

What's Driving Online Sales of Health, Personal Care and Beauty Products?

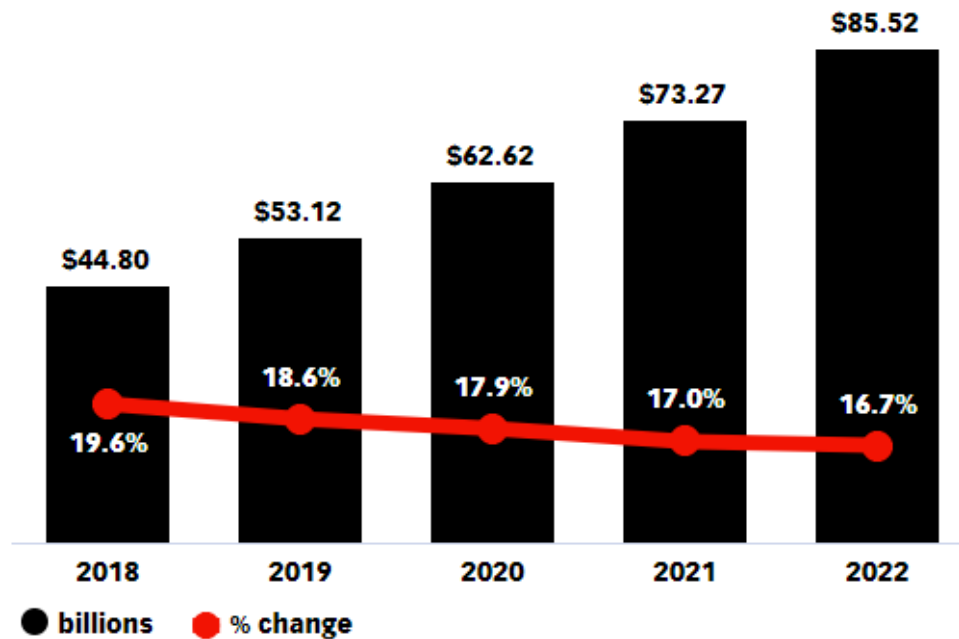
ARTICLE |

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We forecast that US retail ecommerce sales of health, personal care and beauty products will surpass \$53 billion this year, up 18.6% from 2018, making it the second-fastest growing category among those we track—**slightly slower than food and beverage**.

Health, Personal Care & Beauty Retail Ecommerce Sales

US, 2018-2022



Source: eMarketer, May 2019 (see below for notes and methodologies).

www.eMarketer.com

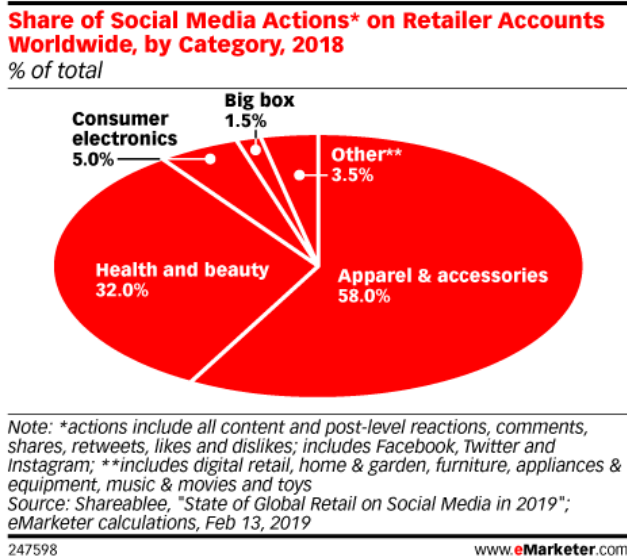
“These items lend themselves well to ecommerce because you don’t have to worry about perishability, and they’re often replenishment items that can be re-purchased with one click,” said eMarketer senior forecasting analyst Cindy Liu. “You also don’t need to visit a retail store to see and touch the products because you know what you are getting every time you buy.”

Growth is driven by a number of factors, beginning with the fact that there’s a lot of room for it. Just over 10% of total retail sales of health, personal care and beauty are made online, according to our estimates. By comparison, categories like consumer electronics and toys and hobby purchases will see roughly 39% and 32% of sales through online channels this year, respectively.

And as more consumer packaged goods offerings appear online—a growing number of which serve niche consumer segments—

consumers will be more inclined to purchase.

The rise of social shopping and commerce has also spurred growth in ecommerce sales. According to a February 2019 report from social media metrics firm Shareablee, health and beauty content lends itself well to sharing, commenting and “liking” on Facebook, Instagram and Twitter.



“And it’s not just the billion dollar brands like Kylie Cosmetics and Glossier—there’s a whole cottage industry of emerging direct-to-consumer [D2C] brands in the beauty and personal care space that are leveraging targeted social ads and influencer marketing to accelerate growth,” said Andrew Lipsman, eMarketer principal analyst.

In the future, we’re likely to see more brands sidestepping traditional retailers or online marketplaces and going D2C in the health, personal care and beauty category. And consumers are on board. A March 2019 survey from consumer intelligence platform Toluna found that more than half of US internet users said they will likely try personal care and beauty products from D2Cs in the future.

Which Categories of Direct-to-Consumer (D2C) Brands Have US Internet Users Purchased* in the Past vs. Will Likely Try in the Future?

% of respondents, March 2019

	Will likely try in the future	Purchased in the past
Personal care & beauty (e.g., Glossier, Harry's, Dollar Shave Club)	53.9%	52.1%
Clothing & apparel (e.g., Allbirds, Everlane, Bonobos)	57.1%	49.0%
Food & drink (e.g., HelloFresh, Blue Apron, Freshly)	45.4%	39.8%
Travel & transportation (e.g., Away, Uber, Airbnb)	38.4%	36.4%
Pet Care (e.g., Ollie, BarkBox, KitNipBox)	36.1%	29.1%
Home & furnishings (e.g., Casper, Brooklinen, Brandless)	35.6%	29.1%
Marketplace & rental chains (e.g., OfferUp, Jet.com, Letgo)	30.5%	29.1%
Wealth management & financial services (e.g., Wealthfront, Acorns, Robinhood)	14.7%	11.8%
Other	1.9%	4.1%

*Note: n=896 ages 18+; among internet users who have purchased a direct-to-consumer brand; *or used services from*
Source: Toluna, "D2C Survey," May 6, 2019

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A similar number (52.1%) have already tried D2Cs offering personal care and beauty products.