Bespoke Market Intelligence

Beauty, Skincare, ULTA, and HNST

September 2021

BACKGROUND:

❑ Survey of 1440 females balanced to US census.

FINDINGS:

❑ **Beauty and Makeup Trends**

    ❑ Wearing makeup and buying clothing were two activities that took substantial hits to engagement in the very early innings of the pandemic. Over the course of the past 1.5 years, the data has gradually improved. Skincare product engagement was net positive at the beginning of the pandemic and has only improved in the eyes of consumers since April of 2020.

    ❑ Cross-tab analysis shows that consumers who have been wearing makeup less, using skincare products less, and buying closing less have been considerably more likely to be taking active measures to avoid getting Covid (relative to those who self-report engaging with these categories more than normal).

    ❑ Beauty and skincare users report that their demand for the former and the latter over the next 6 months will meet or exceed demand levels before the pandemic.
        ❑ Anecdotally, we have asked this question across a number of product categories and sectors and the norm is for consumers to project that their going forward demand will be stronger than "during the pandemic" but a touch behind "before the pandemic". In this case, with beauty and skincare, the feedback is a touch better than what we have been seeing for other product areas.

❑ **ULTA**

    ❑ Ulta customers report the strongest interest in beauty and skincare products in the next 6 months (relative to respondents who buy beauty and skincare via alternative channels).

    ❑ Beauty and skincare customers have a net positive feeling about spending money on discretionary items at the moment (Ulta customers offer positive feedback and are near the top in this regard).

    ❑ Ulta customers are younger and higher income relative to customers of competitive channels for beauty and skincare products.

❑ **HNST**

    ❑ Mothers who care about organic products for their children are more likely to be customers of the Honest company.
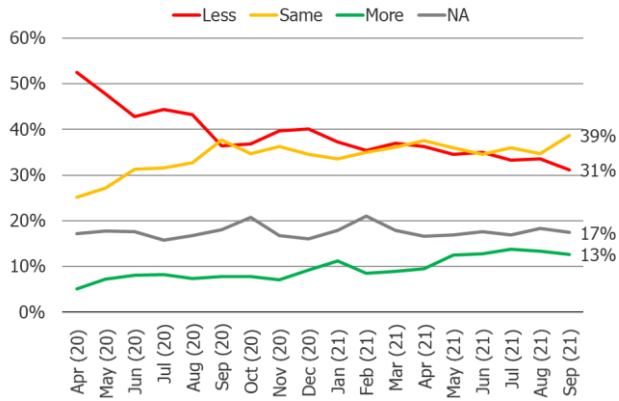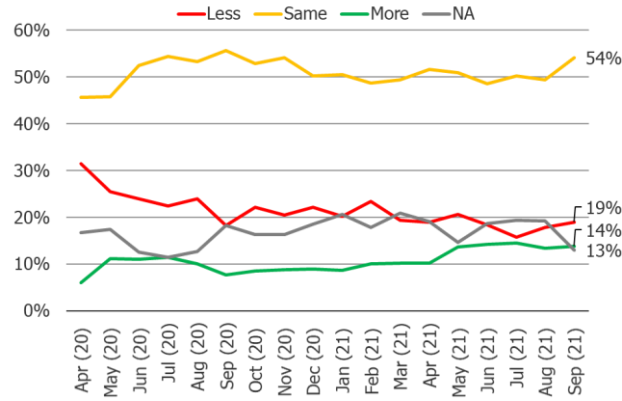
Makeup and Beauty Trends

Have you been doing the following more or less often compared to normal during the past month?

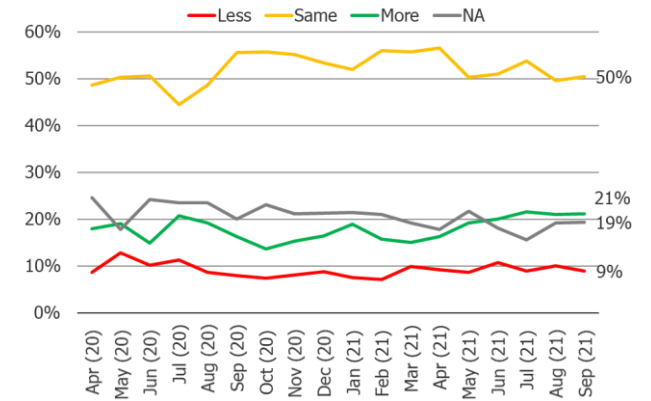Posed to female respondents, tracked monthly. (N=~750 per wave)
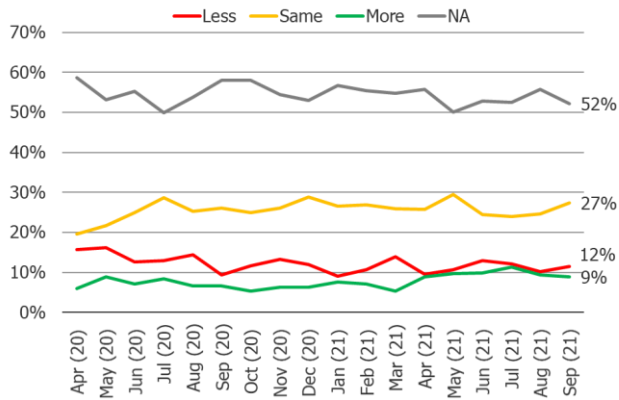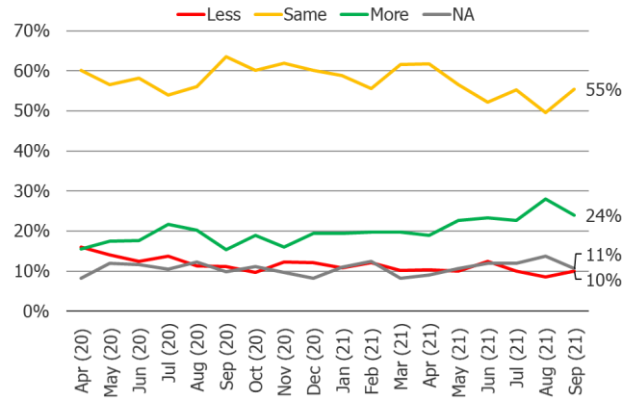

Wearing Makeup

Shaving

Wearing Glasses

Wearing Contact Lenses

Using Skincare Products

Buying Clothing

Honest Co | Custom Survey
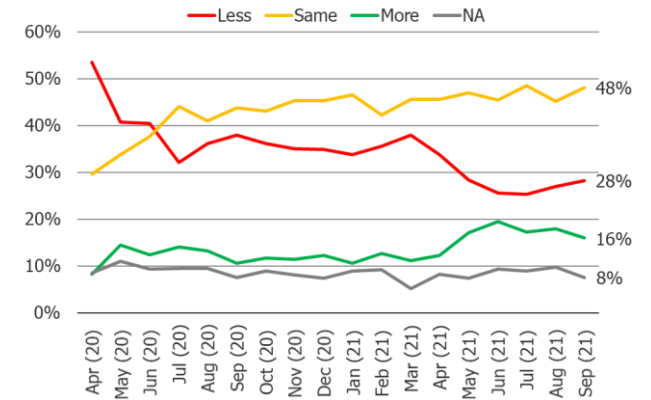
Respondents who are doing the following more and less than normal: Has made the following changes to avoid catching Covid.

Posed to females balanced to census, data aggregated from monthly surveys spanning April 2020 through present.

	Wearing Make-Up More Than Normal	Wearing Make-Up Less Than Normal	Using Skincare Products More Than Normal	Using Skincare Products Less Than Normal	Buying Clothing More Than Normal	Buying Clothing Less Than Normal
Total	N=1313	N=5381	N=2773	N=1602	N=1868	N=4811
Working from home	33%	28%	29%	29%	29%	27%
Cancelling or postponing business meetings or conferences	19%	15%	18%	16%	19%	14%
Keeping children home from school	27%	19%	24%	21%	26%	18%
Avoiding large events/gatherings	40%	63%	52%	54%	40%	72%
Avoiding public transportation	33%	38%	37%	35%	30%	42%
Cancelling or postponing travel	32%	47%	40%	41%	32%	54%
Reducing restaurant visits	35%	59%	46%	50%	37%	68%
Reducing visits to stores for non-essential items	30%	54%	41%	47%	29%	65%
Reducing visits to stores for everyday items	26%	45%	35%	40%	25%	54%
Social distancing (ie, not shaking hands or hugging others)	34%	61%	47%	50%	36%	72%
No changes at all to my daily routine	9%	8%	7%	12%	10%	7%
Count	3.19	4.37	3.79	3.95	3.13	4.91

Notes:

❑ Respondents who have been more likely to take measures to avoid getting Covid have been considerably more likely to say they were wearing makeup less than normal, using skincare products less than normal, and buying clothing less than normal.

Respondents who are doing the following more and less than normal: Age breakdowns

Posed to females balanced to census, data aggregated from monthly surveys spanning April 2020 through present.

	Wearing Make-Up More Than Normal	Wearing Make-Up Less Than Normal	Using Skincare Products More Than Normal	Using Skincare Products Less Than Normal	Buying Clothing More Than Normal	Buying Clothing Less Than Normal
Total	N=1313	N=5381	N=2773	N=1602	N=1868	N=4811
18 to 24	27%	20%	31%	24%	34%	13%
25 to 34	32%	23%	28%	23%	32%	19%
35 to 44	22%	15%	17%	17%	18%	16%
45 to 54	11%	20%	14%	17%	10%	24%
55 to 64	5%	12%	7%	9%	4%	15%
65 to 74	1%	6%	3%	5%	1%	8%
75 or older	2%	5%	1%	4%	1%	6%

Notes:

❑ Younger respondents are the ones doing things like wearing makeup more than normal, using skincare more than normal, and buying clothing more than normal.

Respondents who are doing the following more and less than normal: Income breakdowns

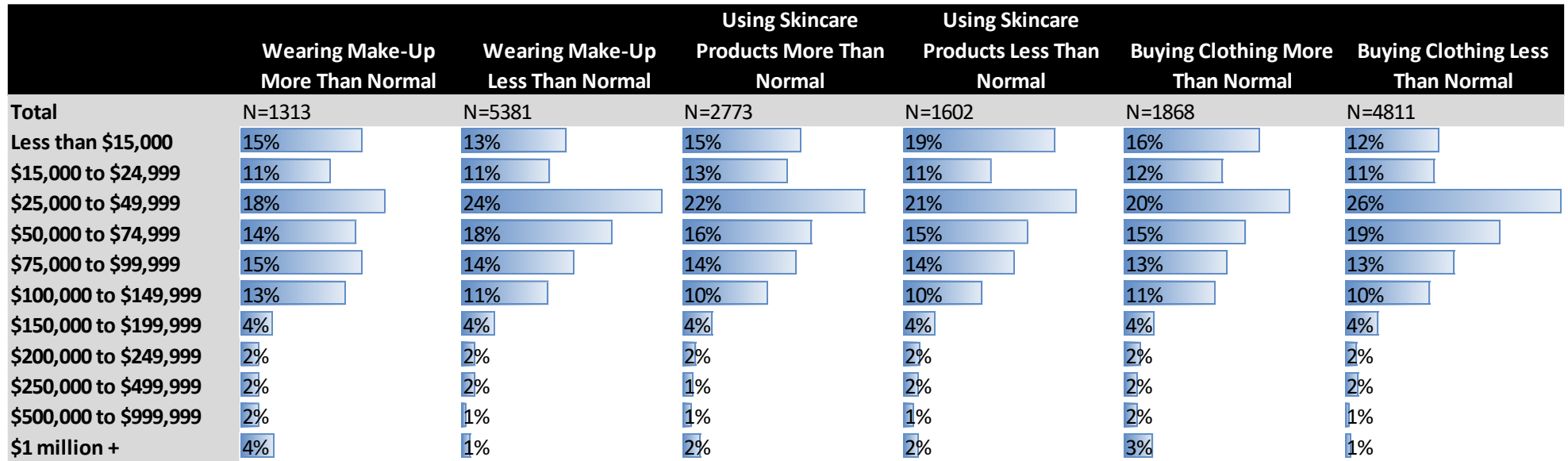Posed to females balanced to census, data aggregated from monthly surveys spanning April 2020 through present.

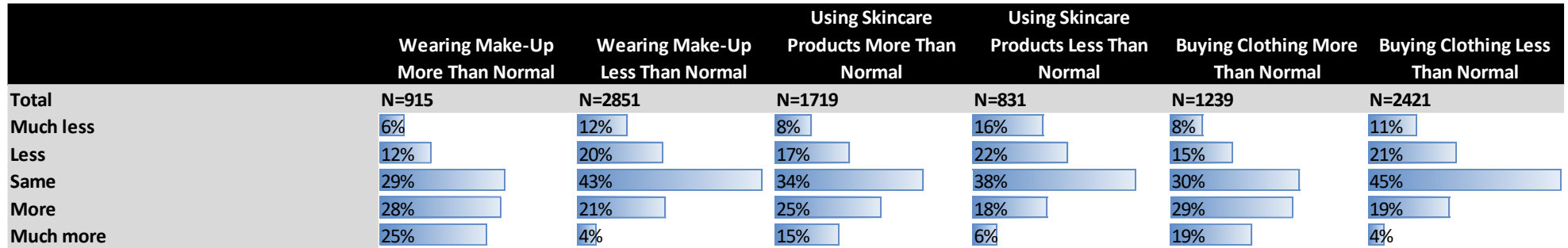|	Wearing Make-Up More Than Normal	Wearing Make-Up Less Than Normal	Using Skincare Products More Than Normal	Using Skincare Products Less Than Normal	Buying Clothing More Than Normal	Buying Clothing Less Than Normal
Total	N=1313	N=5381	N=2773	N=1602	N=1868	N=4811
Less than $15,000	15%	13%	15%	19%	16%	12%
$15,000 to $24,999	11%	11%	13%	11%	12%	11%
$25,000 to $49,999	18%	24%	22%	21%	20%	26%
$50,000 to $74,999	14%	18%	16%	15%	15%	19%
$75,000 to $99,999	15%	14%	14%	14%	13%	13%
$100,000 to $149,999	13%	11%	10%	10%	11%	10%
$150,000 to $199,999	4%	4%	4%	4%	4%	4%
$200,000 to $249,999	2%	2%	2%	2%	2%	2%
$250,000 to $499,999	2%	2%	1%	2%	2%	2%
$500,000 to $999,999	2%	1%	1%	1%	2%	1%
$1 million +	4%	1%	2%	2%	3%	1%

Respondents who are doing the following more and less than normal: Income vs. one year ago

Posed to females balanced to census, data aggregated from monthly surveys spanning April 2020 through present.

	Wearing Make-Up More Than Normal	Wearing Make-Up Less Than Normal	Using Skincare Products More Than Normal	Using Skincare Products Less Than Normal	Buying Clothing More Than Normal	Buying Clothing Less Than Normal
Total	**N=915**	**N=2851**	**N=1719**	**N=831**	**N=1239**	**N=2421**
Much less	6%	12%	8%	16%	8%	11%
Less	12%	20%	17%	22%	15%	21%
Same	29%	43%	34%	38%	30%	45%
More	28%	21%	25%	18%	29%	19%
Much more	25%	4%	15%	6%	19%	4%

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Respondents who are doing the following more and less than normal: Purchased from the following in the past month (in-stores or online).

Posed to females balanced to census, data aggregated from monthly surveys spanning April 2020 through present.

	Wearing Make-Up More Than Normal	Wearing Make-Up Less Than Normal	Using Skincare Products More Than Normal	Using Skincare Products Less Than Normal	Buying Clothing More Than Normal	Buying Clothing Less Than Normal
Total	N=1313	N=5381	N=2773	N=1602	N=1868	N=4811
Dillard's	14%	5%	10%	5%	12%	3%
Macy's	31%	18%	25%	16%	29%	14%
Bloomingdales	14%	5%	9%	6%	12%	2%
JC Penney	26%	11%	20%	12%	24%	8%
Kohl's	25%	17%	21%	15%	24%	15%
Sak's Fifth Avenue	14%	4%	9%	5%	12%	2%
Nordstrom	18%	8%	13%	7%	17%	4%
None of the above	31%	56%	40%	55%	32%	66%
Count	1.73	1.23	1.47	1.23	1.62	1.15

When you think of the following types of products, what brand comes to mind first? If you do not know or if you don't have experience with this brand, leave it blank.

Posed to all respondents. (N=1276)

Skin and Personal Care

Household and Wellness

Baby Diapers and Wipes

Have you ever purchased products from any of the following brands?

Posed to all respondents. (N=1409)

Brand	Percentage
Amazon	43.5%
Department Stores	38.5%
Big Box Stores	36.3%
Ulta	35.1%
Other stores in-person not listed here	21.9%
Other websites not listed here	16.7%
None of the above	10.2%

Cross-Tabs of Data Above:

Also Buys Beauty and Makeup From:	Buys Beauty and Makeup From					
	Amazon	Ulta	Department Stores	Big Box Stores	Other websites not listed here	Other stores in-person not listed here
Amazon		56.1%	51.9%	47.3%	52.3%	40.8%
Ulta	45.2%		46.5%	35.9%	43.4%	32.7%
Department Stores	45.8%	51.0%		39.3%	39.2%	37.2%
Big Box Stores	39.5%	37.3%	37.1%		29.8%	30.1%
Other websites not listed here	20.1%	20.7%	17.0%	13.7%		24.0%
Other stores in-person not listed here	20.6%	20.5%	21.2%	18.2%	31.5%	

Interest in spending money on the following before pandemic, vs. during pandemic, vs next 6 months: Beauty Products

Posed to all respondents. (N=1409)

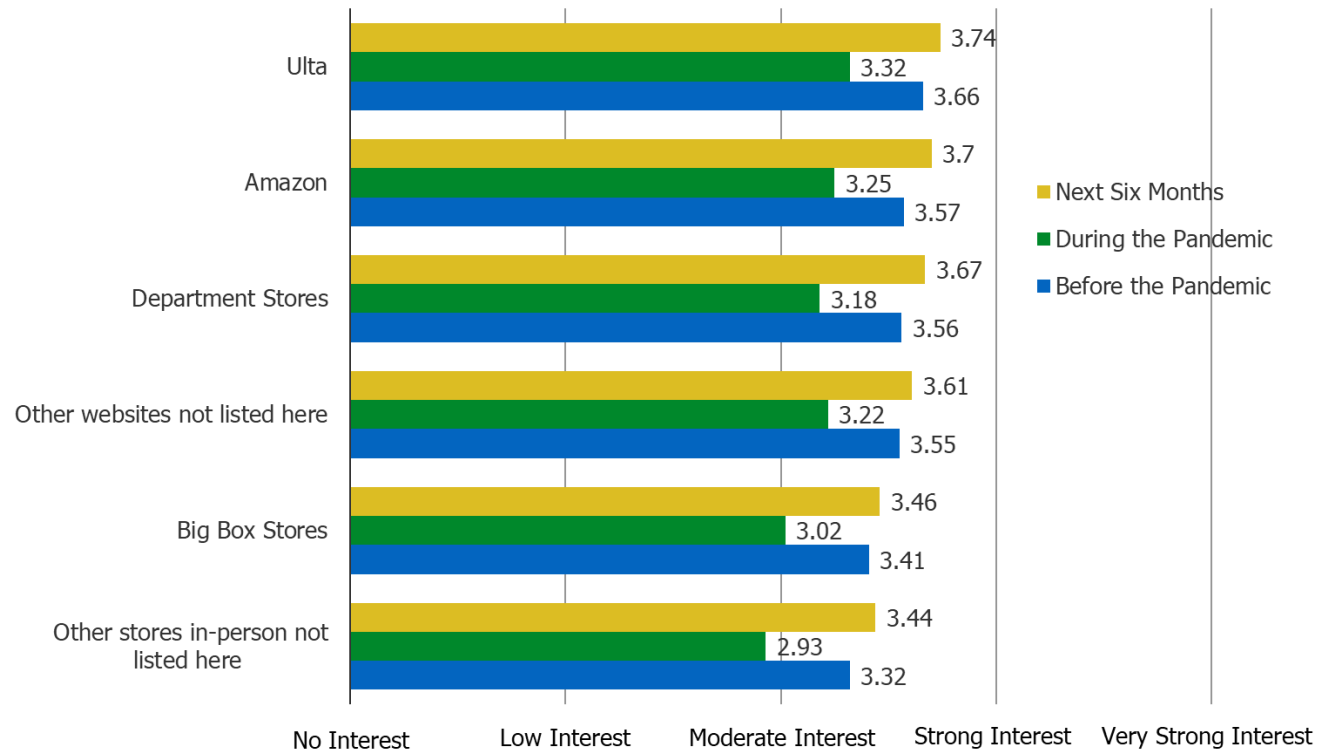Posed to respondents who said they buy beauty and makeup products from each of the following:
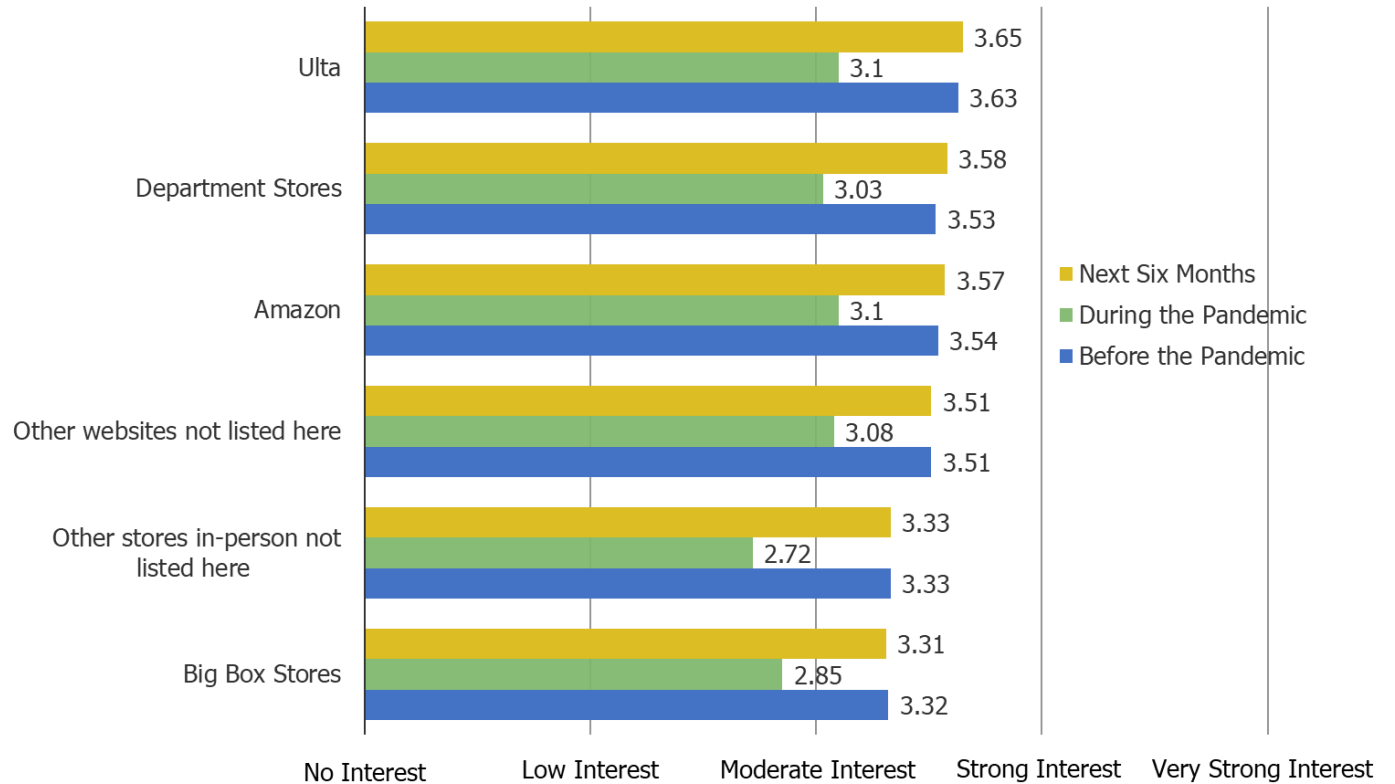
	N =
Buys Beauty or Makeup Products From: Amazon	613
Buys Beauty or Makeup Products From: Ulta	494
Buys Beauty or Makeup Products From: Department Stores	542
Buys Beauty or Makeup Products From: Big Box Stores	512
Buys Beauty or Makeup Products From: Other websites not listed here	235
Buys Beauty or Makeup Products From: Other stores in-person not listed here	309

Interest in spending money on the following before pandemic, vs. during pandemic, vs next 6 months: Skincare Products

Posed to all respondents, cross-tabbed by retailers they shop for beauty and/or makeup.

Posed to respondents who said they buy beauty and makeup products from each of the following:
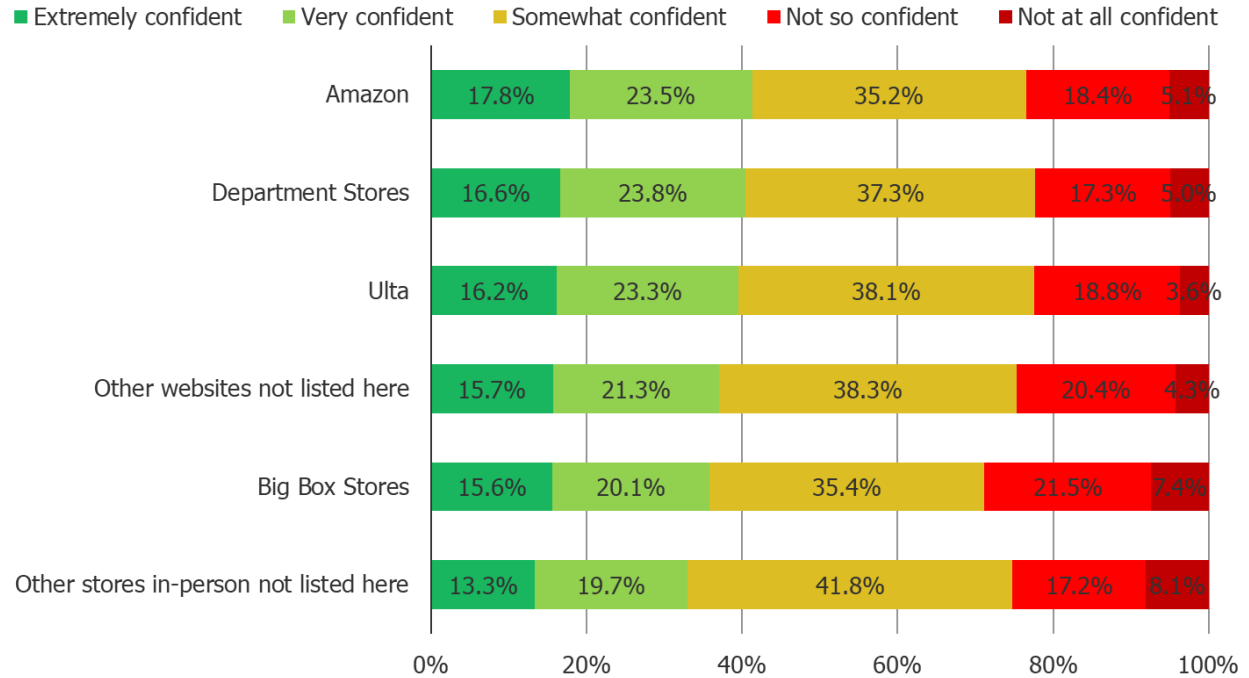

Chart legend:
- Next Six Months (yellow)
- During the Pandemic (green)
- Before the Pandemic (blue)

Retailer	Next Six Months	During the Pandemic	Before the Pandemic
Ulta	3.74	3.32	3.66
Amazon	3.7	3.25	3.57
Department Stores	3.67	3.18	3.56
Other websites not listed here	3.61	3.22	3.55
Big Box Stores	3.46	3.02	3.41
Other stores in-person not listed here	3.44	2.93	3.32

Scale: No Interest — Low Interest — Moderate Interest — Strong Interest — Very Strong Interest

	N =
Buys Beauty or Makeup Products From: Amazon	613
Buys Beauty or Makeup Products From: Ulta	494
Buys Beauty or Makeup Products From: Department Stores	542
Buys Beauty or Makeup Products From: Big Box Stores	512
Buys Beauty or Makeup Products From: Other websites not listed here	235
Buys Beauty or Makeup Products From: Other stores in-person not listed here	309

How confident do you currently feel to spend money on discretionary (ie, non-essential) items?

Posed to respondents who shop each of the following for beauty products and/or makeup.

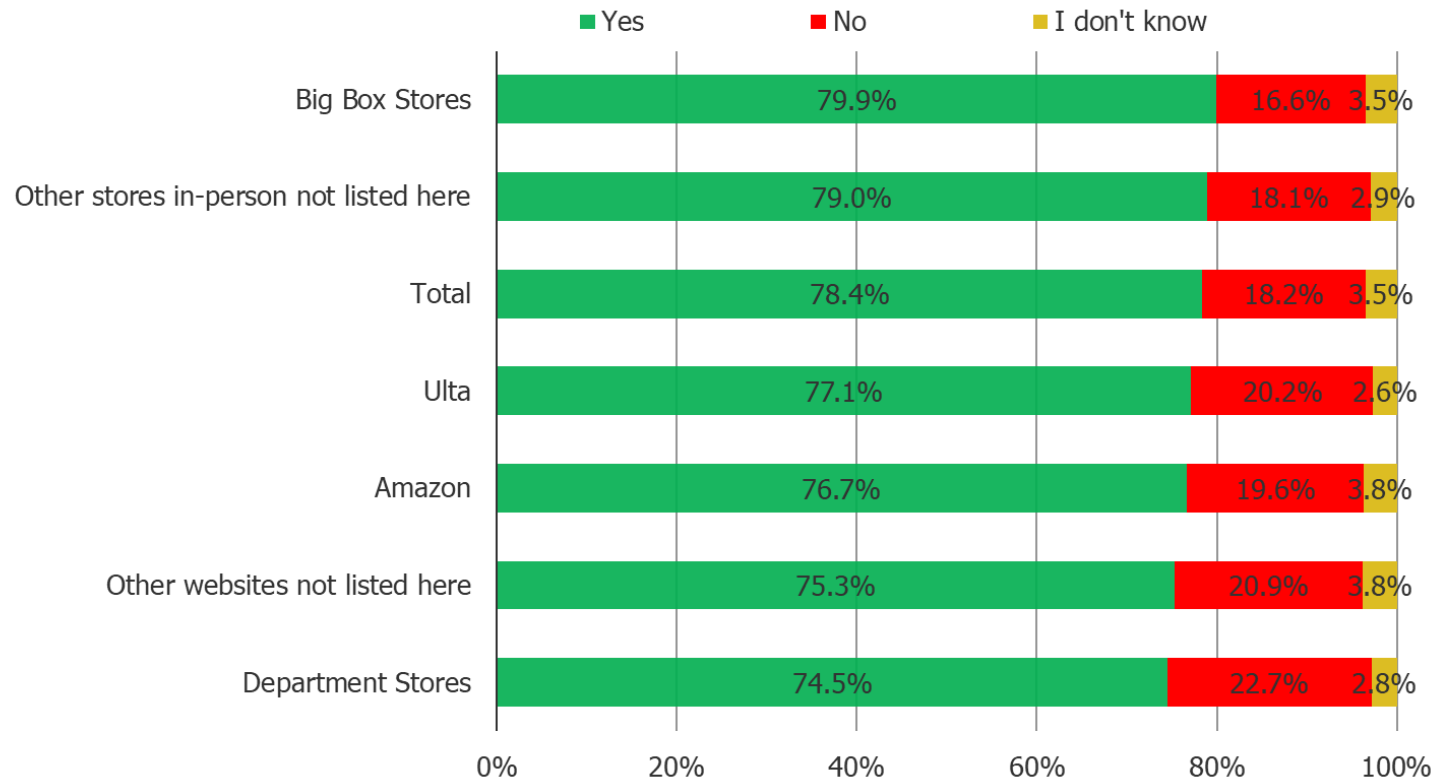Posed to respondents who said they buy beauty and makeup products from each of the following:

Legend: ■ Extremely confident ■ Very confident ■ Somewhat confident ■ Not so confident ■ Not at all confident

	Extremely confident	Very confident	Somewhat confident	Not so confident	Not at all confident
Amazon	17.8%	23.5%	35.2%	18.4%	5.1%
Department Stores	16.6%	23.8%	37.3%	17.3%	5.0%
Ulta	16.2%	23.3%	38.1%	18.8%	3.6%
Other websites not listed here	15.7%	21.3%	38.3%	20.4%	4.3%
Big Box Stores	15.6%	20.1%	35.4%	21.5%	7.4%
Other stores in-person not listed here	13.3%	19.7%	41.8%	17.2%	8.1%

	N =
Buys Beauty or Makeup Products From: Amazon	613
Buys Beauty or Makeup Products From: Ulta	494
Buys Beauty or Makeup Products From: Department Stores	542
Buys Beauty or Makeup Products From: Big Box Stores	512
Buys Beauty or Makeup Products From: Other websites not listed here	235
Buys Beauty or Makeup Products From: Other stores in-person not listed here	309

Have you received government stimulus checks / payments in the past year?

Posed to respondents who shop each of the following for beauty products and/or makeup.

Posed to respondents who said they buy beauty and makeup products from each of the following:
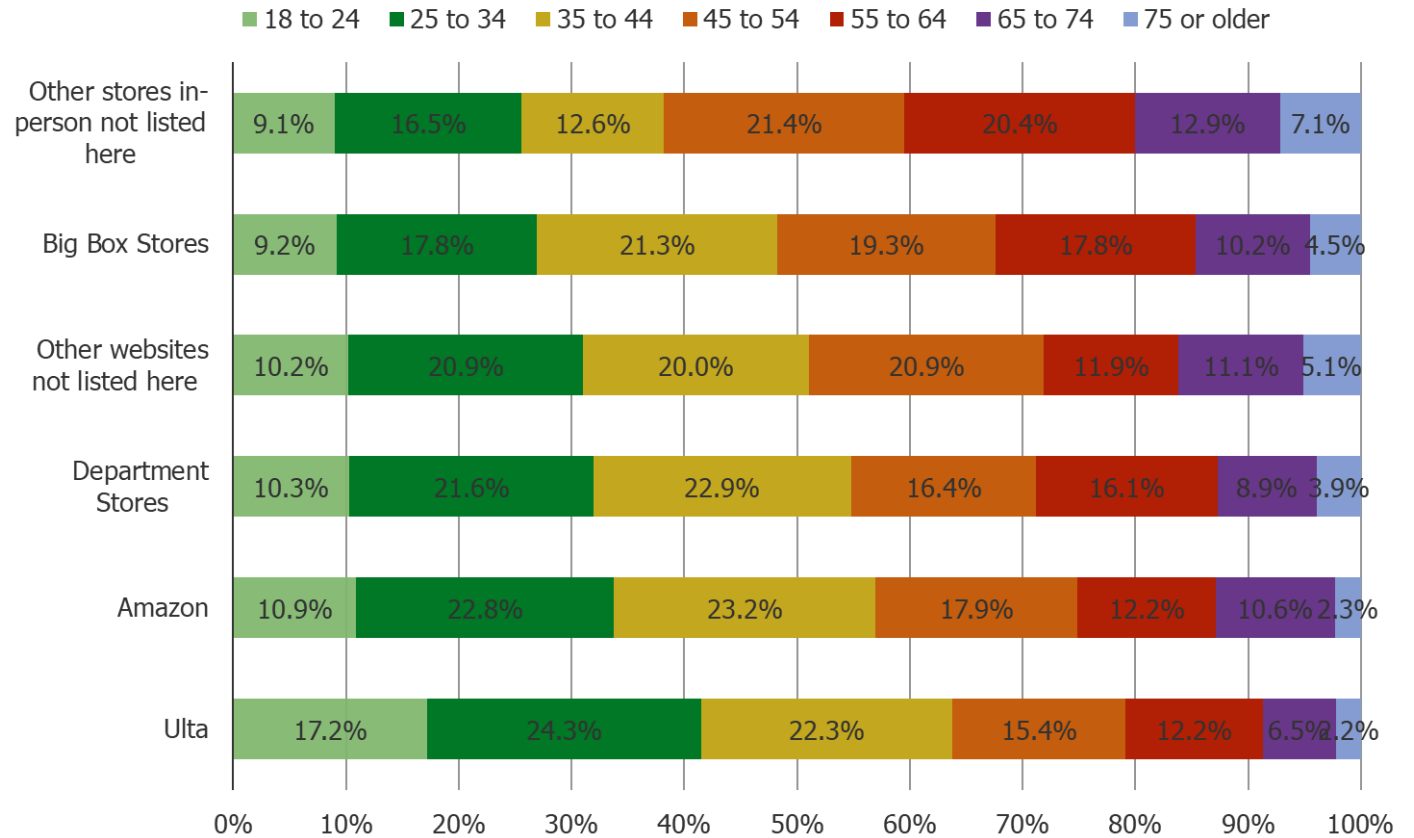

	N =
Buys Beauty or Makeup Products From: Amazon	613
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Buys Beauty or Makeup Products From: Big Box Stores	512
Buys Beauty or Makeup Products From: Other websites not listed here	235
Buys Beauty or Makeup Products From: Other stores in-person not listed here	309

What is your age?

Posed to respondents who shop each of the following for beauty products and/or makeup.

Posed to respondents who said they buy beauty and makeup products from each of the following:
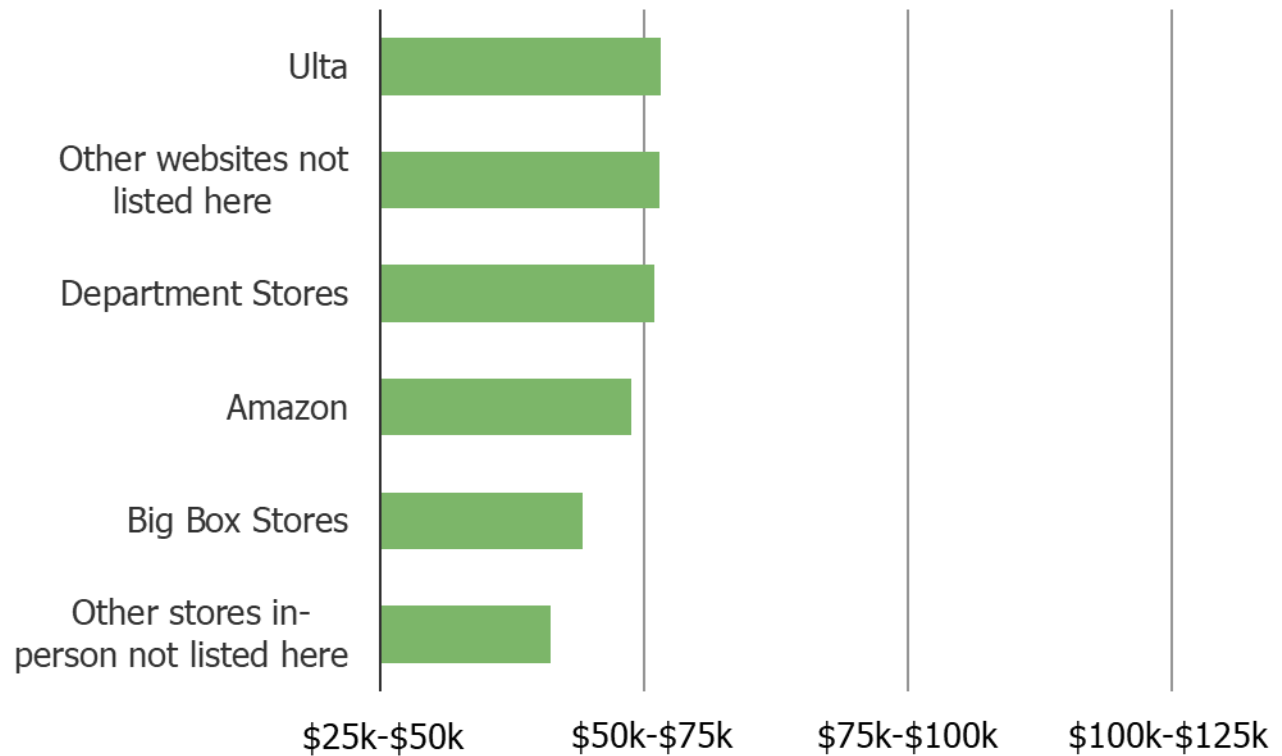
Legend: ■ 18 to 24 ■ 25 to 34 ■ 35 to 44 ■ 45 to 54 ■ 55 to 64 ■ 65 to 74 ■ 75 or older

Category	18 to 24	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75 or older
Other stores in-person not listed here	9.1%	16.5%	12.6%	21.4%	20.4%	12.9%	7.1%
Big Box Stores	9.2%	17.8%	21.3%	19.3%	17.8%	10.2%	4.5%
Other websites not listed here	10.2%	20.9%	20.0%	20.9%	11.9%	11.1%	5.1%
Department Stores	10.3%	21.6%	22.9%	16.4%	16.1%	8.9%	3.9%
Amazon	10.9%	22.8%	23.2%	17.9%	12.2%	10.6%	2.3%
Ulta	17.2%	24.3%	22.3%	15.4%	12.2%	6.5%	2.2%

	N =
Buys Beauty or Makeup Products From: Amazon	613
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What is your age?

Posed to respondents who shop each of the following for beauty products and/or makeup.

Posed to respondents who said they buy beauty and makeup products from each of the following:

|	N =
Buys Beauty or Makeup Products From: Amazon	613
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Buys Beauty or Makeup Products From: Other websites not listed here	235
Buys Beauty or Makeup Products From: Other stores in-person not listed here	309

Honest Company Charts

When you think of the following types of products, what brand comes to mind first? If you do not know or if you don't have experience with this brand, leave it blank.

Posed to all respondents who have purchased from the Honest Company. (N=244)

Skin and Personal Care
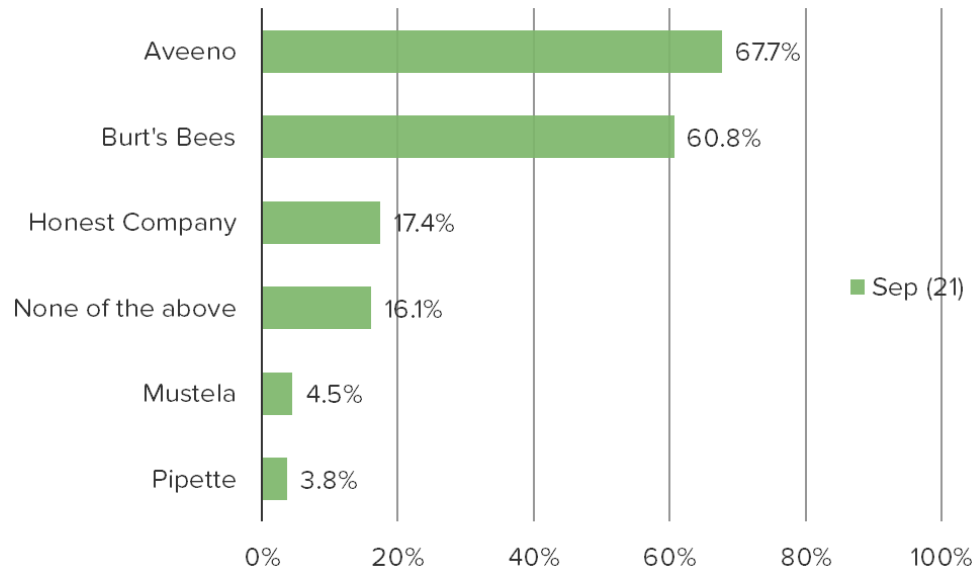

Household and Wellness
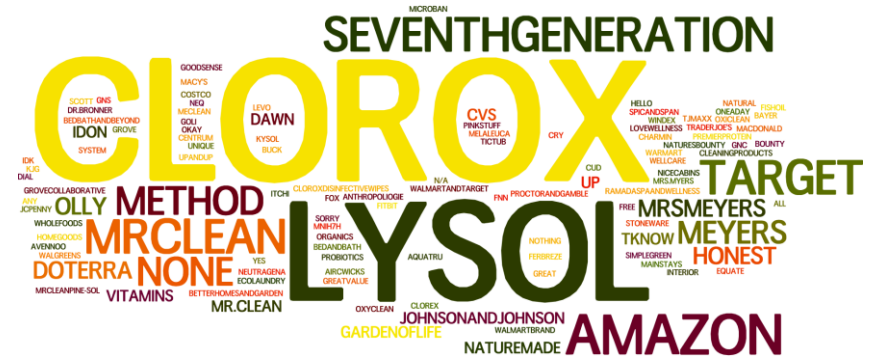
Baby Diapers and Wipes

Have you ever purchased products from the following brands? (Select ALL that apply)
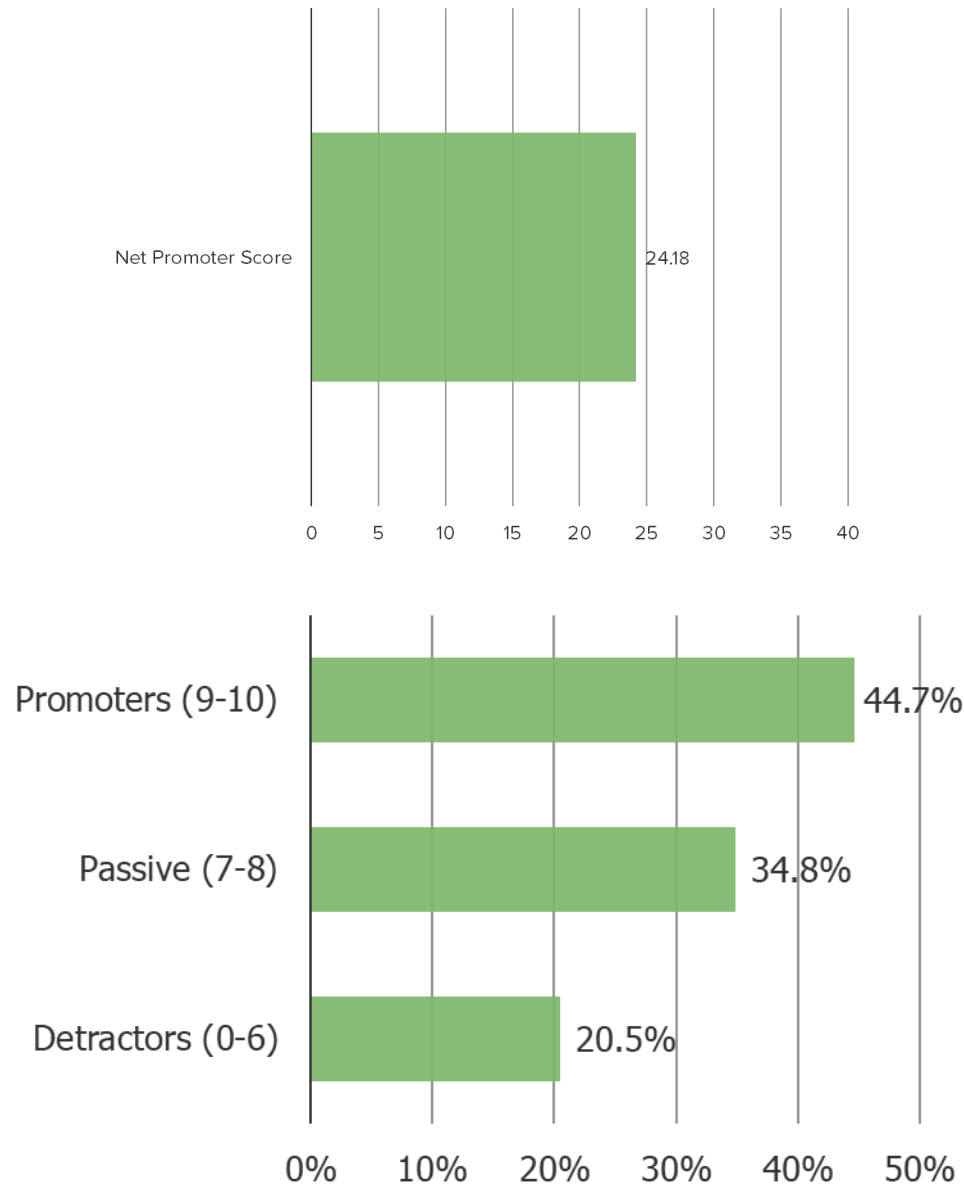
Posed to all respondents. (N=1404)

Filtering mothers who have children wearing diapers who said each of the following are either somewhat important or essential to them when choosing diaper and wipes brands.

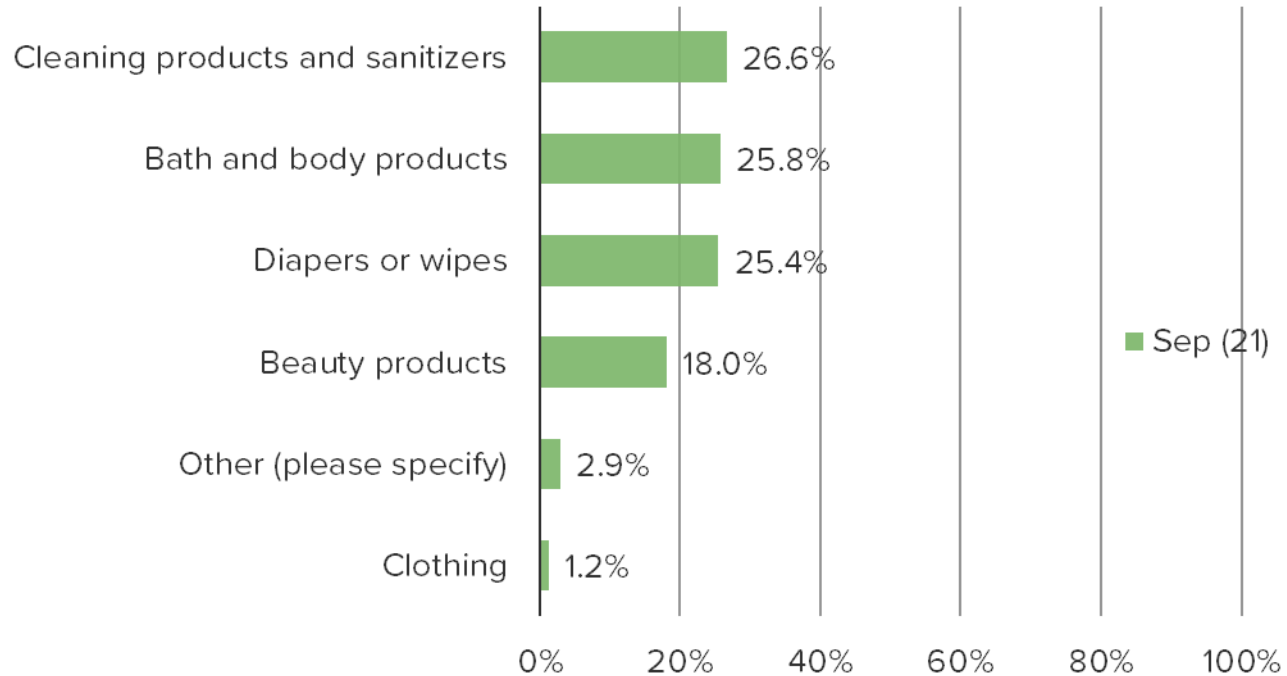|	Hypallergenic	Organic	Inexpensive	High Quality
None of the above	2.5%	1.0%	2.5%	3.1%
Honest Company	41.2%	48.0%	39.8%	41.1%
Aveeno	77.3%	76.5%	77.1%	77.5%
Burt's Bees	72.3%	74.5%	71.2%	70.5%
Pipette	15.1%	18.4%	14.4%	14.0%
Mustela	21.0%	23.5%	19.5%	18.6%
N =	119	98	118	129

How likely is it that you would recommend the Honest Company to a friend or colleague?

Posed to all respondents who have ever purchased products from the Honest Company. (N=244)
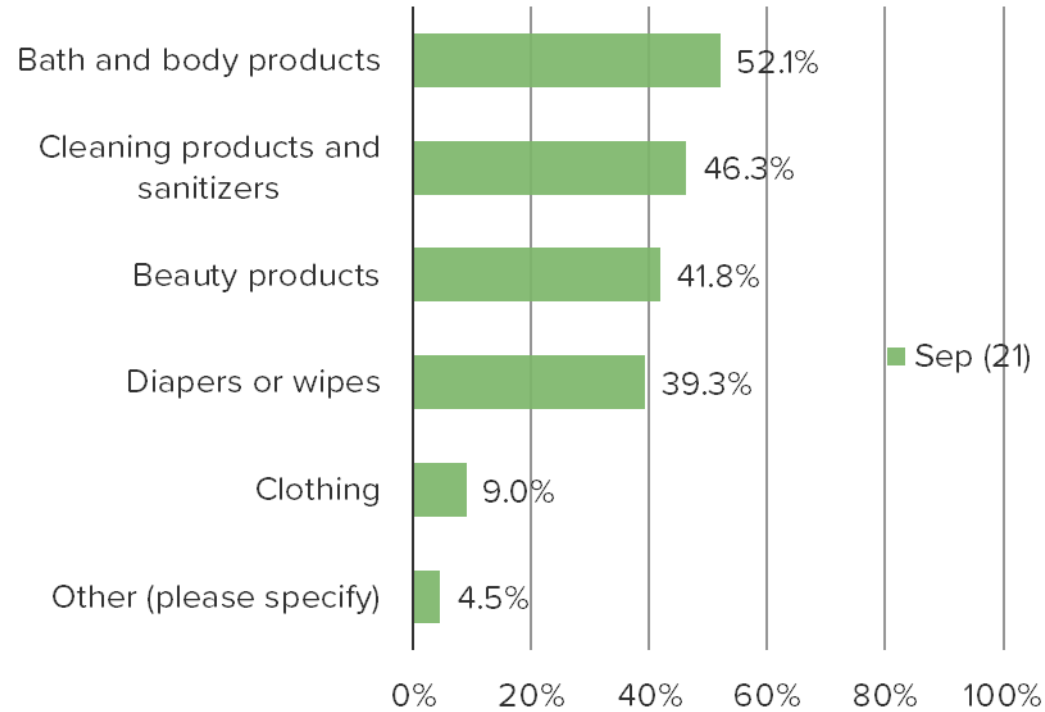
What was the first product category you purchased from the Honest Company?

Posed to all respondents who have ever purchased products from the Honest Company. (N=244)

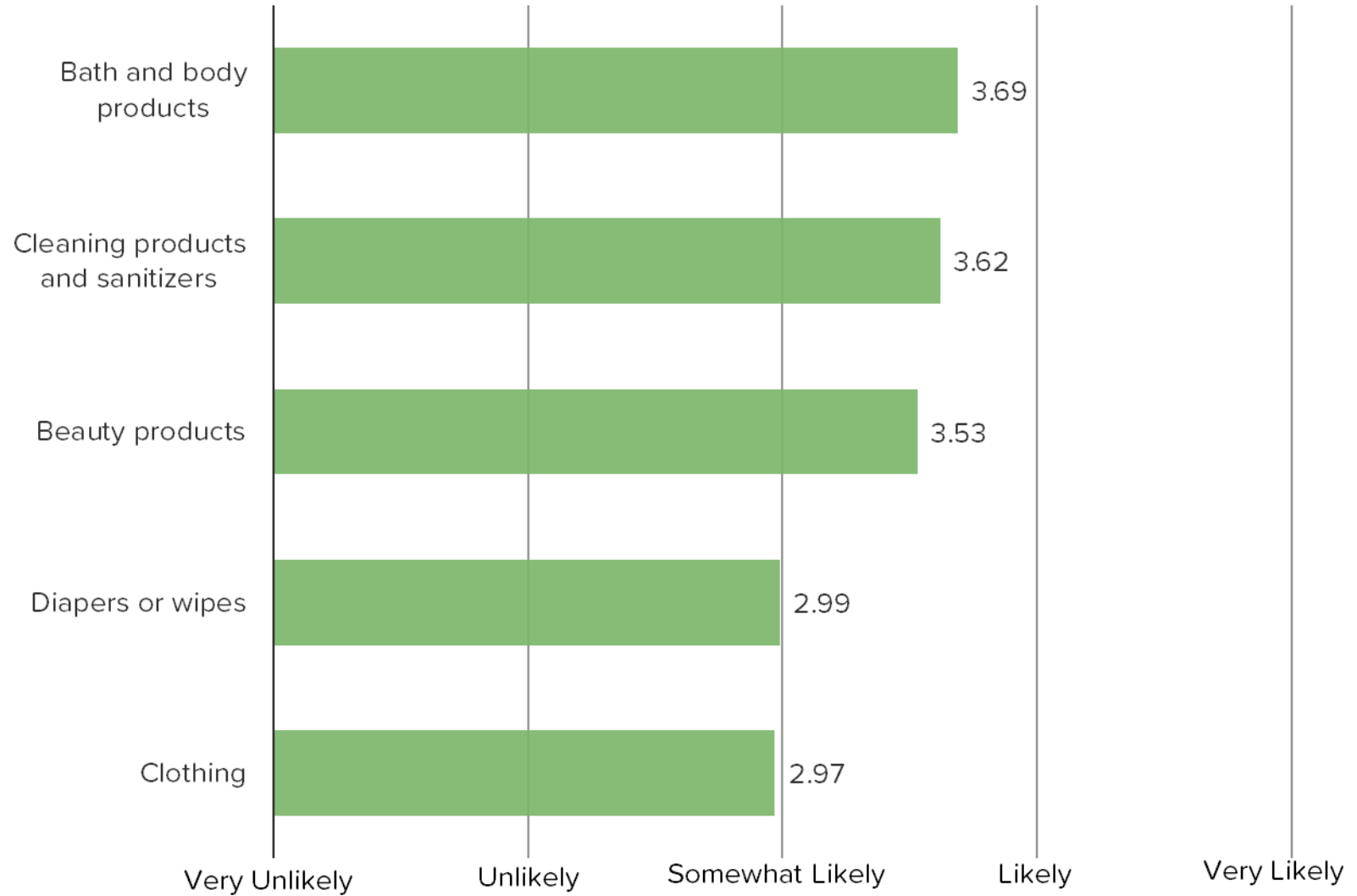| Category	Sep (21)
Cleaning products and sanitizers	26.6%
Bath and body products	25.8%
Diapers or wipes	25.4%
Beauty products	18.0%
Other (please specify)	2.9%
Clothing	1.2%

Please select all of the products that you have EVER purchased from the Honest Company.

Posed to all respondents who have ever purchased products from the Honest Company. (N=244)

Product	Sep (21)
Bath and body products	52.1%
Cleaning products and sanitizers	46.3%
Beauty products	41.8%
Diapers or wipes	39.3%
Clothing	9.0%
Other (please specify)	4.5%

How likely are you to buy the following from the Honest Company in the future?

Posed to all respondents who have purchased products from the Honest Company. (N=244)

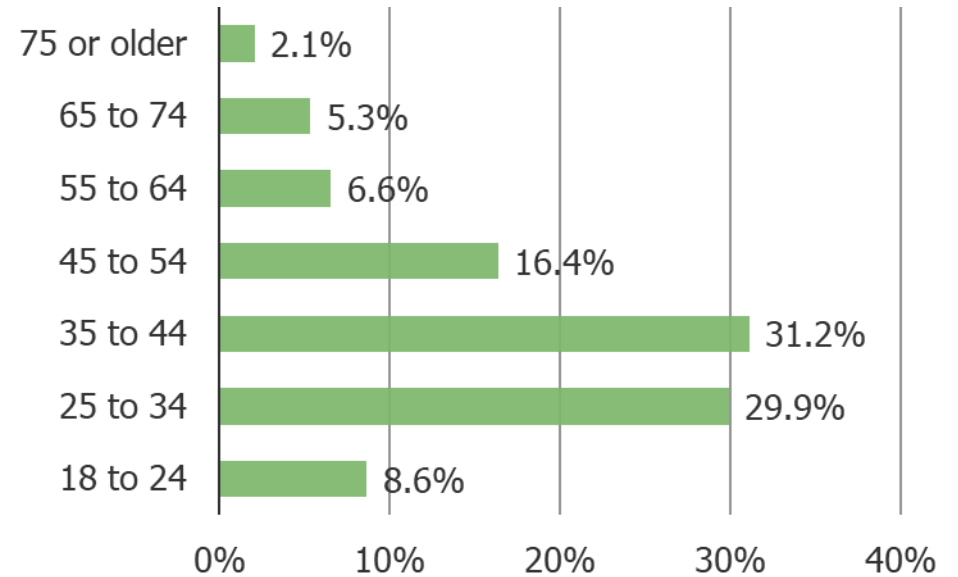| Category	Rating
Bath and body products	3.69
Cleaning products and sanitizers	3.62
Beauty products	3.53
Diapers or wipes	2.99
Clothing	2.97

Axis labels: Very Unlikely, Unlikely, Somewhat Likely, Likely, Very Likely

What is your age?
Posed to all respondents. (N=1404)

All Respondents (N = 1404)

Age	Percentage
75 or older	5.3%
65 to 74	11.3%
55 to 64	16.0%
45 to 54	18.1%
35 to 44	19.9%
25 to 34	19.4%
18 to 24	10.2%

Honest Purchasers (N = 244)

Age	Percentage
75 or older	2.1%
65 to 74	5.3%
55 to 64	6.6%
45 to 54	16.4%
35 to 44	31.2%
25 to 34	29.9%
18 to 24	8.6%

Source: Bespoke Market Intelligence Survey
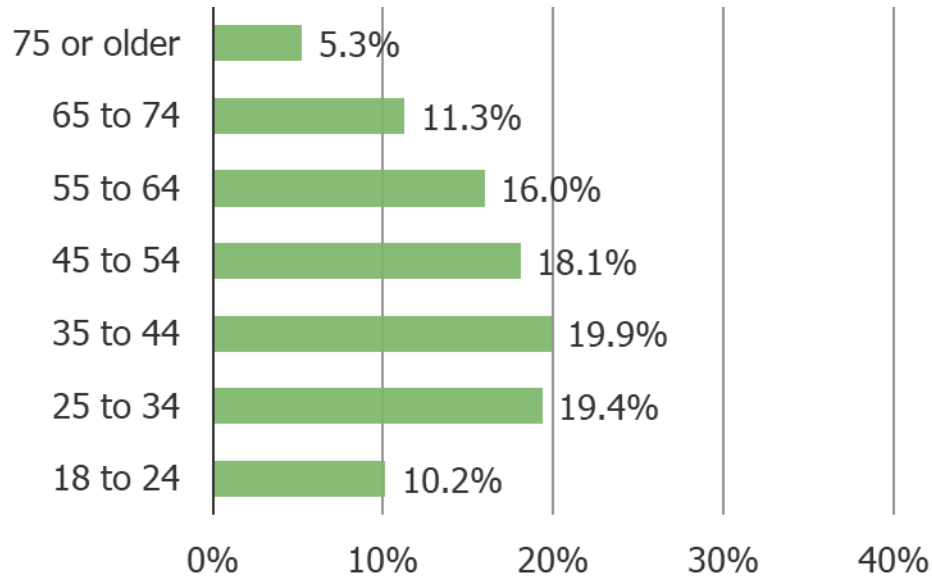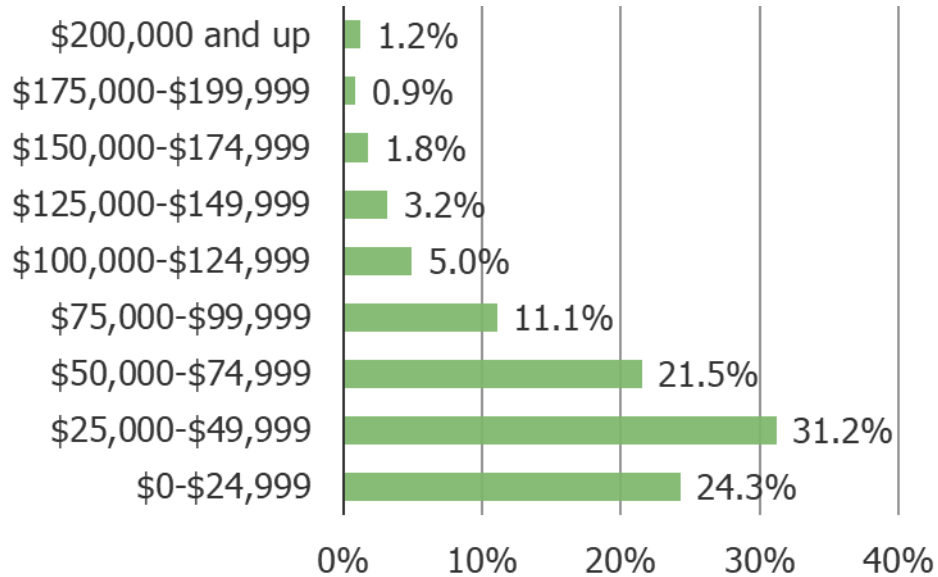
What is your approximate annual household income?

Posed to all respondents. (N=1404)

All Respondents (N = 1404)

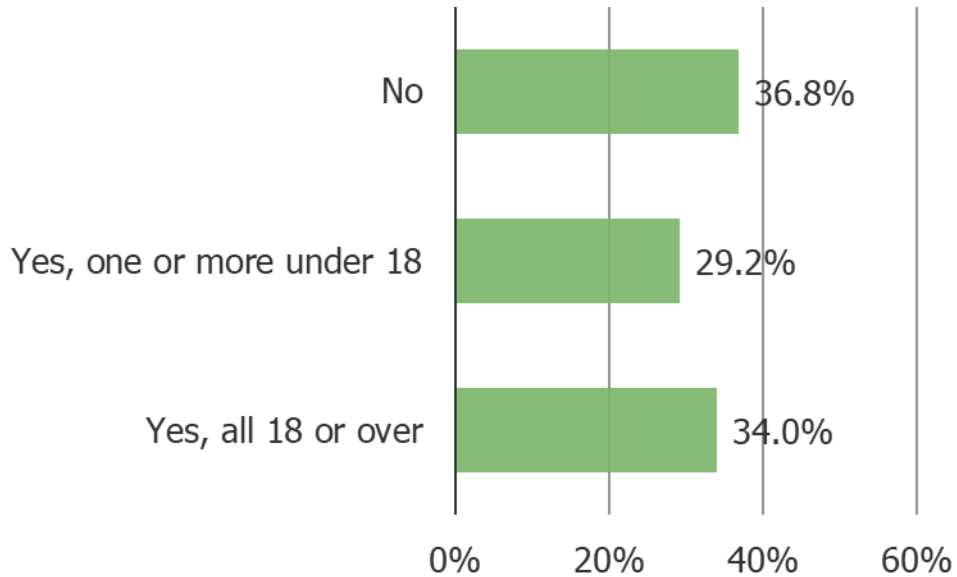| Income	Percent
$200,000 and up	1.2%
$175,000-$199,999	0.9%
$150,000-$174,999	1.8%
$125,000-$149,999	3.2%
$100,000-$124,999	5.0%
$75,000-$99,999	11.1%
$50,000-$74,999	21.5%
$25,000-$49,999	31.2%
$0-$24,999	24.3%

Honest Purchasers (N = 244)

Income	Percent
$200,000 and up	2.5%
$175,000-$199,999	0.8%
$150,000-$174,999	5.3%
$125,000-$149,999	6.2%
$100,000-$124,999	7.0%
$75,000-$99,999	15.2%
$50,000-$74,999	22.1%
$25,000-$49,999	25.4%
$0-$24,999	15.6%

Honest Co | Custom Survey
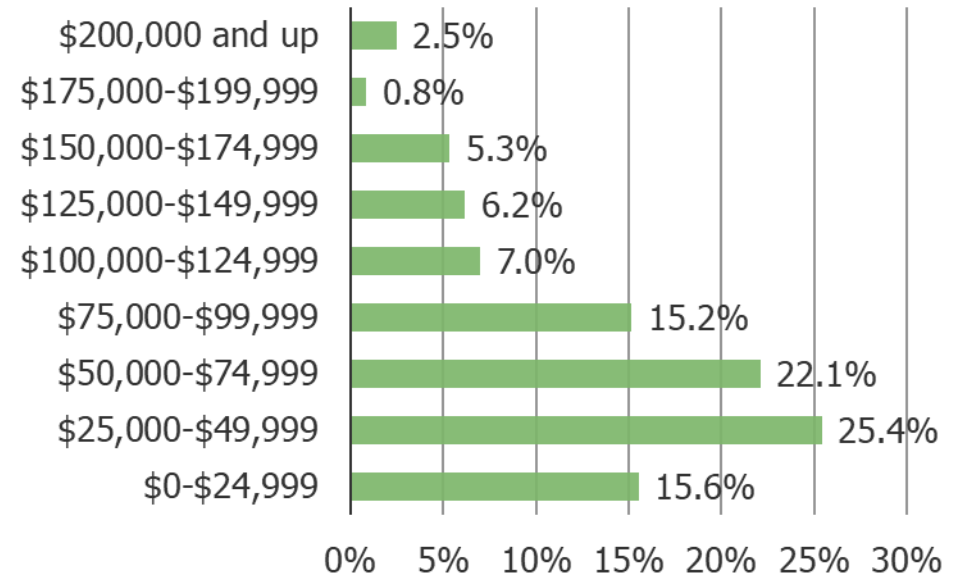
Do you have any children?
Posed to all respondents. (N=1404)

All Respondents (N = 1404)

Response	Percentage
No	36.8%
Yes, one or more under 18	29.2%
Yes, all 18 or over	34.0%

Honest Purchasers (N = 244)

Response	Percentage
No	29.5%
Yes, one or more under 18	48.8%
Yes, all 18 or over	21.7%
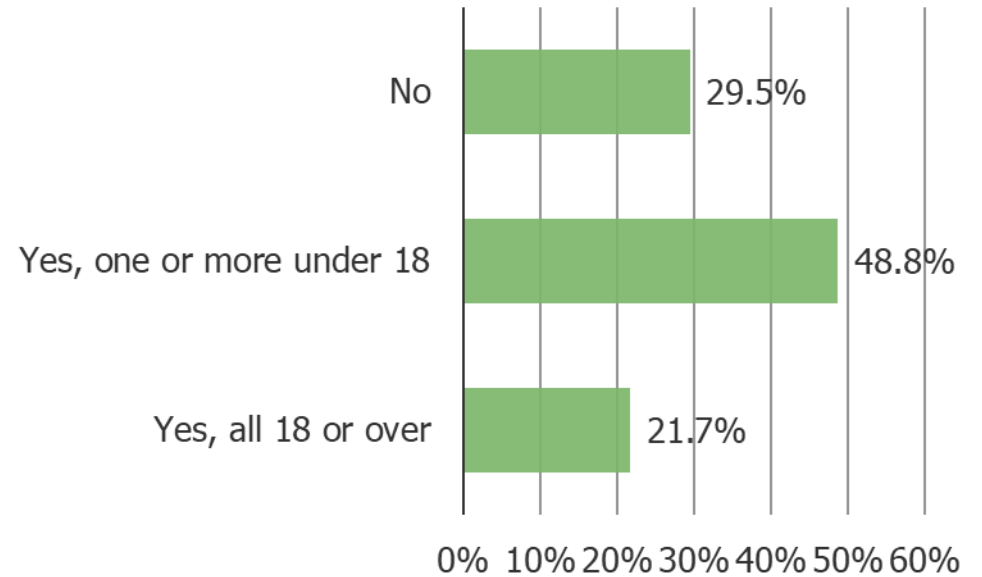
Do any of your children wear diapers?

All Respondents With Children Under 18 (N = 412)

No	66.8%
Yes	33.2%
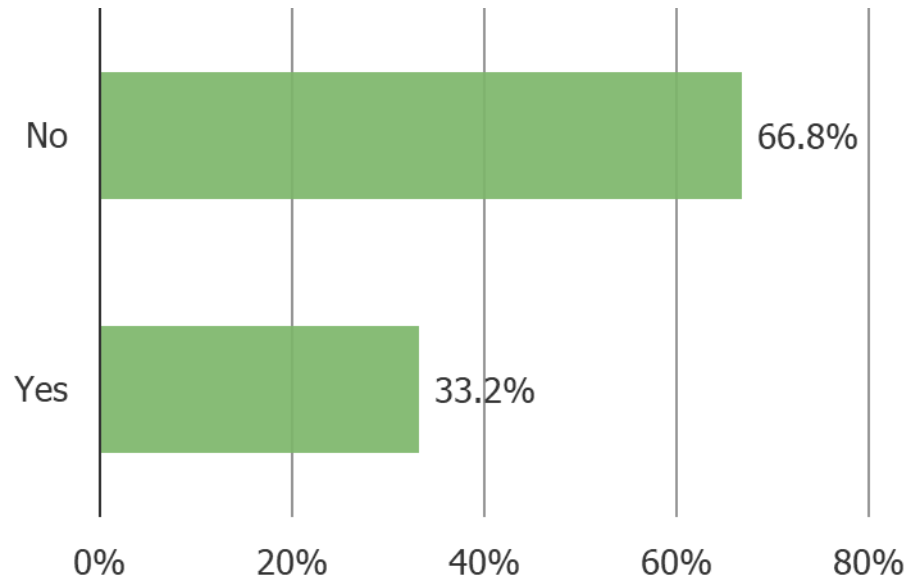
Honest Purchasers With Children Under 18 (N = 120)

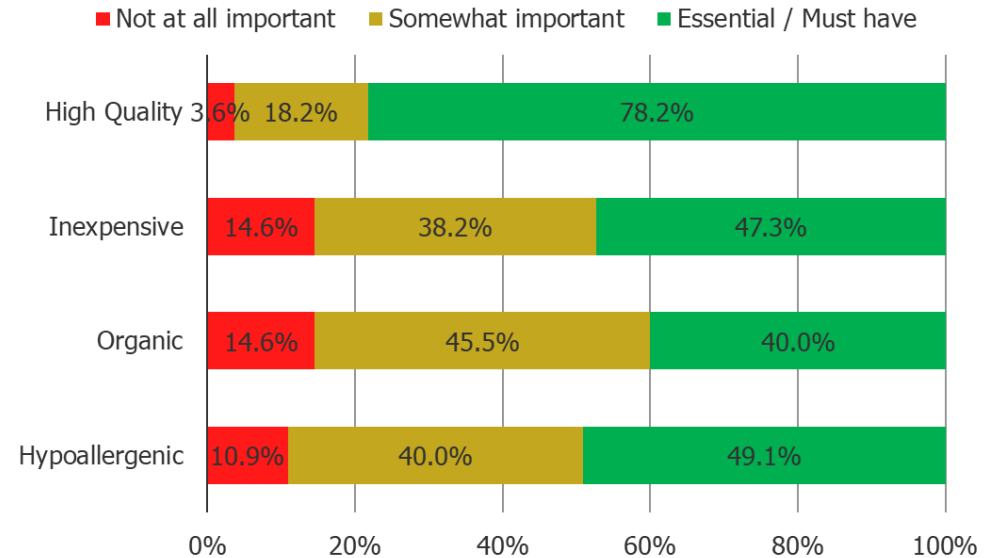|	
No	54.2%
Yes	45.8%
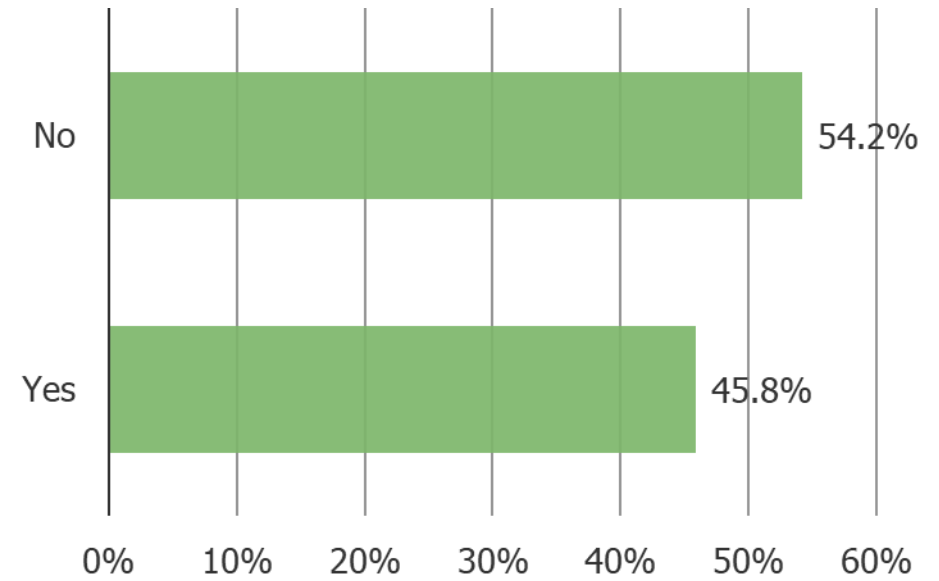
How important are the following to you when choosing diaper and wipes brands?

Posed to all respondents who have children and buy diapers. (N=137)

All Respondents With Children Under 18 Who Wear Diapers (N = 1404)
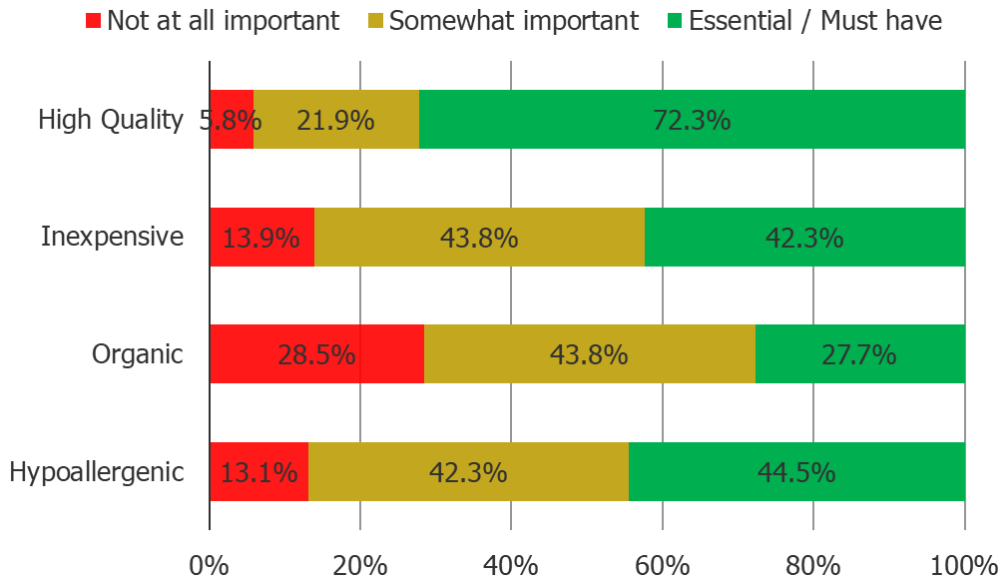
Legend: ■ Not at all important ■ Somewhat important ■ Essential / Must have

	Not at all important	Somewhat important	Essential / Must have
High Quality	5.8%	21.9%	72.3%
Inexpensive	13.9%	43.8%	42.3%
Organic	28.5%	43.8%	27.7%
Hypoallergenic	13.1%	42.3%	44.5%

Honest Purchasers With Children Under 18 Who Wear Diapers (N = 55)

Legend: ■ Not at all important ■ Somewhat important ■ Essential / Must have

	Not at all important	Somewhat important	Essential / Must have
High Quality	3.6%	18.2%	78.2%
Inexpensive	14.6%	38.2%	47.3%
Organic	14.6%	45.5%	40.0%
Hypoallergenic	10.9%	40.0%	49.1%

How confident do you currently feel to spend money on discretionary (ie, non-essential) items?

Posed to all respondents who have children and buy diapers. (N=137)

All Respondents (N = 1404)

Not at all confident	7.7%
Not so confident	19.7%
Somewhat confident	37.5%
Very confident	21.1%
Extremely confident	14.0%

Honest Purchasers (N = 244)

Not at all confident	2.9%
Not so confident	13.9%
Somewhat confident	33.2%
Very confident	25.8%
Extremely confident	24.2%