

FRAGRANCE AND PERSONAL CARE

The Lipstick Index is out. Meet the Nail Effect

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The "Nail Effect" is China's new "Lipstick Index." With younger generations pursuing bolder, personality-imbued nail art, modern C-beauty businesses are making waves. Image credit: Miss Candy

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As inflation worries mount and both the Euro and British pound sterling hit two-year lows, the return of the Lipstick Index the business term and economic indicator for when sales of cheap and cheerful indulgences such as lipsticks increase in times of economic distress is back on beauty's radar.

But a new indicator is spiking in China: the Nail Effect.

With recession looming, interest in statement manicures has surged among Gen Z, who are increasingly looking to nails as a form of creativity and expression.

As such, the lipstick effect is not only about lipsticks or even color cosmetics. It is about brightening moods inexpensively.

Dazzling nail art or the ritual associated with going to the salon for perfectly manicured hands can have an often underestimated positive impact on individuals with limited discretionary income.

According to the local consultancy firm iiMedia Research, China's nail art industry was estimated at \$27.5 billion (185.5 billion RMB) in 2021 and is expected to surpass \$39.5 billion (266.3 billion RMB) by 2027.

Despite a persistent zero-COVID policy, business database Qichacha showed that the number of newly registered nail art businesses grew from 161,000 in 2020 to 250,000 a year later.

February's Beijing Winter Olympics were a key moment in driving up Chinese youth's nail craze.

Chinese American Olympics skiing champion and It girl [Eileen Gu](#) was spotted wearing Olympic-ring-inspired nails during an award ceremony. Her nails quickly inspired a social media hashtag with more than 1 million likes and numerous imitation posts and tutorials on Douyin.

Yang Qian, the Chinese Olympics shooting champion, is another nail fashion muse. Photos of her glossy, pearl-studded nails during the shooting race went viral on the Internet, with netizens saying that the feminine nails and traditionally masculine weapon made for an empowering feminist image.

To no surprise, celebrities are also a source of inspiration when it comes to nail art.

From Blackpink star Jennie's **cloud-inspired** nails to Chinese singer Junyi's theatrical extensions to celebrity beauty influencer Lin Yun's stone-studded talons, the message is clear: the bolder and more creative, the better.

The trend of bigger, bolder nails on social media feeds has buoyed a number of C-beauty businesses.

Miss Candy, a Hangzhou-based nail polish brand founded in 2013, specializes in odor-free nail paint to cater to young consumers' growing passion for health and wellness. In 2016, the brand's Tmall sales overtook the American nail giant OPI as the category's top label.

Little Ondine, a C-beauty brand founded in 2013, targets Gen Z fashionistas by making peel-off polish inspired by streetwear and pop culture.

Unlike the ultra-feminine look that used to dominate the space, Little Ondine's "cool girl" aesthetic has become an instant draw for the mainland's fashion-forward youth. The brand has held a spot in the top 10 beauty brands of Alibaba's Double 11 festivals since 2020.

Providing products and services in line with younger generations' shifting tastes has also translated offline.

For example, Yang Zuizui, a Beijing-based nail art chain, launched nail salon-cum-cocktail bars to insert the brand into the city's social scene.

"We want to make manicure a social experience for the customers," Cheng Yulin, the chain's business partner, told *Jing Daily*.

Besides capitalizing on socializing, making experimentation easier for younger customers is also a crucial selling point for Yang Zuizui.

"Traditional manicures usually mean customers either do the basic colors or the crazy, expensive design nails, which are two extremes," Ms Cheng said. "Now customers want to experiment, so we are launching nail design services at the price of the basic color ones."

From celebrity-inspired nails to social nail bars, China's nail market is changing fast.

To engage with its discerning and style-savvy consumers, competing beauty brands need to rethink how they could become a part of the conversations and entertain younger generations.

It is crucial to offer both socially relevant, shareable content, as well as products that align with consumer values for healthier, bolder manicures and pedicures. Nailing the product alone no longer cuts it.

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