

THE NEVER-ENDING SALE CYCLE: HOW BEAUTY BRANDS TRAINED CONSUMERS TO NOT PAY FULL PRICE

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While it's probably impossible for anyone younger than Gen Z to fathom, there was a time when beauty—particularly the pricey stuff, which was preciously displayed behind glass in ancient dwellings called department stores—literally never went on sale. It simply wasn't done.

Just ask industry veteran Karen Young, who logged decades at old-school biggies Estée Lauder and Lancôme. “In my long life in luxury / prestige beauty, ‘sales’ weren't part of the drill,” Young recalls. “We all felt it brought down the brand image. Yes, we did GWP's, PWP's, and holiday sets, but those seemed in keeping with the brand.”

Pop over to the Estée Lauder website today and it's abundantly clear that any reluctance to openly discount is a quaint relic of the past.

Alongside multiple extremely robust versions of the gift-with-purchase offerings Young mentioned—one promo alone featured nine full-size products plus two travel minis with any \$90 spend—elsewhere there were straightforward markdowns. One such sale: Revitalizing Supreme+ Bright Moisturizer Power Soft Crème reduced from the regular price of \$120 to \$72.

And while the other mega-brand Young toiled for back in the day—Lancôme—isn't quite as blatant about markdowns, they're happening on the French beauty giant's website as well. Absolue The Serum + Refill Duo, for example, which regularly goes for \$510, was recently marked down to \$459.

All of which begs the question: from the brand's standpoint, is shaving off \$40 or \$50 here and there really worth it?

Young certainly doesn't think so. "How can the full retail price ever be justified if consumers know products will at some point be marked down?" she posits. "It's a bad model that's doomed to failure, and it's doing nothing to build and maintain brand equity."

Ryan Babenzien, CEO of \$45 million luxury filtering [showerhead brand Jolie](#), is likewise anti-sale. "We've just simply never gone on sale," he says of the three-year-old product range, which is largely marketed via DTC but also has a retail presence at Nordstrom, Ulta, Erewhon, and some 1,000+ hair salons across the US. "We've never offered a discount, even for email signup."

As the founder of the sneaker brand Greats, which he sold to Steve Madden in 2019, Babenzien says he's learned his lesson about now-standard email signup discounts.

"Somewhere along the way the e-commerce industry kind of decided that a good thing—a best practice, if you will—was to discount to get your email address," Babenzien notes. "I did that at Greats and it never really made sense. You're giving up a large percentage of your margin for a customer that likely would have converted anyway. And it's a bad way to train a customer, because now they're looking for sales all the time."

Although she's very judicious with sales for her three-year-old House of Grō skincare brand, founder Irina Gottesman says she fully understands

why her peers may opt to go that route.

“There are many reasons for discounting,” says Gottesman. “Some ingredients are perishable and some manufacturing partners have high minimums leading to excess inventory costs that need to be recouped. I wouldn’t go as far as to say other brands are ‘too salesy’ without knowing why they made that move.”

Speaking for her own brand, Gottesman says House of Grō has endured both a packaging update and formulation change that necessitated a push on sell-through. “We navigated this carefully,” she notes, “to ensure nothing we did compromised our quality and luxury positioning.”

But apart from Black Friday, which has grown to epic proportions across every conceivable product category, Gottesman says House of Grō typically offers some type of deal just one additional time annually, typically in the spring or summer.

“We offer Black Friday specials every year because this is a period of high volume and a fun cultural event in which we enjoy partaking,” says Gottesman. “Further, it offers considerable PR opportunities that increase our visibility among those unfamiliar with House of Grō.”

Babenzien doesn’t quite share that sentiment.

“Black Friday is no longer a day, it’s like a season,” he says. “And people start doing these sales three weeks out. I’m pretty vocal about sharing that people should stop doing it.”

While some of the bigger beauty brands might be able to weather financial storms without having to resort to sales—Chanel springs to mind—it’s a fact of start-up life that cash-flow situations frequently arise that need to be dealt with quickly. And that’s where the temptation to hop on the “sale-a-thon” hamster wheel crops up.

As an advisor to several small indie brands, Aggie Burnett has seen this happen repeatedly. “It quickly becomes a cycle and a spiral toward cash-flow issues,” she says. “My rule of thumb is no more than four discount-related promotions a year, typically one per quarter. If a brand exceeds this, we work to reset expectations and retrain their audience to shop year-round.”

While many industry pundits blame the meteoric rise of DTC brands for the never-ending sales cycle, Burnett isn’t fully on board with that notion.

“Department stores and big-box retailers like Macy’s and Kohl’s had already normalized frequent sales long before the DTC era,” Burnett notes. “Think of Black Friday, seasonal discounts, annual activations, and clearance events—they trained customers to look for deals long before DTC brands came along.”

Still, the sheer volume of DTC brands cropping up in the last half-decade or so has created immense competition, which in turn has led to...a constant barrage of sales.

And now that it’s become standard operating procedure, Burnett doesn’t envision a day when the beauty sector weans itself off the constant-sale mentality.

“It would require a huge shift in consumer expectations,” says Burnett. “However, some brands hold out, and that is certainly a choice and strategy that’s available.”

Make that a choice and strategy that more brands should seriously consider embracing.

“You don’t have to discount, even if other brands do,” says Burnett. “In fact, if you’re prestige or luxury, it’s better not to.”