

# Online sales of health, personal care categories are growing. Here are 3 strategies to tap into that trend

Article

Health and personal care will be the third-fastest-growing ecommerce sales category this year, growing 22.1% year over year, according to our forecast. Though only about a quarter (26%) of consumers said they **cut back their spending** on personal care items due to rising prices, according to CivicScience, almost as many (23%) said they began **purchasing more private label items** to keep costs down, per First Insight.

While there are **signs of inflation easing**, according to the Adobe Digital Price Index, **digital prices** of personal care products were still up 2.6% year over year in September, so it's as important as ever to cater to deal-seeking shoppers.

**Here are three strategies to ensure ecommerce success in personal care:**

### **1. Play the price is right**

Some **consumer packaged goods companies** are offering different package sizes and new products to appeal to consumers seeking more bang for their buck, as well as promoting lower-priced items, per The Wall Street Journal.

For example, Unilever has bundled some versions of its Degree deodorant and Suave shampoo, as well as introduced a new lower-priced brand called Madam for Walmart.

### **2. Hit subscribe**

Meanwhile, direct-to-consumer (D2C) companies are using **subscriptions** to engage with consumers. As many as 75% of D2C brands will have a subscription-based offering by 2023, according to PipeCandy and Rodeo.

Focusing on convenience over novelty can help battle subscription fatigue. Convenience-based categories like beauty and personal care (along with food and beverage) make up 54.3% of worldwide subscriptions, according to Recharge, a subscription payments platform.

### **3. Go where the trends go**

For beauty-focused personal care brands, department store **retail media networks** offer a great way to connect with engaged customers.

And the money is there. Macy's Media Network generates more than \$35 million a year, while Nordstrom reported \$40 million in ad revenues last year.

**Who's winning:** Amazon is the one to beat. This year, **Amazon's ecommerce sales** of health, personal care, and beauty products will grow faster than any other category, rising 20.0%

year over year to reach \$32.59 billion. This represents 8.2% of Amazon's total retail ecommerce sales.

But other companies are trying to nab a piece.

- Earlier this year, Gopuff launched its own **health and wellness label**, hoping to capture shoppers looking for a quick remedy.
- **Thrive Market** has built its business around health and wellness ecommerce. The company, however, struggles with the balance between providing fast delivery and being carbon neutral, according to CEO Nick Green.

**Why we care:** We predict retail health and personal care ecommerce sales will reach \$114.49 billion this year, representing nearly 11% of total ecommerce sales. Next year, that will increase to 11.7% to total \$135.59 billion.

What's behind this growth? Consumer desire for **convenience and faster delivery speeds**, according to our analyst Blake Droesch.

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