

Beauty and Personal Care Retailing - UK - January 2019

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“The UK beauty and personal care market continues to be characterised by the polarised performance of the two core categories. Consumers continue to cut back on personal care, but are willing to spend on beauty. Health and beauty specialists have benefited from this trend. However, the sector is now reaching saturation, meaning similar levels of growth will be harder to achieve going forward.”
– Samantha Dover, Senior Retail Analyst

This report looks at the following areas:

- **Price wars: the next steps to ease the downward pressure**
- **Sustainability: more informed consumers will demand more from BPC retailers**
- **The shift online: how multichannel retailers can fight back**

Whilst consumer spending on personal care is in decline, the UK beauty market continues to perform well. Spending on beauty has been encouraged by the highly trend-driven nature of the category, led by rising social media usage, alongside new product development. However, consumers continue to cut back on everyday essentials, which means that spending on core personal care categories like haircare and oral hygiene is falling.

The health and beauty specialists have performed well, and Mintel estimates that the sector expanded 5.8% in 2018. The leading players have been expanding their store presence, and the robust demand for beauty has enabled a number of brands to roll out standalone stores. This has fuelled growth in the sector, but as it becomes more saturated we expect growth to slow.

Online remains a major opportunity, not only in terms of e-commerce, but also in terms of the influence online media now has on which beauty and personal care products consumers choose to buy. Mintel estimates that online consumer spending on beauty and personal care reached £1.2 billion in 2018, representing 11.5% of total spending, with strong growth projected going forward. However, consumer research also shows that a significant proportion of UK consumers now research online ahead of deciding what products to buy – a trend that retailers can undoubtedly leverage.

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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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