

# 3 new things in retail: Supply chain woes, retail media, and Amazon's beauty push

Article

1. Here's how supply chain hiccups will weigh on the holiday season:

- As freight, manufacturing, and labor costs hike alongside the number of delta variant cases, US retailers will spend **\$223 billion** more for holiday season goods over 2020, per Salesforce. In H2 2021, US companies will roughly triple what they spent on ocean freight alone in H2 2020.
- Some retailers are sidestepping logistics companies to combat supply chain issues. For example, Insider reported that **The Home Depot** contracted its own container ship, **Costco Wholesale** rented three container ships to import goods from Asia to North America, and **Walmart** is chartering smaller ships that can access smaller ports.
- Pandemic-driven factory and shipping port closures in countries like **Vietnam, Malaysia, China**, and other areas where the US outsources production have contributed to supply chain delays.
- Supply chain woes are already weighing on consumer loyalty. In the past three months, **more than 80% of consumers** bought a different brand than their usual—lower prices (65%) and out-of-stock products (51%) were their primary motivating factors, per Marketing Dive.

## 2. Retail media goes beyond direct response

Retail media has revolutionized the search ad market, where most of the focus still is. But display and video ads that target consumers higher in the funnel are becoming a more important part of the mix, and technological innovation is ushering in new ad products that bring together the best of branding and the best of performance marketing.

[Read more about how the retail media landscape is changing.](#)

## 3. Following the launch of its Health and Beauty Store, Amazon is primed to solidify its pandemic gains in the space with a new event this month.

- Amazon's Holiday Beauty Haul event, which offers online deals for beauty products from Amazon and other retailers, will run October 4 to October 25 to jump-start holiday shopping, per CNBC.
- Beauty is a **\$500 billion** industry worldwide, comprising cosmetics, skincare, haircare, and fragrances, with the **majority of purchases made in-store**, per McKinsey.
- During 2020's pandemic holiday shopping season, **US online beauty purchases increased 32%** over 2019, reaching **\$188.2 billion**, according to Adobe Analytics.

- Amazon's beauty event aims to tap into the loyal customer bases of Ulta Beauty, Sephora, and other stores which have been taking over department stores' customer share.
- During Amazon's 2021 Prime Day event, **28%** of buyers purchased health and beauty items, and **27%** of those individuals purchased Amazon-branded products.