

Beauty Retailing - China - February 2020

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



"Bricks-and-mortar stores are no longer just a place to sell products, they are also a destination to create experiences for consumers. The focus should not only be selling products at a competitive price with online channels, but also to shift to designing an atmosphere for shoppers to approach new products in a comfortable product trial environment."

– Amy Jin, Research Analyst

This report looks at the following areas:

- Not all opportunities are found online
- Live streaming is a mirage with more loyalty to discounts
- Evolving bricks-and-mortar stores to stay in the game

This year, China's beauty retail market has performed a satisfactory growth rate that brings more possibility to the market. Local domestic cosmetic store brands such as Gialen and T3C continue to expand, especially in lower tier cities, whereas Sephora remains the top retailer in tier one cities. The retail model of syncing online and offline activities is no longer new but a common practice in the market. Although online shopping continues to flourish, many brands have shifted their focus back to the bricks-and-mortar stores to attract consumers offline.

**BUY THIS
REPORT NOW**

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

China
+86 (21) 6032 7300

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

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

Beauty Retailing - China - February 2020

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

What you need to know
 Covered in this Report
 Channels covered in this Report:
 Subgroup definitions (by monthly household income)
 Subgroup definitions (by residents segment)

Executive Summary

The market
 Figure 1: Best- and worst-case forecast of total value sales of beauty retailing, China, 2014-24

Companies and Brands
 Figure 2: Sales value, store number and sales per store of the top five beauty retailers, China, 2018-19

The Consumer
 Browse and shop at one stop
 Figure 3: Beauty and personal care shopping methods in the last six months, December 2019

Chain retailers continue to occupy the offline market
 Figure 4: Most often visited bricks-and-mortar stores in the last six months, December 2019

Domestic shopping website is the top place to buy online
 Figure 5: Most often visited online stores in the last six months, December 2019

Consumers are buying what they need from live streaming sites
 Figure 6: Purchase behaviours in live streaming/short video platform in the last six months, December 2019

Brands' official sites have more credibility
 Figure 7: Features associated with two online channels in the last six months, December 2019

Free samples and trails are the key to attract consumers
 Figure 8: Services preferred at the store, December 2019

What we think

Issues and Insights

Not all opportunities are found online
 The facts
 The implications
 Live streaming is a mirage with more loyalty to discounts
 The facts
 The implications
 Evolving bricks-and-mortar stores to stay in the game
 The facts
 The implications

The Market – What You Need to Know

BUY THIS
REPORT NOW

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
 APAC +61 (0) 2 8284 8100 |
EMAIL: reports@mintel.com

Beauty Retailing - China - February 2020

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Promising growth maintained
More innovations in retail format

Market Size and Forecast

Steady growth is expected to continue
Figure 9: Best- and worst-case forecast of market value beauty retailing, China, 2014-24

Various channels continue to growth
Figure 10: Store number of beauty retailer outlets, by segment, 2017-19

Market Factors

More possibilities in store
Figure 11: Xiangyihui in Shanghai

Pursuit of 'beauty' and greater desire for segmentation
KOL and idol effects

Key Player – What You Need to Know

Domestic cosmetic stores are opening up more stores
Online made brands to go offline with more possibilities
Collaborating between different brands

Market Share

Overview of top five beauty retailers
Figure 12: Sales value, store number and sales per store of the top five beauty retailers, China, 2018-19

Watsons
Sephora
Figure 13: Sephora's frozen party game

Mannings
Gialen
T3C
Who debuted the China market?
Figure 14: Aritaum's WeChat app and offline store

Who left the competition?

Competitive Strategies

More online brands go offline
Figure 15: Perfect Diary opening offline stores, China, 2019

AR technology for make up buyers
Figure 16: AR for Armani, China, 2019

More service stores to elevate brands' professionalism
Figure 17: Fillmed by Filorga, China, 2019

Tutorial services for booking
Figure 18: M.A.C make up services, China, 2019

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
APAC +61 (0) 2 8284 8100 |
EMAIL: reports@mintel.com

Beauty Retailing - China - February 2020

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Who's Innovating?

Retail format

Figure 19: New retail formats, China, 2018 and 2019

Crossover collaborations with different brands

Figure 20: Examples of crossover collaborations, China, 2019

The Consumer – What You Need to Know

The utilisation of offline shopping methods is on par with online shopping

Health and beauty chain retailer challenge the leader in the offline market

15% have bought BPC products on live streaming/short video platforms

Consumers say they are buying what they need from live streaming sites

Live streaming shows more edge on price and detailed product introduction

Free samples and trails are the key to attract consumers to offline stores

Shopping Methods

The shopping patterns of online and offline loyalty buyers are similar

Figure 21: Beauty and personal care shopping methods in the last six months, December 2019

eCommerce matters more to China's consumers than US shoppers

Figure 22: Beauty and personal care shopping methods in the last six months, China 2019 vs US 2018

Younger generation aged 18-24 tends to buy online as their top choice whereas older generation prefer to buy in-store

Figure 23: Beauty and personal care shopping methods in the last six months - first choice, by age, December 2019

Buyers from tier two cities use both ways to shop

Figure 24: Beauty and personal care shopping methods in the last six months - first choice, by city tier, December 2019

Rural to urban migrants are the top online users

Figure 25: Beauty and personal care shopping methods in the last six months - first choice, by resident type, December 2019

Most Visited Bricks-and-Mortar Stores

Health and beauty chain retailers challenge the position of regular supermarkets/hypermarkets...

Figure 26: Most often visited bricks-and-mortar stores in the last six months, December 2019

...mainly driven by 30s

Figure 27: Most often visited bricks-and-mortar stores in the last six months - first choice, by age, December 2019

Rural-to-urban migrants purchased more in supermarkets

Figure 28: Most often visited bricks-and-mortar stores in the last six months - first choice, by resident type, December 2019

Most Visited Online Stores

Domestic shopping websites ranked as top online purchasing channel left other platforms far behind

Figure 29: Most often visited online stores in the last six months, December 2019

High earners are more likely to purchase from brands' official websites and less often to visit domestic shopping websites

Figure 30: Most often visited online stores in the last six months - first choice, by monthly personal income, December 2019

Consumers from lower tier cities purchase more from social ecommerce platforms

Figure 31: Most often visited online stores in the last six months - first choice, by city tier, December 2019

Middle aged consumers prefer to buy from domestic shopping websites

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Beauty Retailing - China - February 2020

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 32: Most often visited online stores in the last six months - first choice, by age, December 2019

Purchase Behaviours in Live Streaming/Short Video Platforms

Consumers think they are rationale shoppers

Figure 33: Purchase behaviours in live streaming/short video platform in the last six months, December 2019

Females are more focused on needs whereas males buy what they don't have

Figure 34: Purchase behaviours in live streaming/short video platform in the last six months, by gender, December 2019

80s are more interested in participation whereas 70s are more reasonable towards making purchase

Figure 35: Purchase behaviours in live streaming/short video platform in the last six months, by generation, December 2019

Lower tier cities enjoys promotion whereas higher tier cities are more interactive towards live streaming

Figure 36: Purchase behaviours in live streaming/short video platform in the last six months, by city tier, December 2019

Features Associated with Two Online Channels

Brands' official flagship stores have more advantages than live streaming platforms

Figure 37: Features associated with two online channels, December 2019

Authenticity is the main concern for those who do not use live streaming platform to buy

Figure 38: Features associated with two online channels, live streaming/short video platforms user, December 2019

Figure 39: Features associated with two online channels, live streaming/short video platforms non-user, December 2019

Services Preferred in Bricks-and-Mortar Stores

Free samples are the most preferred service in store

Figure 40: Services preferred in store, December 2019

Price promotion and leisure experience are triggers that attract online buyers to visit offline stores

Figure 41: Services preferred in store, by shopping method, December 2019

Professional in-store beauty advisor in lower tier cities is more important to attract consumers

Figure 42: Services preferred in store, by city tier, December 2019

Professional BA appeal to consumers with broadened horizon

Figure 43: Services preferred in store - 'professional in-store beauty advisor', by resident type, December 2019

Meet the Mintropolitans

Mintropolitans use similar shopping methods as non-Mintropolitans

Figure 44: Beauty and personal care shopping methods in the last six months - first choice, by consumer classification, December 2019

Mintropolitans have a wider offline purchase channel

Figure 45: Most often visited bricks-and-mortar stores in the last six months - first choice, by consumer classification, December 2019

Brands' official website/apps are preferred by Mintropolitans

Figure 46: Most often visited online stores in the last six months - first choice, by consumer classification, December 2019

Mintropolitans appreciate professional services provided by in-store beauty advisors and free skin test

Figure 47: Services preferred in store, by consumer classification, December 2019

Appendix – Market Size and Forecast

Figure 48: Total value sales of beauty retailing, China, 2014-24

Appendix – Methodology and Abbreviations

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Beauty Retailing - China - February 2020

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Methodology

Fan chart forecast

Abbreviations

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com