



SHOPPER INSIGHTS ■
RETAIL INTELLIGENCE ■
INNOVATIVE SOLUTIONS ■

5 Shoppper Trends

That Will Shape The Future of Beauty Retailing

KRISTINE MARTINEK, CONSULTANT

JANUARY 15, 2016

PREPARED FOR



but first an

introduction



“Understanding **shoppers**
and their “shopping life”
is the **path** to successfully
innovating your future retail.”

– WSL Credo

Welcome to Their **Shopping Life**® and Your Shopping Future

Key issues emerging
with shoppers and
retailers in the next
24-36 months.

Foundational
questions
you need to address in
your planning.

Grounded in WSL's
qualitative and
quantitative research
across retail formats,
and categories.



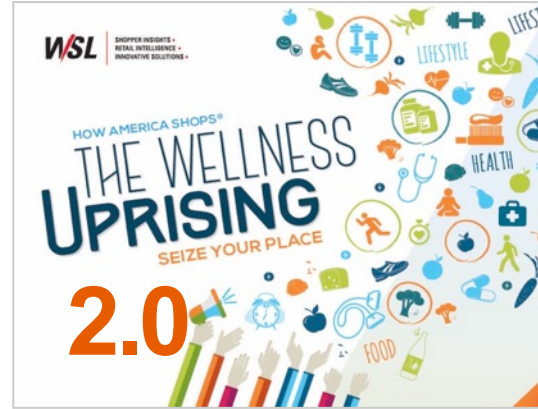
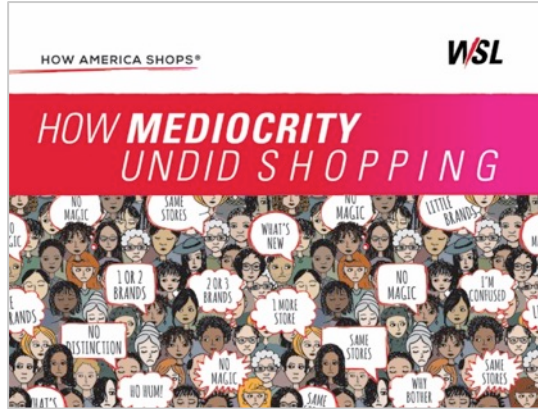
Here We Tell You:
What **Shoppers** Want.
What **Retailers** Need.
What **You** Must Deliver.

Sources: How America Shops®

How Nationally Representative Online Sample

When 2014 - 2016

Who 10,000+
Adult Shoppers



1

Forget about price:
Make her
a smart shopper

Her spending priorities are not on “things.”

 **55%** Pay off my debt

 **48%** Save money



Go on vacation

35%



Buy wellness products

24%



My hobbies

29%



Buy clothes & access.

21%



Have purchases shipped home

27%



Buy beauty products

21%



Eat out

24%



School tuition

21%

Source: WSL How America Shops® Megatrends “Buying Happiness” 2016. Base: Total Women
Q: People have different priorities about what they spend their money on. When you think about spending your money, what things are higher priorities and what are lower priorities for you?

Price is important, but wanting to try something new is also important

*A **sale** is still what drives most in-store Beauty decisions, but **Mobile** (overall) is growing as an influencer.*

INFLUENCES OF IN-STORE BEAUTY DECISION

CHANGE
vs. 2014
PPTS

Noticed sale (net)	38%	+22
A sale in the aisle	25%	+13
A sale in the store circular	12%	+10
A sale in the endcap	12%	+7
Mobile (net)	35%	+13
Looked for lowest price (net)	27%	+18
I just saw something and wanted to try it	26%	+16
Tried a sample in the store	12%	+9
Talked to a sales associate	11%	+8
Talked to someone who was with me	9%	+5
Used an in-store kiosk to get coupon/info	8%	+4
It was the only brand available to consider	4%	+9

So too is merchandising: 1/4 “Saw something and wanted to try it” (+16 ppts from 2014).

Source: WSL How America Shops® Switch-Swap-Trade 2016. Base: Total. Q. In the last six months, have you used your mobile device (smartphone, tablet) in a store to help you shop?

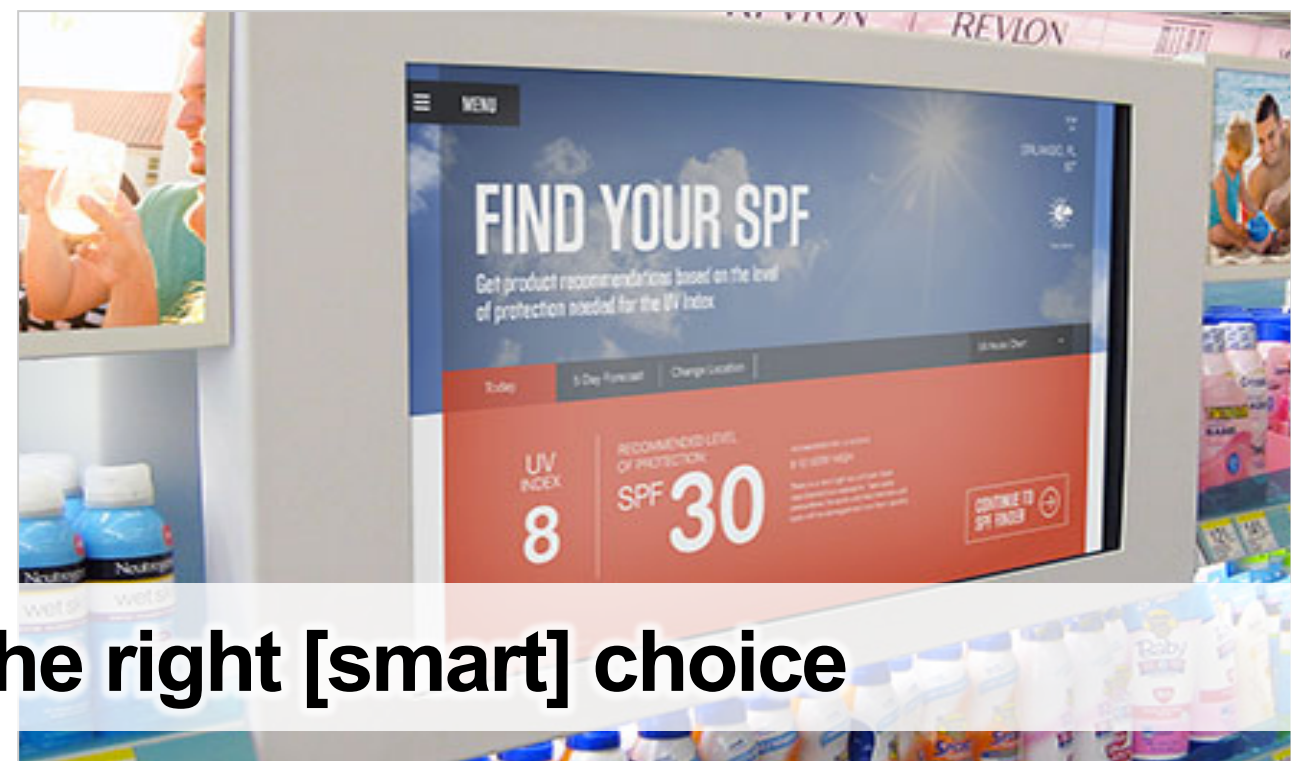
Who's making her a smart shopper?



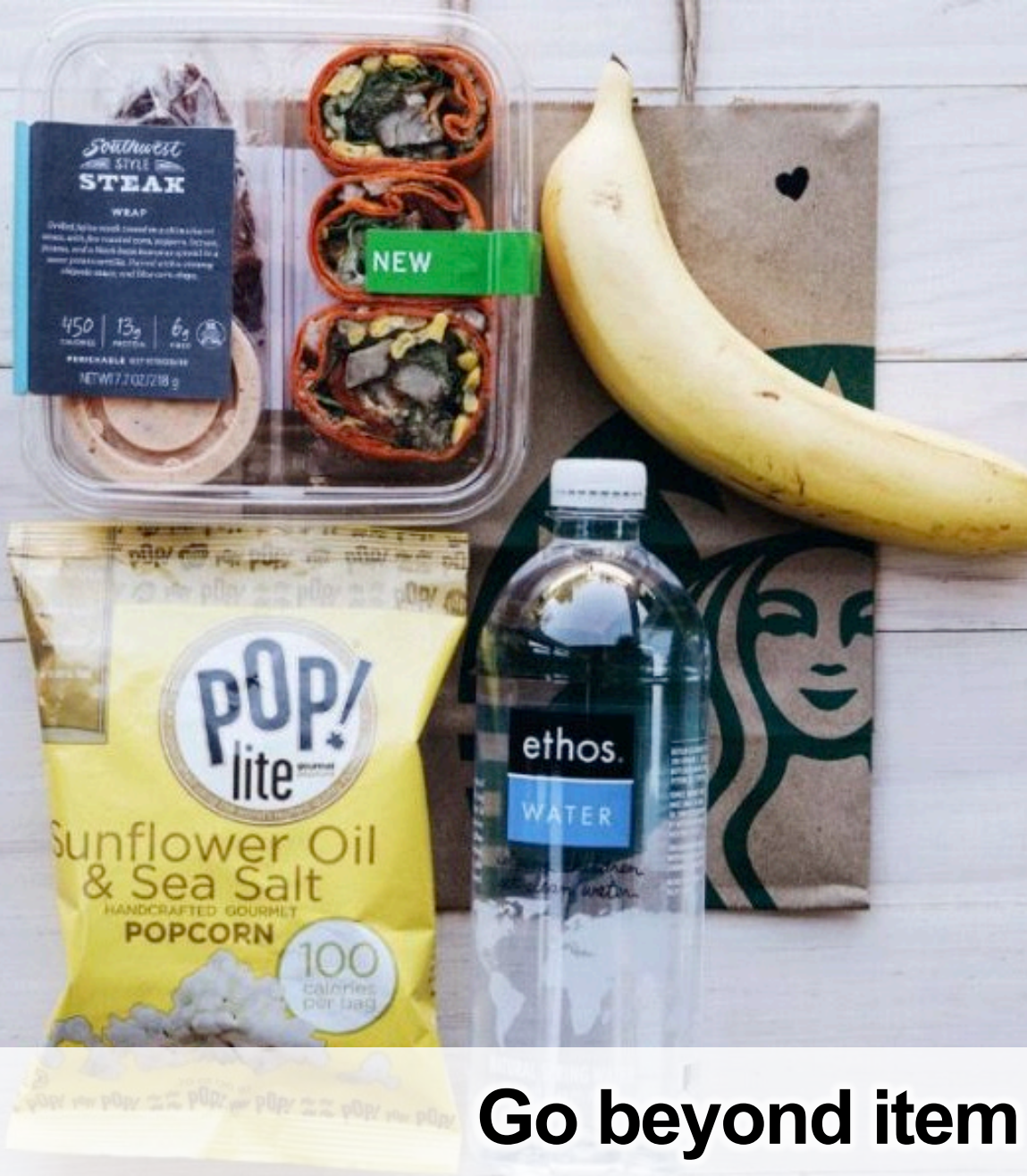
New ways to try before you buy



Reassurance from “friends”



Information to make the right [smart] choice



Go beyond item and price to value

2

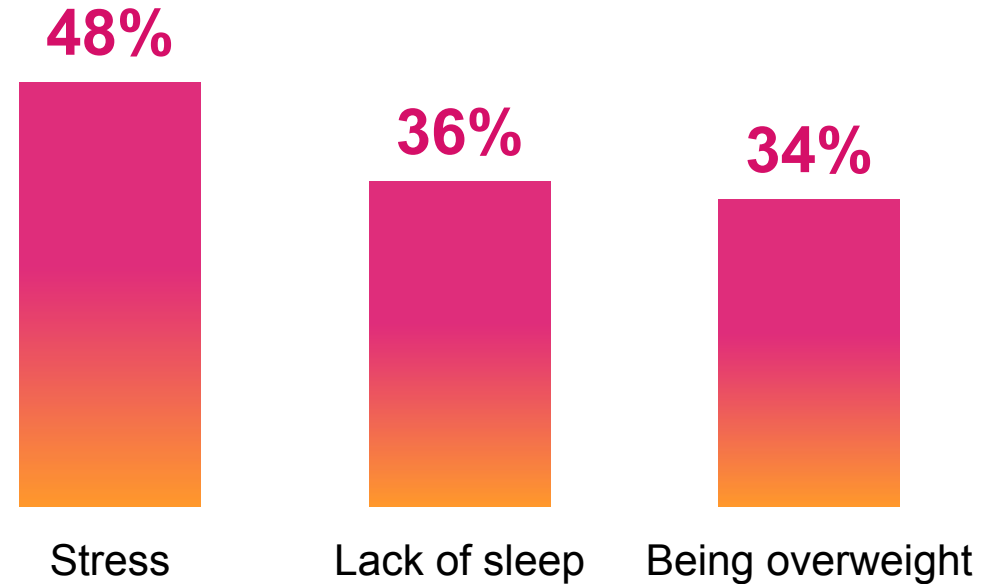
Stressed out: Make it easy for her

Stress remains her top health concern.

48% 

Say **stress** is the **#1** obstacle to good health

+7 pts. for *Millennials*



“Easier” and “simpler” are her new mantra.

42% 

**of women are making their
daily routines simpler.**

In Skin Care...

30% 

of women make
Skin Care easier



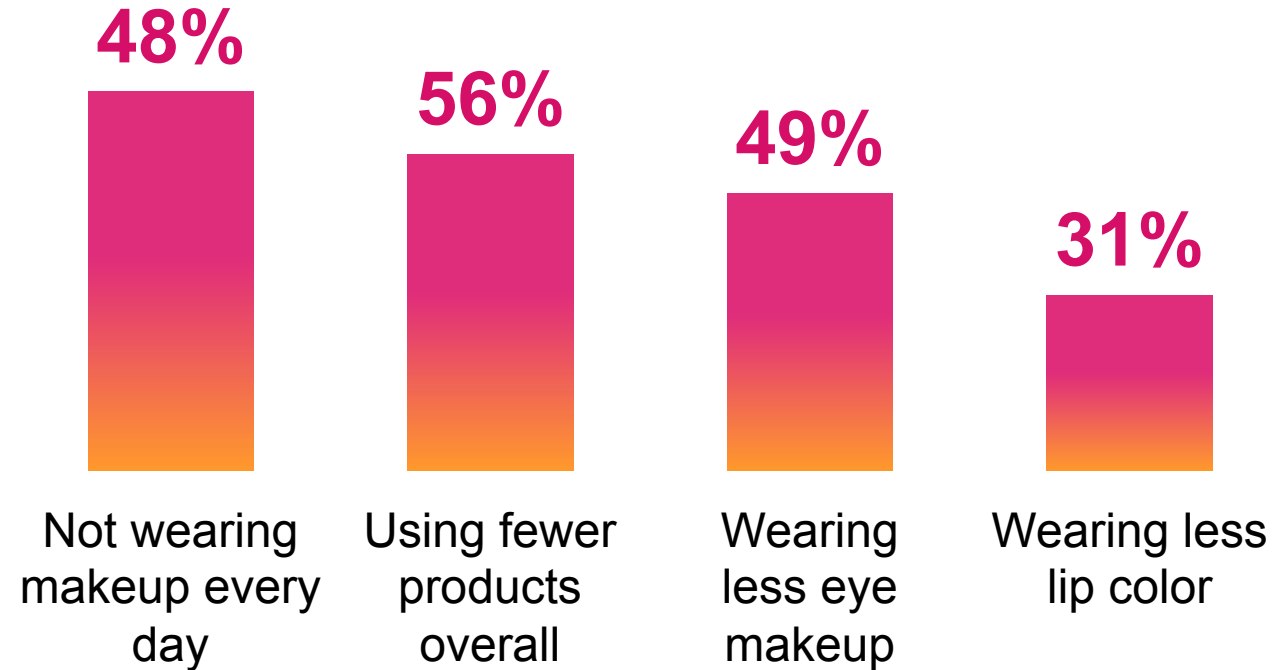
Source: WSL How America Shops® The Wellness Uprising 2.0, 2016. Base: Women using products that make caring for skin easier.
Q. Which of the following, if any, are you doing at least sometimes to make your life simpler?

In Makeup...

45%



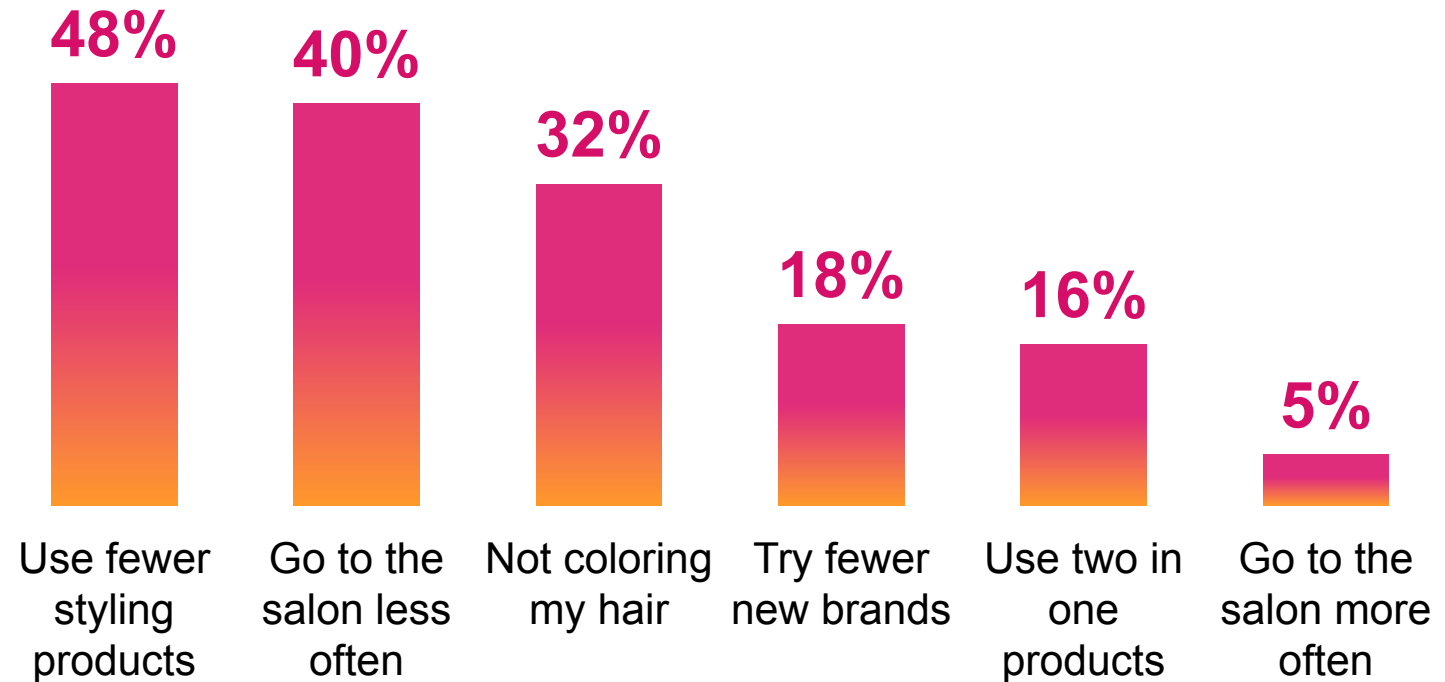
of women apply
less makeup



In Hair Care...

46%

of women make
Hair Care easier



Source: WSL How America Shops® The Wellness Uprising 2.0, 2016. Base: Women wearing easier hair styles.
Q. Which of the following, if any, are you doing at least sometimes to make your life simpler?

Who's making
it easy for her?



Call out trends to showcase what's new



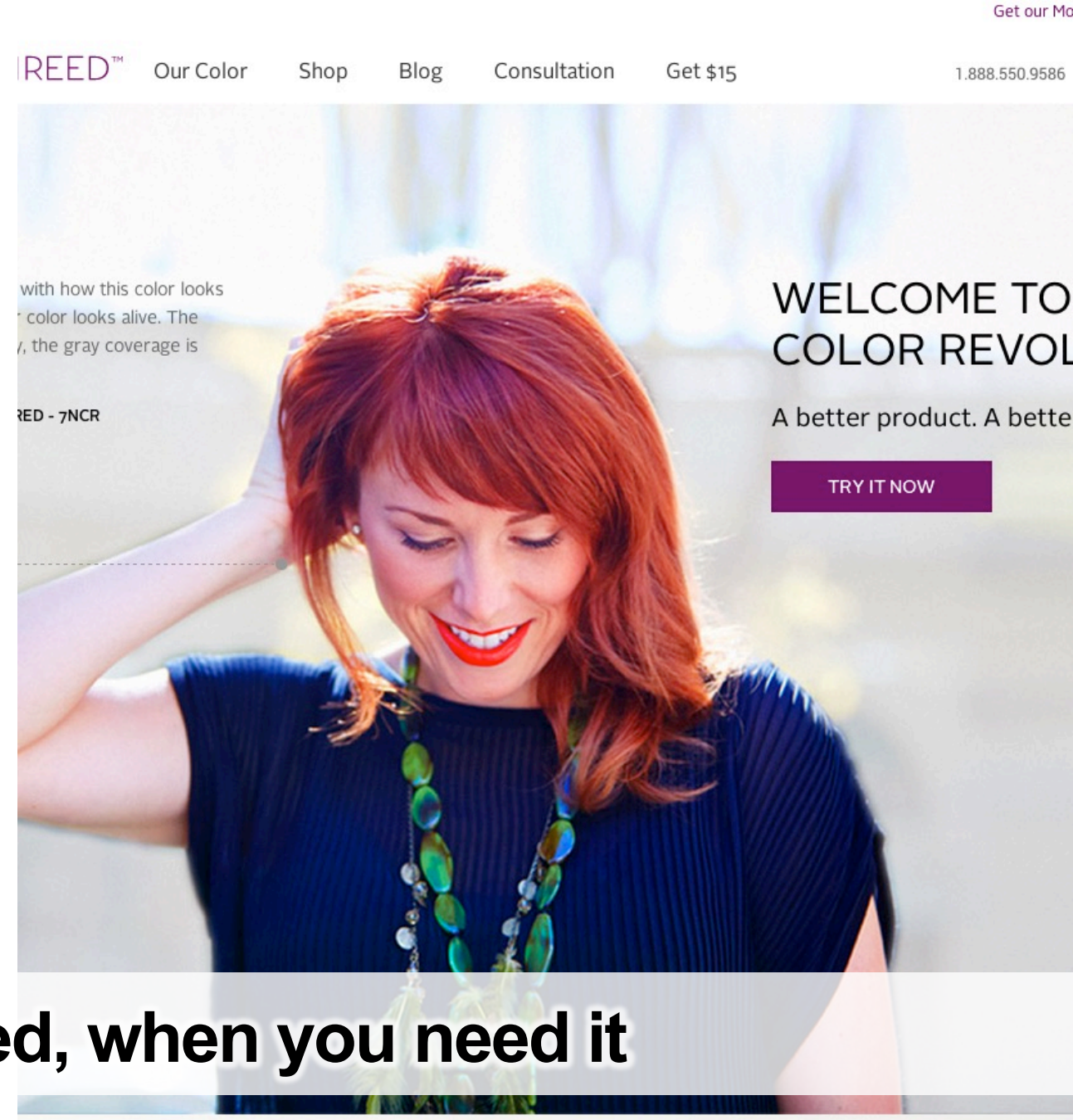
Solve a problem



Tell a single [focused] story



Everything you need, when you need it



3

Wellness everywhere: From wall to wall

Shoppers recognize “whole” health.

*“Your overall
well-being and
sense of self.”*

– Age 25

*“**Happy and
healthy,** body
and mind.”*

– Age 25

*“A sound **body**
and a sound
mind.”*

– Age 51

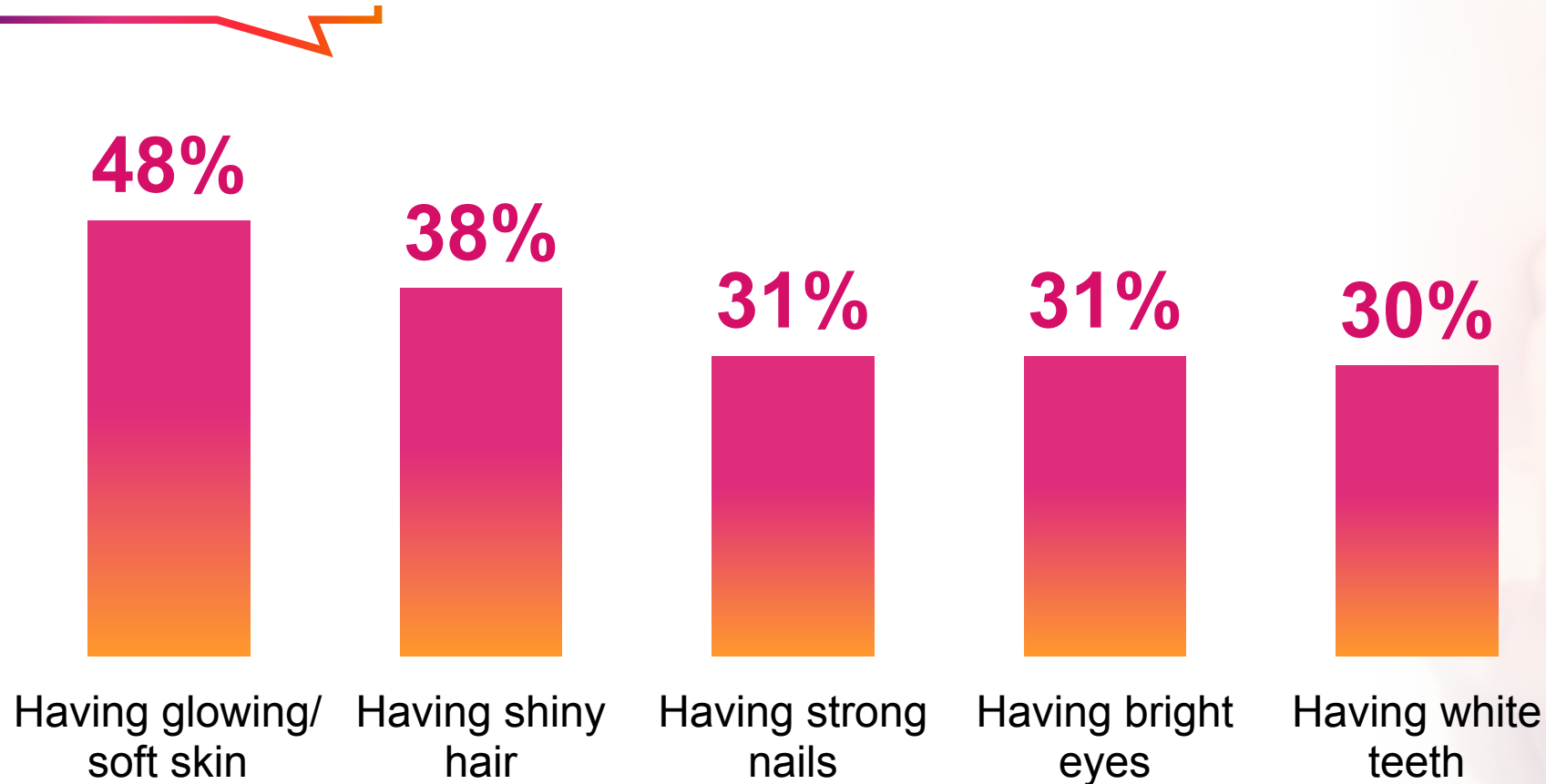
*“Feeling good
about myself and
having **energy** and
motivation.”*

– Age 37

Beauty *is* health

Look of Health

Millennials rate
higher



Who's selling healthy beauty?





Cross merchandise to create healthy beauty



Showcase healthy ingredients



Solutions that are personalized from the inside out



...and made fresh daily



...and even department stores get it

4

It's about me...
not you:
Make it personal

“
I do ME.”

“

*Shopping is a chance to **mess with who I am.** It is important to create my own sense of style.*



Source: WSL How America Shops® Build My Magic Box, 2015

Who's making it personal?

The scores measure the areas of focus for your customized solution.

Kristine Martinek

28 HEIGHT 5' 7" SEX F

NTAL FOCUS



NT AND BONE HEALTH



MOTIONAL WELLNESS



WELLPATH SOLUTIONS

BUY NOW



N°655
FORMULATED ON
NOVEMBER 2, 2015

CUSTOMIZED
VITAMINS



N°284
FORMULATED ON
NOVEMBER 2, 2015

CUSTOMIZED
SHAKE MIX

VANILLA

\$39.95 WellPath
Membership Program*

\$49.95 One Time Delivery

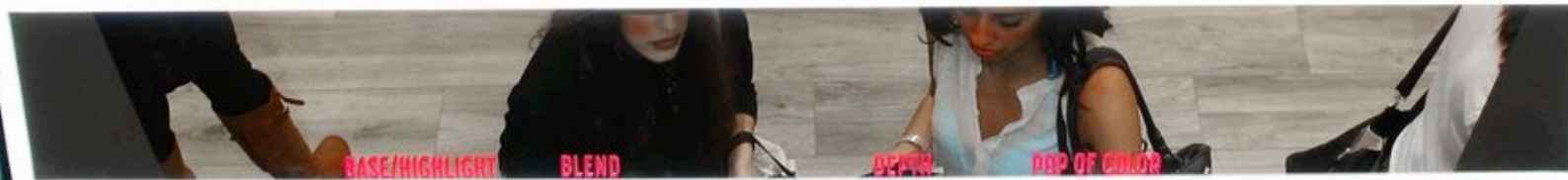
\$49.95 WellPath
Membership Program*

\$59.95 One Time Delivery

Personalized products move from online...

NYX CUSTOM PALETTE
Shadow Bar

BUILD YOUR
OWN PALETTE



...to the store, in cosmetics

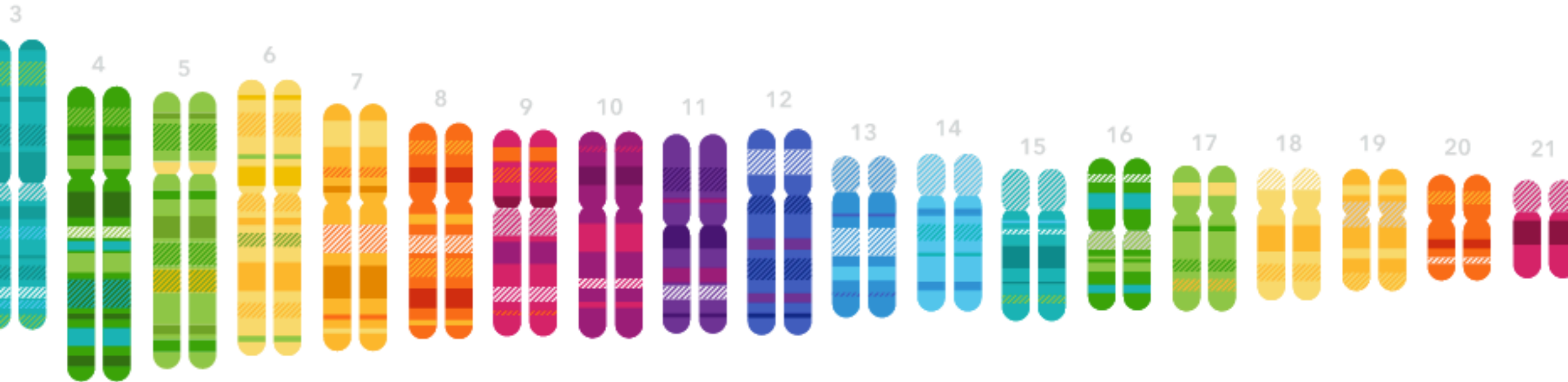


...in hair care



...and skin care

23 pairs of chromosomes.
One unique you.



...even health prevention is [truly] about “me”

5

Tech the enabler: Not tech for tech sake

Technology has changed her expectations about life and shopping

62%

The Internet makes
shopping easier

56%

Going online to **research
topics makes life more
satisfying**

Pre-shopping takes her decisions out of store.

39%  **+ 3 pts.**
vs. 2014

of Beauty buyers
pre-shop CPG
categories

+7 pts. for *Millennials*
+15 pts. for *Hispanics*
+5 pts. vs. *Total Women*

INCIDENCE OF PRE-SHOPPING BEAUTY

CHANGE
vs. 2014
PPTS

Hair Color  **49%** **+14**

Cosmetics  **42%** **+20**

Facial Skin Care  **36%** **+14**

Hand & Body Skin Care  **35%** **+11**

Hair Care  **33%** **+8**

Source: WSL How America Shops® Switch-Swap-Trade 2016. Base: Women Category Purchasers (300 per Category).
Q. Before you went to the store to buy [CATEGORY...], did you do any of the following?









Mobile enables more efficient trips in-store.

35%  **+13 pts.**
vs. 2014

of Beauty buyers use
mobile in-store to
make Beauty brand decisions

+17 pts. for Millennials
+34 pts. for Hispanics

INFLUENCE ON IN-STORE BEAUTY DECISION

		CHANGE vs. 2014 PPTS
Mobile (net)	 35%	+13
Compared prices in other stores	 11%	+6
Looked for coupons on phone	 9%	+3
Looked up product ingredients online	 9%	N/A
Checked for product information	 9%	+5
Looked up a review or rating	 8%	+5
Scanned a QR code	 6%	+4
Got an alert from the store	 6%	+4

Source: WSL How America Shops® Switch-Swap-Trade 2016. Base: Women Purchasers of Beauty Undecided About Brand.
Q. In the last six months, have you used your mobile device (smartphone, tablet) in a store to help you shop?

Who's using tech as an enabler?

SEPHORA + PANTONE COLOR IQ



Digital helps her choose the right product



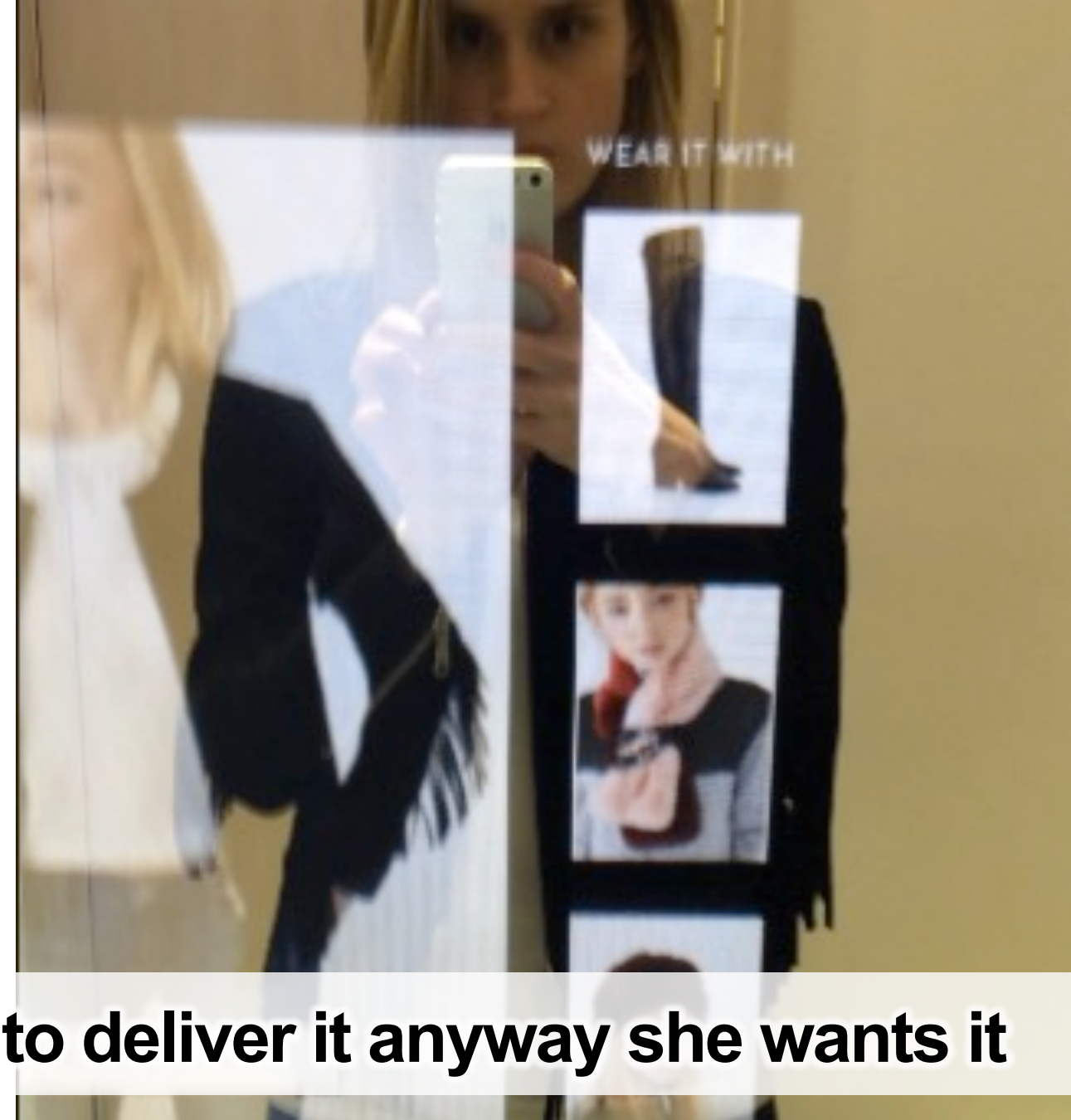
Finally, discover your scientifically
precise foundation shade.
Experience the impossible with the SEPHORA + PANTONE
COLOR IQ custom color matching system.



...lets her learn directly from the brand founder



...teaches her how [with social influencers]



...and understands her enough to deliver it anyway she wants it

In the end...

A thick, hand-drawn style red underline that starts under the first dot of the ellipsis and extends to the right, ending with a small upward flick.

5 Shopper Trends Shaping Beauty Retailing

1

Make Her a Smart Shopper

2

Make it Easy for Her

3

Give Her Wellness from Wall to Wall

4

Personalize Her Experience

5

Use Tech as Her Enabler



**“I love you when you are being what I want you to be.
I hate you when you are being what you want to be.”**



Source: WSL How America Shops® Build My Magic Box, 2015

WE
CAN / HELP / YOU
BUILD SMART RETAIL STRATEGIES



SHOPPER INSIGHTS ■ RETAIL INTELLIGENCE ■ INNOVATIVE SOLUTIONS

KRISTINE MARTINEK CONSULTANT

KMARTINEK@WSLSTRATEGICRETAIL.COM

307 SEVENTH AVENUE SUITE 1707 NEW YORK NY 10001

T 212.924.7780 | **F** 212.924.7608 | **E** INFO@WSLSTRATEGICRETAIL.COM



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