

New geographic hotspots, diminishing boundaries between wellness and beauty, and rapidly evolving trends steering customer demand patterns – **the current beauty, health, and wellness retail ecosystem is abuzz with disruptions.**

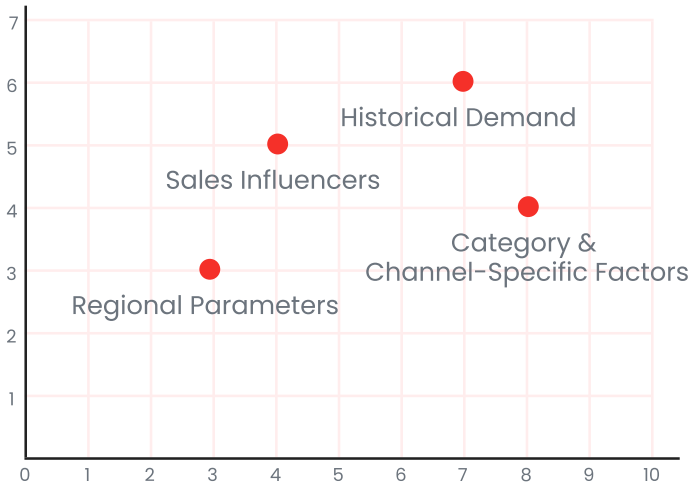
For retailers, it's a unique time to pivot themselves and leverage **intelligent process automation** to strengthen their foothold in the industry with optimized assortments across all locations.

Here is a strategic framework to achieve this

01 Decoding the Customer Demand

29% of beauty purchase decisions are motivated by product availability, and **23%** by a good selection of products.

AI-driven demand forecasting solutions can factor in thousands of constraints – sales influencers, historical demand, regional parameters, category & channel-specific factors, and much more – to generate highly precise forecasts.



Data-Driven Replenishment Instead of Guesses 02

In 2024, skincare “efficacy” searches spiked by **700%**, while **23%** of shoppers were influenced by “product price comparison”.

Demand planners need to mine and analyze a diverse and broader set of consumer, market, and purchase motivation data to optimize inventory. AI-led replenishment solutions implement an analytics-driven approach for allocating inventory at all product locations.



03 Bolster Brick & Mortar Value Props

While online shopping has increased across health, beauty, and wellness retail segments, in-store buying and physical touchpoints still matter. As much as **40%** of online retail includes a physical touchpoint.

AI/ML-driven replenishment empowers retailers to offer highly tuned product assortments as per granular demand patterns. Retailers can expand beyond core product categories and expand to adjacent categories or go deep in a specific category to gain spending share with customers.



Automating Promotions Management 04



The pre-shop motivation for **16%** of beauty shoppers comes from “Deals”. **23%** of Gen-Z and 28% of Millennials only buy products on discount.

Promotions have a substantial impact on retailer revenues. However, demand shifts and lifts during sales can eat away as much as 17% of their profits. Intelligent replenishment solutions offer dynamic demand balancing to keep those profits intact by ensuring the right stock availability without capital lock-ins at all store locations.

05 Master the Three A’s– Agility, Adaptability and Assortment

Beauty and wellness sectors are converging, amassing a \$140.7 billion value in the US alone. Further, wellness alone has a market share of **82%** of consumers in the US, **73%** in the EU, and **87%** in China.

Retailers can no longer afford manually cranked merchandising decisions based on static sales or demand data. AI-driven inventory allocation tuned to hyperlocal nuances to offer wider assortments, while adapting to real-time demand patterns and agile recalibrations to supply-side deviations, is the right way to go.

