

Beauty Retailing - China - March 2015

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“The China beauty retailing market is evolving fast with both supply and demand side driven by the online-to-offline movement. From the supply side, it is the technology giants’ dive into the retailing market, the large beauty chain stores expand into lower tier cities.”
– Wenwen Chen, Research Analyst

This report looks at the following areas:

- Bricks-and-mortar stores have more advantages in cross-selling than online retailers
- Leveraging social shopping behaviour
- Multiple characteristics of beauty shoppers
- The era of mobile shopping

The beauty retailing market continued its strong growth in 2014. Technological advancements such as mobile shopping, mobile applications, tablet computers and increased internet penetration have boosted the popularity of online beauty retailing while the expansion of giant stores such as Watsons and Sephora into lower tier cities has contributed to make the market grow steadily.

Meanwhile, the market is becoming increasingly competitive. Traditional bricks-and-mortar stores are facing severe challenges as more and more consumers are moving online. To counter that, many bricks-and-mortar stores have opened their online websites. In addition, they are using the online-to-offline model and attracting users online and directing them to offline physical stores.

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