



Case Study

How leading beauty retailer LovelySkin used PayPal to smooth ecommerce wrinkles during the pandemic

LovelySkin is a premier dermatologist-owned-and-operated provider of beauty and skincare products, serving millions of customers around the world¹.

Under the direction of award-winning, board-certified dermatologist and cosmetic surgeon, Dr. Joel Schlessinger, LovelySkin offers professional-grade skincare formulas as well as spa-quality and salon-quality products.

Since launching its first product in 1999, the site now boasts millions of dollars in online sales volume², and Dr. Schlessinger also runs a full-service dermatology practice.

The pandemic posed many new challenges to retailers in the beauty and skincare sector – especially in how they support their customers and grow. As people were transitioned to home offices and mask-wearing became the norm, there was a major shift in focus from makeup to skincare and haircare, as well as online shopping and digital wallets.

PayPal had a chance to speak with Dr. Joel Schlessinger MD, FAAD, the founder and president of LovelySkin, to discuss the brand's success with PayPal's Pay Later solution during the uncertainty posed by the pandemic.

A partnership built to pivot

With the onset of the pandemic, LovelySkin – like many other businesses – had to pivot to better serve customers who couldn't leave their homes. While consumers shifted from purchasing makeup to hair care products, LovelySkin also shifted to offer buy now, pay later solutions, including PayPal Pay in 4, which ultimately helped provide flexibility and more financing options.

"[Consumers] want ease, and they want safety. That's where PayPal fits in with them...that they are going to guarantee their safety," said Dr. Schlessinger. "They want that assurance that their order is being fulfilled with very little risk...I think that is why they enjoy this service."

Offering PayPal's Pay Later solution made sense, as many people transitioned to LovelySkin due to salon and brick-and-mortar store closures.



Seamless payments lead to innovation

The pandemic altered the way many businesses, including LovelySkin, operate. With many employees working from home and Dr. Schlessinger shifting to telemedicine in his medical practice, there was a need to adapt. As the pandemic began to have economic implications, there was also a strong need for flexible payments that made it possible for customers to continue purchasing the products they love.

Dr. Schlessinger and his team began seriously considering buy now, pay later options to help new and long-time customers alike find manageable ways to pay for products they wanted and needed.

"It was at the beginning of the pandemic that we started to talk seriously about a pay later option. We already have a devoted following of PayPal users, and it made sense to use PayPal's buy now, pay later solution over the other options."

LovelySkin went live with Pay in 4 in October 2020, seeing strong adoption with its customer base. Since the beginning of 2021, LovelySkin has seen an average 167% growth year-over-year for Pay Later sales and those sales make up about 13% of all PayPal sales volume at LovelySkin — up from about 8% prior to offering Pay in 4. The average order value for Pay in 4 purchases is 33% higher than standard PayPal purchases.³

"When customers can pay over time, they're enabled to spend more on the beauty and skincare products they need," said Dr. Schlessinger.



"I think that Pay in 4 resonated with many of our customers because it is a simple process to pay in 4 installments, and I think that was something that felt comfortable to many of them."

Dr. Joel Schlessinger MD, FAAD
Founder and President, LovelySkin



Measuring the impact

167%

*YoY growth for pay later sales.**

13%

*of LovelySkin's PayPal volume is pay later.**

Average order value for Pay in 4 purchases

33%

*higher than standard PayPal purchases.**

Responsible skincare, responsible spending

While the pandemic may have accelerated a dramatic shift in trends, preferences, and behaviors, some of these changes are here to stay. Dr. Schlessinger notes that telemedicine is one of those trends.

As many offices extend remote working opportunities, "work from home" will impact the use of makeup. On the other hand, as the masks start to come off, many people are concerned about people seeing their faces for the first time in a long while. This concern has led to an increased awareness of and desire for high-end skincare products.

Another trend is increased consumer caution around expenditures, another use case where PayPal's Pay in 4 applies. 53% of young consumers trust PayPal to keep their financial information secure, compared to an average of 3.7% among the top six competing buy now, pay later providers.⁴

The use of BNPL grew during the pandemic, especially among younger consumers. Both Millennials and Gen Z increased their use of this installment payment option between March and September of last year to the tune of 27.1% and 6.6% respectively, according to recent research from PYMNTS.com commissioned by PayPal.⁵

It is clear to LovelySkin that offering flexible payment options for their consumers is essential in this new "normal." And, PayPal's Pay in 4 is just what the doctor ordered.





***“We found with PayPal, there was
a level of familiarity and comfort
with the Pay in 4 product.
People felt more comfortable
with PayPal vs. other solutions.”***

Dr. Joel Schlessinger MD, FAAD
Founder and President, LovelySkin



*Note: Results are based on internal PayPal data from 2021. Results may not be typical and may vary substantially by business.

- 1. Based on LovelySkin website analytics as of June 2021;
- 2. Based on LovelySkin website analytics as of June 2021;
- 3. Based on PayPal internal analytics from Nov 2020-March 2021;
- 4. An online study commissioned by PayPal and conducted by Netfluential in November 2020, involving 1,000 US online shoppers ages 18-39.
- 5. Buy Now Pay Later: Millennials and the Shifting Dynamics of Online Credit, an online study commissioned by PayPal and conducted by PYMNTS.com, based on two surveys with nearly 15,000 U.S. consumers, December 2020.

