COVID-19 and BPC: A Year On - UK - May 2021

Report Price: £2195 | $2995 | €2600

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This report looks at the following areas:

- **The impact of COVID-19 on the UK BPC market size and forecast.**
- **How the pandemic and economic disruption has shaped consumer behaviour.**
- **The long-term implications of beauty and grooming routine changes.**
- **The outlook for BPC retailing, including online and offline opportunities.**
- **Post-pandemic priorities when buying beauty and grooming products.**

Whilst COVID-19 has created significant challenges for BPC, the lipstick effect continues to drive demand as 51% of BPC consumers have bought beauty/ grooming products since the start of the pandemic to treat themselves or to boost their mood.

However, the reduction in social occasions during the COVID-19 pandemic has impacted usage and spend across several BPC categories, with fragrances and colour cosmetics amongst the hardest hit. As social occasions return, demand will recover, but there will be residual effects as consumers have embraced a lower-maintenance approach to beauty and grooming.

The biggest threat facing the BPC market post-pandemic will be price competition. Consumers are looking for value, and growth in the online channel will exacerbate the issue as it aids price comparison behaviours, making it easier for BPC consumers to buy lower-priced products.

Innovation will buoy demand as BPC consumers remain willing to spend where there is a perceived return on investment, with 35% of BPC consumers saying how effective a product is has gained importance since the start of the pandemic. This means the biggest opportunity is asserting product efficacy through data and science-backed claims.

“COVID-19 has created unprecedented challenges for the UK BPC market, driving a significant decline in spending on both BPC products and professional services. Whilst spend will recover as restrictions are eased, there will be a lasting impact as consumers prioritise value and favour low-maintenance routines."

– Samantha Dover, Senior Beauty and Personal Care Analyst

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