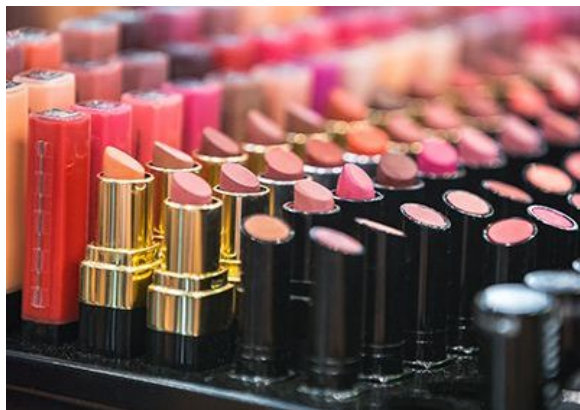


Beauty Retailing: Incl Impact of COVID-19 - US - October 2020

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“Beauty retail sales were well positioned for growth before COVID-19. However, the pandemic caused immediate disruption to the beauty retail landscape as well as consumers’ lives and consequently, their beauty routines.”

– Alexis DeSalva, Senior Analyst, Retail and eCommerce

This report looks at the following areas:

- The impact of COVID-19 on consumer behavior and beauty retailing
- The recession’s impact on consumer spending and the beauty landscape
- The shift in consumers’ beauty routines and priorities
- How retailers are shifting the shopping experience from in-store to online

The beauty retail industry faces particular challenges stemming from the COVID-19 pandemic. As in-store capabilities remain limited and consumers’ lifestyles have shifted, the industry is expected to drop more than 7% in sales for 2020. Beauty brands and retailers will continue to look for ways to engage shoppers and allow them to browse and discover products digitally, in lieu of in person. Certain segments will thrive, such as skincare as consumers consider it an essential part of wellness routines; others, like color cosmetics and fragrances, face declines with consumers having fewer needs for these items due to changes in lifestyles and more time at home. As declines are expected to continue through 2021, affordability will continue to be a driving factor moving forward. For retailers, this signals potential threats to prestige brands in favor of the numerous affordable mainstream and DTC brands available.

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