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# *The* GEN X GOLDMINE

Smaller in numbers, but greater in its purchasing power, this overlooked generation offers a great opportunity for beauty retailers.

by **Elyse Glickman**

**T**here are obvious markets for the different beauty products and brands you have carefully curated for your business. However, you may be missing out on one of the most lucrative markets: Generation X (a.k.a. Gen X), born roughly between 1965 and 1985. Cast in the shadow of the baby boomers, and before the tech-savvy millennials, Gen Xers are akin to the middle child—often overlooked.

According to Nate Masterson, chief marketing officer and certified health expert for hair and bodycare line Maple Holistics, it is not surprising that Gen X customers have fallen under the radar as they make up only 25 percent of the population. (To be specific, Pew Research Center reports that millennials are now the biggest living generation in the U.S. at 75.4 million strong, compared to 74.9 million for boomers and 66 million for Gen Xers.) However, the spending and investing power of Gen X totals more than 30 percent in the U.S. alone—and that will continue to grow in the next decade. The rub is that some manufacturers and retailers have not yet figured out how to see Gen X as a separate entity from the boomers or millennials...or for some, even see them at all.



“As older Gen Xers are now between 40 to 50 years old, there’s something to be said for a market geared towards ‘light’ antiaging,” explains Masterson. “They may not consider themselves in the ‘antiaging range’ just yet, but their skin would thank them for it, and they have the spending power to splurge on it. One mistake I see in marketing to Gen X is the constant referral to the idea of being ‘ageless,’ as it lumps them in with the baby boomers. Not only is this insulting for some, but it’s also inaccurate for their skin’s needs.”

U.S. Census Bureau data, cited by Lan Vu, founder and CEO of international beauty news and information source Beautystreams (beautystreams.com), underscores why Gen X as a target market deserves a second or third look.

“They are an underserved yet highly influential generation,” assesses Vu. “They are the key household decision-makers compared to other generations. In the workplace, Xers are managers and entrepreneurs. Their income is typically cited as higher than the national average. It is predicted that Gen Xers will double their share of national wealth by 2030, further reinforcing their position as a desirable consumer group. In contrast to fickle millennials, Gen Xers are also loyal consumers: Once they find a brand that they like, they will stick with it.”

Although some Gen Xers are set in their ways with brands and routines, trends expert Daniel Levine, director of Avant-Guide Institute and publisher of WikiTrend.org, says Gen X individuals in general are open to new ideas and products that will allow them to look and feel their best if a retailer makes those options available.

“These days, people are more active than ever—all the way to very old age—and retailers are increasingly recognizing this,” says Levine. “This is why we are seeing a blurring between generations in the way people look, act and want to be seen. Therefore, nobody likes to be talked to like an old person, especially in the beauty category where youthfulness is prized.”

At the other end of the spectrum, Masterson observes that beauty brands and retailers often make the mistake of treating Gen X consumers like they’re younger than they really are, with over-the-top, “cool” Instagram campaigns. “It becomes a fine line between too young and too old, and that’s essentially the biggest difficulty with marketing to the ‘middle child’ demographic...it often just falls between the cracks,” he says.

## Computing the Differences

There are a few differences of opinion in gauging how receptive Gen X shoppers are to the



convergence of technology and marketing. Levine observes Gen Xers, when trying out new products, are as likely to find point-of-purchase tools such as augmented reality try-on mirrors as cool as younger people do. Vu, meanwhile, points out that Gen X straddles the analog and digital worlds. Although members of this generation created the technology begetting the internet and social media, and most feel at ease with it, they fondly remember growing up in a computer-free world and are nostalgic for a simpler time where attaining information was done face to face rather than through a Google search.

“Xers grew up as latchkey kids, impacted by family instability and were left to their own devices after school,” details Vu. “Yet, they entered the workforce during a period of economic stability. As a result, they tend to be skeptical by nature, realists and suspicious of marketing hype. They actively do their homework by seeking out specific information to do comparison shopping. They seek a human voice and personal touches, even on digital platforms. They gravitate towards brands with a social conscience. Gen Xers are also pragmatic: They care about loyalty programs because they are not brand-hoppers by nature, unlike their younger counterparts.”

Kate Muhl, vice president analyst for Gartner’s Marketing, learned from the Gen Xers she spoke with that today’s technology-fueled, “kaleidoscopic world of beauty” is a very different world to come of age in than the one they experienced. They grew up visiting a pharmacy

or department store, speaking with a live salesperson, and choosing from a finite number of brands and products.

As a Gen Xer who has spent 15 years helping marketers reach Gen X consumers, Muhl understands why some beauty brands are more drawn to millennials or boomers and, as an afterthought, are fine with catching whatever Gen X customer they can. “Marketers have been able to connect with millennials through powerful tools like social media platforms that they can leverage to understand their targets and stay relevant,” she says. “Those tools were not in place for Gen X. When this is combined with the fact that Gen Xers are fewer in numbers, some marketers come to the conclusion of, ‘Why bother [with Gen X]’ when there is a greater or more immediate benefit in reaching out to millennials or boomers?”

Gen Xers, meanwhile, are concerned about being perceived as, “trying to chase the trends of the younger generations.” And herein lies an opportunity because currently, in beauty retail settings, few things are targeted to the needs of their age group.

## How to Define the Gen X Consumer

Echoing some of Muhl’s observations, Levine says that Gen Xers are steadfastly loyal. “When it comes to cosmetics, Gen Xers are more brand-loyal than they are with many other products,” he says. “The choices they made when they were younger often stay with them for life, and



it can be very difficult to get them to change their routines. For these reasons, the smart money in beauty marketing has leaned towards 'hooking' younger people."

Unfortunately, marketing approaches can be very all or nothing, which also results in overlooking Gen X customers, according to Masterson. Retailers, and by association, brands, are either trying to beautify the young or be a fountain of youth for boomers.

The struggle for beauty retailers to effectively communicate with this generation is further broken down in the June 2019 "Under the Skin of U.S. Beauty U.S. Skincare Study," conducted by international marketing consultancy OC & C Strategy Consultants. It found Gen X customers were less likely to seek advice as part of their research journey, both in-store and from dermatologists or other experts in the retail environment. This leads to a question about whether Gen X customers were engaging in-store, and whether they have as much time to engage given their midlife responsibilities.

of new and varied products. The Gen X taste in packaging and merchandising veers toward simple aesthetics with a, "discrete, luxurious feel... that simplifies their everyday [routine]" and products that acknowledge their lifestyle and deliver attainable benefits, while millennials prefer "bright and shiny products in varying hues of millennial pink." Noting "aging" perspectives, Ziv adds, "Theirs is a more realistic approach to aging, and Xers do not want to be sold anti-wrinkle creams by 20-year-old models or A-list actresses with access to top Beverly Hills dermatologists. ...Gen X has a pragmatic, problem-solving approach when selecting beauty products. As they lack the luxury of time, they are prepared to pay a premium for products that reflect their goal of aging gracefully and produce good results. As eco-aware citizens with a sense of guardianship towards planet Earth, provenance of ingredients is also important to them."

Because of the lack of marketing to this demographic, making an effort to reach

in-store or online, and this is key when it comes to making Xers feel understood and catered to.

"Their core demographic is squarely aimed at Gen X who may feel underserved in more trend-driven beauty retail environments," she says. "Both Space NK and Cos Bar offer personalized service combined with a high-touch experience, including digital platforms. In place of celebrity endorsement, product information at these retailers is explained in an authentic and direct manner that doesn't talk down to their customers, enabling them to make straightforward and informed choices."

Deanna Utroske, editor of *Cosmetics Design*, a website that covers cosmetics formulations and packaging in North America, argues that the problem does not stem entirely from retailers deliberately overlooking Gen X. Like Muhl, Utroske notes that Gen X consumers are at a point in their lives when they are earning well, and retailers need to take a fresh look at this evolving market segment.

"As older Gen Xers are edging into the largest, wealthiest consumer group, their spending power has the potential to attract the attention of more beauty retailers and brands," says Utroske. "While it is a mistake to assume that you know what Gen X consumers want, or worse, tell them what they want, these are easy mistakes to correct now that social listening and in-store data collection tools are more common and more robust than ever."

Utroske recommends retailers look to best-in-category indie brands led by Gen X beauty entrepreneurs and explore how they engage with Gen X consumers. This provides a good starting point for retailers to build a strategy to align their mission with the needs and expectations of Gen X consumers. When researching women-led brands, pay attention to how they market to women, how they talk to each other, and to the benefits and results they actually want. On the same score, look to men's grooming brands led by Gen X men if that's your target market.

"Be open to guidance from your Gen X staff and colleagues," she continues. "Gen X beauty consumers also shop more from a place of respect than curiosity. And like most people in the U.S. today, they trust 'someone like me' more than any sort of institutionalized authority such as a large corporation. When it comes to packaging materials and design, luxury wellness is a good category to learn from when trying to reach Gen X beauty consumers. The packaging is about eco-friendly materials, stylish practical design and products that feel personal."

Some brands, on the other hand, have made the mistake of changing their marketing approach to capture millennials, abandoning their original loyal Gen X customers, according to Madeleine Berenyi, project manager at Envirosell, a behavioral research and consulting firm serving brands and retailers. In addition to using influencers and young models in marketing campaigns, new and extreme presentation can also be off-putting. However, this too is a way of thinking that can be remedied.

"Youthful and fun for Gen X is not the same as youthful and fun for millennials," reminds Berenyi. "Lurid packaging and signage appealing to some millennials can be unappealing to many Gen Xers. Brands should keep packaging and visual merchandising sophisticated and functional. Glossier, for example, is touted as a millennial brand, but it features women from different age groups and ethnicities in its marketing. The packaging is Scandinavian-style sleek, easy-to-use and high quality, appealing to multiple generations in one store."

Berenyi also reiterates the importance of Gen Xers recognizing themselves when shopping,

which features models—famous or otherwise—in their 40s and 50s. She points to Jennifer Aniston for Aveeno and Ellen Pompeo for Philosophy.

"Both women are aspirational, and firmly Gen X. Aniston's Aveeno ads are confident and uncomplicated," she says. "Pompeo's campaign for Philosophy pokes fun at traditional sentiments around women's aging, showing her working out, dressing up and being a boss, all while a 1950s-style voice-over tells the audience what they 'should' do as they get older. Showing these actual Gen Xers and these sentiments go a long way to helping Gen X customers feel understood and seen."

Andrea Lisbona, founder and CEO of Touchland, stands as a successful example of someone who grew her brand's demand for a product beyond its original audience.

"There's a lot of money to be made with millennials," Lisbona admits. "Given they are in their late 20s and early 30s, they're focused on launching their careers, establishing their independence and looking toward the future. This becomes the cross section of their interest in a skincare and antiaging regimen, hence

why the beauty industry is keen on getting their attention. However, there's solid data around Gen X purchasing larger quantities of skincare products, hence making them a valuable customer segment."

Lisbona's decision to have Touchland featured in a full-page spread of July's 2019 *Real Simple* magazine, which targets Gen Xers, resulted in it finding a new audience that was "converting extremely high" because Gen X consumers found different uses for the product. Some were not only buying for themselves, but also for their teens and grandchildren. However, most new customers she encountered were using her products at work, from nurses looking to alleviate their cracked skin after using harsh gel sanitizers to avid business travelers who liked the products' moisturizing and sanitizing features. From her perspective, Gen X customers had a pain point and engaged after learning about her products in traditional media.

All of this underscores a clear take-home message for beauty retailers: Untapped Gen X beauty consumers are your next big opportunity. ■

Elyse Glickman is a writer based in Los Angeles, CA.

## "While antiaging has long been an aspired goal for the boomers, Xers embrace the concept of 'well aging,' or 'aging gracefully.'"

—Laura Ziv, Executive Editor, *Beautystreams*

The OC & C study also showed Gen X behavior to be similar to baby boomers in how they learn about products and trends. Although Gen X women buy roughly 40 percent of their beauty products online—almost the same as their millennial counterparts—they remain more engaged in traditional media and less in social media than their younger counterparts. It also may explain why some brands, even if they manufacture products for all age groups, focus more on younger customers through interactive, in-store concepts and youth-centric events like BeautyCon.

### How to Mark the Spot for Gen X

Laura Ziv, executive editor for *Beautystreams*, points out that while antiaging has long been an aspired goal for the boomers, Xers embrace the concept of "well aging," or "aging gracefully." This stands in contrast to millennials, who are focused on experimenting with a larger variety

of Gen Xers could make a difference to your bottom line. "It's a mistake to ignore the Gen X demographic for several reasons, and savvy brands and retailers will be able to hit a sweet spot if they make the effort to connect with Gen X consumers in a meaningful way," Muhl concurs. "As niche sub-brands are proliferating in the beauty space, and micro-targeting marketing approaches are becoming more commonplace, not every brand needs to market at the mass level. This is probably not what a retailer might want to hear, but success with Gen Xers is about having the right mix of products in one place. A retail store will also have an advantage if it is staffed with highly informed salespeople who understand Gen X customers' motivations and help them navigate the products through that lens."

Prime examples of premium beauty retailers with the right approach include Space NK and Cos Bar, according to Ziv. Their business models are steeped in nurturing customer relationships,

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