviewed from platform to platform to ensure you are engaging with your followers in the right way.

Janet Milner-Walker, founder and Director, Bespoke Advantage



Accelerating e-commerce

CLOSING THE DIGITAL GAP

Make-up has been explored by consumers online but mostly purchased offline. Now brands aim to close the gap and unlock the potential of e-commerce

Among the biggest takeaways of 2020 for colour cosmetics brands is that e-commerce now represents a huge, and vital, opportunity. The past few months have seen an acceleration in digital transformation across the category.

L'Oréal, for example, reported growth of 64.6% in e-commerce for the first half of 2020 and close to 20% of sales are now online – in 2019 this figure was 15.6%. Chief Digital Officer Lubomira Rochet recently stated in an interview with the *Financial Times*, “In e-commerce, we achieved in eight weeks what it would have otherwise taken us three years to do,” noting that changed consumer behaviour during the pandemic has required the company to reassess its e-commerce targets. “We are setting ourselves up for a world where half of the business is e-commerce and 80% of consumer interactions will happen online,” she said.

And the category is seeing increased levels of investment from brands across the board. Charlotte Tilbury launched a three-month pop-up on Asos at the end of June, offering a curated edit of make-up

and skin care and content such as tutorials led by brand ambassador Sofia Tilbury. Morphe last month expanded its online reach through a deal with pure play retailer Feelunique, while The Hut Group announced it is supporting a number of brands including Revolution Beauty and By Terry to transition towards a direct-to-consumer model. Revolution Beauty will start an online business for the US and Australia this year, while By Terry is working on a new launch across all end-to-end services including brand development, content, packaging and D2C services.

Saverio Bianchi, founder and CEO of e-commerce strategy consultancy Atelier & Avenue, tells *Cosmetics Business*: “Despite the dip experienced during the early months of the lockdown, cosmetics brands are moving very fast to establish strong direct-to-consumer channels and relationships with their customers. When physical stores shut down and new offline-to-online consumer behaviours arise, as a brand you need to be ready to accelerate the digital gap with your customers.”

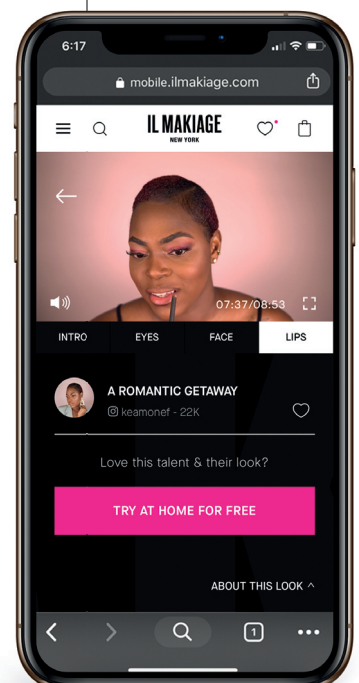
Overcoming barriers

But selling make-up online isn't easy. While many other categories have adapted well to e-commerce, colour cosmetics lagged behind, with online being used primarily as a replenishment channel by consumers and 90% of purchasing decisions made offline.

Consumers may engage with creative content, influencer tutorials and read dozens of product reviews, but they would still prefer to head to a store to try it on first before making the purchase. “This is no longer an option, with coronavirus putting an end to in-store testers,” says Janet Milner-Walker, founder and Director of Bespoke Advantage. Brands are ramping up their use of virtual reality try-on tools, with successful results (see *Trend 2*), while digital-first make-up brands have come into their own. “With influencer content creation and follower engagement on the rise following social distancing measures, brands that offer a distinct digital shopping experience have a clear advantage in the emerging at-home economy,” says Conor Begley, co-founder and President of Tribe Dynamics, noting examples including Juvia's Place, Tatti



Il Makiage has launched what it says is the first influencer-based e-commerce platform



EXPERT INSIGHT: ATELIER & AVENUE



Atelier & Avenue is an e-commerce acceleration and digital transformation consulting company for luxury fashion and beauty. Founder and CEO Saverio Bianchi, author of e-commerce blog saveriobianchi.com, shares advice for make-up brands looking to grow their e-commerce channels

1 Do not settle for low level talent. Take the time it takes to get the right team in place – or temporarily embed black-belt professionals until you find the right hires.

2 Spend time revising your value and service proposition. As the in-person experience reduces, you must focus even more on standing out with your brand, your value proposition and your ongoing customer relationship.

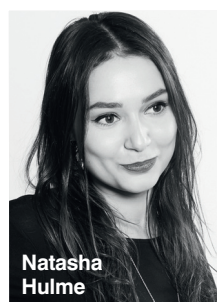
3 Adopt a true 'growth framework' through and through in the way you manage your e-commerce, from acquisition to retention.



Lashes and Nabla Cosmetics, which all increased their EMV levels between January and April 2020 through strong brand-influencer relationships.

Influencers help the colour cosmetics category to get around some of the unique challenges it faces. “The product experience is highly subjective and this is compounded when you’re viewing shades on a screen or trying to manifest an experience through copy or product imagery,” says Natasha Hulme, Creative Director of SEEN Group. “An influencer is able to translate the product experience in ways that are relatable to the customer, especially, for example, if they know they are a similar foundation shade or have a similar skin type. These factors carry a lot of weight in the decision-making process.”

This is why one of the biggest disruptions that has come to the make-up industry puts influencers



“**Livestream e-commerce will start to infiltrate our market as businesses look for more interactive and entertaining ways to sell products from a distance**

Natasha Hulme, Creative Director, SEEN Group

at the heart of its strategy. Digital-first prestige make-up brand Il Makiage introduced what it says is the first ever influencer-based e-commerce platform last month, which aims to fix the “current disconnected consumer journey, where they live online but try and purchase offline”. The platform combines content from hundreds of influencer partners that they create on their own portal called Kenzza, with a risk-free try-before-you-buy programme designed to effectively bring the physical store to the consumer.

Oran Holtzman, CEO of Il Makiage, says: “Il Makiage is on a mission to close the gap between online and offline by providing consumers with many of the same advantages physical stores are offering – a streamlined destination to gain inspiration, learn how to use the products to build a look and try them risk-free via our try-before-you-buy programme, improving on a very scattered beauty journey.” Milner-Walker adds: “Il Makiage has addressed the major hurdles of purchasing cosmetics online, offering inspiration, guidance from trusted influencers, consumer reviews and reassurance and removing the risk factor of purchasing products that may not work, and you aren’t able to return for a refund.”

The category is expected to see brands become more experimental with their digital strategies, for example with live commerce – a sector that in China is expected to double in 2020 to reach a total revenue of RMB961bn, according to iiMedia Research.

Hulme explains: “Livestream e-commerce that is the norm in China will start to infiltrate our market as businesses look for more interactive and entertaining ways to sell products from a distance that feel more than purely transactional. Upgraded mobile networks will also mean these types of e-commerce methods are accessible country-wide, and they combine the best of influencer marketing, affiliate marketing and livestreaming” ●

OLDER GENERATIONS SHOULD BE THE NEXT TARGET FOR SELLING MAKE-UP ONLINE

During the pandemic 37% of over 65s have increased the amount of online shopping they have done, according to Mintel, yet while grocery products made the list it seems make-up did not. Matt Maxwell, Strategic Insight Director of Kantar, tells *Cosmetics Business*: “Brands need to think about engaging with older consumers as the decline in make-up sales over lockdown has been worse among those over 55, and this is a significant proportion of the market. In the UK, this has shrunk the category by £50m.

“Brands and retailers need to support and engage these shoppers, who might traditionally be Boots heartland and might be hesitant about shopping online or choosing the wrong shade. There is an opportunity to help ensure that their navigation to their right shade is a seamless one and comparable to offline. This is important as we will not see a return to offline shopping, in the way that we used to, for the foreseeable future.”

ACTION POINTS

- 💡 The global pandemic has led to a very steep learning curve in e-commerce. Investing in the right digital tools and the right content is as important to a brand’s success as it is to invest in developing the right products.
Janet Milner-Walker, founder and Director, Bespoke Advantage
- 💡 With technology being incredibly easy and cost-efficient to adopt, the main challenge remains without a doubt talent – at an executive level, needing strong e-commerce upskilling to understand threats, opportunities and learn how to get the most out of their teams, and at an operational level, where brands will bring expertise in-house more and more.
Saverio Bianchi, founder and CEO, Atelier & Avenue

Virtual try-on tech

PUTTING COSMETICS TO THE DIGITAL TEST

With in-store testing off-limits, virtual try-on technology is being fast-tracked in make-up, with impressive results

Seven months ago, customers could simply stroll into a store and try on a make-up shade. While the pre-pandemic world feels longer ago than it actually was, time has sped up for some things.

Virtual try-on experiences have been fast-tracked in make-up and the past few months have seen a massive increase in development by brands including Chanel, MAC, Bobbi Brown and Charlotte Tilbury, all of which launched their own online tools so that customers could test shades and finishes from the comfort of their sofa, while other brands who already had tools in place saw a sharp increase in users.

Far from being a gimmick or something that more experimental or tech-savvy brands would try, in a post-pandemic world such tools are becoming an expected standard within the online experience of a colour cosmetics brand.

“Virtual try-on is in the process of going from a novelty to necessity. This trend has sped up and further solidified for the post-Covid consumer,” says Justin Stewart, CEO and co-founder of Cherry Pick. But he adds that this technology is also set to drive second-order effects. “Since virtual try-on dramatically reduces friction, consumers can try on many more products in the same amount of time that they could try on a single product IRL. This will lead to an increase in the diversity of products tried on,” explains Stewart. “So expect this shift to open the door to greater opportunities for product innovation and success of long-tail products.”

Brands have already been reaping the benefits of their try-on tools. Estée Lauder reported a 2.5 times higher conversion rate with its Lip Virtual Try-On and its virtual foundation tool has also seen huge increase in the UK for Double Wear Stay-in-Place,

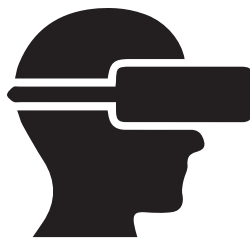


Justin Stewart



Virtual try-on is in the process of going from a novelty to necessity

Justin Stewart, CEO and co-founder, Cherry Pick



32%

The increase in virtual try-ons from app users
Source: Perfect Corp, mid-March to April 2020

TRY-ON TOOLS: THE NEXT STEP



Alice Chang, CEO of Perfect Corp, tells *Cosmetics Business* what AI will bring next to the consumer journey

“With the rise in e-commerce, brands are challenged to find new ways to enhance their online shopping experience. This is where we expect to see increases in online virtual beauty consultations like those offered by Perfect Corp’s Web Beauty Advisor 1-on-1 service, as well as the integration of interactive content directly onto a brand’s website with services like Web AI Live Casting.

Additionally, we believe AI will bring the next big upgrade to the consumer digital journey. Technologies such as AI Shade Finder can help users find their exact shade match when shopping for foundations, and AI Skincare innovation can help consumers track their skin health and browse personalised product recommendations that match their target skin concerns. Advancements in AI innovation make personalised recommendations possible and will be the key for next-gen virtual try-on experiences both online and offline.”

which has over 60 shades and is the best selling prestige foundation in the UK (source: The NPD Group, May 2019-April 2020).

The shape of engagement

Benefit Cosmetics has also reported impressive figures for its Brow Try-On tool, which is available on its own website and through its retail partners, enabling shoppers to play with different shapes and shades. “It was built to help direct consumers to brow wax appointments, but with stores closed, it also proved to help prevent at-home brow shaping mishaps,” says Stewart.

“In April and May the brand saw a 43% increase in the number of people using this tool,” adds Janet Milner-Walker, founder and Director of Bespoke Advantage. “Unsurprisingly, Benefit’s brow category has been its strongest performing category during the pandemic.” The brand further profited from a 20% increase in add-to-carts from its site, 101% increase in time-on-site and 113% increase in conversion rate from visitors to its site.

AI and AR beauty tech provider Perfect Corp, developer of virtual app YouCam Makeup, experienced a significant increase in demand from beauty brands, and responded to the urgency to quickly integrate digital-first solutions by releasing turnkey special complimentary programmes. Alice Chang, CEO of Perfect Corp, says: “These offerings helped brands quickly and effectively integrate virtual try-on technology across their website, as well as get brands included within the YouCam Makeup app community where hundreds of millions of



From Charlotte Tilbury (top) to Estée Lauder (above), brands are reaping the benefits of virtual try-on tools

beauty lovers could discover and shop for beauty products.”

But at a time when physical try-before-you-buy has been impossible, virtual tools have stepped up: “Digital try-on has got to a place where the accuracy so closely mimics real-life try-on that consumers can become increasingly confident basing their purchase decisions on a virtual try-on,” says Chang. “This helps to boost consumer

confidence and create a more satisfying beauty shopper experience, and one that introduces a new touch-free way for consumers to safely shop with ease post-pandemic, both online and offline.”

Although some brands and retailers have already started to use virtual try-on experiences in-store – Charlotte Tilbury launched its first Magic Mirror back in 2016 – these are now expected to increasingly replace physical colour cosmetics testers as heightened caution around sanitation continues. “With the elimination of in-store samples, testers and beauty counter makeovers, virtual try-on technology will become the solution to allow

consumers to experiment and try-before-they-buy. The integration of AR and AI digital try-on solutions will replace product and look experimentation with a clean, safe magic mirror or mobile experience,” says Chang. What else can we expect from these digital tools in the future? “The next focus for virtual try-on solutions will be those that are completely touchless,” says Chang. “Whether it’s the introduction of motion-activated or voice-activated commands, the goal will be finding ways to replace the touch screen swipe with something contactless that will curb global health concerns post-pandemic” ●

ACTION POINTS

- Virtual try-on tools have stepped up to provide a solution to the elimination of in-store samples and testers, with increasing accuracy.
- Digital tools enable consumers to try on more products than in real life, and this could lead to greater opportunities for new product innovation.

On the rise

REFLECTING OUR TIMES

Cosmetics Business highlights three trends that will shape category developments in the year ahead

From high unemployment rates to global uprisings, the factors that contribute to consumers' purchasing decisions today go far beyond a shade they love or a look they want to achieve. The pandemic has made consumers prioritise health and hygiene in all aspects of their lives, and they are increasingly worried about money. According to market research company Forrester, the number of people in the UK who are anxious about their financial situation has more than doubled, from 16% before Covid-19 hit to 37%. Here are three consumer-led trends that are set to shape the colour cosmetics category in the year ahead.

#1 Brushing up on hygiene

With more than nine in ten make-up bags found to contain superbugs like E.coli and Staphylococci, according to a study conducted by Aston University in Birmingham last year, and questions being raised over whether coronavirus can live on or in cosmetics – evidence suggests that the virus can live on plastic or metal packaging for up to three days – there is an increased awareness for consumers to take care when applying cosmetics and to regularly clean their make-up applicators. According to Fiona Glen, Head of Projects at The Red Tree, "This could be a huge

The Pro Hygiene Collection's Makeup Brush Cleaner kills 99.99% of bacteria within 60 seconds



Antonia Hawke

“

We would like to see beauty hygiene recognised as a new category

Antonia Hawke, Marketing and Communications Director, The Pro Hygiene Collection



Justin Stewart

“

Transparency, accountability, and visible change or commitment will be how brands win

Justin Stewart, CEO and co-founder, Cherry Pick



The Pull Up or Shut Up challenge, launched by Uoma Beauty's Sharon Chuter, above, called for brands to reveal the number of black individuals they employ

trend, and in fact make-up cleaning and hygiene has the basis to be a category to itself.”

Leading brand The Pro Hygiene Collection has seen an increase in sales of antibacterial sanitisers for make-up, brushes and sponges during the outbreak. Antonia Hawke, Marketing and Communications Director, tells *Cosmetics Business*: “The recognition for better personal beauty hygiene has increased because of the pandemic. Even so, many make-up users are still blissfully unaware of the dangers lurking beneath the shimmer and the shine of their own make-up. Beauty hygiene should be a daily routine for everyone who wears make-up. Why would you apply make-up on a clean prepped face with dirty make-up brushes covered in the last week's foundation, blusher or eyeliner, or with a make-up sponge infused with bacteria?”

According to Hawke, education on the benefits of beauty hygiene will be key going forward. “Without doubt, make-up users will be looking for simple, effective and evidence-based cleaning and sanitising products for their make-up and beauty tools and the category will grow as consumer and industry demand increases.

“It’s not a sexy category compared to colour cosmetics, but it is an essential one and as such we would like to see beauty hygiene recognised as a new category that contributes to overall beauty health and personal wellbeing supported by education.”

#2 Accelerated support for diverse brands

The make-up industry has made a significant push towards diversity in recent years, and this has been accelerated further by the Black Lives Matter movement with new initiatives coming to the fore. Justin Stewart, CEO and co-founder of Cherry Pick, comments: “Aurora James, Creative Director and founder of sustainable accessories brand Brother Vellies, launched the 15% pledge, calling on retailers to pledge 15% of their shelf space to Black-owned businesses. Sephora was the first to pledge, stating they only carry seven Black-owned brands.”

Uoma Beauty founder and CEO Sharon Chuter launched the Pull Up or Shut Up campaign asking companies to release the number of Black employees they have in their organisations at the corporate level as a way to hold them accountable and encourage change. This has prompted many cosmetics companies of all sizes to disclose internal figures, including Estée Lauder, L’Oréal and Glossier, with some going public with their shortcomings and sharing plans to increase diversity within their boardrooms. And US retailer Target has just introduced a new badge featuring five multi-toned hearts that enable online shoppers to identify brands that are at least 51% Black owned, operated and controlled.

Consumers are eager to support authentically inclusive and diverse brands, and Stewart notes that these types of efforts are enabling consumers to be able to research if a company is one they want to invest their money in or not, as well as being the way that they are finding their new favourite products or brands that they are excited to support. “Transparency, accountability and visible change or commitment will be how brands continue to win in the marketplace,” says Stewart.

#3 Masstige

As the recession prompts a shift in purchase behaviours, masstige make-up brands are likely to become more popular with consumers. “Masstige is an area of opportunity for make-up brands,” says Gabriella Beckwith, Senior Beauty and Fashion Research Analyst at Euromonitor International. “It was already gaining ground pre-pandemic, as premium associations are aligning with new

attributes beyond higher price tags, such as efficacy, eco-credentials and personal suitability,” she adds.

Brands including e.l.f., Morphe, NYX and Makeup Revolution have been expanding in recent years through retailers including Ulta Beauty, while Winky Lux rolled out to Target stores in March this year. The brand has also recently launched a free personalised virtual consultation with its beauty advisors to help customers find their exact shade of concealer or lipstick.

Makeup Revolution has also gained more attention over the past two years after ramping up its use of influencers and launching capsule collections with make-up experts including Patricia Bright and SophDoesNails.

Masstige brands have benefited from influencers naming selected stand-out products as affordable alternatives to more expensive counterparts, and coverage of recession-proof make-up dupes is only likely to increase over the coming months.

The move towards masstige is also likely to influence other brands positioned at both higher and lower price points. “Premium make-up brands will have to show greater flexibility in terms of their channel mix, as well as endorse the concept of ‘affordable luxury’ more strongly. Mass brands on the other hand will see an opportunity to upgrade their offerings,” says Beckwith ●



Makeup Revolution has become popular for its dupes

ACTION POINTS

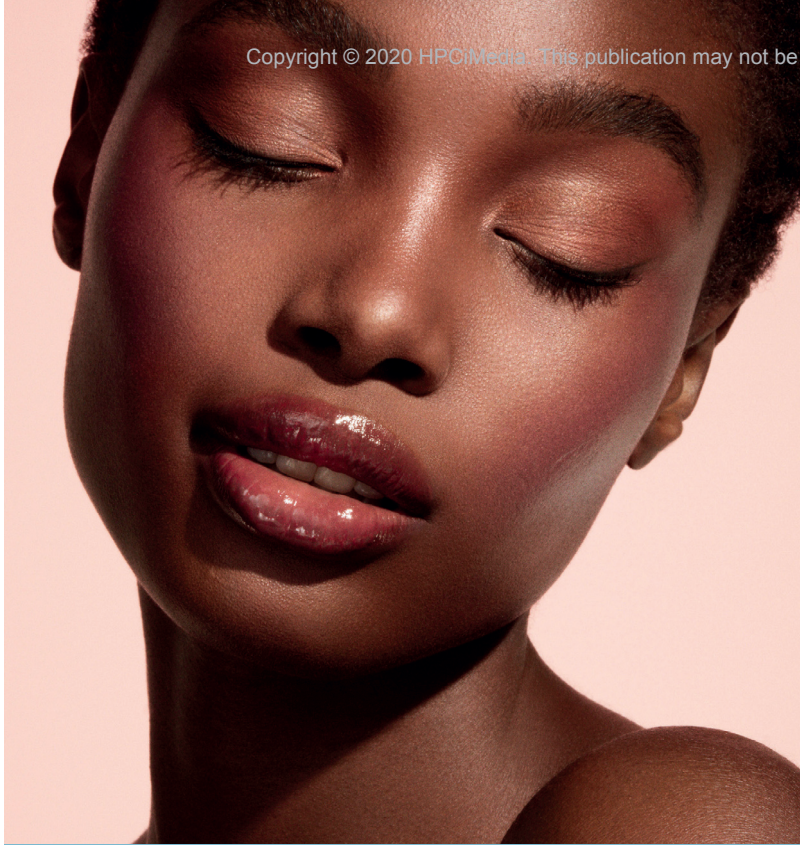
- With hygiene awareness increasing, consumers are more alert to the benefits of keeping their make-up brushes and tools clean. Educating them further could help to establish cosmetics hygiene as an essential category within beauty.
- Expect to see more industry players take steps to improve diversity within their businesses and Black-owned brands gain more support from both retailers and consumers.



Gabriella Beckwith

Masstige is an area of opportunity for make-up brands

Gabriella Beckwith, Senior Beauty and Fashion Research Analyst, Euromonitor International



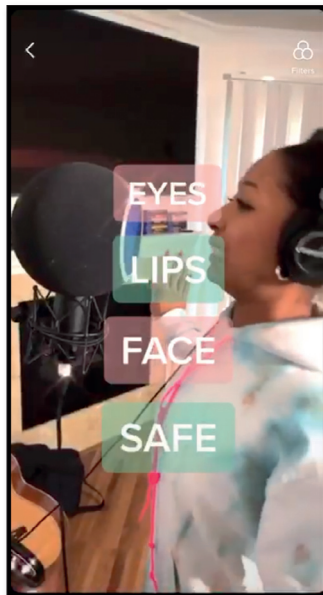
Content creation

A WORLD BEYOND PRODUCT

From TikTok houses to livestreaming festivals, brands are using highly creative digital content to reach consumers in new ways – and finding success

Content creation has changed dramatically for beauty brands in recent years. This was the picture ten years ago: planning a successful launch would take months, involving an internal marketing team, agencies and often a celebrity to front the campaign. There would be a brand video, a behind-the-scenes video, TV adverts, OOH advertising on buses, taxis and tube stations and print advertising for consumer and trade publications.

The brand's website and social media would be considered, but the key focus would be on the launch at either a trade show, exclusively with one retailer or perhaps into its own retail stores, says Janet Milner-Walker, founder and Director of brand management company Bespoke Advantage. "But this has changed significantly with the introduction of e-commerce," she explains. "Brands are now turning into their own publishing companies, creating inordinate amounts of ongoing content to be used across multiple platforms daily – from Facebook to Instagram, TikTok, YouTube, Snapchat and Pinterest."



e.l.f. has created several viral hits with its TikTok marketing campaigns

The type of content that is being created has fundamentally changed too. Natasha Hulme, Creative Director of global creative agency SEEN Group, explains that whereas it used to focus purely on the end cosmetic look, with an editorial-style shot and a product breakdown, it then shifted to the in-depth 'how-to', but now everything is content. "It's not just products, it's content that covers people's perspectives on the brand, what goes into the products, how they're made, dissection of the packaging, the retail experience. There's storytelling opportunities in every facet of the product experience now, the payoff is just one part of it."

The coronavirus crisis has further changed the picture. "Covid dramatically disrupted the content creation engine for brands, says Justin Stewart, CEO and co-founder of New York-based AI beauty analytics company Cherry Pick. "Brands can no longer take influencers on expensive trips or shoot huge campaigns. You literally cannot do a photoshoot in the same way," he explains. "This will force brands to find methods of creating content that get around these interesting constraints – think art directed, FaceTime photoshoots."

Communication through the crisis

During the pandemic, social media content has been consumed at record levels – and so this became the focus for brands. Gabriella Beckwith, Senior Beauty and Fashion Research Analyst at Euromonitor International, says: "With consumers spending more time online and on social media during the pandemic, brands once again looked towards digital and influencer engagement during the pandemic as a way of reaching consumers at home. Some beauty specialists encouraged their in-store beauty advisors to go digital and livestream videos of make-up tutorials across their social media handles."

In China, the growth of livestreaming was dramatic and made KOLs more important than ever. In March, Taobao's livestreaming beauty events attracted over 294 billion viewers, according to Daxue Consulting, while video-sharing and livestreaming app Kuaishou held a livestreaming carnival in April with an event that focused on premium cosmetic brands including Hou, Estée Lauder and Lancôme. The sales revenue of the beauty sector reached RMB500m on 18 April.

TikTok has become 2020's fastest growing platform. In April it became the most downloaded app in a quarter ever with 315 million downloads. It now has over 560 million global monthly users, 77% of whom are under 34, and 33% of whom follow brands they like even if they aren't customers yet. And beauty content has proved popular with TikTok's primarily Gen Z user base. SEEN Group notes that the hashtag #makeuphacks is one of the most popular with over 3.2 billion views.

e.l.f. ramped up its TikTok presence to engage consumers during the pandemic after enjoying some early success on this platform with a song titled *Eyes.Lips.Face.* for its #eyeslipsface campaign, for



Janet Milner-Walker

“Brands are now turning into their own publishing companies, creating inordinate amounts of ongoing content to be used across multiple platforms daily

*Janet Milner-Walker,
founder and Director,
Bespoke Advantage*

which it partnered with popular TikTok Creators. In April, it remixed the song for an #eyeslipsfacesafe activation focusing on hand washing and social distancing practices. According to Tribe Dynamics, 102 TikTok influencers participated in these campaigns, driving \$1.9m EMV and 87.3m views.

The ‘collab house’ hits beauty

The rise of the ‘collab house’ – typically a large multi-room mansion in L.A. where several top-tier TikTok creators live and create content together – has also come to beauty. In March, Rihanna unveiled the Fenty Beauty House, featuring TikTok make-up creators including Janelle Han (@janellemh) and Layla Qasim (@neko_channn). Co-founder and President of Tribe Dynamics Conor Begley says “By creating a brand-centered space for the purpose of supporting these influencers’ creativity, Fenty Beauty demonstrates its understanding of the importance of leaving the execution to TikTok’s content creators.”

While the house was closed down in March due to coronavirus, the influencers continue to work together. The hashtag #fentybeautyhouse received over 10 million views in its first week while its introductory video had over 350,000 views. Milner-Walker explains: “The brand’s TikTok strategy focuses on engaging with consumers through creating organic content, with products almost an afterthought. Fenty Beauty has stated that it has no intention of running paid media to promote this.”

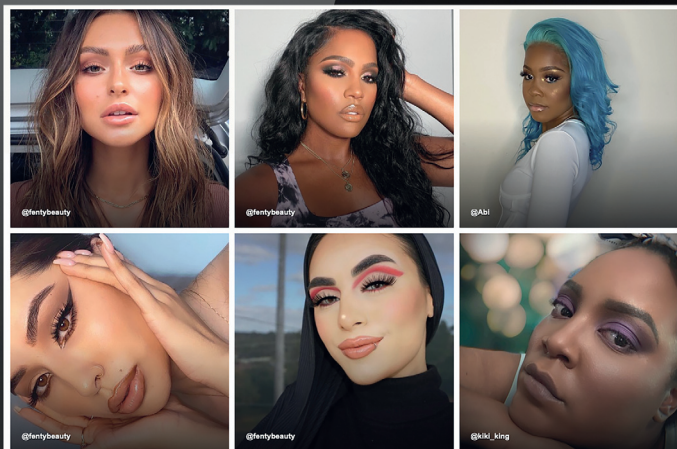
Benefit has used TikTok to highlight its playful identity. Tribe Dynamics highlights one video in particular, set to Doja Cat’s *Boss Bitch* (a popular song on the app) which shows members of the Benefit team on a Zoom call and labels them with various coworker archetypes (‘the one that’s snacking’, ‘the loud typer’, etc.). “Not only does this give consumers a real face to the brand, but it shows that Benefit is just as ready to have fun and participate as any other TikTok user,” says Begley.

With Gen Z consumers choosing natural content over forced product promotions, TikTok appears to be the perfect platform for brands to build a community with this cohort. “With so many people sitting at home during the pandemic, TikTok has certainly taken off and become a sought-after platform with the ability to create content that is unfiltered and does not require professional photography,” says Milner-Walker.

Yet as tempting as it may be to jump into allocating marketing spend to platforms that are exciting and new to beauty, The Red Tree advises brands to consider which channels are right for their target market. “Brands need to know who their target consumer is, what followers and engagement levels they have on the current platform and to put a plan in place to monitor different activities and how they work best, and change if necessary,” says Fiona Glen, Head of Projects. “Some brands are tempted to put a third on Instagram, a third on Google and third on Facebook, but you need to monitor it. If the ROI is best on Instagram, change what you are doing but don’t put everything into Instagram. Continue to do all of them but consider approaching them in a different way,” she advises.

Hulme adds: “What’s fantastic for brands is the opportunity in exploring how a brand or product can come to life from different angles on each platform. What should be avoided is the temptation to simply repurpose across channels – this tends to look contrived. Keep cues and codes that maintain consistency but play to the channel’s strengths. TikTok is raw, playful and bitesize whereas Instagram is more visually polished but with the livestreaming during lockdown, people are now used to in-depth, group two-way conversations. YouTube is hugely powerful as a search engine and works best for longer-form content. I think rules that try to apply one ubiquitous approach to content in terms of brand codes and length of content are outmoded now, so it’s exciting to see brands experiment.”

Beauty’s content creation engine has been massively disrupted for brands. As bricks-and-mortar retail continues to struggle, brands are challenged yet also blessed with endless possibilities to show off their creativity through their content ●



ACTION POINTS

- Content overall is changing very quickly and brands have to have a strategy and a constant plan for it. Monitor and know what’s working with your marketing spend.
Fiona Glen, Head of Projects, The Red Tree
- Avoid repurposing content on every channel, as this will give consumers no incentive to follow your brand in multiple places.

Make-up beyond the mask

THE NEW FACE OF COSMETICS

With mask-wearing now mandatory and working from home an ongoing reality for many, brands must focus on the opportunities these can create for colour cosmetics

From working at home to wearing face coverings when we go out, the way we are living our lives now has changed significantly. And for the colour cosmetics category, one of the key impacts is how these changes are playing out in consumers' beauty routines and purchases.

With our mouths being covered, the focus is on using make-up to create expressive eyes, while new demands are required for other cosmetic products. Creative agency SEEN Group says: "While eye colour cosmetics are being sought after to enhance brows and eyes, base make-up is being scrutinised by consumers to ensure its formulation can withstand sweat and stay on under coverings." And with face coverings being here to stay for the foreseeable future, brands can look to these demands as opportunities for both their communication and product development.

Content about how to wear make-up with a face mask has been sweeping social media in recent months. The hashtag #maskmakeup has been trending on Instagram with over 17,000 posts, Pinterest saw a 69% increase in searches for 'eye looks' in the UK in May, and 178% in the US in March. In China, there were over 100 million page views on Weibo for an article on 'the must-haves for mask makeup', while YouTube has seen over 1.8 million views of mask make-up tutorials with leading influencers including Manny Mua sharing advice on how to prevent smudging and help make-up to last longer under a face covering.

Eye make-up glimpses growth

Demand for eye make-up is being reflected in sales too. Figures from The NPD Group state that in the US, average growth for prestige eye make-up was 6% post-lockdown between May and June. This was driven by sales of products including false eyelashes, which increased by an average of 14% in the second quarter of the year (April to June 2020), while mascara and eyebrow product sales were each up 8%. Individual brands are revealing soaring sales too: My Beauty Brand reported an increase of 480% for eye make-up in June.

The trend for exaggerated lashes was gaining momentum long before Covid hit. An October 2019 report by Grand View Research forecast the false eyelash category to reach \$1.6bn by 2025, representing a CAGR of 5.4%, with even stronger growth in the Asia Pacific region of 6.6%. And the

spring 2020 runways saw Pat McGrath and Gucci creating next-level lash looks. The launches that have since followed from these brands' retail lines are particularly well placed for the additional focus this category is now receiving from consumers.

Pat McGrath's new Dark Star Mascara taps into the trend for otherworldly lash looks with a formula that is designed to deliver new levels of length, volume and lift. And Gucci's debut mascara, Mascara L'Obscur, is designed to lift lashes and build volume and curl, with long lasting 12-hour wear.

Sharon Kwek, Senior Innovation and Insights Analyst, Beauty and Personal Care at Mintel, says that the beauty industry can expect micro-categories including eyeshadow and eyeliner to grow. Products such as Haus Laboratories' new Lady Gaga Eye-Dentify Gel Pencil Eyeliner, which comes in a range of both everyday and vibrant shades that are creamy and glide on easily but are also smudge-proof once dried, and Depixym's smudge and waterproof colour emulsions, are also well placed.

But base products like concealers are also expected to gradually rise instead of fall in this period as consumers lean into the habit of wearing masks. "Base make-up will be put to the test to ensure its formulation can withstand sweat and stay on under masks, a point that brands strongly emphasise in their regular marketing. Mintel recommends that brands seize the current situation to accentuate selling points and claims to stay relevant," says Kwek.

One growth opportunity is for long wear formulas. "From foundations to lipsticks, concealers and eye products, consumers will be looking for products that are long wearing and do not easily transfer onto a mask," says Janet Milner-Walker, founder and Director of Bespoke Advantage.

Too Faced's new Born This Way Matte 24 Hour Undetectable Super Longwear Foundation is particularly on point. The lightweight oil-free foundation is transfer-resistant, sweat and humidity resistant and is designed to retain its appearance from morning to night. "I think we will see face mask-applicable claims such as

Make-up that offers long wear and transfer-proof claims will grow now that mask-wearing is here to stay





PAT McGRATH LABS
Dark Star Mascara



UK searches for eye make-up looks jumped 69%

consumers' increased use of video conferencing. It is important for brands to think outside of the box and encourage usage outside of the traditional reasons to use make-up – otherwise there will be a black hole in usage in the future," he explains.

Natasha Hulme, Creative Director of SEEN Group, adds that the realisation that working from home actually works means many people will be doing it more often – and that the novelty of taking a conference call in pyjama bottoms is starting to wear off, which could result in further behaviour changes towards cosmetics.

"Make-up is something that people love wearing and I think a return to the joy of wearing it, combined with perhaps a more professional approach to the home working environment, means these trends will start to move from being short term trends to long term habits," says Hulme. "The opportunity for brands is really in understanding people's mindsets."

Positive emotional marketing that advocates wellbeing has been a key focus for the beauty industry in recent years, and Mintel believes that in current circumstances, there is no better time to deliver messages that encourage consumers to continue looking and feeling their best.

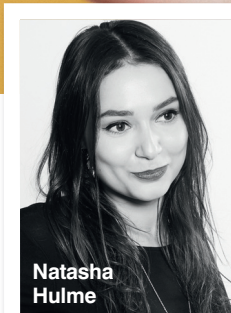
"There are still opportunities for consumers to look good while staying home or out with masks on," says Kwek.

'smudge-proof' and 'breathable' on foundations and primers," adds Fiona Glen, Head of Projects at The Red Tree.

Setting sprays are a further opportunity for brands. "Long used for stage make-up, setting sprays are a good way of keeping your make-up in place," says Milner-Walker. Charlotte Tilbury's recently launched Airbrush Flawless Setting Spray primes and sets make-up for up to 16 hours, and is said to be ideal for fixing make-up to keep it looking fresh under the user's mask.

Home truths

According to Kantar, the shift to working from home hit colour cosmetics the hardest of all beauty segments, being one of the main factors in the drop in usage occasions. "As a nation, the UK saw 60% fewer usage occasions in the category than usual," says Matt Maxwell, Strategic Insight Director of Kantar. And while social occasions are now resuming, more people are likely to continue working from home for the foreseeable future. "We will see a number of employers being more flexible in terms of working practices, so the category will need to overcome this," explains Maxwell. "Brands need to think about how to engage consumers when they are at home. For example, they could focus on wearing make-up to feel good when they are at home, and on



Natasha
Hulme

“
**The opportunity
for brands is
really in
understanding
people's
mindsets**

*Natasha Hulme, Creative
Director, SEEN Group*

ACTION POINTS

- 💡 Identifying the change in consumer lifestyles and habits will drive new opportunities. There is potential for eye colour make-up to grow as consumers look to match their eye make-up to their mask as part of their overall look.
- 💡 Brands can focus on point make-up and create eye make-up looks for consumers to follow when they put on a mask. Consider other make-up looks in this situation to connect with consumers, such as a 'video conference look' or 'stay-home professional look'.
Sharon Kwek, Senior Innovation and Insights Analyst, Beauty and Personal Care, Mintel

Country highlights

BEAUTY THROUGH ADVERSITY

It may be beauty's most challenged segment, but make-up still sparkles with hope as stores reopen and brands explore further online opportunities

UK

Colour cosmetics sales were already on the slide in the UK before the pandemic hit. In 2019 the category recorded a drop of 5% over the full year, according to Kantar, challenged by factors including the continued trend for 'no make-up make-up' looks and a stronger focus on skin care. However, from March 2020, when the UK's lockdown measures were announced, the situation worsened dramatically.

"The performance of the category dropped to its lowest ever level in April, and the 12 weeks ending 31 May 2020 saw performance drop by 41%, a decline of £116m," says Matt Maxwell, Strategic Insight Director at Kantar. "The impact Covid had on the category essentially wiped out a huge percentage of sales as people were not wearing colour cosmetics."

Three quarters of sales (77%) shifted to online during this time and the channel grew by 79%, which did help to offset some of the damage with its £40m gain. Nevertheless, the loss of sales through physical stores (£150m) – Boots' sales plummeted by 61%, and department stores fell by 67% – still significantly dragged down the overall category.

"For the first time ever we've seen more shoppers buying colour cosmetics online. Retailers like Amazon, not traditionally known for their beauty credentials, have benefited from the



UK: TOTAL COLOUR COSMETICS SALES, 2020*



£162m



-41

*12 w/e 31 May 2020 vs 12 w/e 30 June 2019. Source: Kantar

growing share of cosmetics from 1% to 5% and growth of 151% while other pure play retailers like Lookfantastic and Cult Beauty have also benefited," says Maxwell. "At one end, Amazon is reaching record levels, while at the other, Boots is declining at levels we've never seen before," he adds.

At Lookfantastic, cosmetics was the top performing category over the May bank holiday, with sales up by 125%. The retailer also launched a dedicated At Home Beauty section as the closure of beauty salons caused people to take matters into their own hands with consumers tackling their own eyebrows and nails. Searches for eyebrow tints rocketed by 1159%, and nail varnish was up 355%.

But while there were individual successes, overall there were sharp declines across all categories. The prestige segment, which declined by 41% to £165m between January and May according to The NPD Group, saw lip make-up suffer the most (-46%), due to fewer usage occasions and particularly as more masks were worn. "Other categories resisted better in a way. Tools and accessories for the eyes, such as tweezers and eyelash curlers, only fell by 3%," says Mathilde Lion, Director of Beauty Europe for The NPD Group. Bronzers also declined less steeply than the market average as consumers opted for light make-up.

Prestige nail care performed relatively better too (-21%) as consumers tended to their nails at home. "Considering this was a category that has been in decline in recent years because of nail bars and has suffered a lot, this is quite good news," says Lion. Kantar data also found that the average spend on nail varnish over lockdown increased by £1.25 to £11.47. "It was the only category to see growth in average spend over this period as shoppers moved their out-of-home spend in-home," says Maxwell.

GERMANY

Germany's declines in luxury make-up sales were markedly less steep than the four other major beauty markets in



Europe. This was because the country's lockdown was shorter and some shops, such as drugstores, remained open. Falling by ten percentage points less than the UK, Germany's segment declined by 31% to €178.6m between January and May 2020, with segments including nail products (-22%) and gift sets (-11%) and tinted moisturisers (-19%)

outperforming the market, according to The NPD Group. "In Germany consumers have remained more faithful to foundation, especially lighter tinted moisturisers which is different to the routine you can see in other countries," says Lion. Two of the top three best selling make-up launches in Germany were foundations: Shiseido Synchro Skin Self-Refreshing Foundation and Chanel Ultra Le Teint Velvet Foundation.

NPD data from June shows that Germany is now on a much more positive track. "In the last week of

UK: TOP 3 PRESTIGE MAKE-UP LAUNCHES*

- 1 Estée Lauder Futurist Hydra Rescue Moisturizing Makeup SPF 45
- 2 Clarins Everlasting Liquid Foundation SPF15
- 3 Givenchy Le Rouge Deep Velvet Lipstick

*At the end of May 2020.
Source: The NPD Group





GERMANY: TOP 3 PRESTIGE MAKE-UP LAUNCHES*

- 1 Shiseido Synchro Skin Self-Refreshing Foundation
- 2 Chanel Le Volume Stretch Mascara
- 3 Chanel Ultra Le Teint Velvet Foundation

*At the end of May 2020.
Source: The NPD Group

CHINA: COSMETICS SALES ON TMALL, 2020*

Cosmetics



30%

High end cosmetics



40%

*January-February 2020.
Source: Daxue Consulting

June, prestige brands were finally positive again, with sales up 1%," says Lion. "It was a very progressive week, and the first positive week since early March, before the lockdown."

Premium beauty retailer Douglas saw sales decline by 40.2% in March due to store closures. However, it benefited from the acceleration of its e-commerce business, which helped to partially compensate for lost store sales. "In March, it once again became clear that 'omnichannel' is the winning business model. We succeeded in winning stationary customers for our online platform. The number of Douglas beauty card customers who shopped online for the first time almost doubled in March", says Vanessa Stützle, Douglas Group CDO. The retailer was able to relocate products from its closed stores to its e-commerce distribution centres, while its e-commerce platform, which is currently being expanded into a curated beauty marketplace, quadrupled its sales in the second quarter.

Five weeks after the re-opening of physical stores, online sales are still accounting for a higher weight of sales in beauty than they were prior to the pandemic, and its strong growth is expected to continue. "The main question is how much of the bricks-and-mortar decline will be compensated by the online dynamism, and how resilient could the prestige beauty industry be towards the new prioritisation of consumers' spend, says Samantha Grand, NPD's Director of Beauty Prestige Germany.

CHINA

Colour cosmetics sales also suffered in China during the coronavirus outbreak, with high end brands being more significantly affected than mass brands. According to Daxue Consulting, retail sales of total beauty



Chanel's Le Volume Stretch Mascara launch has performed well in Germany

products in China dropped from RNB 299bn in December 2019 to RNB37bn in the first two months of 2020, with 50% of consumers surveyed in mainland China in February 2020 saying that they stopped using cosmetics during the outbreak (source: Daxue Beauty Consumer Behavior Survey).

E-commerce events were also affected, with sales of cosmetics on Taobao and Tmall declining by 38% in January 2020 compared with January 2019. "Normally, shopping festivals on Tmall and Taobao might help to boost sales. The beauty industry suffered because the Covid-19 outbreak covered two commercial highlights of this year, Chinese New Year and Valentine's Day," says the market research company.

But one trend sparked some brighter news: 'mask make-up' became a hot topic among Chinese beauty consumers, and this boosted sales of eye make-up. Across Alibaba's platforms in March, sales of eye make-up products increased by 81% compared to February. "Since lips and much of the cheeks are covered while wearing a mask, eye make-up products received more attention than before. The new trend helped brands and KOLs find new ways to communicate with consumers," says Daxue Consulting. "On Weibo, mask make-up as a topic attracted more than 110 million views and 52 thousand discussions."

"Chinese beauty consumers will pay more attention to eye make-up products as they still wear masks outside. It would be great for brands to work with KOLs to further stimulate purchase desire" ●



ACTION POINTS

- Brands should find new ways to interact with consumers, especially while they are at home, perhaps by recommending a new working from home make-up regime.

Matt Maxwell, Strategic Insight Director, Kantar

- To adapt to the fast-moving changes of today, brands should ramp up their efforts to understand their customers as well as they can. They should also ensure that they are reflecting and representing who buys their products through marketing and branding.

Outlook

AN EYE TO THE FUTURE

Supporting consumers in targeted ways can give brands a point of difference

With many colour cosmetics markets around the world experiencing double digit declines, both mass and prestige brands have been left grappling with the economic fallout of the coronavirus crisis.

“The health crisis triggered a sharp deceleration in the make-up market,” commented L’Oréal in its 2020 half-year results, reporting the negative impact on both its luxury and consumer product brands, including Maybelline and NYX in particular. Estée Lauder noted a decline in net sales for brands including MAC, Clinique, and Too Faced, primarily due to the impacts of Covid-19 but also due to “the ongoing softness in colour cosmetics sales in most markets,” it said in its third quarter report.

Matt Maxwell, Strategic Insight Director at Kantar, comments: “Looking ahead, unfortunately it is likely that performance will be challenging for some time to come with consumers looking to avoid busy places, and businesses continuing to encourage flexible working practices in the new world we live in. A third of shoppers already look for



recommendations online, and this is something that will likely increase in the future. Brands need to think of new ways to support shoppers in a virtual world, especially for the important older shopper.”

Make-up trends are already evolving, both due to mask-wearing and due to many more people working from home, while the deep recession that is forecast will also influence consumer behaviour. Natasha Hulme, Creative Director of SEEN Group, says: “In a recession, people recalibrate their spending and cut down on discretionary purchases, and we also see people simplify their routines and focus on those that bring them the most value in a more pared-back way.”

But there is a flip side, says Hulme: “Expression, creativity and escapism are at the heart of make-up artistry and these are all things we look for when the wider world is a challenging place. I predict a dichotomy of the two – simplicity, refinement and a return to basics on the one side and dramatic creativity ‘just for the sake of it’ on the other” ●



Matt Maxwell

“**Brands need to think of new ways to support shoppers in a virtual world**

Matt Maxwell, Strategic Insight Director, Kantar

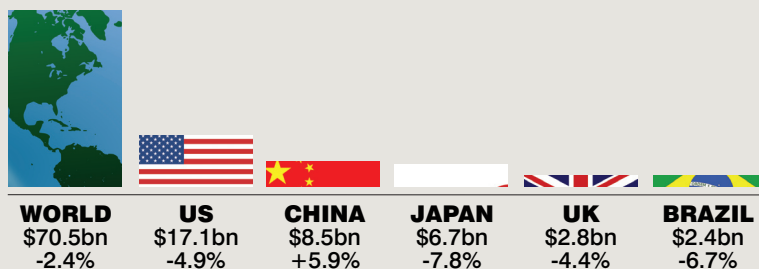
EXPERT INSIGHT: EUROMONITOR



Gabriella Beckwith, Senior Beauty and Fashion Research Analyst at Euromonitor International, describes three opportunities for the category

- 1 A ‘less-is-more strategy’ is one to explore, in terms of the multifunctionality aspect and make-up’s convergence with skin care, as consumers turn to seeking ultimate quality with few product purchases and more pronounced ‘skip-care’ routines – just like the introduction of BB creams to Western markets after the recession (2010-11).
- 2 Opportunity is also rife for brands or products with a strong alignment to health, therapeutics and an association with overall wellness. We’re seeing opportunity in products that are perceived as ‘clean’ and safe as the shift towards preventative skin health intensifies.
- 3 As wearing face masks becomes common practice, opportunity in eye make-up could be rife as consumers look to accentuate their eyes further.

FORECAST VALUE & GROWTH, TOP 5 COUNTRIES BY SIZE, 2020



Source: Euromonitor International

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