

COVID-19 Crisis: Impact on the Beauty Business

April 2020 | 3rd Edition

poshly

Introduction

With beauty retailers like Sephora, Ulta, Nordstrom and others temporarily closing their brick and mortar locations and an estimated one million cosmetics services sector workers being impacted by closures of salons and spas, there is tremendous concern about the immediate and long-term impacts on our industry.

In March 2020, Poshly launched a special study to understand the impact of COVID-19 on the beauty community, including candid perspectives from both beauty consumers and professionals. This report is the third part of this series.

We hope that these insights will help to bolster your work in coming days and weeks; please reach out to brands@poshly.com if you have any questions or feedback.

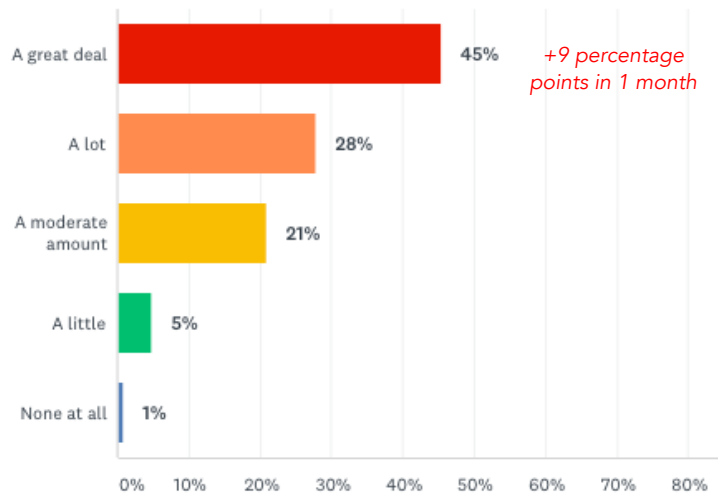
Methodology: A second online survey was fielded beginning on April 17 until April 20 among US beauty consumers. The respondent base is n=1544. 7% (n=109) of respondents are beauty professionals (hair stylist, makeup artist, esthetician or other beauty service/product career).

Concern

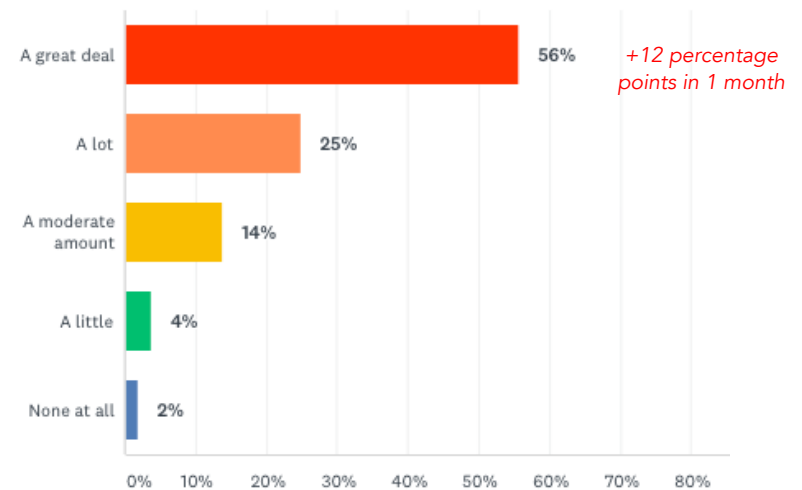
Most beauty consumers and professionals are concerned about the COVID-19 crisis, but slightly less than two weeks ago.

How concerned are you about the COVID-19 (coronavirus) crisis?

CONSUMERS



PROFESSIONALS

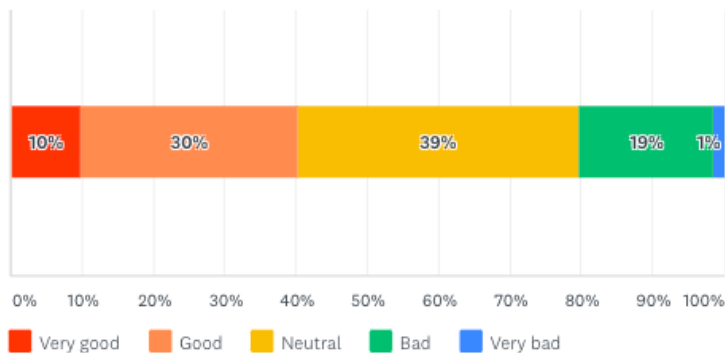


Outlook

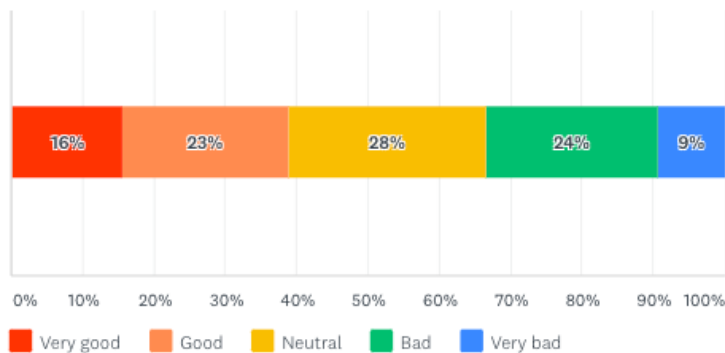
20% of beauty consumers (down from 30% two weeks ago) and 33% of beauty professionals (down from 47% two weeks ago) have a negative forecast for the industry.

What do you believe is the outlook for the beauty industry in the next three months?

CONSUMERS



PROFESSIONALS



Job Loss

Two-thirds of beauty professionals have lost their jobs or know others who have lost a job, compared to approx. half of beauty consumers.

Have you lost your job due to the COVID-19 crisis or do you know someone who has lost their job due to the COVID-19 crisis?

CONSUMERS



+6 percentage
points in two weeks

PROFESSIONALS

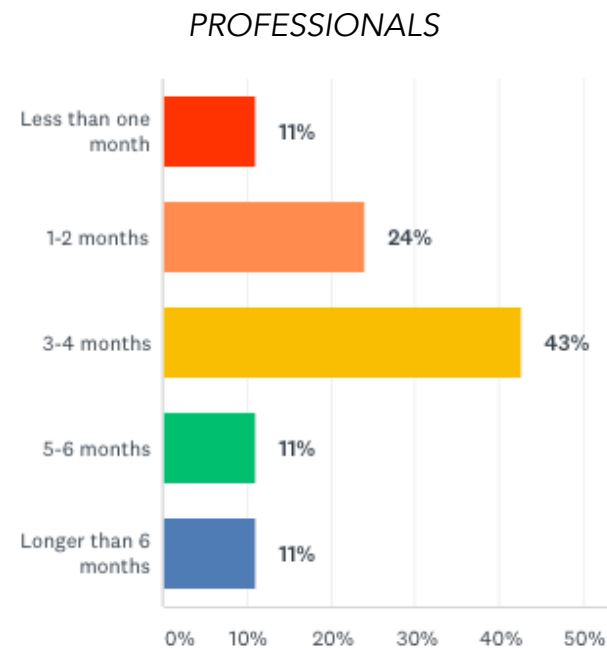
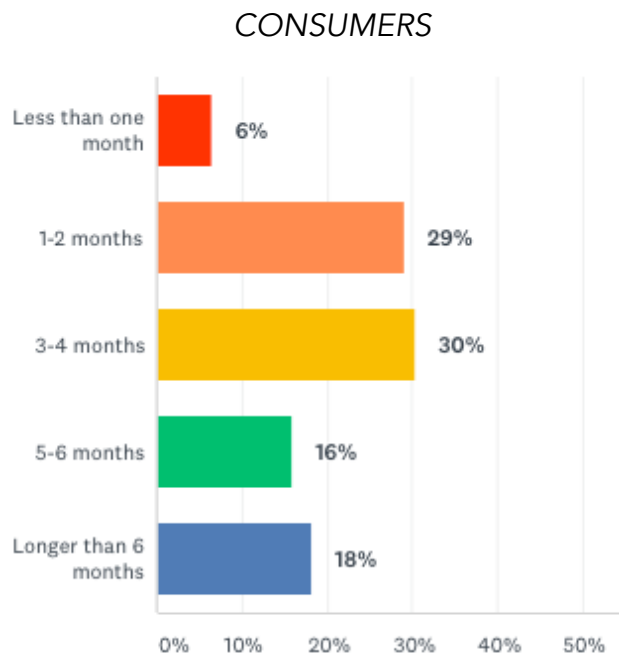


+13 percentage
points in two weeks

Job Recovery

Most respondents (both consumers and professionals) believe it will take 3+ months for those who have lost jobs due to the COVID-19 crisis to recover those jobs, and the time projections have extended since two weeks ago, with more people expecting 3+ months for job recovery.

How quickly do you believe people will be able to get their jobs back once the COVID-19 crisis is over?

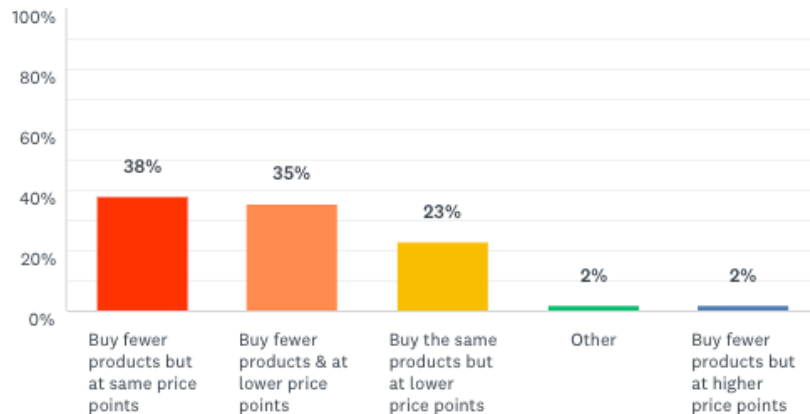


Product Purchases

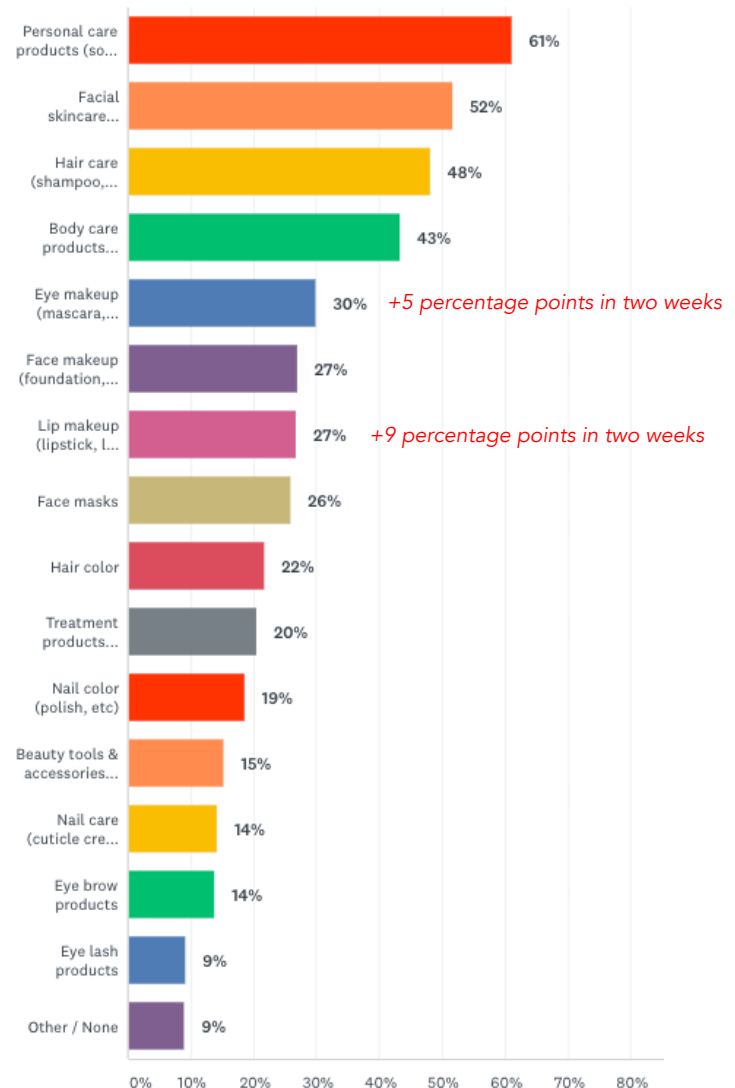
Consumers are focused on buying personal care products, facial skincare, and hair care products.

When it comes to spend, most consumers will buy fewer products, and at the same or lower price points, if their beauty budgets decrease. These results hold consistently across income, including those with \$200K+ annual household income level.

If your beauty budget got cut in half due to the COVID-19 crisis, which is most likely to describe your purchasing activity?



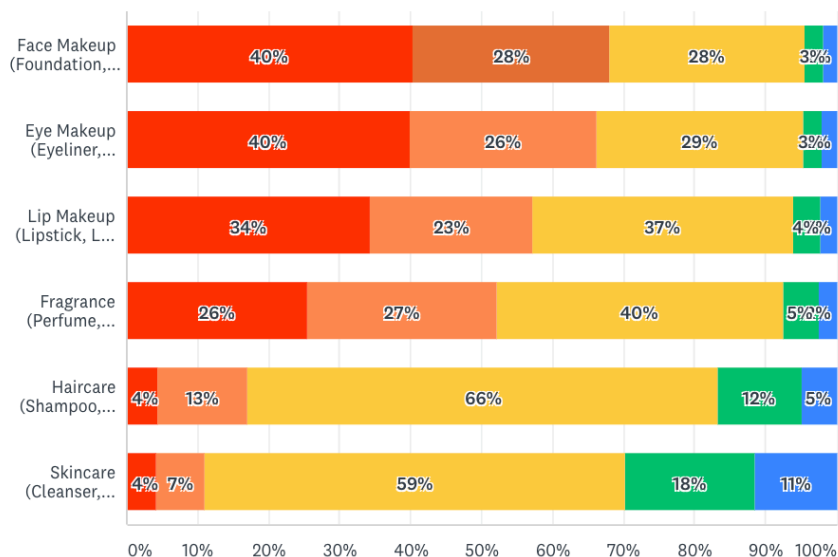
Which beauty product(s) are you stocking up on or ordering due to the COVID-19 crisis?



Product Usage

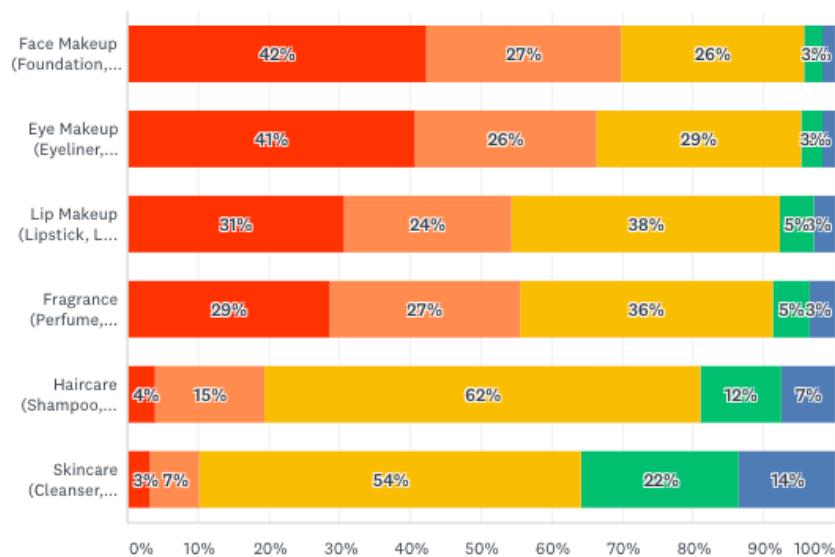
Two-thirds of respondents have decreased their usage of Face Makeup and Eye Makeup. Usage of Haircare and Skincare continue to be least impacted.

Change in Usage of Products (2 Weeks Ago)



■ My usage has decreased significantly
 ■ My usage has decreased somewhat
 ■ I'm using about the same as usual
 ■ My usage has increased somewhat
 ■ My usage has increased significantly

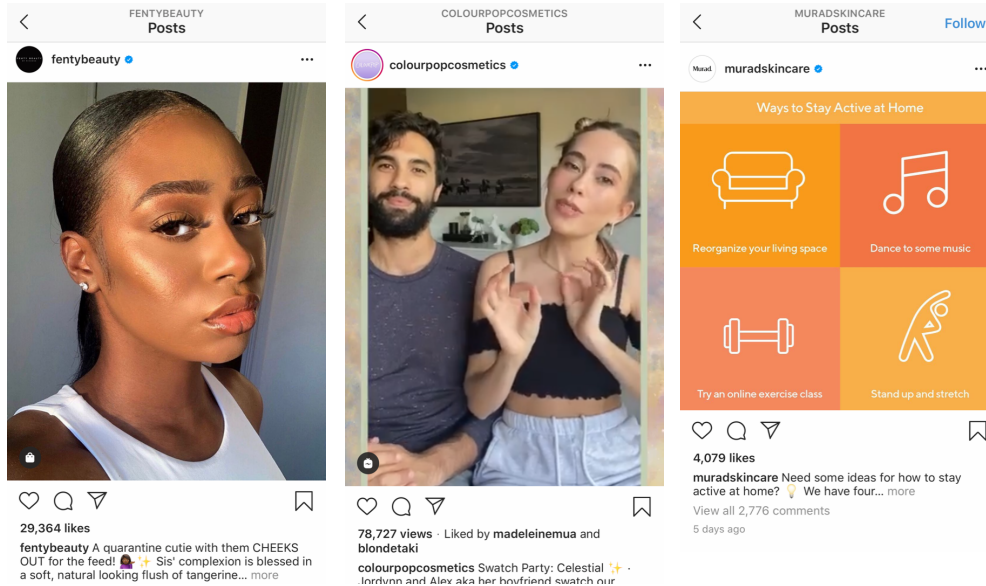
Change in Usage of Products (Current)



■ My usage has decreased significantly
 ■ My usage has decreased somewhat
 ■ I'm using about the same as usual
 ■ My usage has increased somewhat
 ■ My usage has increased significantly

Brand Content

Consumers are receptive to free shipping and discounts, feel-good content, and tutorials with product application and how-to information.

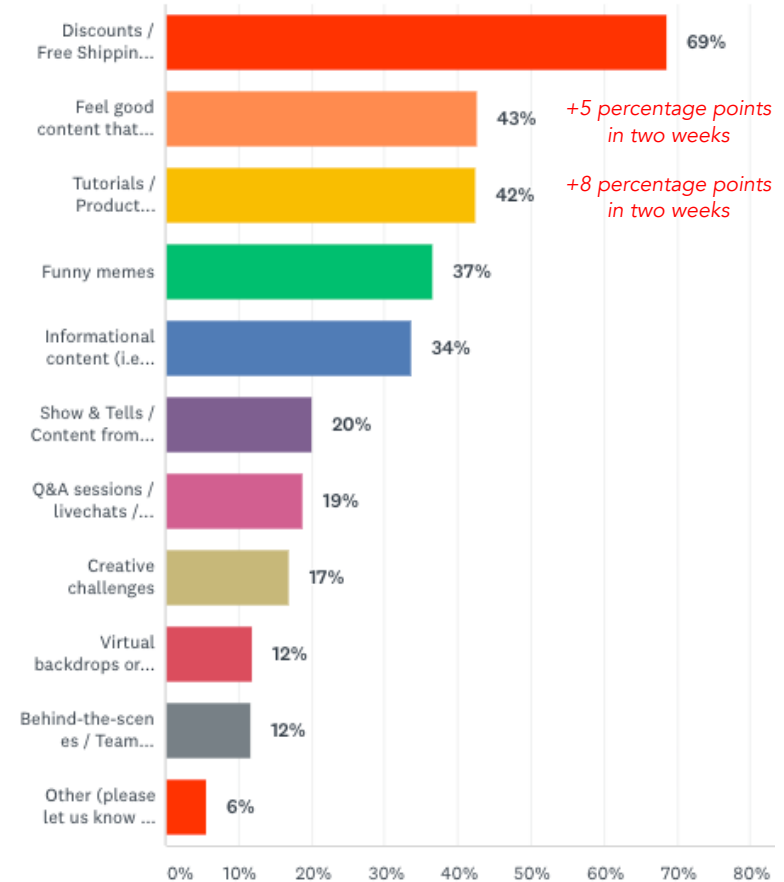


Fenty Beauty's Instagram post with product usage

ColourPop's video with product demonstration

Murad shares ideas for staying at home

What type of content have you most appreciated from beauty brands due to the COVID-19 crisis?

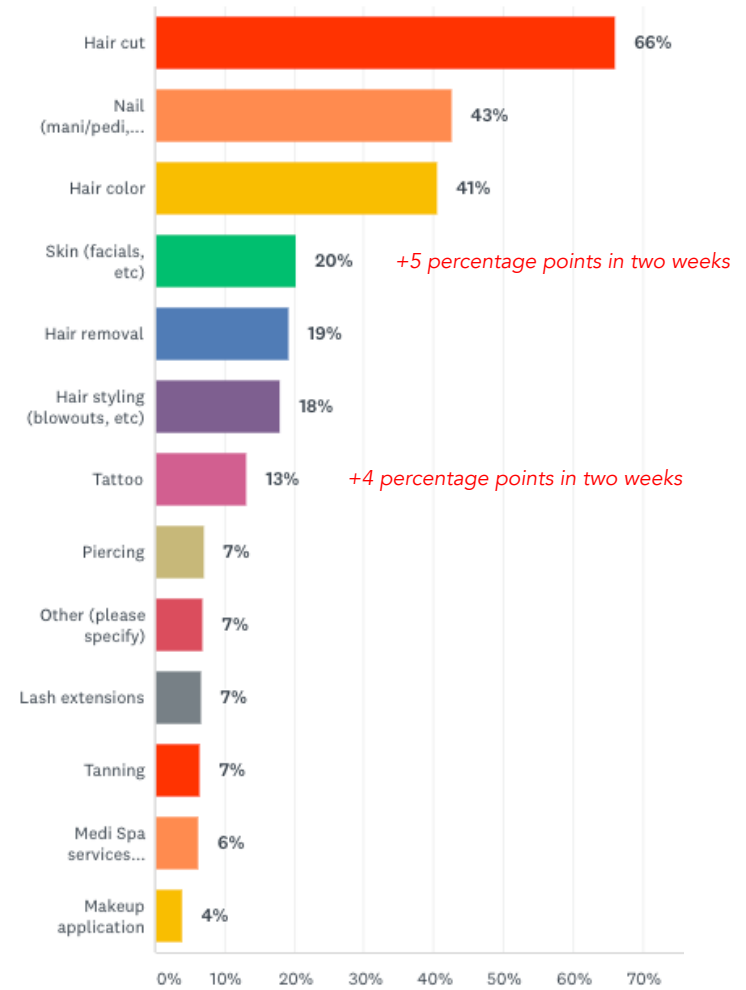


Service Cancellations

Hair cuts, nail (manicure/pedicure), and hair color, are the most likely to be booked once salons and spas reopen.

Skin appointments (facials, etc.) and tattoo services have seen increases in interest from consumers over the past two weeks.

What beauty services (salon/spa, etc) do you most look forward to rescheduling or booking once available/reopened?

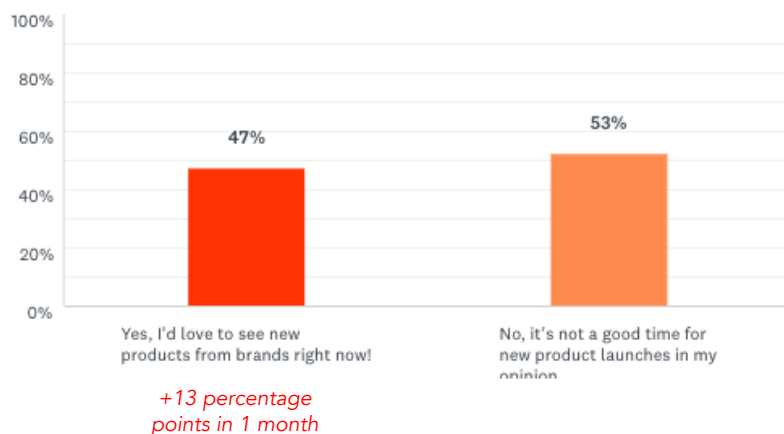


New Product Launches

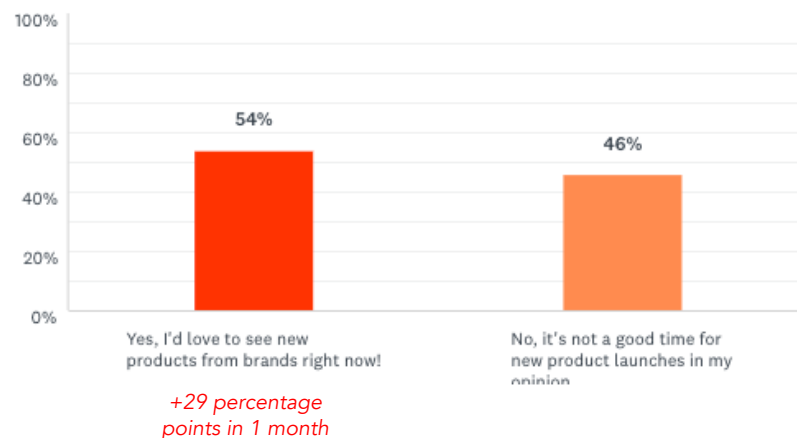
Sentiment has shifted significantly over the past month in receptivity for new products. While approximately half of consumers and professionals say they do not believe it is a good time for product launches, many are warming up to the idea of seeing new products from brands with double-digit percentage point gains over one month in this metric.

Do you think beauty brands should launch new products at this time?

CONSUMERS



PROFESSIONALS



DIY Activities

Which of the following activities have you done in the past month?

Activity	% Done	% Who Will Do	% Done + Will Do
Given a manicure or pedicure to yourself	59	22	81
Bought a face mask (to wear to cover nose/mouth)	56	13	70
Experienced more dry skin than usual	54	3	57
Sanitized your beauty products/accessories	51	24	76
Got a breakout or acne due to stress	47	4	51
Taken more nutritional supplements than usual	47	11	57
Done an at-home spa day	37	28	65
Participated in online exercise or fitness classes	35	23	58
Experienced more sensitive skin than usual	34	4	37
Worried about beauty products being out of stock	33	9	42
Made my own face mask (to cover nose/mouth)	33	19	52
Unable to purchase usual beauty products due to stock	33	7	40
Tried an experimental makeup look	31	24	56
Tried an experimental hairstyle	28	23	51
Participated in online wellness or self-care classes	24	25	50
Donated personal care products (hand sanitizer, etc)	23	27	50
Cut my own hair	21	13	34
Cut someone else's hair	20	16	37
Created a DIY beauty product	16	19	35
Given a manicure or pedicure to someone else	15	15	30
Participated in a live video or phone experience with a brand	12	15	27
Done a video or phone consultation with a beauty pro	4	11	15

Impact of Face Mask Coverings

Usage of face masks (to cover nose/mouth in public places) reduces the usage of cosmetics, especially for lip makeup (45 percentage point drop in frequent usage) and face makeup (27 percentage point drop in frequent usage).

Activity	Generally Wear Most of the Time	Generally Wear Most + Sometimes	Wear w/ Face Mask Most of the Time	Wear w/ Face Mask Most + Sometimes
Lip Makeup (Lipstick, Lip Gloss, etc)	65	92	20	48
Eye Makeup (Eyeshadow, Eyeliner, etc)	66	92	52	81
Face Makeup (Foundation, Concealer, etc)	65	90	38	71

83%

expect to wear a
face mask
regularly when in
public

89%

expect salon/spa
pros to wear a
face mask
regularly at work

91%

expect salon/spa
pros to get
sanitation
edu/certification

79%

are interested in
face masks with
art or designs on
them

About Poshly Inc.

At Poshly, we believe data should drive decisions. We power the first and only on-demand consumer insights platform for CPG, including beauty, wellness, personal care and more.

Since launching in 2012, Poshly has collected 50,000,000+ answers from 1,000,000+ beauty consumers across 10,000+ questions covering demographics, psychographics, product preferences and more. Our clients leverage Poshly's proprietary consumer insights for product development, retail decisions, targeting campaigns and more.

Poshly's clients include L'Oréal, Nordstrom, Walgreens, AmorePacific, Shiseido, Unilever, e.l.f. Cosmetics, Milani, Soapbox Soaps, Patchology and many more brands and retailers. Poshly has been honored with L'Oréal's "NEXT Generation Award," Fast Company's "Top 10 Most Innovative Big Data Companies," and InStyle's "Best of the Web."

Contact brands@poshly.com for more information.