

a TBC Special Report:

Beauty in the Time of Covid-19

April 2020

theBenchmarkingCompany

Beauty & Personal Care Consumer Research

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As with every industry, right now the beauty industry is dealing with the implications, outcomes, and effects of Covid-19. From supply chain disruptions to brick & mortar store closures, to shelter-in-place mandates, these are not normal times for anyone, or any brand. In this special CEW report, The Benchmarking Company chatted with consumers about how Covid-19 is impacting their day to day lives, how they are currently prioritizing their health and beauty purchases (if at all), and perhaps most importantly, what they expect their favorite beauty brands to do during this pandemic.





Survey Design and Scope

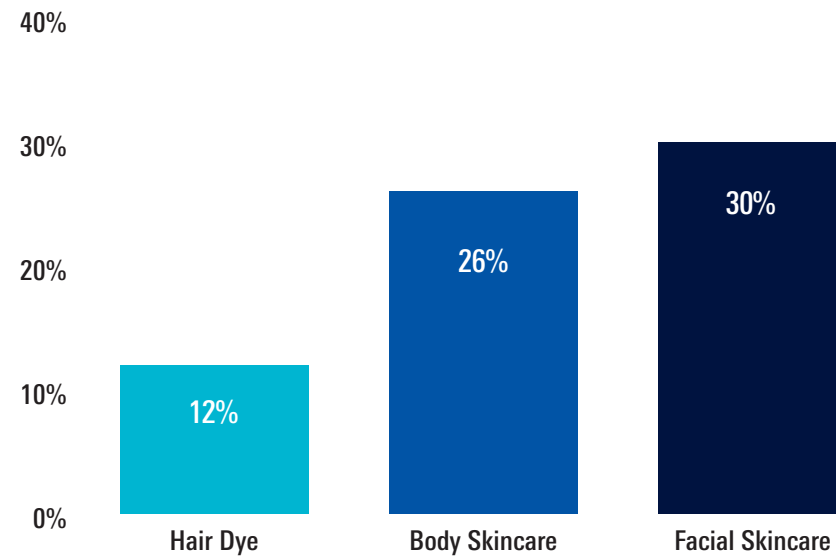
This unprecedented business disruption doesn't have to signal the downfall of a beauty brand or retailer. In fact, research indicates that while consumers are making immediate changes to their day-to-day routines, most aren't looking at Covid-19 as a permanent force of change to their lifestyles or habits.

While unique hurdles will need to be addressed, such as disruptions in brick & mortar sales and supply chain issues, consumer interest and engagement in maintaining a semblance of their regular beauty routine is strong, as is their willingness to make temporary behavioral changes to help fight the virus, all grounded on the belief that business, and beauty, will return to normal.

More than 5,500 women across the United States participated in this March 2020 survey, answering 35 questions online. The survey explored concepts including:

- Compliance with shelter-in-place mandates or voluntary stay-at-home
- How she prepared for her stay-at-home lifestyle
- Her beauty habits in the age of Covid-19
- Her engagement with beauty brands during this time, and
- Her expectations of beauty brands

Her Pre-Quarantine Beauty Purchases



Her Pre-Quarantine Purchases

At the time of our survey (March 25th) 75% of respondents were sheltered in place with only an occasional trip to the store/bank/pharmacy as needed.

Daily essentials were the top products consumers purchased in response to the Covid-19 outbreak, including toilet paper (58%), OTC medications like Advil and Tylenol (51%), paper towels (47%), hand soap (43%), vitamins/supplements (37%), and hand sanitizer (36%).

But beauty was still in her shopping basket: 30% bought facial skin-care prior to quarantining; body care (26%), and hair color/dye (12%).



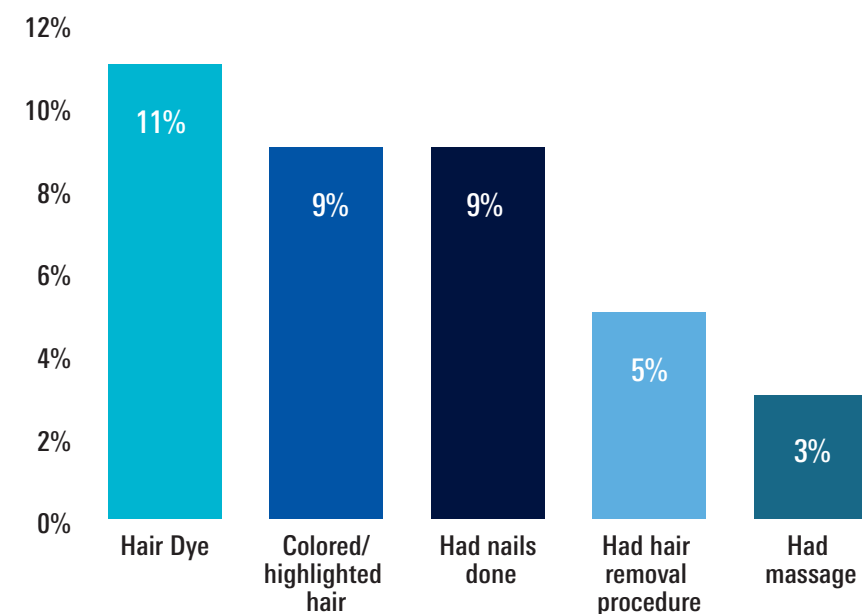


Her Covid-19 Beauty Preparations

Perhaps because the severity of Covid-19 was far more swift than many consumers were prepared for, most didn't prioritize a beauty service or treatment in anticipation of a stay at home mandate.

- 78% of consumers didn't do anything by way of getting a beauty service before being ordered to stay at home
- Only 11% got a hair cut
- 9% had their hair colored/highlighted
- And 9% had her nails done

Beauty Services in Preparation for Covid-19



Her Beauty Spend During Covid-19

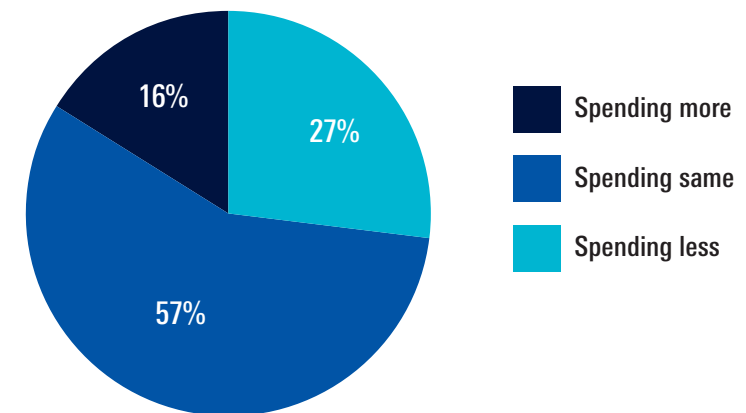
Consumers have a complicated relationship with spending during the Covid-19 outbreak. On one hand, data suggests that with brick & mortar stores shuttered, consumers are turning to online shopping in record numbers. Yet consumers also self-report they are spending about the same or less than before the outbreak, but many indicate they aren't shopping at either in-store or online locations of many major retailers they shopped at prior to the Covid-19 pandemic.

As financial news continues to dampen, consumers and analysts expect consumer spending to drop in all non-essential categories.

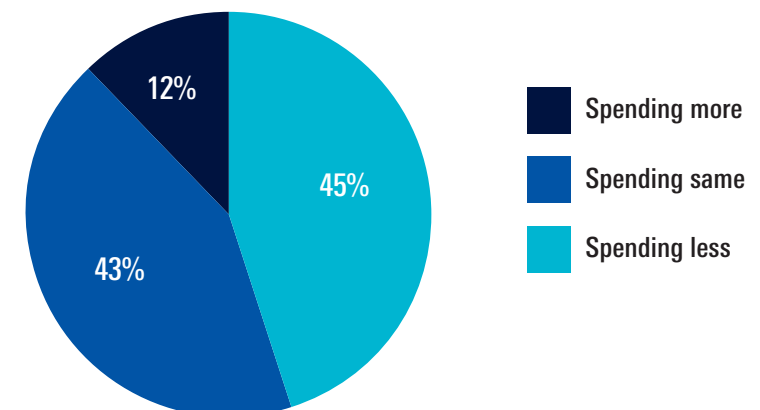
As of March 25th:

- 69% of consumers are buying more beauty online than ever before
- 62% are shopping at online retailers they've never previously shopped with before
- 43% are shopping less because they are worried about the impact of the virus
- 43% say they are spending the same amount they always spend...but 45% say they are spending less than they normally spend on beauty brands
- 57% of consumers indicate they are still spending the same amount on personal care items (deodorant, shaving items, etc.) as always, 16% indicate they are spending more, and 27% agreeing they are spending less

How Spend on Personal Care Products Has Changed



How Spend on Beauty Products Has Changed

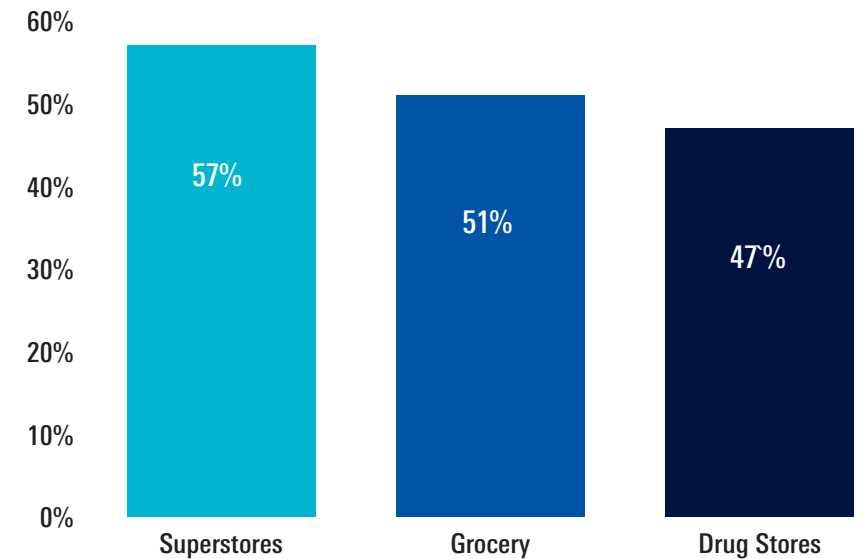


Retailers She's Shopping...

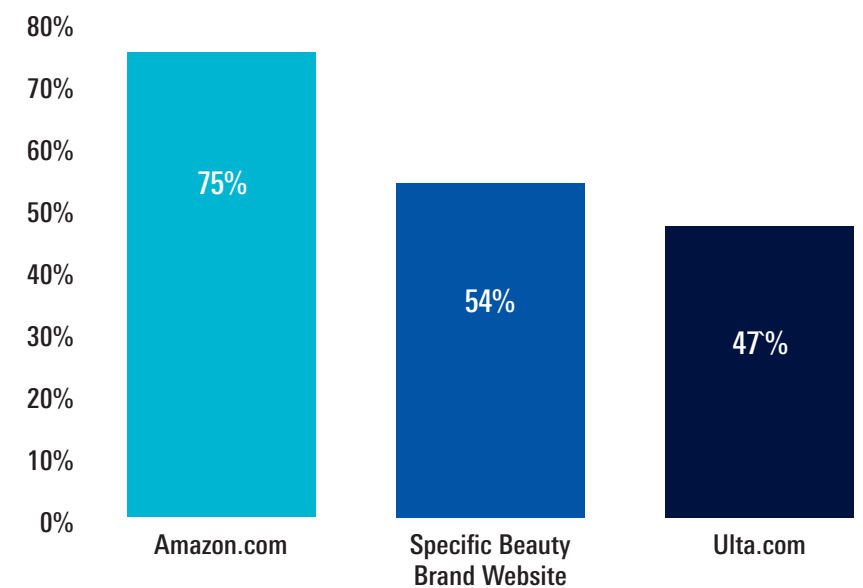
- Seventy-six percent (76%) of participants surveyed are currently purchasing beauty products from Superstores such as Walmart and Target. Because shelter-in-place mandates allow for trips to the grocery store, foot traffic at Superstores remain high; 57% report purchasing beauty products in-store while an additional 45% are making online beauty purchases at a superstore.
- Not surprisingly, Amazon.com is the retailer she's turning to most often to keep supplied with essentials and beauty products alike: 75% are shopping at Amazon.com and/or an Amazon retail store.
- Fifty-four percent (54%) indicate they are shopping specific beauty brand websites.



Retail Winners: Where She is Making Her **In-Store** Beauty Purchases



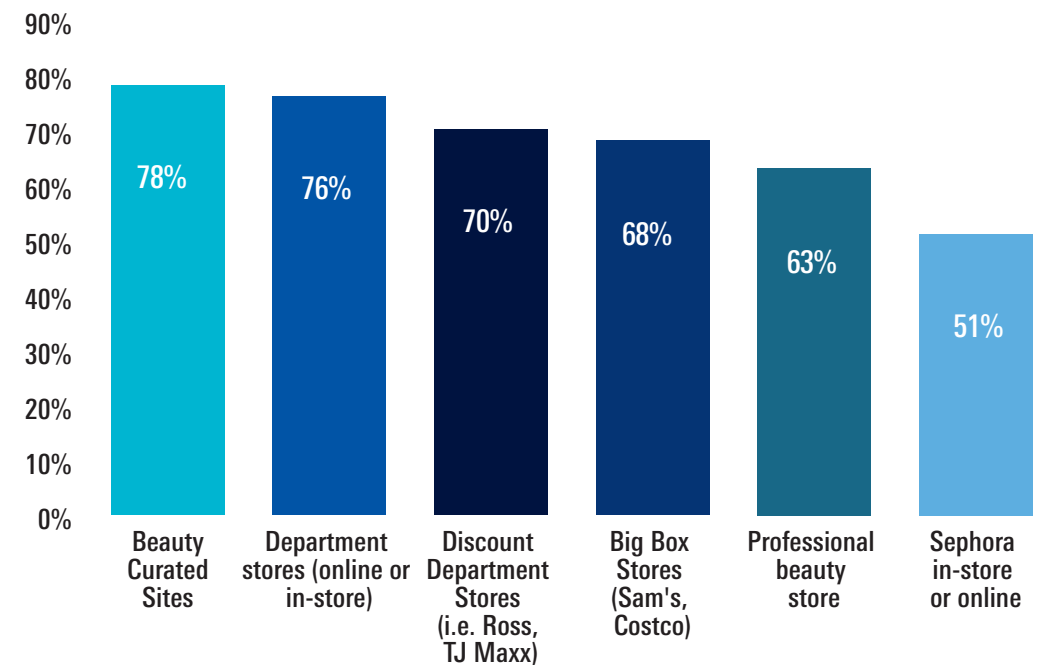
Retail Winners: Where She is Making Her **Online** Beauty Purchases



...and Where She's Not Shopping

- Although consumers indicate they want to keep up with their regular beauty routines, less than half 49%, are still shopping Sephora.com.
- A large percentage of consumers are not shopping for beauty at either brick & mortar or online locations of big box stores like Costco or Sam's (68%), and an even larger percentage have given up shopping for beauty at discount department stores like Ross or TJ Maxx (70%).
- Department stores (Nordstrom, etc.) are also seeing less traffic, both virtual and in-store, with 76% of consumers not shopping at either, as well as online beauty retailers, such as Dermstore or brand-specific online beauty site; only 18% of consumers are shopping these sites now.

Retailers She's **Not** Shopping for Beauty



The “New Normal” and Her Beauty Routine

Consumers agree maintaining their normal beauty routines is important to them, and doing so helps mitigate stress caused by the Covid-19 outbreak.

- 90% are sticking with their normal skincare regimen
- 80% are seeking activities that will lower stress and anxiety
- 55% are styling their hair the same number of times they did before the outbreak
- 54% say they are caring for their skin better than ever before

While striving to stick with regular routines, some elements of her routine are sliding a bit, especially those that relate to certain aspects of her beauty and personal care habits:

- 49% spend most days in pajamas or comfortable clothing (non-business attire)
- 40% say they are exercising less than they normally do
- 37% are shaving less than normal
- 35% are only wearing makeup when they have an online or video meeting
- 16% are wearing less deodorant
- 2 in 5 respondents are spending less time styling their hair, or not styling it at all



The Covid-19 Beauty Breakdown

Even amid a pandemic, consumers still value the role beauty plays in their lives and lifestyle. While many aren't shopping for or buying as much beauty as they'd like right now, that doesn't mean it's not important to her.

- 66% of consumers say taking care of their hair, skin, and other beauty needs reduces stress

Things she's doing to keep herself occupied, and feeling less stressed.

- 74% use a face mask
- 70% paint my nails
- 67% deep condition my hair or use a hair mask
- 63% take a long hot bath
- 60% use a foot/hand conditioning or exfoliating treatment
- 55% give myself a facial
- 39% full body exfoliating
- 39% whiten my teeth

DIY Beauty is a Viable Solution

DIY beauty is enjoying a moment. In particular, those small yet satisfying beauty routines that just make a woman feel better.

In lieu of going to a salon:

- 32% are giving themselves a manicure and a pedicure at-home
- 23% are coloring their hair at-home
- 18% are cutting/trimming their own hair
- 16% are giving themselves an at-home facial as well as taking care of their own waxing needs

Even if salons were open, 67% of consumers say they wouldn't risk exposure for any beauty service...and of all the services consumers would consider a worthwhile risk—a haircut tops the list at only 20%.

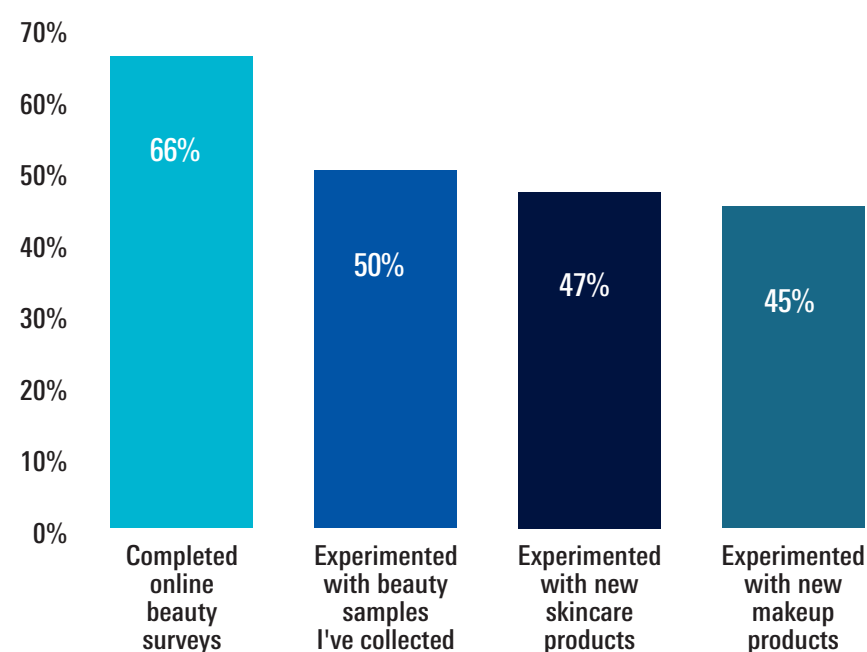




Engaging with Beauty in New Ways

Many consumers are taking this time of enforced home confinement to engage with beauty in new ways, such as experimenting with samples and products that are new to them.

She's Using Her Time to Explore Beauty that is New to Her



The Brand Opportunity

While at home, the beauty consumer is seeking solace in social content, such as video tutorials and reviews on beauty products. Brands have an opportunity to connect with her to deliver authentic content now that she has more time to receive it.

She's spending more time doing the following:

- 30% reading reviews for beauty/personal care products
- 28% visiting the social pages of beauty/personal care brands
- 27% shopping for beauty online
- 26% watching beauty tutorials online

How Beauty Can Connect with Consumers During Covid-19

In response to the Covid-19 outbreak, many restaurants are offering services to boost sales such as curbside pickup or delivery, as well as make-at-home meal kits or pre-packed, to-go meals.

What, if any, of these sorts of out-of-the-box service offerings do consumers want from beauty brands, or can brands offer in an effort to connect with consumers during this crisis?

What she wants now:

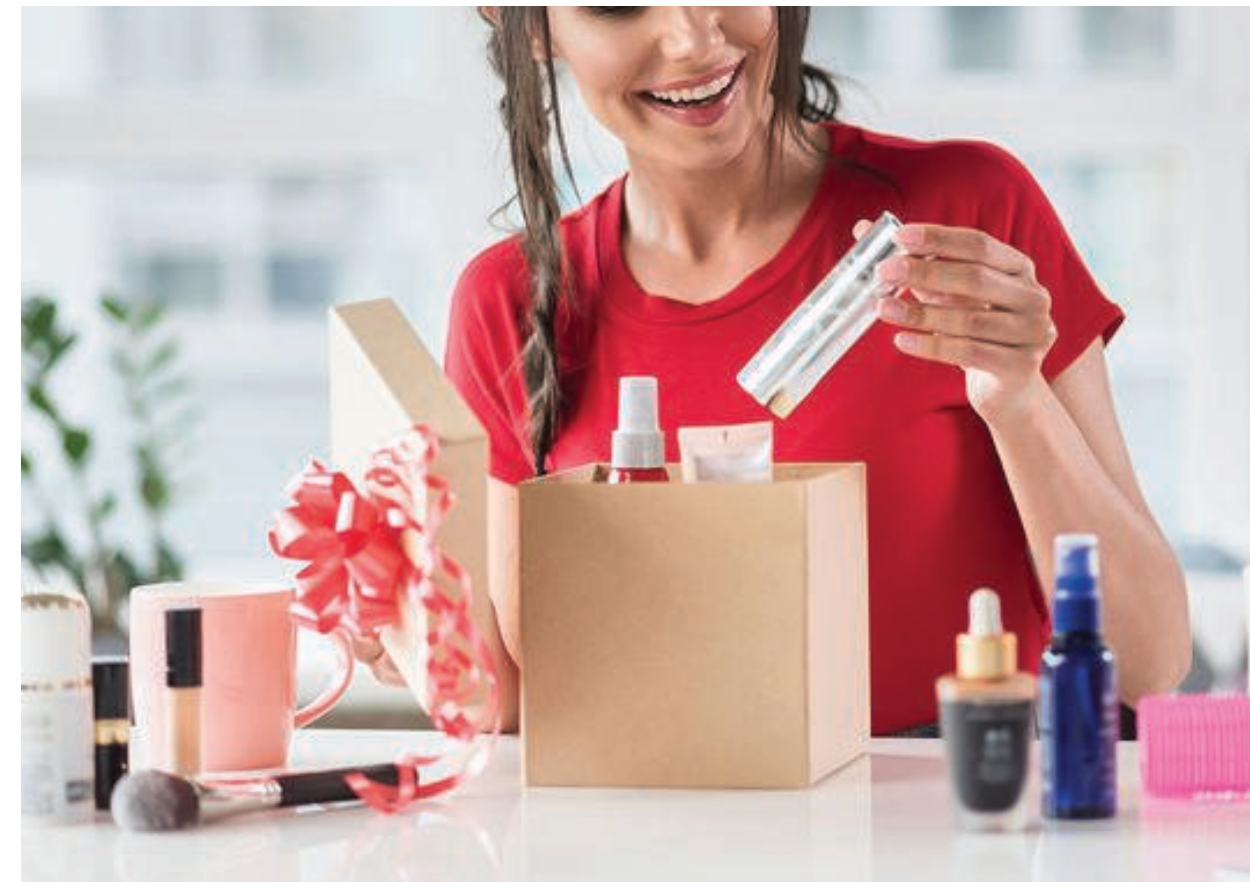
- Hands down, free delivery of products is the number one service (89%)
- 47% curated beauty boxes
- 40% to know stock levels of available products (i.e.: 75 left, etc.)
- 37% regimen-specific kits, such as for dry nails (cuticle oil, hand cream, and polish specifically for dry nails, etc.)
- 36% prescription refill model for their personal care basics such as razors, baby wipes, toilet paper, etc.
- 34% DIY custom-look kits (i.e. hair style tutorials, makeup application tutorials, etc.)
- 29% want to be able to order online, then pickup at local retail outlet
- 24% daily online content on interesting beauty topics

Top Emails of Interest to Her

1. Sales/specials

2. Offers for free samples

3. Status of stores/safety response to Covid-19



What She's Noticing About You — Her Favorite Beauty Brands

Beauty consumers are very attuned to emails, mailers and social media messages being shared right now.

- 67% say they are being bombarded with emails
- 60% say the emails make them think brands are capitalizing on this health crisis
- 34% say the emails they are receiving feel authentic
- 34% are opening up about 25% of those emails while an additional 23% are opening between 26 – 50% of brand emails



How She Expects Covid-19 to Effect Her Spending

Assuming social distancing measures are in-place for at least 8 more weeks, consumers say budgeting, price comparing, and using up existing supplies are their key strategies for spending on beauty and personal care. And although empty shelves at grocery and drug-stores might indicate otherwise, most consumers say stockpiling of supplies isn't part of their plan.

- 49% will decrease spending out of concern for personal finances
- 46% will be more price sensitive when shopping, and look for the best online deals
- 45% will use up their existing supplies before purchasing anything new
- 40% will start using sample/travel sizes they have in the house now
- Only 18% say they will start stockpiling supplies in case there is a shortage

Consumers Expect Brands To Do Their Part

Seventy-nine percent (79%) of beauty and personal care consumers expect their favorite large brands to be sensitive to the pandemic and do what they are able to help out and assist with the crisis, such as using their production facilities to make hand sanitizer, etc.

Ninety-six percent (96%) of consumers say they would feel more favorably towards brands that step up and help out in this way.



Key Takeaways

- Maintaining a regular beauty routine is a key part of helping most beauty consumers deal with the stress of the Covid-19 outbreak and associated social distancing measures.
- While beauty and personal care shopping isn't a top priority for consumers right now, they haven't tabled it either. They still want to maintain their regular routines, but are seeking out-of-the-box services and offerings from brands to help them do so (free delivery of products, sales, samples, etc.).
- Interest in DIYing some professional beauty services is strong, especially those that are easier to execute at home and make her feel pampered (such as manicures and pedicures).
- Sincerity is vital: consumers have noticed a significant uptick in brand communications and emails during this crisis, and many see these emails as capitalizing on the crisis.
- Most consumers are reducing how much they spend, price comparing, shopping for the best deals, and using up their on-hand supplies...but not stockpiling supplies in case of shortages.
- She expects her favorite large beauty brands to step up and help out however possible during this crisis...and will think better of them if they do so.



Report Design and Methodology

Data for the March 2020 study was derived from primary consumer research using a 35 question quantitative online study. The online survey was completed by more than 5,500 US female consumers.

About TBC

The Benchmarking Company is a bi-coastal beauty and personal care consumer research firm with a proven track record in cosmetics, skincare, beauty devices, men's personal care, body care, hair care, nail care, fragrance and wellness/personal care. Our company is laser-focused on providing two important aspects of marketing intelligence: quantitative and qualitative consumer research that arms brands with forward-thinking need-to-know information about its customers and prospects, and in-home beauty and personal care product testing to garner 5-star consumer claims that are vital for marketing market success. Using renowned proprietary methodologies, our unique approach to research delivers results that promote growth in market share, bolsters sell-in and sell-through and mitigates legal and regulatory risk for our customers.

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