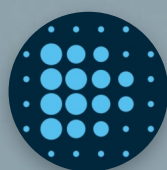


Black Friday Prices Tempt Health & Beauty Shoppers

18th Dec, 2020



BY DATAWEAVE

Black Friday looked downright sultry with desirable discounts on health and beauty products.

This year, health and beauty sales faced the threat of declining demand, as the pandemic keeps many consumers cooped up at home and in-store product testers no longer allowed. Yet consumers' enduring desire to look and feel their best means this category will remain resilient. (Plus, we want to look smokin' hot on Zoom.)

That's why we were curious to know how retail rivals, ranging from discounters to department stores, are battling it out to become bodacious beauty destinations to win the hearts, wallets and fake lashes of online shoppers.

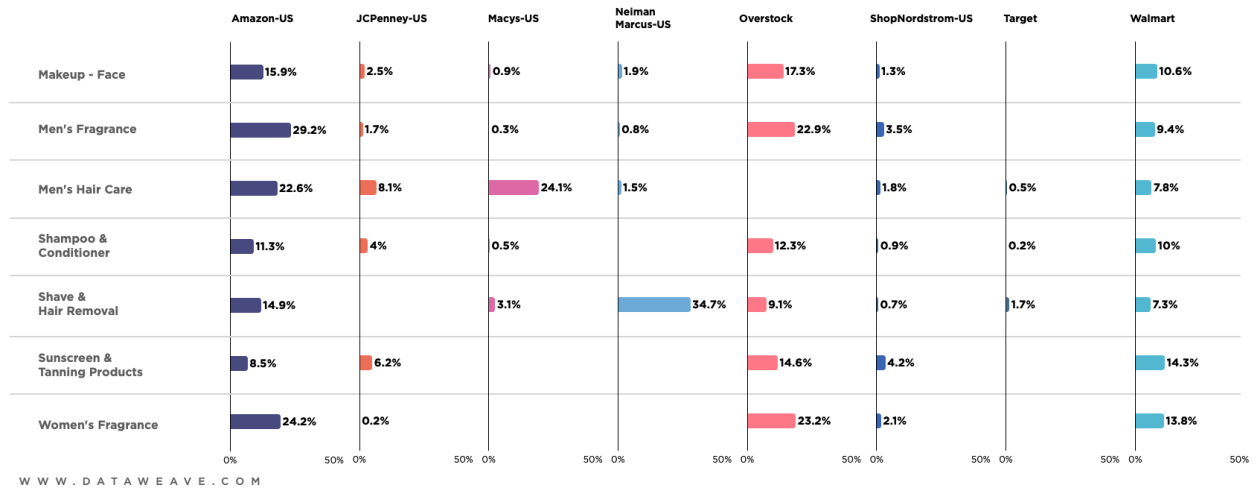
To calculate which retailers' prices offered the broadest and most generous discounts, we examined health and beauty products' pricing at Amazon, JC Penney, Macy's, Neiman Marcus, Overstock, Nordstrom, Target and Walmart. We compared the pre-sale period (November 24-26) to the holiday sales period (Black Friday on November 27 through Cyber Monday on November 30) for a glimpse of retailers' pricing strategies in this fiercely competitive category.



Black Friday



% OF PRODUCTS WITH ADDITIONAL DISCOUNTS



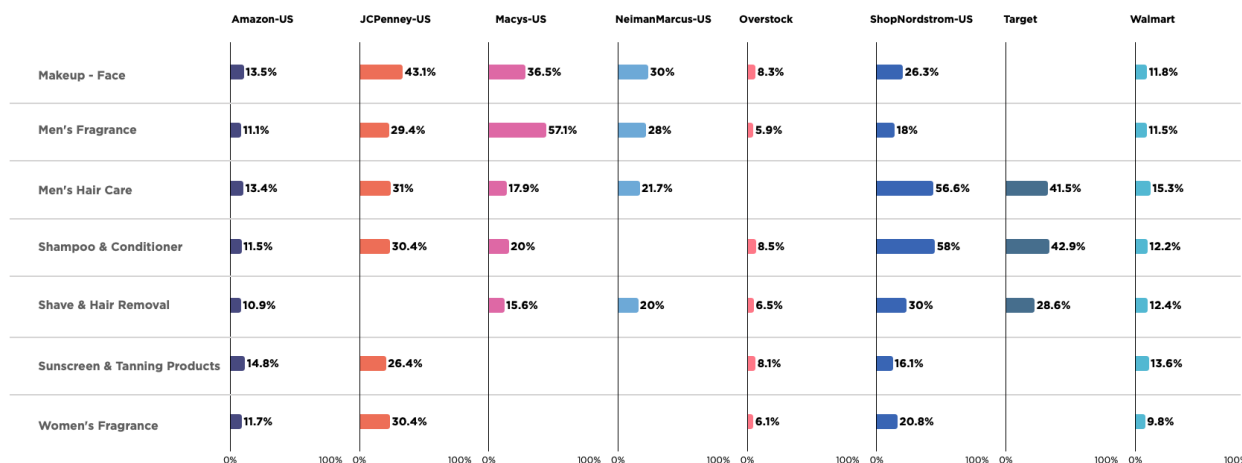
To gain insights into retailers' competitive pricing strategies, we tracked three scenarios: whether prices decreased, increased or remained the same during the last week of November 2020. The vast majority of health and beauty products (91.0%) maintained the same prices during the pre-sale and sales periods. An astounding 99.7% of Target's health and beauty prices stayed the same during the period.

Amazon had the highest proportion of health and beauty products that offered a price decrease (18.1%), particularly on men's fragrance, women's fragrance and men's hair care. Offering discounts on more items hints that Amazon wants to attract more health and beauty consumers, including men, by making more items affordable. Target offered the lowest proportion of health and beauty products with price decreases (0.8%).

Amazon also had the greatest proportion of health and beauty products with a price increase (7.0%) with 15.3% of men's fragrance earning a price hike.

Black Friday

AVERAGE ADDITIONAL DISCOUNT %



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On Black Friday, among health and beauty products with price decreases, Target gave the most generous average discount (37.6% vs. 7.2% for Overstock). However, Target's discounts applied to only 12 products compared to 798 for Overstock.

Common types of health and beauty products with the highest average discount on Black Friday have included face makeup, men's fragrance, men's hair care, and shampoo and conditioner.

Among health and beauty products with price increases on Black Friday, Nordstrom had the highest average price hike (43.8% on one women's fragrance) and Walmart offered the lowest (10.3% on 250 products).

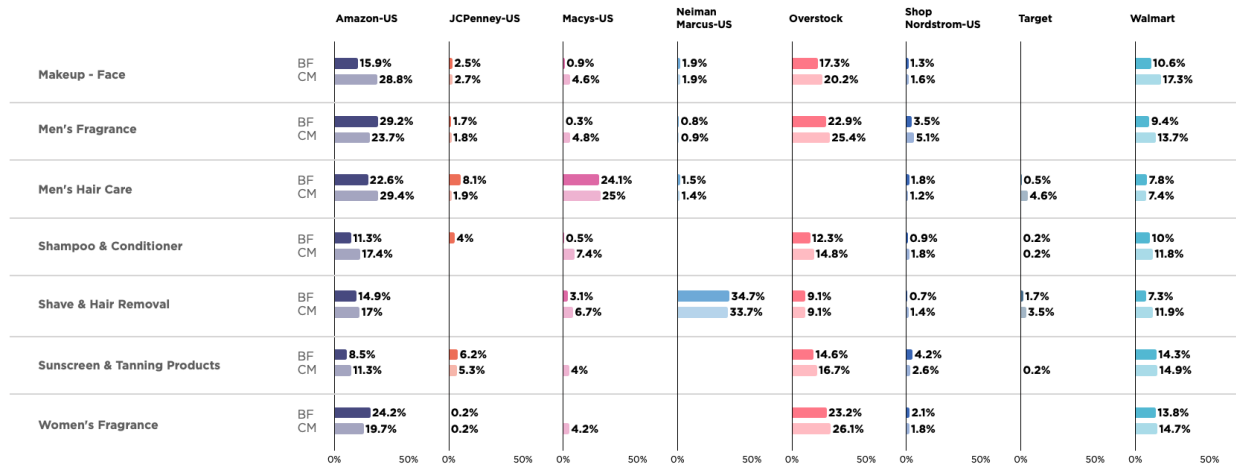
These findings suggest that Target was willing to create aggressive loss leaders in this category and Amazon wanted to boost health and beauty sales among male shoppers.

Black Friday vs. Cyber Monday

Black Friday vs Cyber Monday

% OF PRODUCTS WITH
ADDITIONAL DISCOUNTS

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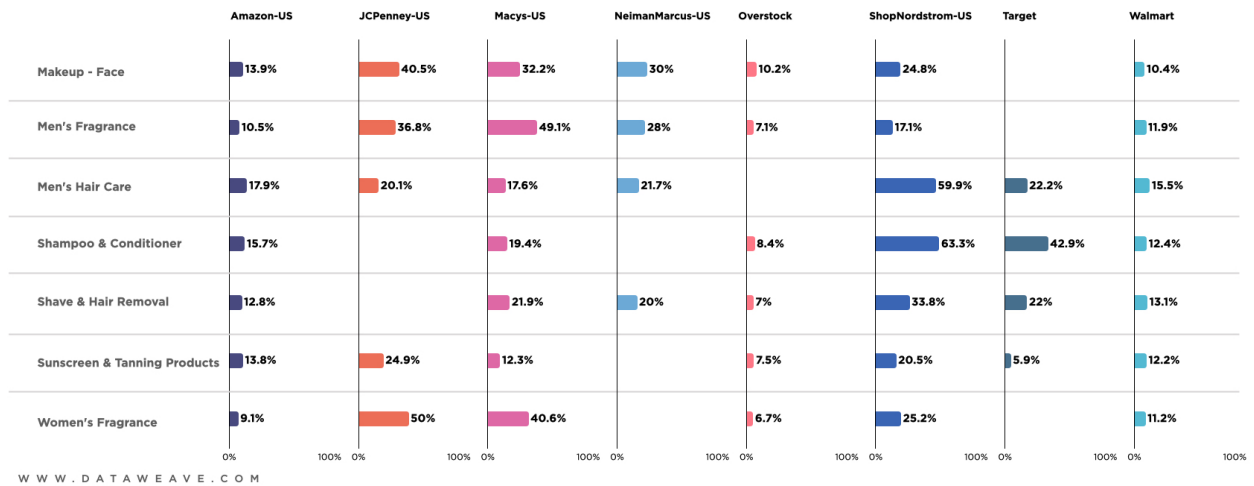
This year, most retailers offered more additional discounts on health and beauty products on Cyber Monday than on Black Friday, possibly to prioritize clearing out their inventory before year-end. JC Penney and Macy's were the exception. Overall, the top product types that received additional discounts included shave and hair removal, women's fragrance and face makeup.

On Cyber Monday, Amazon offered additional discounts on the greatest proportion of health and beauty products (21.1% vs. 2.1% for Target). Amazon focused on men's hair care, shampoo and conditioner and face makeup.

Cyber Monday

AVERAGE ADDITIONAL
DISCOUNT %

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Half the retailers (Amazon, JC Penney, Nordstrom and Overstock) offered deeper additional discounts on health & beauty on Cyber Monday than Black Friday, possibly to clear out their inventory before the end of the year. Cyber Monday discounts ranged from 35.0% for Nordstrom to 7.8% for Overstock.

Meanwhile, both Neiman Marcus and Walmart offered the same levels of discounts on both Black Friday and Cyber Monday.

Overall, the types of health and beauty products with the deepest discounts on both Black Friday and Cyber Monday were shampoo and conditioner, men's hair care and face makeup.

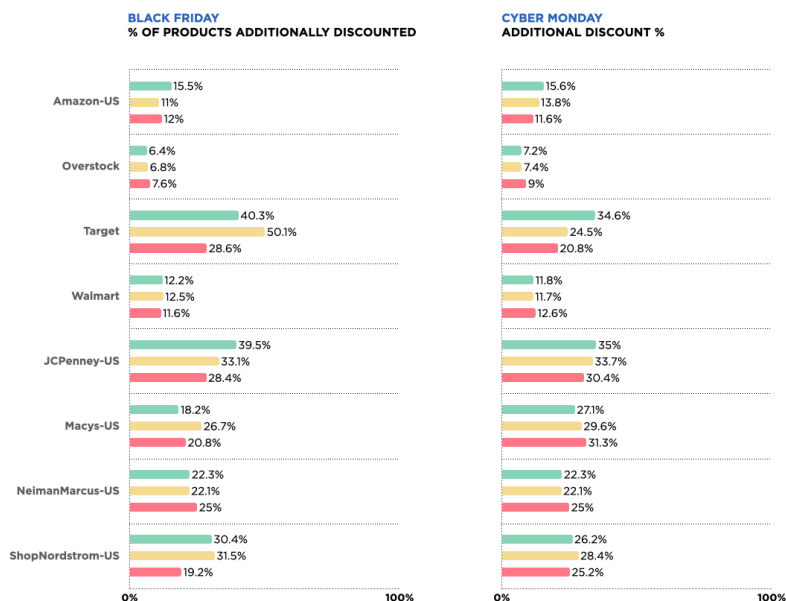
Additional discounts across products by "premiumness" level

Black Friday Vs. Cyber Monday

% OF PRODUCTS WITH ADDITIONAL DISCOUNTS BY PREMIUMNESS LEVEL

PREMIUMNESS LEVEL

■ HIGH ■ MEDIUM ■ LOW



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For almost all the retailers, the percentage of health and beauty products with additional discounts was higher on Cyber Monday than on Black Friday. Overstock had the highest proportion (20.2%), slightly more than Amazon (20.0%).

JC Penney had a higher percentage of products with additional discounts on Black Friday. Neiman Marcus had the same percentage of products on both sales days.

All the retailers except JC Penney and Neiman Marcus allocated the greatest percentage of their additional discounts to health and beauty products at the high level of premium. The retailers may have wanted to appeal to upscale shoppers and make high premium goods more accessible to a broader audience of consumers.

Half of the retailers (JC Penney, Nordstrom, Target and Walmart) offered deeper discounts on Black Friday than Cyber Monday.

Target offered the most generous discounts on Black Friday with an average additional discount of 39.7%, which ranged from 50.1% on moderately premium health and beauty products to 28.6% for products at a high premium level. Target appeared to make more beauty items, including high premium items, affordable to more consumers to stay competitive as a beauty destination.

Conversely, Amazon, Overstock and Macy's were more generous with

additional discounts on Cyber Monday. Among the high premium level of health and beauty products on Cyber Monday, Macy's offered the deepest discounts (31.3%), edging out department store rival JC Penney (30.4%) in competing for upscale shoppers.

Health & Beauty's Ravishing Holiday Prices

This year's Black Friday and Cyber Monday pricing strategies showed retailers' attempts to stand out, expand their market reach to stay competitive. Appealing to a broader audience included spanning upscale and value tiers, and wooing more male online shoppers to grow their top line and boost loyalty in an intense category amid a pandemic.

Stay tuned for more Black Friday and Cyber Monday 2020 analysis to discover how retailers strategically price their products to win in leading e-commerce categories.

- **DataWeave Marketing**

18th Dec, 2020

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