NON-MEMBER EDITION

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POPAI

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RESEARCH REPORTS

IN-STORE INSIGHTS

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Cosmetics, Beauty, Hair & Fragrance

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Guiding shoppers past confusion into confident decisions ... which brands are taking 'helpful' to a whole new dimension?

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DEDICATED TO ENHANCING THE TOTAL SHOPPER EXPERIENCE

Welcome to the latest edition of In-Store Insights. It was great to see so many of you at the Retail Design Expo in May, the perfect showcase for innovation and inspiration across the whole retail spectrum. In our fast-paced and constantly evolving industry, it's always exciting to see how new thinking and progress are likely to shape our future.

The POPAI Awards nominations are now in – thanks as ever to everyone who has entered. We're looking forward to announcing the winners at the always-spectacular Gala Dinner at the Royal Lancaster London Hotel in October.

The POPAI Awards are a great way for us to reward innovation and best practice in the industry. But they are also a helpful way for us to gauge how other displays measure up to the superlative award winners. Our Display Best Practice report on page 5 delves into the world of beauty and personal care to see what good really looks like.

In the first of our new Display Investigation reports, we take a forensic look at the technical characteristics of different display types across a range of categories and retailers. We kick off proceedings by looking at the humble freestanding display unit ... which actually proves to be pretty mighty. Read page 7 to find out more.

Healthy eating is increasingly becoming a lifestyle choice, as we understand more about the link between what we eat and our general health. Add to this the growing demand for specific dietary products – such as gluten-free – along with the rise in vegetarian and vegan diets, and it's clear this is one big industry. Our investigation on page 10 takes a look at how easy it is to make a healthy choice in-store.

Clever brands have always worked to support and nurture their customers. But a new breed of 'uber-helpful' brands is emerging, which takes hand-holding to a whole new level. On page 12, we look at how these innovators are guiding their customers beyond distraction and confusion, to the utopia of a confident purchase.

I'll sign off by saying I'll look forward to welcoming you to our Digital Experience Workshop in June and our Shopper Foundation Course and Shopper Seminar in July. Lots of good stuff on the agenda!

Phil Day
POPAI

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IN-STORE INSIGHTS

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DISPLAY BEST PRACTICE

COSMETICS, BEAUTY, HAIR & FRAGRANCE

Beauty and personal care is big business in the UK, with shoppers in this category amongst the biggest spenders in Western Europe. And while the market is clearly saturated, it nonetheless continues to evolve. Supermarkets and discounters are taking a bigger share, shoppers are placing increasing importance on brand values and identity, and retailers are turning to brands to help them keep the in-store experience creative, lively and innovative.

But when it comes to beauty and personal care P-O-P, what exactly does good look like? POPAI reviewed the award-winning displays from the past five years to discover the bold and beautiful ways brands are achieving standout in this overcrowded market.

The changing face of the market

It seems that 2018 will be a pivotal year for the beauty and personal care industry, with fundamental changes shifting the course of the sector.

Over the next five years, the UK health and beauty market is forecast to grow by 21.1%, with skincare likely to be the fastest-growing category.[1]

The market remains female-dominated, with 78% of women buying from the category in the past year, compared with just 41.5% of men. This offers retailers the clear opportunity to better exploit men's interest in health, wellness and fitness by encouraging them to buy into other categories such as skincare.[1]

Annual spend per head is expected to rise to £487,[1] with the essential nature of the products meaning spend is rarely diverted. Shoppers continue to prefer in-store purchasing, with 93.5% choosing this channel; however, this is starting to shift to online, with sales forecast to increase significantly over the next five years.[1]

Boots remains the market leader with a 20.5% share in 2017. However, this has dropped since then, owing to further price pressure from general merchandisers and discounters.[1]

The role of P-O-P

The market is facing some big challenges in the coming years. Increased competition within brand channels, and shifting environmental, ethical and shopper choice trends are all making big inroads into the market landscape.

So what part does P-O-P play in meeting these challenges?

To understand what has represented display excellence and what might shape future successful designs, we analysed the 32 POPAI award-winning designs from the past five years to discover what makes the perfect display.

Read the **FULL REPORT**

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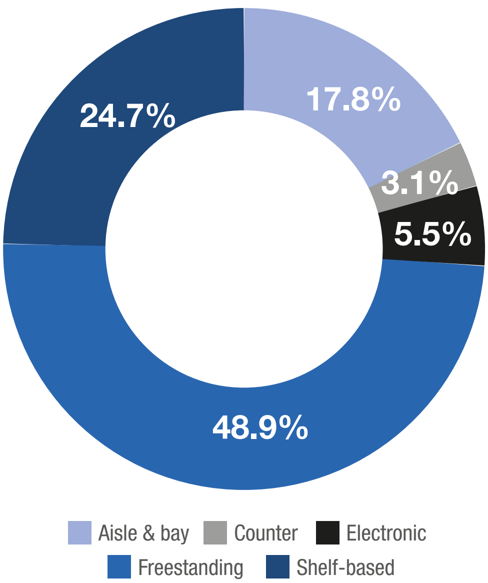
DISPLAY INVESTIGATION

FREESTANDING DISPLAY UNITS

In this new series of reports, we will be looking at the technical characteristics which make a display successful in different categories and retail channels.

Our first investigation takes a closer look at temporary and permanent freestanding display units, exploring which attributes they need to be effective, robust and attractive in-store.

3D display images taken in-store by POPAI since 2012



Source: POPAI POPwatch

FSDUs: the background

Freestanding display units (FSDUs) – sometimes just called freestanding units (FSUs) – are one of the most prominent and enduring display types used across all of today's retail environments.

In fact, a recent pan-European POPAI survey of 18 types of display in the consumer electronics market – with the research covering 100 stores in nine countries – found that FSDUs were the most popular.

Another indication of their ubiquity is an analysis of POPAI's POPwatch image database. Since 2012, we have collated 7,222 display images, and of these 2,849 (39.4%) are FSDUs.

They also account for almost half of 3D display types. This compares with the next most recorded 3D display type, shelf-based units, for which there are 1,439 images.

Interestingly, while FSDUs have been recorded across 24 different categories, just seven of these accounted for 79% of the total. The top three categories – grocery, health, beauty and pharmacy, and confectionery – represented 57%.

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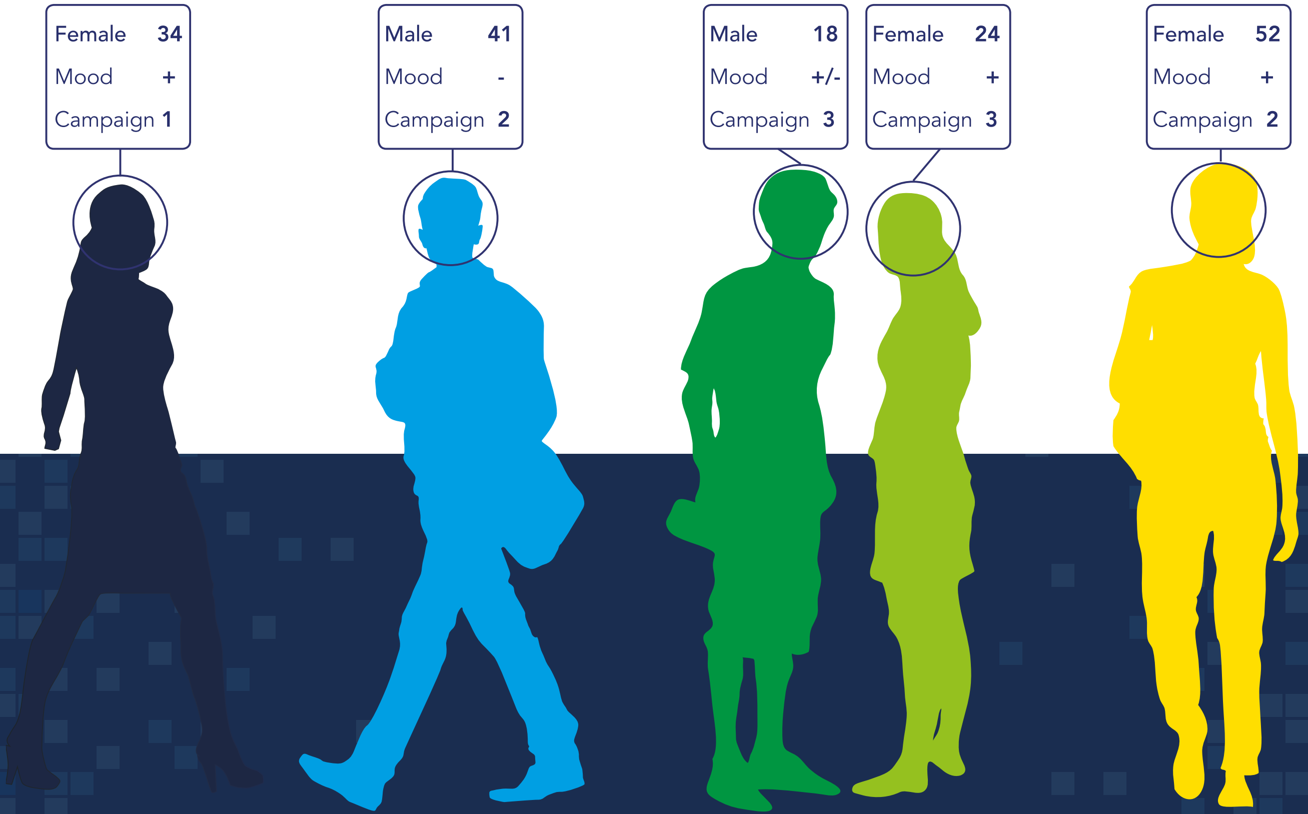

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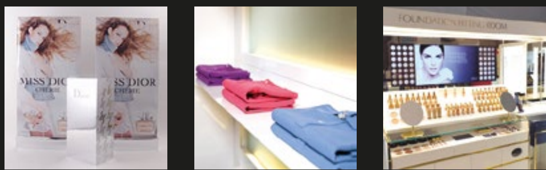

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SHOPPER INVESTIGATION

HEALTHY CHOICES & DIETARY REQUIREMENTS

Healthy living is becoming more and more a way of life, as our understanding and knowledge of the best ways to look after ourselves is ever growing. However, making healthy choices is not always easy in this undeniably complicated category, where conflicting information and advice abound. Add into the mix a growing set of dietary requirements for health reasons, such as gluten intolerance, and an increased focus on vegetarian and vegan lifestyles, and the challenge for retailers becomes clear. Our research delves into this complex sector, as we discover which retailers are fighting fit, and which need a little supplementing.

The most popular reason people over 35 buy health foods is to improve their general health. **Under 35s are more likely to buy health foods to boost their mood.**

Source: Mintel - Health Food Retailing

Our research

We asked 100 shoppers to visit the following supermarkets: Asda, Morrisons, Sainsbury's, Tesco and Waitrose (only large format stores were visited). 20 shoppers visited each retail chain. They were asked about their shopping habits and in-store display and promotions.

The health food industry

Enjoying good health, living longer lives and keeping fit are increasingly on the agenda for the UK as a nation. And this is good news for the health food industry. In the first three months alone of 2018, two-thirds of UK adults purchased at least one health food product. Of these, the majority were women, and 77% were aged under 35 – a sign perhaps that our younger generation is more clued up about healthy eating. The most popular health foods of choice were dried fruit, nuts, seeds and bran.[1]

Supermarkets dominate this sector, attracting 68% of shoppers, with just 30% of shoppers choosing a health food specialist, 22% shopping online and 19% visiting a high street pharmacy. Tesco topped the individual retailer charts, with Holland & Barrett close behind.[1] And, as healthy eating becomes more and more mainstream, supermarkets and online retailers are extending the ranges they offer, arguably negating the need to visit a health food specialist.[1]

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GLOBAL TRENDS

THE HELPFUL BRAND

Fuelled by the speed and convenience of e-commerce, consumers' expectations of seamlessness in their shopping journeys have never been higher.

While, on the face of it, this represents a daunting challenge for brands and retailers, it also creates an opportunity for those able to alleviate potential pain-points and provide customers with useful short cuts to the products and lifestyles they desire.

We explore how, with a little bit of clever hand-holding at the right moments, brands and retailers can usher customers past distractions, confusion and potential basket abandonment, and guide them towards confident purchases.

The examples shown here go beyond simply being on hand to help smooth over any issues their customers may encounter. The brands mentioned show an astute understanding of their customers' behaviours, capabilities and challenges – and they use this to pre-empt and remove any problem points and to create friction-free paths to purchase.

This trend demonstrates a number of different approaches, from reframing propositions to make them more meaningful or approachable for modern shoppers, to simple but intuitive innovations and nudges that give customers the information and reassurance they need at the right time. Ultimately, though, this trend is about creating the right environment for making a sale.

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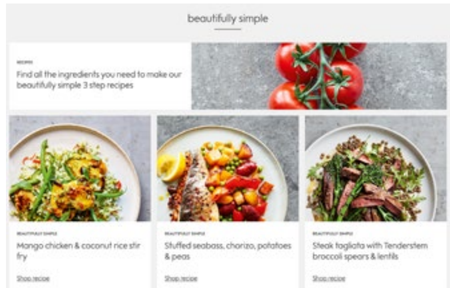

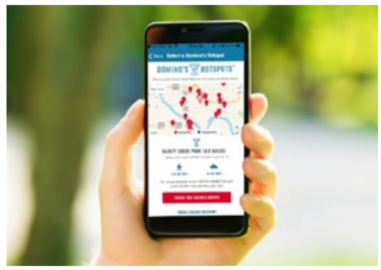

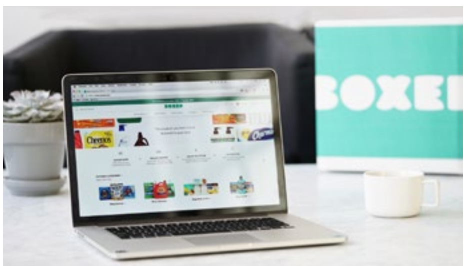

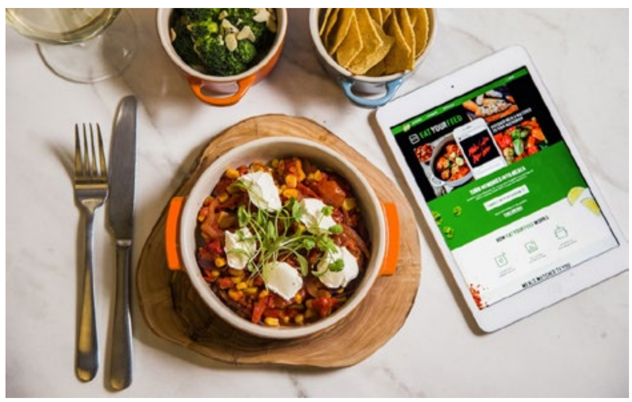

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