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EXPERIENCE



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Thousands of retailers, distributors, and brands will pound the Cosmoprof North America trade show floors looking for fresh ideas. Be prepared to make the most of your monetary and time investment.

This guide offers a framework to help you prepare for meetings including what questions you will need to answer, and which retail partners are well matched for your brand.

8 TIPS TO PREPARE FOR RETAILER MEETINGS

- 1** NAIL THE BASICS
- 2** KNOW YOUR NICHE
- 3** PLAN A VISIT
- 4** TARGET THROUGH INFLUENCE
- 5** BRING YOUR A-GAME PRODUCTS
- 6** SHARE THE STAGE
- 7** KEEP IT SHORT & SWEET
- 8** CIRCLE BACK

1 NAIL THE BASICS

This might sound obvious, but make sure you know the basics of each retailer. This includes the number of stores, what markets they cover, and what the formats are along with the content. (Read on for a comprehensive overview later in this guide!) This will set you up to know where your item fits.

2 KNOW YOUR NICHE

In a crowded market, you need to find ways to stand out. So, ask yourself: if the retailer's marketplace already has a similar item to yours, how does yours differ? Do they carry competitors' items? Be prepared to show how your item is better. Make a list explaining your product's advantages compared with what's on the market. Don't be shy and be proud of your product's uniqueness.



3 PLAN A VISIT

Nothing says “I know your business” better than proof that you’ve visited their store. Stop by ahead of the show, take notes of how they do things, and remember a few key details that will show you’ve taken the time to experience what they offer. You could even pay them a compliment on their in-store experience – a surefire way to build positive connections!

4 TARGET THROUGH INFLUENCE

Love it or hate it, there’s no denying social media’s sway when it comes to getting the word out there about your product. Develop a marketing or advertising plan that incorporates key players in social commerce and influencer marketing and bring it along.



5 BRING YOUR A-GAME PRODUCTS

If you sell many items, curate those that you feel are right for that retailer and be ready to explain why. Have your full portfolio available for them to review but be careful not to overload them with the entire portfolio. It goes without saying, but having actual products for show and tell will elevate your presentation. Lastly, look ahead and be sure to let them know about items coming in the future – at least 12 to 18 months out – to drum up excitement and show that you’re in it for the long haul.

6 SHARE THE STAGE

You’re there to present, but you’re also there to learn. Ask thoughtful questions, let the retailer talk and respond at length, and really listen to what they have to say. Make sure to take notes and refer to them later in the presentation, as well as in follow-ups.



7 KEEP IT SHORT & SWEET

During the actual meeting, be as concise as possible. No buyer wants long stories and attention spans wane fast – especially after a long day of networking. With that in mind, never schedule a presentation for more than 50% to 75% of the allotted appointment time. Make sure time is left for questions and comments and a summary. In wrapping up, ask if they would like a hard copy or email of the presentation.

8 CIRCLE BACK

You've reached the end of your presentation, now what? It's time to talk follow-ups! Let retailers know when they can expect to hear from you next and stick to that timeline.



FIND THE RIGHT PARTNER

Beauty is sizzling. The U.S. beauty market grew 11% to \$108.2 billion in 2023—outpacing most consumer-packaged goods categories. Robust growth enticed new retailers and brands to enter or expand the category. Beauty is also an area that thrives in brick-and-mortar.

According to Circana, 71% of mass beauty sales are produced in stores and 67% of prestige is transacted in brick-and-mortar stores.

Price is no longer the deal-breaker when choosing the right retail channel. It's all about finding a fit with each retailer's unique groove. What Target is looking for is a world apart from Walgreens' style. Meanwhile, Sephora and Ulta Beauty each have their own flair. Understanding these channel dynamics and retailer personalities is where the magic happens.

From luxury indulgences to everyday essentials, here's a rundown of major sales channels and their standout stars.



TOP-TIER DEPARTMENT STORES

Department stores in the U.S. have seen consolidation and closures, with their beauty sales remaining flat in 2023. However, they remain pivotal for luxury beauty products priced \$100 and above, boasting well-staffed departments with knowledgeable consultants who offer makeovers and samples. Brands that support these services can thrive in this space.

MACY'S INC. is fashion-forward in its beauty department with a mix of prestige and upper-end masstige lines. The retailer is strong in fragrances. Macy's welcomes emerging brands that can court younger shoppers.

- Largest department store retailer with \$24+ billion in annual sales
 - **Brands featured at Macy's:** Shiseido, Clinique, IT Cosmetics, Bobbi Brown
 - **Store formats:** 481 Macy's locations, small format, Macy's Backstage (off-price)
 - **Other operations:** Bloomingdale's (33 locations), Bluemercury (178 doors)
 - **Beauty Focus:** Fashion-forward, mix of prestige and masstige lines.
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BLOOMINGDALE'S, Macy's sister company, skews higher in prices with brands including Chanel, Augustinus Bader, Armani Beauty and Chantecaille. Its stores are in high-fashion cities or shopping centers with consumers always looking for something new, but not necessarily overly trendy. Select stores have SpaceNK boutiques within their stores.

NEIMAN MARCUS, including **BERGDORF GOODMAN**, is a luxury haven.

- **Brands:** Sisley, Cle de Peau, La Prairie, and exclusive upper-tier brands.
 - **Locations:** 38 sleek and luxurious outlets including Bergdorf Goodman.
 - **Special Feature:** Trending Beauty section highlighting cutting-edge innovations in the beauty industry.
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NORDSTROM shines in beauty with legacy brands like Chanel and newer favorites,

- **Brands:** Chanel, Charlotte Tilbury, Westman Atelier, Hourglass, Kylie Cosmetics, Melt Cosmetics, and a variety of premium brands.
- **Locations:** 93 full-line stores and over 340 Nordstrom Rack locations nationwide.
- **Special Feature:** Beauty departments strategically located adjacent to the iconic shoe section, attracting a diverse range of shoppers seeking premium beauty products.

MID-TIER DEPARTMENT STORES

There are a handful of power players who fall into the mid-tier of department stores that can be a good starting point for emerging brands.

KOHL'S is arguably the best-known in the mid-tier range.

- **Locations:** Over 1,176 stores across 49 states, with Sephora now in 1,000 locations and plans to expand to all stores.
 - **Partnership:** Successful collaboration with Sephora, aiming to surpass \$2 billion in sales by 2025.
 - **Special Feature:** Sephora stores within Kohl's are strategically placed near the front and center, featuring best-sellers like Sol de Janeiro, Summer Fridays, and Sephora Collection.
 - **Pricing:** Up to \$599 for the Dyson Airwrap Multi-Styler Complete Long.
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BELK, INC. blends classic beauty brands like Estée Lauder with a keen eye on emerging trends.

- **Locations:** Nearly 300 stores across 16 Southern States.
 - **Digital Presence:** Recently strengthened to expand beyond its loyal Southern base.
 - **Beauty Brands:** Stocks well-known classic brands like Estée Lauder while staying current with emerging beauty trends.
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VON MAUR, like Belk, has built a business—and avoided the pitfalls of many department stores that have closed—with controlled growth and attention to the customer base.

- **Locations:** Operates 38 stores across the United States.
- **Business Approach:** Focuses on controlled growth and customer-centric service to maintain longevity and avoid industry pitfalls.
- **Beauty Expansion:** Actively adding innovative brands like Ellis Brooklyn, Lake & Skye, and Juliette Has a Gun to enhance its beauty offerings and attract discerning shoppers.

MID-TIER DEPARTMENT STORES (CONTINUED)

BEALLS FLORIDA is a resilient regional mid-tier department store that has thrived despite the decline in department stores nationwide.

- **Beauty Focus:** Offers a comprehensive beauty selection catering to consumers seeking convenient one-stop shopping, particularly in everyday essentials like hair care and skin care.
- **Key Brands:** Olay, L'Oréal, and Murad in skincare, alongside a diverse range of mid-priced fragrances.

JCPENNEY has new life after Sephora's exit with the installation of curated departments from Thirteen Lune. Customer feedback shows that introducing inclusive brands has hit a sweet spot with the consumer base.

BOSCOV'S, with over 50 locations primarily in Pennsylvania, offers great opportunities for brands to expand. They feature legacy brands like Clinique alongside newer additions like Sundae in their growing beauty offerings.



SPECIALTY STORES

The two biggest specialty stores, Ulta Beauty and Sephora, command the lion's share of business in the segment. But there are others to get to know as they are good for launching and discovery. Specialty stores, according to Circana, produced sales gains under 20% in 2023 versus the year before.

SEPHORA AND ULTA BEAUTY TEND TO GO NECK-AND-NECK IN MARKET SHARE.

SEPHORA is generally considered more upscale than **Ulta Beauty** (which carries mass and class products).

- **Stores:** Sephora operates 1,631 stores across the United States.
- **Brand Launchpad:** Recognized for showcasing and propelling new brands into the market, often featuring them prominently in sections like “First at Sephora.”
- **Exclusivity:** Emphasizes exclusives such as Rare Beauty and other unique offerings to differentiate its product lineup.
- **Market Approach:** Tailors its U.S. operations differently from its European counterparts. Focuses on supporting emerging brands while maintaining high standards in product selection.
- **Focus Areas:** Expanding its offerings in hair care and BIPOC (Black, Indigenous, and People of Color) products to cater to diverse consumer preferences and needs.

ULTA BEAUTY is unique in that it sells popular priced brands like L'Oréal under the same roof as prestige lines.

- **Stores:** Over 1,385 locations nationwide, most with integrated salons for professional beauty services.
- **New Product Showcase:** “Sparked at Ulta Beauty” highlights emerging beauty lines for consumer discovery.
- **Strategic Alliances:** Successful partnerships with Target expand access to premium brands such as Tula, The Ordinary, and Kylie Cosmetics.



SPECIALTY STORES (CONTINUED)

COS BAR is an uber- luxury specialty retailer that started out in Aspen, Colorado.

- **Stores:** Approximately 21 locations across upscale markets like Vail, Scottsdale, and Newport Beach.
- **Merchandise Assortment:** Curates prestigious collections with a focus on engaging sales experiences, set by founder Lily Garfield.
- **Lily's Favorites:** Personally selects must-have items, often introducing new additions to the selection.
- **Market Position:** Emphasizes a high-end retail experience tailored to affluent clientele in exclusive locations.

BLUEMERCURY is the Macy's owned specialty retailer that is on a growth trajectory.

- **Growth:** Rapidly expanding with nearly 160 freestanding stores and plans for additional openings and remodels.
- **Merchandising Philosophy:** Curates an edited array of products to streamline the shopping process.
- **Competition:** Positioned to rival Ulta Beauty and Sephora in the specialty beauty retail market.
- **The Cache:** Features The Cache, a dynamic area showcasing new brands that changes every four months.

The U.S. business of **SPACENK.**

- **Ownership:** PCA Companies acquired SpaceNK's U.S. business with 600 distribution points.
- **Partnerships:** Bloomingdale's, Nordstrom, Nordstrom Rack, Hudson's Bay, and Walmart's Beauty SpaceNK shop-in-shop.
- **Growth Strategy:** New owners seek to scale operations and expand market presence in the U.S.



EMERGING SPECIALTY

K-BEAUTY continues to gain traction in the U.S.

H MART brings the best of Korea to the U.S. with its more than 84 stores that sell everything from seafood to skincare.

- **Ownership:** H Mart is an American chain of Asian hypermarkets operated by the Hanahreum Group headquartered in N.J.
- **Key Brands:** Beauty of Joseon, Cosrx and Dr. Jart.

International K-beauty powerhouse **OLIVE YOUNG** is the Korea's number one health and beauty store. The company closed out 2023 with more than 1,335 stores.

- **Growth Strategy:** Leveraging its reputation in Korea, Olive Young operates online sales for global distribution include the U.S.



Photographer: Heejin Kim/Bloomberg

MASS MERCHANDISERS

Mass merchandisers is a catchall name for retailers that sell beauty priced below specialty and department stores. Drugstores, discount stores, and off-pricers all fall under the heading. In the U.S. these stores account for the largest share of sales, but the growth in dollars has lagged behind prestige for several years, based on Circana data.

Generally speaking, if your brand is positioned under \$30, the best bet is to seek out a mass marketer. However, there are slightly higher brands gaining entry in mass doors.

WALMART is not only the largest retailer in America, but it also sells more beauty products, too.

- **Market Leader:** Leads in beauty product sales with a focus on elevating its offerings.
 - **Distribution Power:** With 4,600 U.S. stores, brands must be prepared to meet Walmart's scale requirements, including potential test runs in select locations.
 - **Strategic Initiatives:** Refreshing store aesthetics and adopting a first-to-market strategy to compete with Amazon and Target.
 - **Product Focus:** Emphasizing exclusives, BIPOC-founded brands, and products appealing to younger demographics.
 - **Customer Base:** Attracts a significant portion of high-income customers (\$100,000+), with curated areas by SpaceNK featuring premium brands within select stores.
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TARGET has earned the name as the class of the mass when it comes to beauty.

- **Market Position:** Target is known as the leader in mass-market beauty, reinforced by partnerships like Ulta Beauty in over 500 of its nearly 2,000 stores.
- **Unique Offerings:** Emphasizes exclusives such as Kristin Ess hair care and Fine'ry fragrances to differentiate its beauty selection.
- **New Brand Focus:** Actively seeks the latest buzzworthy brands to drive impulse sales and attract trend-conscious shoppers.

MASS MERCHANDISERS (CONTINUED)

CVS is in the process of upgrading its beauty presence with a new prototype that reduces stock keeping units to make shopping easier.

- **Beauty Upgrade:** CVS is revamping its beauty section with a simplified shopping experience and a focus on brands with strong storytelling.
- **Skin Care Centers:** Offers higher-end skincare products in specialized centers within select locations.
- **Nationwide Reach:** With nearly 9,300 CVS stores nationwide, brands must meet high inventory demands for distribution.

WALGREENS' calling card is its network of more than 2,500 trained beauty consultants—a luxury in the mass world.

- **Nationwide Presence:** Operates over 8,570 stores across the United States.
- **Exclusive Brands:** Offers Boots exclusives like No7.

DOLLAR TREE which includes Family Dollar and Dollar General are the major retailers in the value segment.

- **Market Presence:** these stores dominate the value segment with over 20,000 stores collectively across America.
- **Beauty Offerings:** Stock name brands like Maybelline, with Dollar General featuring its own brand, Believe Beauty.
- **Market Performance:** Dollar store beauty sales have shown significant growth, surpassing expansion in drug and discount sectors based on Circana yearly results.
- **Strategic Focus:** Executives seek closeout deals to provide deep discounts.
- **Trendy Appeal:** Five Below, part of the value segment, is renowned for trendy beauty products, particularly popular kids' beauty licenses.



OFF-PRICE APPAREL

ROSS STORES AND TJX (INCLUDING TJ MAXX, MARSHALLS, HOMETOOLS, HOMESENSE, AND SIERRA) leverage the beauty category with name brands and discounted prices.

- **Shopper Appeal:** Consumers flock to find beauty bargains, amplified by social media influencers.
- **Growth:** The sector saw a 20% sales increase in 2023, reflecting strong consumer interest.
- **Store Presence:** Ross Stores operates 1,764 stores, while TJX approaches 5,000 units across its brands, ensuring broad accessibility.

PROFESSIONAL BEAUTY

SALLY BEAUTY is the biggest of a cadre of professional beauty outlets that have expanded their brands and opened doors to the general market.

- **Stores:** With 3,700+ locations, Sally Beauty offers salon-quality hair color, care, nails, and makeup.
- **Online Convenience:** Improved for two-hour delivery or free in-store pickup.
- **Market Access:** Ideal entry point for brands with professional beauty heritage into the U.S. market.



ONLINE AND DIRECT MARKETERS

AMAZON needs no introduction, but the e-commerce juggernaut is making its biggest moves ever in beauty.

- **Market Leader:** Set to surpass Walmart as the top U.S. beauty retailer by 2025 with a projected 14.5% market share.
- **Brand Impact:** Even resistant brands like Estée Lauder have launched Clinique and Too Faced on Amazon recently.
- **Industry Influence:** Amazon's dominance is reshaping beauty sector dynamics and market strategies significantly.

QVC AND HSN have a healthy and loyal fanbase and are great partners for beauty brands. Examples like IT Cosmetics, which launched through a 10-minute spot on QVC, highlight this effectiveness.

Social media sites are escalating in beauty at warp speed. Shoppable content is catching on. In less than a year, **TIKTOK SHOP** is now the ninth-largest online beauty and wellness retailer in the U.S.

INTERNATIONAL ATTENDEES

The show floor will be the host to many international retailers, too. Among those on the roster are upscale drugstore retailer **SHOPPERS DRUG MART**, online wellness innovator from Canada **WELL.CA**, **FARMACIAS DEL AHORRO** from Mexico and **HOLT RENFREW** from Canada.

