



Beauty Meets Wellness In The New Era: Opportunity and Challenges For Businesses

By Manoj Kumar

Consumer behaviours are changing at a fast pace and impacting Beauty and Wellness industries

During the current pandemic, consumer behaviours are changing in all walks of life. Beauty and Wellness industry is also getting affected due to these changes. Unilever has declared its AMJ quarterly result where beauty categories such as skin care, colour cosmetics, deodorants are down by 45% while health, hygiene and nutrition categories are up 6% versus prior year. Consumers are staying more at home and doing things on their own (DIY). Jayant Khosla of VLCC says that its beauty face pack used for in-home use has grown significantly over e-commerce while footfalls to their salons are yet to pick up. Consumers are becoming more vocal about sustainability and inclusion and holding brands accountable with a vigour never seen before. Unilever relented to widespread criticism and dropped "fair" from its Fair and Lovely beauty cream in just 3 months, something it had not done for 3 decades.

The key question in everyone's mind is whether these consumer trends are just a fad, or are they here to stay for a long time. To answer this question, I will go back to the basics. Contrary to popular belief, it is context rather than attitude which changes human behaviour. And repeated behaviours over a period become new habits, and in turn, change attitudes. We have seen this happening post the two world wars. This time, changes are happening at an unprecedented pace – a McKinsey report says that just in these 90 days, e-commerce penetration in US has fast forwarded by 10 years! Lets not kid ourselves – these changes are here to stay.

What is the new meaning of Beauty?

During a recent IPSOS survey done across 27 countries including India, consumers have said that the top 4 attributes that make someone beautiful in that order are Happiness, Kindness, Dignity and Confidence. Surprisingly, Makeup and Cosmetics are actually rated at the bottom of this list. This appears contrary to how people behave until we understand the difference between appearing beautiful and staying beautiful. You may find someone attractive from the external looks when you meet the person for the first time, but its only when you get to know someone well and appreciate their inner qualities do you continue to find the person beautiful. External beauty helps, but its Inner Beauty which triumphs in the end.

Inclusiveness and Sustainability are the other drivers shaping beauty today. It is not important what others think about you, but how you feel about yourself which makes you beautiful. Beauty is indeed, in the eyes of the self. Traditional stereotypes of beauty are being replaced with what people can relate with from their daily lives. 43% of respondents in a US survey showed a preference for natural beauty products. The rising demand towards natural and clean products is creating tension between safety, quality, efficacy and sustainability of the products. Neev's founder Shikha Jain talks about the dilemma she faces in balancing natural ingredients for beauty products with sustainability, and the hard choices between choosing less of the environmental hazards between plastic and glass when it comes to packaging. P&G has coined the term "responsible beauty" to navigate through this conundrum.

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Technology is empowering consumers to measure performance and hold brands accountable. Trust needs to be re-earned. This will be a challenge for established brands which have for long used brand imagery and celebrity endorsement to sell beauty. Apps like Think Dirty are empowering consumers with information about the ingredients used in their beauty products and providing cleaner options. Stanislav Vandier of Wired Beauty talks about sensor based device they have developed to give real time information on what is good for your skin. Performance based devices will guide consumers what to use, when to use, how much to use and monitor the results. Brands will now find difficult to make promises which they don't deliver!

Wellness is moving towards Wellbeing

Major shifts are also happening the way people are embracing wellness more holistically. They are striving to bring a balance between the traditional drivers of wellness viz. physical, mental, emotional, spiritual wellness and also new drivers like social, professional and financial wellness. It's becoming about making balanced, and individual choices towards one's Wellbeing.

The pandemic has taught people to lay more emphasis on prevention rather than cure. Building immunity is becoming top priority. The world is rediscovering natural, plant based, Ayurveda products as practical substitutes to the multivitamin tablets they were used to. Ashwagandha and Turmeric labelled health products can now be seen on the retail shelves of Walmart in USA and seemingly doing very well. There is a growing realization that what you eat has profound effect on what you feel. Subodh Marwah of Strides Consumer Health says that for older women looking younger is not a priority anymore – looking graceful at your age is what counts. Today you can see on the retail shelves supplements with labels that clearly target 50 year/ 70 year women which is something brands wouldn't have thought of launching in the past.

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Beauty and Wellness are converging

If happiness is what makes you beautiful, then wellness is the path which takes you there. Companies like VLCC have realized this convergence have integrated wellness and beauty services in their salons. They have even acquired a nutrition food company to help their consumers with healthy eating choices. From just an outward "beautiful being", or an inner seeking "well-being", consumers are now evolving to a more complete "beautiful well-being".

Recent trends @home and growing influence of digital are also accelerating this convergence. Self-help and do it yourselves (DIY) are empowering consumers to learn more by themselves about beauty and wellness products and not depend on their beauticians and doctors. Self-realization about the meaning of life and spirituality is opening new dimensions of beauty and wellness which consumers are keen to embrace. No longer are beauty and wellness needs different – to a consumer, they now form a continuum.

Opportunities for businesses

Changes in consumer behaviours are creating new opportunities for businesses. New consumer entry points are opening up. Companies should look at repurposing their existing products, launching new products, creating new business models and relooking at the entire value chain. New capabilities will be needed to win with the emerging consumer. Reinventing the past is not the answer. Reimagining the future is the way to go.

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