

INTERNET

Luxury cosmetics, fragrance push may be a reflection of unstable economy

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By KAYLA HUTZLER

Luxury brands and retailers including Chanel, Burberry, Harrods, Estee Lauder Co. and Oscar de la Renta have been aggressively pushing their cosmetics and fragrance lines as of late, which may be due to the state of the current economy.

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The brands have sent out weekly emails promoting their cosmetic lines and are encouraging consumers to shop the beauty section online. The question is, could this be a reflection of the economy?

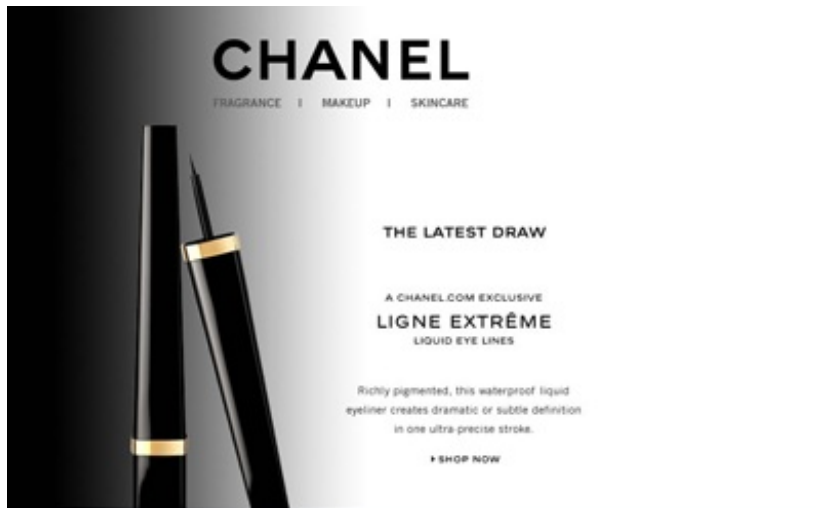
“This could be a way for the women who have had to cut back on their luxury spending to still pamper or indulge themselves a bit without a large expenditure,” said Ron Kurtz, president of the [American Affluence Research Center](#), Atlanta.

Dollars and scents

Over the past three weeks, French apparel and accessories brand Chanel has sent out twice-weekly emails promoting the brand’s cosmetic and fragrance collections.

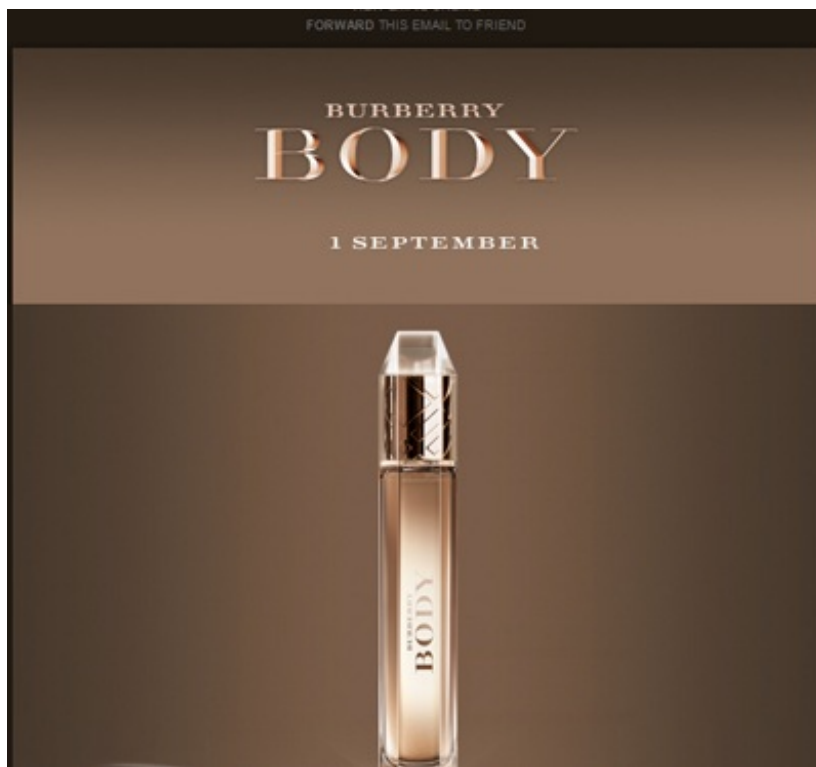
For example, email subject lines have read, “Achieve the season’s most sophisticated eye look” and “Experience a vibrant scent from Les Exclusifs.”

In total, Chanel has sent out 10 email blasts this month pushing its eyeshadows, eyeliners, blush, concealers, eyelash curler, lipstick, sunscreen and multiple fragrances.



In addition, British label Burberry is building up the hype surrounding the release of its new women's perfume, Burberry Body ([see story](#)).

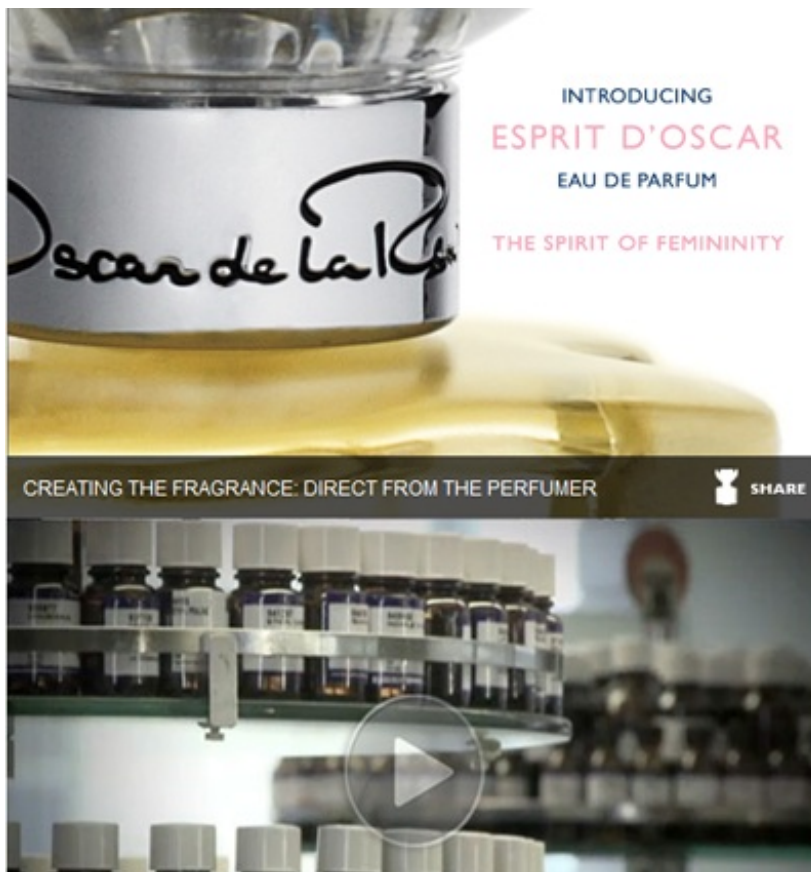
The brand sent out an email to its newsletter subscribers that simply said, "Burberry Body – 1 September."



Burberry is also promoting the fragrance via Facebook, giving Facebook fans the chance to request a sample of the fragrance to be shipped to their homes.

The Burberry Body fragrance started selling on British department store Harrods' Web site a week earlier. The retailer sent an email to its followers yesterday alerting them that, "the fragrance of the season has arrived."

Also, Oscar de la Renta is promoting its Esprit de Oscar with [a new video](#) that explains the concept behind the perfume and features the perfumer Frank Volkl.



Furthermore, Estee Lauder reported a net profit increase of 13 percent for the fiscal year ending June 30, 2011.

Estee Lauder's profits emphasize a strong cosmetic market, which based on tradition, is likely a reflection of the economic times.

Making-up

Traditionally, an increase in lipstick sales has been correlated with a downturn.

This is because cosmetics such as lipsticks are the cheapest way for a woman to reinvent herself without buying new clothes or accessories.

This trend could likely be the reason that so many luxury brands have been pushing their fragrance and cosmetic lines.

In addition, the brands could be looking to zone-in on aspirational consumers, since there has been a general slowdown in spending by affluent consumers.

Also, high-end beauty start-up BirchBox recently announced it raised \$10.5 million in funding over the last year.

BirchBox is an online retail site that sells cosmetics lines such as Nars, Kiehl's and Laura Mercier.

It is also reported that during the Great Depression, cosmetic sales increased 25 percent. Furthermore, in the Fall of 2001 following the Sept. 11 attacks, lipstick sales increased 11 percent.

"Focusing on beauty and fragrance in an economy where people are more cautious of

their spend encourages people to shop, giving stores a better opportunity to increase sales throughout the store,” said James Dean, vice president and head of luxury practice at **WealthEngine**, Bethesda, MD.

“In this economy, the luxury consumer needs more and more encouragement to shop,” he said. “Seducing women in particular with cosmetic advertisements and incentives to shop is their best opportunity to reach them.”

Final Take

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