

IMPACT OF COVID-19 ON PERSONAL CARE PRODUCTS IN INDIA: A STUDY WITH SPECIAL REFERENCE TO BEAUTY AND COSMETIC PRODUCTS AND PERSONAL HYGIENE PRODUCTS

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ABSTRACT:

The beauty industry across the globe comprising of colour cosmetics, skincare range, fragrances, personal care products, hair care products, etc. has been completely shocked by this global pandemic of COVID-19. The sales of the first quarter was quite weak and widespread closures were witnessed throughout the world. The skincare and cosmetics industry has responded in a very positive manner, with more and more brands switching the process of manufacturing for producing hand sanitizers or some other cleaning agents. The beautify sector globally generates about \$500 billion sales in a year and it accounts for many employees. COVID-19 has had a huge impact on the beauty industry. It is also being expected that the global crisis is fundamentally changing the industry and will continue to do so even in future. This study is empirical in nature and finds that there has been significant downfall in the demand for the beauty and cosmetic products and increase in the demand of personal hygiene products.

KEYWORDS: beauty industry, COVID-19, impact of COVID-19, cosmetic products, personal hygiene products

INTRODUCTION:

The cosmetic companies globally are manufacturing different kind of beauty and skin care products with a mix of chemicals. These products are used globally for improving

the odor and look of the body of these consumers. The factors which are fuelling growth of markets before this global pandemic include improvement in the present lifestyle, increasing disposable income along with a growth in the concerns regarding the looks. Additionally, companies are also using different platforms of social media like YouTube and Instagram for promoting their products and attracting more and more customers. With the help of social media influencers and bloggers, the beauty care companies are displaying their products on different platforms.

According to McKinsey (2020) found that there has been a fall of 20-30% in the demand of cosmetic products in the world. The pandemic has affected all the countries. The recovery will take at least a year or more. In the US, if there is any reoccurrence of the pandemic situation the demand would go down to 35%. The reports of the cosmetics industry globally are segment based on the type of skincare products, cosmetics, hair care, perfumes, toiletries, oral cosmetics, etc. Almost all segments of this industry have witnessed a similar kind of downfall in terms of sales during COVID-19 because of closing of the offline stores at different locations throughout the world.

In the Indian context it is important to report that the Indian beauty salon industry was estimated to be around Rs.10,000 crores. It is also estimated that the salon and spa business together account for 31% of the total size of the beauty and wellness market. Due to

the lockdown, beauty salons were closed and have only just opened (Husain, 2020).

Given the scenario of work from home, wearing mask and physical distancing, wearing makeup as well as fragrance is losing its importance. For prestigious brands, about 55% and 75% decline is being witnessed in the sales of fragrances and cosmetics. When the consumers would return to their office, a lot of them would still continue wearing masks which would slow the recovery of makeup industry further. One exception could be above masks treatments. Recently, Alibaba reported a rise in the sales of eye cosmetic by 150% each month during Feb 18th 2020. In contrast, hair care, bath care, skin care and body care products are enjoying the benefit from the self-care trends. The agencies which are tracking consume spending have reported that the sale of luxury soaps was up by about 800% in Mar, 2020 in France as it was moving towards lockdown 3. The biggest lifestyle and fashion E-commerce marketplace, Zalando witnessed a boom in self-care products category including aromatherapy, candles, and nail, skin and hair care products by about 300%. The results from the E-commerce giant, Amazon has been consistent for which the sales of makeup in USA are showing a slight decline as compared to same month in the year 2019. While the sale of nail care cosmetics, hair colour products and body and bath care products have gone up. Another trend which is being noticed is a rise in DIY beauty care products. A lot of salons have shut down and even where they have not, people are avoiding visiting them. Also, many consumers are likely to face financial difficulties due to lockdown and the pandemic (Marsidi et al., 2014).

The preventive measures are becoming quite popular as people are looking to shield themselves from COVID-19. The health organisations are requesting people to wash their hands regularly for protecting themselves

from this virus. According to the statistics of Global Data, about 17% people in Australia, 47% in China and 47% in India are demanding more and more cleanliness products as it has changed into assertion from the World Health Organisation. People are understanding the severity of the situation and thus they have started grabbing soaps, sanitizers and other products of hygiene and cleanliness. For instance, protection glasses, hand sanitizers, purifiers as well as wet wipes are being chosen in order to follow the rules of hand hygiene and cleanliness. As an influence, the products of skin care like lotions and hand moisturisers are expected to being prompted keeping the fact in mind that who have sensitive skin might get allergy because of frequent hand washing or they might even suffer from skin peel due to harmful chemicals present in these products. In this regard the product manufacturers have an opportunity of making custom products that might fulfil the wishes and demands of the distinct clients like the anti-bacterial creams, sanitizers meant for sensitive skin, natural ingredients and the products may be labelled differently for kids and adults (Kristina and Kuswahyuning, 2020).

LITERATURE REVIEW:

With more and more economists predicting a future recession for world economy, the otherwise resilient cosmetic industry wouldn't be able to escape its impact, While Lipstick theory is applicable here that the consumers would splurge on costly lipsticks instead of out of the reach luxury items during times of recession, the economic fallout of COVID-19 would have a drastic impact on spending by the consumers, While a lot of personal and skincare products are important, there are also products which are not along with the skincare products and for these the consumers would make alternate decisions. These kind of changes in the

consumer consumption would impact Kline's outlook directly for the ingredients of skin care and personal care (**Hsieh, Pan, and Setiono, 2004**).

Kline is expecting that the behaviour of the consumers as well as their spending in 2020 would move even more drastically as compared to last recession in the year 2009. The cosmetic and toiletries industry is moving towards a sharp decline in more than 60 years of the brand with a slight decline of about 5% in the year 2020. During the recession of 2009, the market also fell by about .8%.

The impact of COVID-19 in the personal care industry would cause a reduction by the consumers on the discretionary expenditure on hair care products and fragrances while spending money on the basic necessities will be protected like hand lotions, liquid soaps, etc.

The report of cosmetic industry has been segmented on the basis of type of products of makeup, skincare, perfumes, etc. Almost all segments of cosmetics industry have witnessed a similar type of fall in terms of sales during this pandemic because of offline stores shutting down at different locations throughout the globe (**Ahmed, et al., 2018**).

The effects of the pandemic on cosmetics industry may be noted everywhere. The lockdown has been on for a very long time according to the Government guidelines. Maximum companies have even laid off the workforce and some have even sent their employees on work-from-home state causing a reduction in the overall rate of production. Also, similar downfall in the cosmetics industry has been experienced everywhere.

The key brands brought affected by this pandemic are Chanel S.A., Estee Lauder Companies INC., Beiersdorf A.G., Johnson Johnson, L'Oreal, etc. The cosmetics companies like P&G are also taking the brunt. One major effect of the pandemic was seen on the supply

chain affected by a halt in the work in industries.

Also, with a rising popularity of the DIY trend, the DIY nail care, skin care and DIY hair colouring in other categories of beauty are attracting more and more customers. Neilson has reported a rise in sale of hair dye as well as hair clippers in April, 2020. The sale of the Madison Reed DIY colours kits rose ten times from middle of March to middle of April. The online sale of luxury brands nail paints has also witnessed double digit rate of growth every week. The surge in the sale of DIY nail care compels people to speculate the present crisis of effect on sale of lipsticks which has an additional dimension.

While the cosmetics industry could be relatively strong as compared to other categories of consumers, the year 2020 has been very poor in terms of sales. However, it is being said that this industry would still remain to be attractive in coming future. The pandemic related crisis would accentuate the trends which shape the market like a rise in use of E-commerce rather than touching a new ground altogether. The consumers throughout the world are showing through their actions that people are still finding comfort in simple pleasures of skin care or a swipe of their favourite lip colour before an online meeting.

Even before COVID-19 hit the planet, definition of "Beauty" was being globalised, intertwined and massive with people having a sense of self care and wellbeing. The pandemic related crisis would change such trends and thus there's some hope.

In wake of the current circumstances, humans offering the advertisers are known to extemporise the current techniques of promotion and help people coming across consolation. All the shapes as well as sizes of the private care and cosmetics suppliers are preferring online notifications regarding

activities which are taken for fighting this global pandemic.

An assessment of the market of anti-ageing cosmetics was done and it was seen that women and clients who earn high are more aware about cosmetics as compared to their colleagues. The attributes of the market of emblem image and influencers regarding the choices in purchasing anti-ageing cosmetics have been stated. Researches show that better products better issues play an important role over different types of elements (Kim K. J., Han H. S., Kim K. J., Han H. S., 2018).

OBJECTIVES OF THE STUDY:

1. To explore the influence of Covid19 Pandemic on sales of Cosmetic products
2. To find the impact on sales of Personal Hygiene products during Covid19 Pandemic

RESEARCH METHODOLOGY:

Research design: The present study is descriptive in nature. As a descriptive study, the paper finds the opinion of vendors / retailers who sell the cosmetic and personal hygiene products. The study investigates that what difficulties the vendors faced during the pandemic situation.

Sample size and Sampling method: The sample size of the study is 180 retail vendors/retailers who sells both types of the products - Cosmetics and Personal hygiene. The sample of respondents includes the store managers & assistant managers, vendors (who sell on online marketplaces).. Data was collected through a structured questionnaire. The sampling method was convenience sampling

Geographical Area: The geographical area covered was Mumbai. Since the questionnaires were filled through online mode, hence it was

not difficult for the researcher to cover the various locations under Mumbai city.

Analysis and Presentation: The data has been analysed with the help of percentage and presented with the help of Bar Charts.

Limitations of the Study: The study is limited to the Mumbai area and it only covers two types of products – personal hygiene and beauty and cosmetic. Further, since the study is based on the primary data through questionnaire, minor biasness from the respondents may not be avoided.

FINDINGS AND DISCUSSIONS:

Table 1 Impact of COVID-19 on Sales of Cosmetic Products

S. No.	Statements	Average % age Impact
1.	Decrease in demand for Beauty and cosmetic products	31%
2.	Decrease in number of customers buying beauty/ cosmetic products	37%
3.	Decrease in Customers' Total basket size (in monetary terms) for beauty and Cosmetic products	36%
4.	Decrease in Customers' enquiring for new cosmetic products	39%
5.	Decrease in profits from beauty and cosmetic segment	32%

Table 1 shows that there has been a decrease in the overall number of customers buying the beauty and cosmetic products with 31%. The decrease in number of customers were witnessed by respondents was 37%, and decrease in customers' total basket size (in monetary terms) was found to be 39%. Lastly, the decrease in profits was observed by the respondents as 32%.

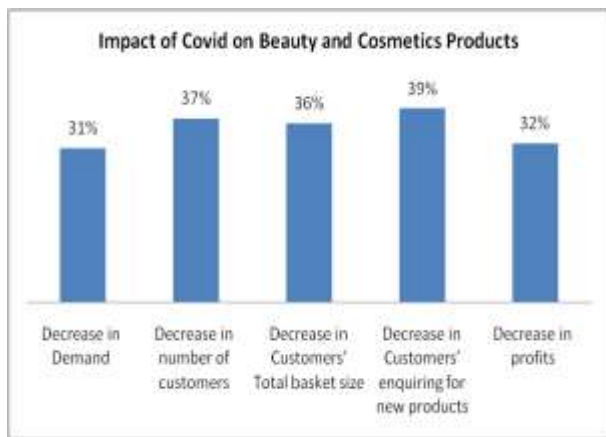


Figure 1 Impact of COVID-19 19 on Cosmetic and Beauty Products

Table 2 Impact of COVID-19 on Sales of Personal Hygiene Products (Hand Sanitizers, Hand washes etc)

S. No.	Statements	Average % age Impact
1.	Increase in demand for Personal hygiene Products	44%
2.	Increase in number of customers buying Personal hygiene Products	57%
3.	Increase in Customers' Total basket size (in monetary terms) for Personal hygiene Products	52%
4.	Increase in Customers' enquiring for New Personal hygiene Products	55%
5.	Increase in profits from Personal Hygiene products category	41%

Table 2 shows the responses for the Impact of COVID-19 on Sales of Personal Hygiene Products (Hand Sanitizers, Hand washes etc). It is found from the table that in the context of the Personal Hygiene Products there is 44% increase in demand due to the pandemic and at the same time the increase in number of customers is 57%. Similarly, the basket size of the existing customers for these products has increased 52% in the monetary terms. There is 55% increase in the enquiries

for the new products of this category and overall there is an increase of 41% of profits from this category.

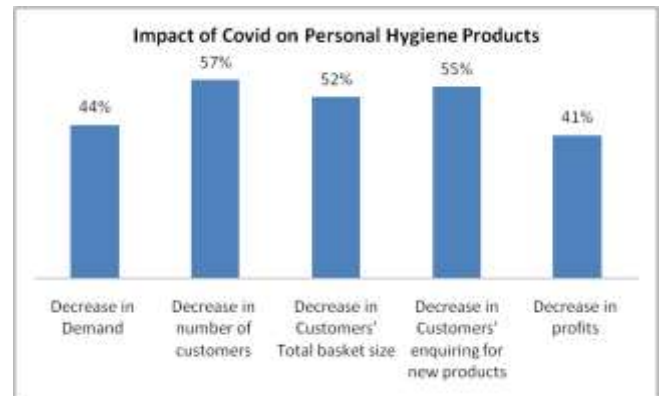


Figure 2 Impact of COVID-19 on Personal Hygiene Products

CONCLUSION:

Pandemic has changed the lifestyle of People. This study captures the impact of pandemic on the sales of beauty and cosmetic products along with the personal hygiene products. It was found from the study that there has been remarkable decrease in the former category and remarkable increase in the later. This study belongs to the time frame of around first 5 months of the lockdown hence the primary data averages the impact of the pandemic on the mentioned categories, otherwise the situation in the first 2 months of the lockdown was even more intense. The pandemic has changed the mindset of people. However, after the beginning of the unlock process the situation has changed but still people give first priority to the personal safety and personal hygiene and later second priority to the beauty and cosmetic products.

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