



# Beauty Retailing:

## U.S. Channel Analysis and Opportunities

Published July 2019  
Base Year: 2018  
Forecasts to 2023

Regional Coverage: United States

This edition of our continuing coverage on the ever-changing retail landscape for cosmetics and toiletries offers a concise update on sales and developments for brick and mortar and offline channels across all key product categories. Special attention is given to fast-growing specialty stores and direct sales channels.

### This Report Helps Subscribers to:

- What new retail formats and changes are taking place in the market?
- Are pop-up shops still very popular, and which brands are testing them?
- What apparel retailers are expanding in the beauty area?
- How is technology infusing new interest in physical beauty shopping?
- What is the future of retail, and how will the landscape continue to change?



## Report Contents

This program consists of two deliverables: a presentation-style executive summary and a database with data by channel and sub-channel, as shown in Table 1.

### Introduction

#### Executive Summary

- Key takeaways
- Noteworthy developments
- Data highlights
- Channel snapshots
- Outlook and assessment

#### Purchase Channel Snapshots

Detailed analysis of each purchase channel listed in Table 1 with data for each of the categories listed in Table 2, including the following information:

- Channel developments
- Sales breakdowns by channel and sub-channels
- Leading retailers (sales and door counts)
- Role of cosmetics and toiletries
- Manufacturers' and retail sales by beauty category for 2017 and 2018
- Marketing and sampling activity
- Outlook to 2023

#### Retailer Profiles

Profiles of 10 retailers as listed in Table 3 provided with specific discussion relating to the beauty business of these companies, including the following information:

- Snapshots of new retailers and or formats (see Table 2) each containing:
  - Core premise
  - Sales and door count
  - Prime type of locations (street vs. mall)
  - Role of beauty
  - Product offerings
  - Merchandising activities
  - Pictures of store interior

## Contents of Database

The database contains detailed information for all channels and subchannels, and feature the following:

Fields in database	Values in database
■ Channel and sub-channel (see Table 1)	■ Manufacturers' and retail level sales
■ Product category (see Table 3)	■ Growth rates
■ Years (2017 and 2018)	■ Channel shares
	■ Forecasts to 2023



**Table 1: List of Purchase Channels and Sub-Channels**

Purchase channel	Sub-channel
Department stores	<ul style="list-style-type: none"> <li>■ Lower-end</li> <li>■ Specialty</li> <li>■ Traditional</li> </ul>
Direct sales	<ul style="list-style-type: none"> <li>■ Social selling</li> <li>■ Home shopping networks</li> <li>■ Infomercials</li> <li>■ E-commerce/mobile commerce</li> </ul>
Drug outlets	<ul style="list-style-type: none"> <li>■ Chain drugstores</li> </ul>
Food outlets	<ul style="list-style-type: none"> <li>■ Health/natural food stores</li> <li>■ Supermarkets</li> </ul>
Mass merchandisers	<ul style="list-style-type: none"> <li>■ Big box retailers</li> <li>■ Dollar stores</li> <li>■ Warehouse clubs</li> </ul>
Specialty stores	<ul style="list-style-type: none"> <li>■ Apparel (Gap, Victoria’s Secret)</li> <li>■ Beauty supply (Sally Beauty)</li> <li>■ Cosmetic specialty (Sephora, Ulta)</li> <li>■ Vertically integrated (Bath &amp; Body Works, MAC)</li> </ul>

**Table 2: Categories Covered in database**

Product class	Sub-channel
Fragrances	<ul style="list-style-type: none"> <li>■ Fragrances for men</li> <li>■ Fragrances for women</li> </ul>
Hair care	<ul style="list-style-type: none"> <li>■ Shampoos and conditioners</li> <li>■ Multicultural hair care products</li> <li>■ Hair coloring products</li> <li>■ Hair styling products and sprays</li> </ul>
Makeup	<ul style="list-style-type: none"> <li>■ Eye makeup</li> <li>■ Face makeup</li> <li>■ Lipsticks and lip glosses</li> <li>■ Nail polishes</li> </ul>
Skin care	<ul style="list-style-type: none"> <li>■ Facial skin care</li> <li>■ Baby care products</li> <li>■ Hand and body lotions</li> <li>■ Lip treatment products</li> <li>■ Skin care products for men</li> <li>■ Sun care products</li> </ul>
Other toiletries	<ul style="list-style-type: none"> <li>■ Deodorants and antiperspirants</li> <li>■ Personal cleansing products</li> <li>■ Shaving products</li> </ul>

**Table 3: Select Examples of New/Expanding Retailers/Formats Profiled-a**

Amazon
Bloomingdales
Blue Mercury
Credo
CVS
Detox Market
Sephora
Space NK
Ulta
Whole Foods



## Scope

**Beauty Retailing USA: Channel Analysis and Opportunities** provides subscribers with insights into retailing challenges and opportunities in the United States. The report focuses on the beauty and personal care market and changes that have occurred from 2017 to 2018. Category scope mirrors Kline's Cosmetics & Toiletries program, encompassing 20 product categories across the following product classes: fragrances, hair care, makeup, skin care, and other toiletries. The report includes:

- Reporting at manufacturer and retail sales levels.
- Coverage of both major and alternate purchase channels, providing an accurate, detailed examination of the landscape at the retail level.

## Key Benefits

This comprehensive report enables subscribers to exploit business opportunities by illustrating the retailing dynamics in one of the most important markets of the personal care industry: the United States. The benefits of the report are:

- Identifies and explains key purchase channels for cosmetics and toiletries in a clear and consistent fashion.
- Quantifies industry sales by purchase channel, focusing on hard-to-track, non-traditional channels.
- Delivers the information and insights required to capitalize on changes at retail.
- Includes one day of consultation time with members of the research team which can be used for assistance with plans or to explore related industry information.

## Methodology

Kline’s approach places principal emphasis on primary research techniques to ensure that the foundation of business intelligence and insight is accurate, current, and reliable. Building on our 60 years in the business and leveraging our worldwide network of offices, our teams of seasoned professionals draw upon pragmatic industrial and commercial experience to understand and interpret global impacts and local perspectives.

### Primary Research

We Know Who to Talk to. We Know How to Listen.



A high number of in-depth discussions are conducted by each analyst. All interviews are done with true industry insiders.

Kline’s analysts draw upon pragmatic experience to understand global impacts and local perspectives. Our interviews engage experts across all pertinent fields and sectors including:

- Retailers – at both a corporate level and store level
- Store managers and sales associates
- Marketers/manufacturers
- Distributors
- Government agencies
- Suppliers
- Trade organizations

### Secondary Research

We Know Where to Look – Mining the Details.



Analysis is further supplemented by secondary research, consisting of constant tracking of physical stores, retailer websites, annual company reports, national statistics bureaus, trade/industrial/professional associations, and the like.

Relevant developments are diligently followed and their impact closely monitored. Reports also draw upon non-confidential data from Kline’s internal database, consisting of over half a century’s syndicated research.

### Comprehensive Market Intelligence

We Know How to Verify.



Data are rigorously analyzed, cross-checked, distilled, and validated. Kline’s proven methodology allows exceptionally effective, precise, and reliable market

intelligence, giving subscribers a solid foundation on which to grow, refine, and expand their business with confidence.

## Kline Credentials

Kline is a leading global management consulting and market research firm offering the complete spectrum of services. The firm has served the management consulting and market research needs of organizations in the chemicals, materials, energy, life sciences, and consumer products industries for 60 years.

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