

Beauty Retailing - UK - January 2016

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“Spending on beauty and personal care contracted marginally in 2015. The market remains very price sensitive and discount retailers’ customer numbers grew significantly. Even buyers of prestige brands are price conscious. The market will recover in 2016 but premium retailers must give consumers original and compelling reasons to trade up.”

– Hilary Monk, Senior Retail Analyst

This report looks at the following areas:

- Where next for the value retailers and supermarkets?
- What are the prospects for the premium end of the market
- How are smartphones being used for beauty purchases and what are the opportunities for driving engagement?

Spending on beauty and personal care contracted marginally in 2015. As we explore in this report, the rise of the discounters and the highly promotionally-driven market is impacting value growth, particularly within the personal care segment. Despite improvements in the economy, savvy shopping habits have become engrained in consumers’ minds and this is set to continue into 2016, although we expect to see a return to growth.

Within the beauty segment, the colour cosmetics category is performing well, boosted by fashion trends for particular looks, such as strong eyebrows, and the launch of complementary make-up ranges within a number of leading fashion retailers.

The consumer research highlights the importance of price to consumers, even among those buying into prestige brands. This presents both challenges and opportunities, with the value-led retailers delivering impressive growth, while the department stores and niche specialists are using unique experiences to drive shoppers in-store and encourage them to trade up to more premium products.

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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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