

Beauty Retailing - UK - January 2015

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“Among beauty shoppers at discount stores, our consumer research indicates high levels of satisfaction and strong interest in buying more from these retailers; and just 30% said they would move away from discount stores if they had more money.”

– Hilary Monk, Senior Retail Analyst

This report looks at the following areas:

- How can multi-channel retailers respond to the threat from internet pure players?
- Discounters – another downward force on market growth?
- Can high street beauty retailers capitalise on the changes in grocery shopping patterns?
- How is the appetite for mobile apps impacting on the beauty market?

Changing shopping habits, the growth of discount channels and the migration of spending online are reshaping beauty retailing.

For many years, supermarkets were seen as the threat to high-street beauty specialists, particularly those in the midmarket, like Boots. However, grocery shopping habits are changing – gradually, fewer consumers are undertaking big weekly grocery shops at large superstores. More shoppers are buying from smaller supermarkets, including limited-line discounters such as Aldi and Lidl, and from convenience stores. So there are new opportunities for specialists to position themselves as complementary to these channels, given the often-limited choice in these smaller grocery stores.

But at the same time, mixed-goods discount stores, like Poundland and B&M Bargains, are growing fast, providing alternative channels for shoppers seeking mass-market beauty and toiletries products at low prices. And internet-only retailers are further price-competitive rivals, providing particular opportunities for shoppers to buy off-price prestige beauty products. So there are new threats to specialist high-street retailers.

Our report addresses these changes in sections such as: Channels of Distribution, Market Size and Forecast (five-year forecasts for consumer spending), Sector Size and Forecast (five-year forecasts for specialists' sector sales), Online, The Leading Specialist Retailers and The Leading Non-Specialist Retailers.

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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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