

Beauty and Personal Care Retailing - UK - January 2020

Report Price: £1995.00 | \$2693.85 | €2245.17

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



“As the value of the beauty and personal care sector has fallen into decline, with even beauty seeing negative growth in 2019, retailers need to ensure that they focus on the growth opportunities presented by two key demographics – Gen Z and older women aged 55+.”
– **Tamara Sender Ceron, Senior Retail Analyst**

This report looks at the following areas:

Teens are increasingly being driven to experiment with new beauty styles that have emerged as cultures of an online-first approach. Meanwhile overlooked mature consumers are keen to try new beauty and grooming trends, but they lack confidence in their application skills. There is scope for retailers and brands to do more to target both of these groups with new products and brand communications.

- **Driving demand in a declining BPC market**
- **Using the latest innovations to drive growth**
- **How retailers can tap into the continued growth of online beauty**

**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 and Personal Care Retailing - UK - January 2020

Report Price: £1995.00 | \$2693.85 | €2245.17

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
Products covered in this Report

Executive Summary

The Market

UK beauty and personal spending falls 2% in 2019

Figure 1: Best- and worst-case market size and forecast for consumer spending on beauty and personal care products (including VAT), 2014-24

Health and beauty specialists outperform

Figure 2: Best- and worst-case forecast for health and beauty specialists' sales (including VAT), at current and constant prices, 2014-24

Companies and brands

Lush competes with The Body Shop for most ethical

Figure 3: Attitudes towards and usage of selected brands, December 2019

The consumer

Rise in older women buying beauty products

Figure 4: Beauty and personal care items purchased in the last 12 months, October 2019

Rise in purchase of value own-label brands

Figure 5: Beauty and personal care brand types purchased in the last 12 months, October 2019

Jump in consumers shopping online

Figure 6: How they purchased beauty and personal care items in the last 12 months, October 2019

Boots remains the most used retailer

Figure 7: Where they purchased beauty and personal care items in the last 12 months, October 2019

Satisfaction levels dip for staff expertise

Figure 8: Satisfaction with retailers where the most was spent on beauty and personal care products in the last 12 months, October 2019

Growing interest in sustainability

Figure 9: Interest in innovations when shopping in-store for beauty/personal care, October 2019

Older women place importance on in-store experience

Figure 10: Shopping behaviour when buying beauty and personal care products, October 2019

What we think

Issues & Insights

Driving demand in a declining BPC market

The facts

The implications

Using the latest innovations to drive growth

The facts

The implications

How retailers can tap into the continued growth of online beauty

**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 and Personal Care Retailing - UK - January 2020

Report Price: £1995.00 | \$2693.85 | €2245.17

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

The facts

The implications

The Market – What You Need to Know

UK beauty and personal spending falls 2% in 2019

Beauty spending falls

Health and beauty specialists outperform

BPC online spending jumps 11.4%

Market Size and Forecast

UK beauty and personal spending falls 2% in 2019

Figure 11: Best- and worst-case market size and forecast for consumer spending on beauty and personal care products (including VAT), 2014-24

Figure 12: Market size and forecast for consumer spending on beauty and personal care products (including VAT), at current and constant prices, 2014-24

What is the future of the BPC market?

Forecast methodology

Market Segmentation

Beauty spending falls

Figure 13: Best- and worst-case market size and forecast for consumer spending on beauty products (including VAT), 2014-24

Figure 14: Market size and forecast for consumer spending on beauty products (including VAT), at current and constant prices, 2014-24

Beauty category performance

Figure 15: Consumer spending on beauty products (including VAT), by category, 2015-19

Colour cosmetics

Facial skincare

Fragrances and body sprays

Body, hand and footcare

Spend on personal care drops further

Figure 16: Best- and worst-case market size and forecast for consumer spending on personal care products (including VAT), 2014-24

Figure 17: Market size and forecast for consumer spending on personal care products (including VAT), at current and constant prices, 2014-24

Personal care category performance

Figure 18: Consumer spending on personal care products (including VAT), by category, 2015-19

Haircare

Oral hygiene

Soap, bath and shower

Shaving and hair removal

Deodorants

Hair colourants

Suncare

Forecast methodology

Sector Size and Forecast

Health and beauty specialists outperform

**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 and Personal Care Retailing - UK - January 2020

Report Price: £1995.00 | \$2693.85 | €2245.17

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

Figure 19: Best- and worst-case forecast for health and beauty specialists' sales (including VAT), at current and constant prices, 2014-24
 Figure 20: Health and beauty specialists' sales (including VAT), at current and constant prices, 2014-24

Notes on Mintel's sector size

Outlet and enterprise numbers

Figure 21: Health and beauty specialists' outlet numbers, 2015-19

Figure 22: Health and beauty specialists' enterprise numbers, 2015-19

Forecast methodology

Online

Online spending jumps 11.4%

Figure 23: Estimated market size for online consumer spending on beauty and personal care products, split by beauty and personal care, 2015-19

Online beauty sales have doubled since 2014

Figure 24: Estimated market size and forecast for online consumer spending on beauty products, 2014-24

Growth in the market is slowing

Figure 25: Best- and worst-case forecast for online consumer expenditure on beauty products, 2014-24

Online channels of distribution

Figure 26: Retail share of online consumer expenditure on beauty products, 2017-19

Forecast methodology

Channels to Market

Specialists and grocers compete for share

Figure 27: Estimated distribution of spending on beauty and personal care products, 2019

Figure 28: Estimated distribution of spending on beauty and personal care products (including VAT), 2017-19

Market Drivers

Deflationary trajectory

Figure 29: Consumer price inflation, 2008-18

Steady decline in core BPC category prices since mid-2019

Figure 30: Consumer price inflation, November 2018-November 2019

Real wage growth outstripping inflation

Figure 31: Real wage growth – Average weekly earnings vs inflation, January 2015-October 2019

Population structure shifting towards later ages

Figure 32: Trends in the age structure of the UK population, 2018-28

Figure 33: Breakdown of trends in the age structure of the UK population, 2018-28

Consumers feel positive about their current financial situation...

Figure 34: Trends in how respondents would describe their financial situation, November 2018-November 2019

...and the vast majority think they should be fine over the next year

Figure 35: "And how do you feel about your financial situation over the next year?", November 2019

More consumers spending their disposable income on beauty products

Figure 36: Trends in what extra money is spent on, November 2018 and November 2019

Improved perceptions of private-label beauty products

**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 and Personal Care Retailing - UK - January 2020

Report Price: £1995.00 | \$2693.85 | €2245.17

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

Figure 37: Attitudes towards private-label beauty products, October 2018

Consumers most ethically conscious when buying BPC products

Figure 38: Ethical consideration taken into account, by retail sector, January 2019

Companies and Brands – What You Need to Know

Grocers grow beauty sales

Amazon expands beauty offer

New formats and makeovers for BPC retailers in 2019

Total ad spending in 2018 remains stable

Lush competes with The Body Shop for most ethical

Leading Specialists

A.S. Watson-owned retailers outperforming market leader Boots

Leading specialists by sales

Figure 39: Leading specialist retailers' net revenues (excluding VAT), 2014-18

Online beauty retailers

Figure 40: Leading online/home shopping specialist retailers' net revenues (excluding VAT), 2014-18

Leading pharmacies by sales

Figure 41: Leading pharmacy chains' net revenues (excluding VAT), 2014-18

Outlet numbers and sales per outlet

Figure 42: Leading specialist retailers' outlet numbers, 2014-18

Figure 43: Leading specialists retailers' estimated sales per outlet, 2014-18

Operating profits and margins

Figure 44: Leading specialist retailers' operating profits, 2014-18

Figure 45: Leading specialist retailers' operating margins, 2014-18

Figure 46: Leading specialist online/home shopping retailers' operating profits, 2014-18

Figure 47: Leading specialist online/home shopping retailers' operating margins, 2014-18

Leading Non-specialists

Grocers grow beauty sales

Figure 48: Leading non-specialist retailers' estimated sales growth, by segment, 2018

Amazon expands beauty offer

Figure 49: Leading non-specialist retailers' estimated beauty and personal care goods sales (excluding VAT), 2016-18

Market Shares

Market remains highly fragmented

Figure 50: Leading specialist and non-specialist retailers' estimated market shares, 2018

Figure 51: Leading retailers share of all spending on BPC products, 2016-2018

Note on market shares

Launch Activity and Innovation

Non-specialist beauty retailers broaden their appeal

Amazon debuts its own-label beauty brand 'Belei'

**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 and Personal Care Retailing - UK - January 2020

Report Price: £1995.00 | \$2693.85 | €2245.17

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

Figure 52: Amazon's beauty brand 'Belei', 2019

Primark launches own-label skincare PS...Naturals

Harrods opens standalone beauty store at Intu Lakeside

New formats and makeovers for BPC retailers in 2019

The Perfume Shop launches first concept store

Westfield London brings digital beauty brands to bricks-and-mortar

Figure 53: by Circus at Westfield London, 2019

After Beauty launches 'beauty playground'

Figure 54: After Beauty store at Richmond, 2019

Consumers hungry for more eco-friendly concepts in-store

The Body Shop launches first concept store on Bond Street

Figure 55: The Body Shop refill station, 2019

Lush launches conveyor belt for new in-store gifting service

Figure 56: Lush conveyor belt, 2019

Product and water refill stations at the new Boots Covent Garden store

Figure 57: Boots' sustainability initiatives at its Covent Garden store, January 2020

Fenty launches Shade Finder

John Lewis experiments with AR cosmetics

Figure 58: John Lewis Virtual Lipstick experience, 2019

L'Oréal launches Color&Co

Feelunique launches new technology to improve product ingredient transparency

Advertising and Marketing Activity

Total ad spending in 2018 remains stable

Figure 59: Recorded above-the-line advertising expenditure on beauty and personal care, total market, 2014-19

Figure 60: Recorded above-the-line, online, display and direct mail total advertising expenditure on beauty and personal care, by leading retailers, 2015-19

Digital continues to overtake press

Figure 61: Recorded above-the-line advertising expenditure percentage on beauty and personal care, by media type, total market, 2018

Key campaigns

Inclusivity and diversity

Urban Decay launches the 'Pretty Different'

Givenchy unisex makeup line

Gucci unisex fragrance

Nielsen Ad Intel coverage

Brand Research

Brand map

Figure 62: Attitudes towards and usage of selected brands, December 2019

Key brand metrics

Figure 63: Key metrics for selected brands, December 2019

Lush seen as most innovative

**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 and Personal Care Retailing - UK - January 2020

Report Price: £1995.00 | \$2693.85 | €2245.17

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

Figure 64: Attitudes, by brand, December 2019

The Body Shop is perceived as most ethical

Figure 65: Brand personality – macro image, December 2019

Boots is most reliable

Figure 66: Brand personality – micro image, December 2019

Brand analysis

Boots still a popular favourite

Figure 67: User profile of Boots, December 2019

Lush competes with The Body Shop for most ethical

Figure 68: User profile of Lush, December 2019

MAC exclusive but overrated

Figure 69: User profile of MAC, December 2019

The Fragrance Shop most responsive

Figure 70: User profile of The Fragrance Shop, December 2019

The Body Shop takes the lead as the most ethical

Figure 71: User profile of The Body Shop, December 2019

Feelunique.com provides great online service

Figure 72: User profile of Feelunique.com, December 2019

Deciem only cares about profit

Figure 73: User profile of Deciem, December 2019

Space Allocation Summary

Figure 74: Leading health and beauty retailers: Health and beauty products estimated space allocation, January 2020

Boots reimagining the beauty shopping experience

Figure 75: Boots concept store, Covent Garden, London

The Body Shop's new-look store design to bring its brand purpose to life

Figure 76: The Body Shop's concept store, Bond Street, London

Sainsbury's rolling out a new beauty concept following successful trial

Superdrug opens its biggest ever store

John Lewis' concierge-style concept

Figure 77: Leading health and beauty retailers: Health and beauty products estimated detailed space allocation, January 2020

Figure 78: Leading health and beauty retailers: Health and beauty products estimated detailed space allocation, January 2020

Health and beauty space as a percentage of total floor space in non-specialists

Figure 79: Non-specialists: Estimated health and beauty space as a percentage of total floor space, January 2020

A.S. Watson (Europe)

What we think

Physical stores still at the heart of the business

Developing complementary services

Online investment and expansion is crucial

Loyalty schemes can aid personalisation and strengthen ties with customers

**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 and Personal Care Retailing - UK - January 2020

Report Price: £1995.00 | \$2693.85 | €2245.17

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

What next?

Company background

Company performance

Figure 80: A.S. Watson (Europe): Group financial performance, 2013/14-2017/18

Figure 81: A.S. Watson (Europe): Outlet data, 2013/14-2017/18

Retail offering

The Body Shop

What we think

New-look store design

Cash-free store concept planned

Combating the growing issue of plastic pollution

B Corp certification strengthens the brand's ethical credentials

Capitalising on the vegan trend

Company background

Company performance

Figure 82: The Body Shop: Estimated retail sales performance, 2014-18

Figure 83: The Body Shop: Outlet data, 2014-18

Retail offering

The Fragrance Shop

What we think

New Sniff Bar concept delivering high conversion and transaction rates

Try-before-you-buy fragrance subscription service a huge success

Company background

Company performance

Figure 84: The Fragrance Shop: Group financial performance, 2014/15-2018/19

Figure 85: The Fragrance Shop: Outlet data, 2014/15-2018/19

Retail offering

Kiko Milano

What we think

Brand new store concept and personalised lipstick

More store traffic means more opportunities for sales

Shifting physical expansion eastwards

Targeting a bigger share of the online beauty market

Company background

Company performance

Figure 86: Kiko Milano: Estimated group financial performance, 2014-18

Figure 87: Kiko Milano: Estimated outlet data, 2014-18

Retail offering

**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 and Personal Care Retailing - UK - January 2020

Report Price: £1995.00 | \$2693.85 | €2245.17

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

Lush Retail Ltd (UK)

What we think

- Immersive and exclusive in-store shopping experiences
- Plastic packaging-free stores bolster ethical credentials
- Digital window shopping for on-the-go commuters
- New time-saving in-store payment concept rolled out nationwide
- Unique products that create a buzz

Expanded vegan option

Company background

Company performance

Figure 88: Lush Retail Ltd (UK): Group financial performance, 2013/14-2017/18

Figure 89: Lush Retail Ltd (UK): Outlet data, 2013/14-2017/18

Retail offering

Walgreens Boots Alliance (UK and Europe)

What we think

- Online back on track
- Online pharmacy – too little, too late?
- Digitising loyalty scheme within Boots app
- Increased focus on beauty – two years too late?

What next?

Company background

Company performance

Figure 90: Walgreens Boots Alliance (UK and Europe): Group sales performance, 2014/15-2018/19

Figure 91: Walgreens Boots Alliance (UK and Europe): Outlet data, 2014/15-2018/19

Retail offering

The Consumer – What You Need to Know

- Rise in older women buying beauty products
- Rise in purchase of value own-label brands
- Jump in consumers shopping online
- Boots remains the most used retailer
- Satisfaction levels dip for staff expertise
- Growing interest in sustainability
- Older women place importance on in-store experience

What They Buy

Purchasing levels remain stable

Figure 92: Beauty and personal care items purchased in the last 12 months, October 2019

Rise in older women buying beauty products

Figure 93: Beauty products purchased in the last 12 months, by age and gender, November 2018 and October 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 and Personal Care Retailing - UK - January 2020

Report Price: £1995.00 | \$2693.85 | €2245.17

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

Consumers buying less variety of products

Figure 94: Repertoire of beauty and personal care items purchased in the last 12 months, November 2018 and October 2019

Brand Types Purchased

Rise in purchase of value own-label brands

Figure 95: Beauty and personal care brand types purchased in the last 12 months, October 2019

Fragrances see high levels of prestige purchasing

How and Where They Shop

Jump in consumers shopping online

Figure 96: How they purchased beauty and personal care items in the last 12 months, October 2019

Supermarkets remain dominant but young favour specialists

Figure 97: Where they purchased beauty and personal care items in the last 12 months, October 2019

Boots remains the most used retailer

Figure 98: Where they purchased beauty and personal care items in the last 12 months, October 2019

Online-only players strengthen their position

Figure 99: Where they purchased beauty and personal care items in the last 12 months, November 2018 and October 2019

Makeup purchasing moving online

Figure 100: Beauty and personal care items purchased in the last 12 months, by how they shopped, October 2019

People shop around more

Figure 101: Repertoire of where they purchased beauty and personal care items in the last 12 months, October 2019

Satisfaction with Retailers Purchased From

92% of buyers satisfied with their beauty retail experience

Figure 102: Satisfaction with retailers where the most was spent on beauty and personal care products in the last 12 months, October 2019

Satisfaction levels dip for staff expertise

Figure 103: Key drivers of overall satisfaction beauty and personal care retailers, October 2019

Figure 104: Overall satisfaction with beauty and personal care retailers – key driver output, October 2019

Health and beauty specialists have highest levels of satisfaction

Figure 105: Percentage point difference from average in satisfaction with factors related to beauty and personal care shopping, by types of retailers where the most was spent on beauty and personal care products in the last 12 months, October 2019

Boots stands out for customer service

Figure 106: Satisfaction with factors related to beauty and personal care shopping, by top six retailers where the most was spent on beauty and personal care products in the last 12 months, October 2019

Methodology for key driver analysis

Interest in Innovations

Interest in sustainability

Figure 107: Interest in innovations when shopping in-store for beauty/personal care, October 2019

Interest in in-store technology

Figure 108: Interest in innovations when shopping in-store for beauty/personal care, by age, October 2019,

Young males want advice

Figure 109: Interest in innovations when shopping in-store for beauty/personal care – males, by age, October 2019

Beauty and Personal Care Shopping Behaviour

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 and Personal Care Retailing - UK - January 2020

Report Price: £1995.00 | \$2693.85 | €2245.17

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

Older women and in-store experience

Figure 110: Shopping behaviour when buying beauty and personal care products, October 2019

Young consumers aged 16-34 product research online for the best products

Figure 111: Shopping behaviour when buying beauty and personal care products, by age, October 2019

Affordable premium BPC products continue to drive demand

Figure 112: Consumers who prefer to buy 'all-in-one' solutions – males, by age, October 2019

16-34s want retailers to provide more assistance

Figure 113: Beauty and Personal Care Retailing – CHAID – Tree output, October 2019

Figure 114: Beauty and Personal Care Retailing – CHAID – Table output, October 2019

Methodology for CHAID

Appendix – Data Sources, Abbreviations and Supporting Information

Abbreviations

Consumer research methodology

Appendix – Market Size and Forecast

Forecast methodology

Figure 115: Market size and forecast for consumer spending on beauty and personal care products (including VAT), best- and worst-case forecast, 2019-24

Figure 116: Health and beauty specialists' sales (including VAT), best- and worst-case forecast, 2019-24

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