

Beauty Retailing - UK - January 2017

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“The beauty retail market is experiencing slowing growth as consumers are spending less, notably on basic products within the personal care segment. Stores remain vital to the beauty purchase process; and by investing in new services and technology, retailers are able to add value to their offering that cannot be replicated by the perceived cheaper alternatives online.”

– Alice Goody, Retail Analyst

This report looks at the following areas:

- **Prestige beauty an opportunity to boost value growth**
- **The evolving beauty retail environment**
- **Earning loyalty among beauty shoppers**

Growth in the beauty retail market has slowed in 2016, as savvy shopping habits and promotional activity mean consumers are spending less, notably on basic products within the personal care segment.

The beauty segment has fared better, and is set to strengthen further in 2017. Colour cosmetics will continue to be the strongest performing category, as the popularity of beauty blogs/vlogs ensures young women remain engaged in the market, encouraged to try out new looks and techniques.

The food discounters continue to grow at pace and, as a result, the specialists are struggling to regain lost share. The prospects are better for niche and premium players which offer a point of differentiation, as well as the department stores which are investing heavily in their beauty offering.

High levels of replacement purchasing in the beauty sector means retailers will be wise to invest in retaining customer loyalty. With low prices alone no longer enough to drive customer satisfaction, retailers can consider offering more personal or experience-led loyalty rewards, while positioning their stores as a place for discovery and experimentation.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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The evolving beauty retail environment

The facts

The implications

Earning loyalty among beauty shoppers

The facts

The implications

The Market – What You Need to Know

BPC market grows 0.4% in 2016

Personal care segment in decline, slowing growth for beauty sales

Specialists perform in line with the market

Opportunity for mature shoppers to be better represented

Brexit could lead to a return to the 'lipstick index'

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