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Sales of Cosmetics Rise Despite Price Increases, per Catalina

'Lipstick Effect' Shimmers in 2023 as Shoppers Indulge in Affordable Splurges

With the New Year, the 'lipstick effect' held strong as cosmetic sales continued to rise during challenging economic times.

ST. PETERSBURG, FL, USA, February 21, 2023 /EINPresswire.com/ -- Cosmetic data insights from shopper intelligence leader Catalina show that Face and Eye makeup prices continue to rise faster than the overall rate of inflation, likely a sign that brands are passing along some of the increased costs of ingredients and supply chain issues to shoppers.

The ‘lipstick effect’ – the idea that during inflationary times shoppers may cut back on luxury purchases yet still indulge in affordable splurges – is still holding strong in 2023, even as the overall U.S. Consumer Price Index cooled slightly to 6.4% in January 2023, continuing a seven-month decline. Grocery prices, however, ticked back up 0.5% on a monthly basis to 11.3% compared to January 2022.

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>
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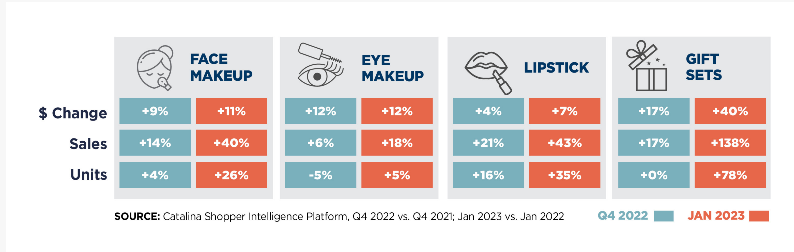
With the New Year, cosmetic sales for the face, eyes and lips were up dramatically in January 2023, more than double Q4 of 2022. Gift Sets rose even higher, up 138%. Sales of Face cosmetics (+40%) nearly caught up to Lipstick sales (+43%) while Eye makeup sales grew 18%. The number of units sold mostly tells a similar story. Gift Sets--makeup, fragrance, and skincare bundles—which remained flat in Q4, climbed 78% on a unit-sold basis in Jan 2023.

Inflation continued to impact the overall category: Lipstick prices rose 4% in Q4 and 7% in Jan. 2023, staying on pace with the rate of inflation, while the prices of Face and Eye makeup rose 11% and 12% respectively. But in Jan. 2023, sales of Face cosmetics also showed an uptick of 40%

versus the prior year, with units purchased growing 26% over January 2022. Data shows that January discounts for Gift Sets did not cut as deep as they did for the same period in 2022. On average, retailers cut Gift Set prices by 17% in Jan. 2023, down from 28% in January 2022, but still likely contributing to the surge in unit sales for the first month of the year.



Dollar and unit sales in the primary cosmetic categories continue to rise at grocery and drug stores across the country.

“While the U.S. has adroitly managed to avoid a recession so far, it’s enlightening to see how even the possibility has impacted shopper behavior across the primary cosmetic categories,”” said Sean Murphy, Chief Data & Analytics Officer at Catalina. “The ‘lipstick effect’ is a real phenomenon that savvy marketers and retailers can glean insights from to help craft promotional offers and personalized messaging that resonate with shoppers and trigger sales.”

About Catalina
Founded 40 years ago in 1983, Catalina is now a leader in shopper intelligence and highly targeted in-store, TV, radio, podcast and digital media that personalizes the shopper journey. Powered by the world's richest real-time shopper database, Catalina helps retailers, CPG brands and agencies optimize every stage of media planning, execution and measurement to deliver $6.1 billion in consumer value annually. Catalina has no higher priority than ensuring the privacy and security of the data entrusted to the company and maintaining consumer trust. Catalina has operations in the United States, Costa Rica, Europe and Japan. To learn more, visit www.catalina.com or @Catalina on Twitter.

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