



COVID-19

## COVID-19 Is Putting Stress On The Global Beauty Supply Chain



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As COVID-19 stretches around the world, global links in the beauty industry's supply chain are coming apart.

The first frays in the chain were centered in China, where the outbreak in January and February inhibited supplies, particularly packaging, from traveling to beauty brands elsewhere, leading to stock outages and delayed launches. Now, with the virus being battled in Europe, United States and India, a new set of issues has arisen impacting raw materials for beauty merchandise and the logistics infrastructure.

On top of raw materials being difficult to obtain from Europe, transportation from the continent to the U.S. is slow, and fees for it are skyrocketing. Gay Timmons, founder of sustainable and organic ingredient distributor [Oh, Oh Organic](#), estimates the price for airfreight has doubled, and air transport will take two weeks rather than a couple of days. She says essential oils, crucial building blocks of natural beauty products, are caught up in the supply chain problems.



With India under lockdown, New Delhi-based skincare brand Essential Body isn't taking orders.

Victoria Fantauzzi, CEO and co-founder of [La Bella Figura](#), anticipates numerous long-standing supplier relationships will be severed indefinitely. She points out one of the luxury clean skincare brand's Italian suppliers liquidated its stock in the belief it couldn't withstand the economic fallout from the pandemic. "It's very devastating. You develop these relationships over years, and they're precious relationships," says Fantauzzi. "To know we might not ever get that same quality again, and we're going to have to get back out there to find substitutes is very devastating."

Fantauzzi decided to temporarily shut down [La Bella Figura](#)'s operations on March 14. She alerted the brand's retail partners such as [Aurum Rose Beauty](#), [Goop](#), [Follain](#) and [Integrity Botanicals](#) about her decision. Consumers can still purchase existing products on the brand's website, but it isn't shipping additional products until last April at the earliest. She estimates that 85% of [La Bella Figura](#)'s business is direct-to-consumer through the brand's website. "We don't have creditors. We don't have investors. We don't have loans. We never have. We've always run this business in a very unique way," says Fantauzzi. "So, we're OK for a while, and we can pay our team, pay our bills, but we don't know how long that could last."

Fantauzzi reports that, like many brands across the beauty spectrum, planned product launches have been indefinitely delayed. She says, "We were preparing to do a photo shoot because we had some new products that we're launching in April, which we're going to have to postpone. The hard part is thinking, are we even gonna launch these new products that we've been planning for, that we've bought raw material for? We've got packaging for, we've been talking about. Does it make sense?"

Similarly, [Ctzn Cosmetics](#), a DTC color cosmetics company that had plans to enter retailers right before Coronavirus hit, has hit pause at the r and d step of its launch process. "There's a whole bunch of products that are in r and d right now that have not gone into production," reports marketing manager Raman Sekhon. "We are also fully stopped at the moment in our inventory. So, we've not had to replenish our inventory yet in a dire situation. We've also not gone into any manufacturing as of yet because we're still in r and d with a few products." Though those launches were not planned to happen until the end of the year, [Ctzn](#) is focused on executing a 60-day plan to see itself through the coronavirus. Sekhon muses, "We've had to strip down our entire marketing plan and adjust for what's happening right now, and design an entire plan from scratch. How do we still talk about promotions while still being very sensitive to the current times?"

India's massive population of 1.3 billion people has been on lockdown since last week, tripping up brands that use ingredients from the nation and sell to its citizens. The only businesses operational in India are essential food and medical enterprises. New Delhi-based [Essential Body Couture Skincare](#) founder Paayal Mahajan says it's impossible to proceed normally under the constraints. She's not fulfilling orders for her direct-to-consumer brand until the lockdown lifts. "I don't feel right taking people's money right now in advance," says Mahajan. "I am quite literally telling customers to hold on to their money, that I'm not going anywhere and neither is my product and, that once my operations resume, I will notify them and start taking orders."