

**A.T. Kearney Study of Beauty & Personal Care Products Sold Online in Europe**

# Beauty Care and the Online Beast

Excerpt for the Press  
February 2013

Peter Pfeiffer  
Samuel Cazin  
Josh Hubbert  
Karina van den Oever

# A.T. Kearney's European "Beauty and the Beast" study

## Executive summary

### Key messages

Online channel sales growing 4x faster than overall market

Online shopping experience is generally poor & shoppers are conditioned to look for "basic" website features

Shoppers are increasingly multi-channel – there will be no pure offline or pure online shoppers in the future

As the dominant online retailer, Amazon will increase its impact on Beauty & Personal Care market

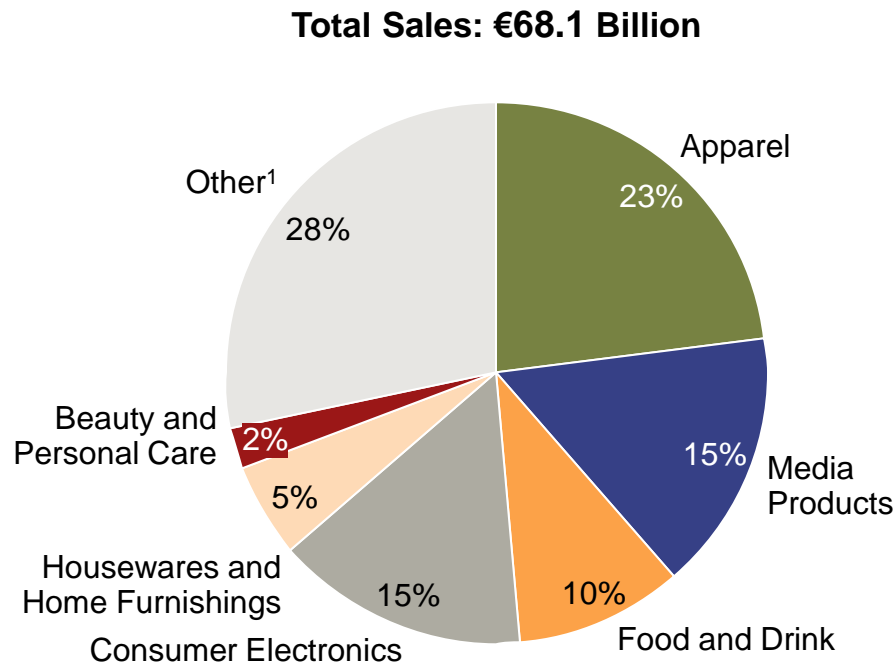
### Implications

- Manufacturers need **specific online channel strategies** to take advantage of growth
- Offline retailers need to **"go multi-channel"** unless they want to remain in a stagnant or shrinking market
- For manufacturers, online PoS is the next big opportunity for **shopper marketing** to improve shopper experience
- Retailers need to **upgrade their websites** if they want to compete based on any thing other than price
- Manufacturers need to ensure **brand consistency across channels** (e.g. same, high-quality images used)
- Retailers need to offer a **consistent multi-channel shopping experience**
- Manufacturers should improve **international commercial management** since Amazon already operates Pan-European
- Retailers need to develop strategies to **differentiate their online sites** from Amazon

Beauty & Personal Care e-commerce is a ~ €1.8 billion segment and growing 4 times faster than the overall category

### Beauty & Personal Care online sales in UK, Germany & France

**Retail Online Sales by Key Sector**  
(% of total sales, 2011)



**Beauty & Personal Care Online Sales<sup>1</sup>**  
(€ bn, 2006-2012 CAGR)<sup>2</sup>



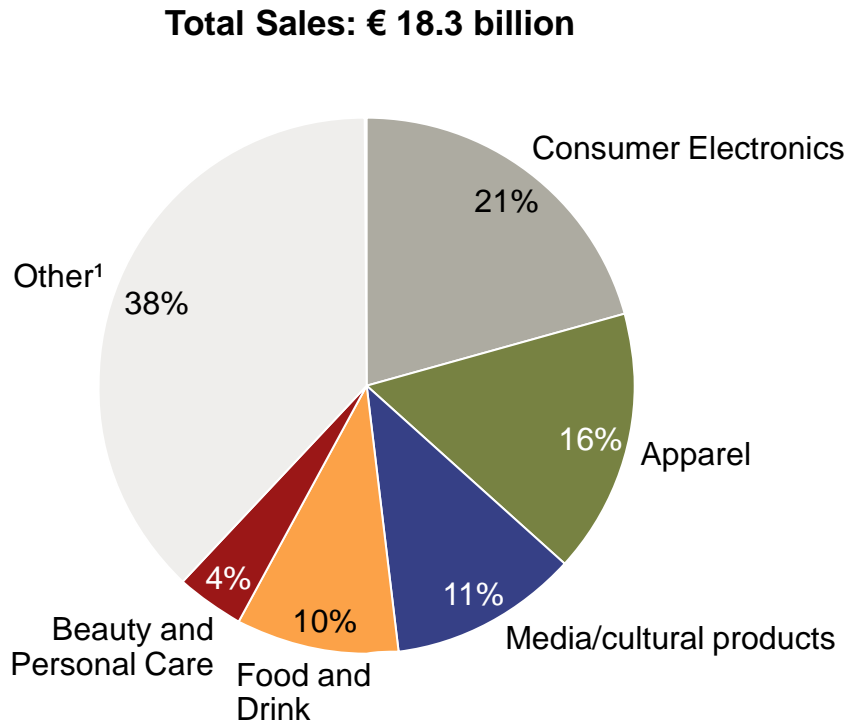
1. Includes for example toys and games, home care, consumer healthcare, consumer appliances, DIY and gardening

2. Estimate for 2012

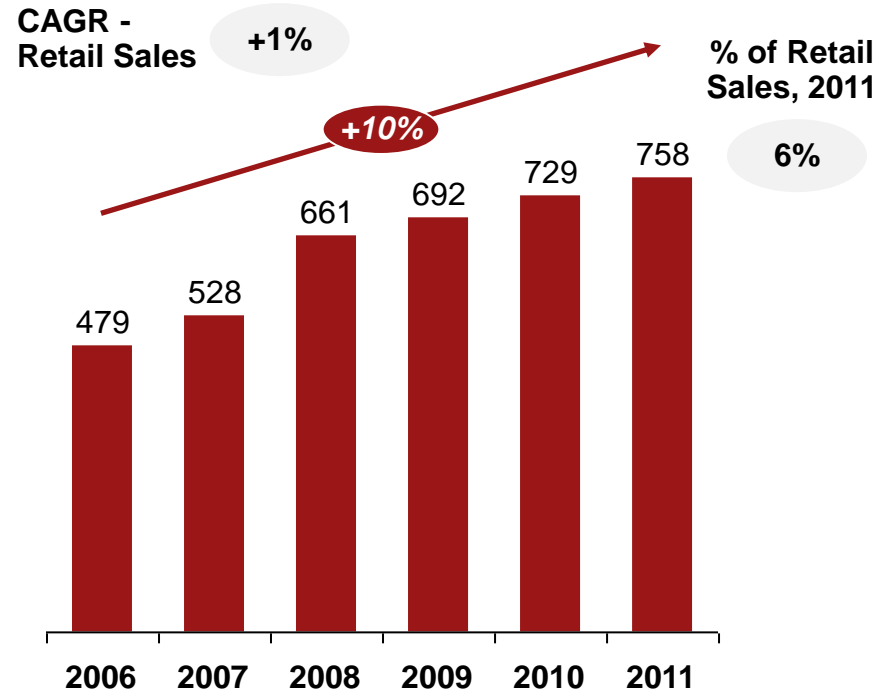
Source: Euromonitor International

# Beauty & Personal Care Online Retail in France is a €758 million category

**Retail Online Sales by Key Sector**  
(% of total sales, 2011)



**Beauty & Personal Care Online Sales**  
(€ mn, 2006 - 2011)

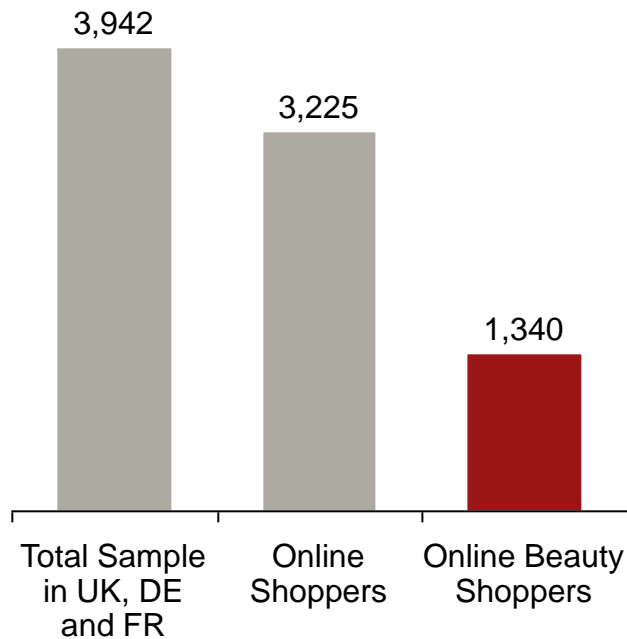


1. Includes for example housewares and home furnishings, consumer appliances, toys and games  
Source: Euromonitor International

We approached almost 4,000 consumers, analyzing 1,340 in depth for their online Beauty & Personal Care shopping behaviors

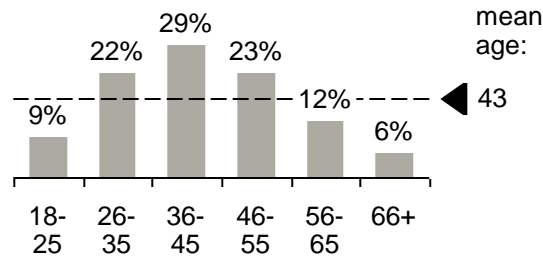
## Online survey statistics

### Total Number of Responses



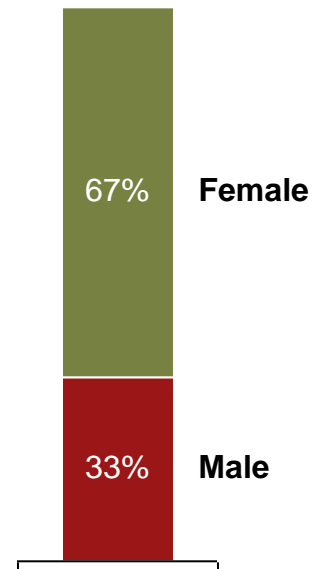
### Age Distribution

(n=1,340<sup>1</sup>)



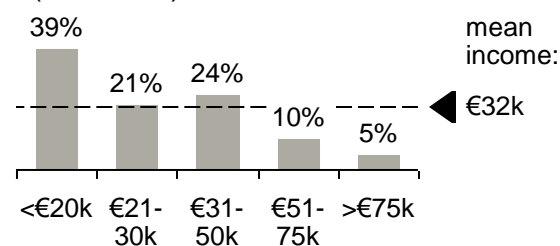
### Gender Distribution

(n=1,340<sup>1</sup>)



### Income Distribution

(n=1,340<sup>1</sup>)

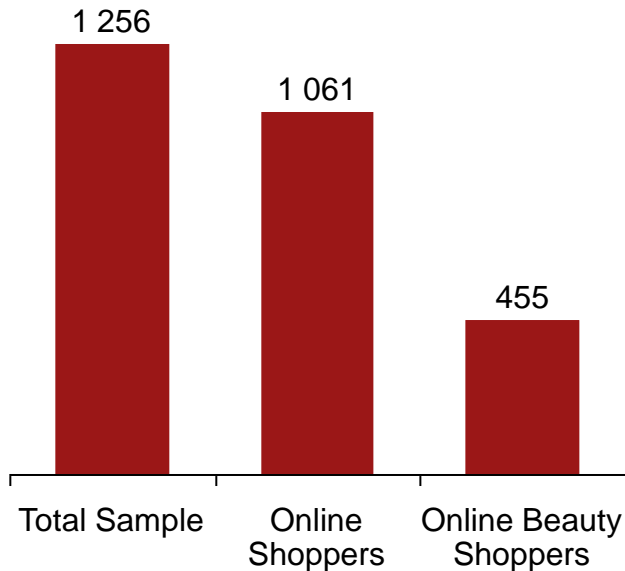


**Average age and income are in line with country statistics – as expected, female participation is higher than their share of the population**

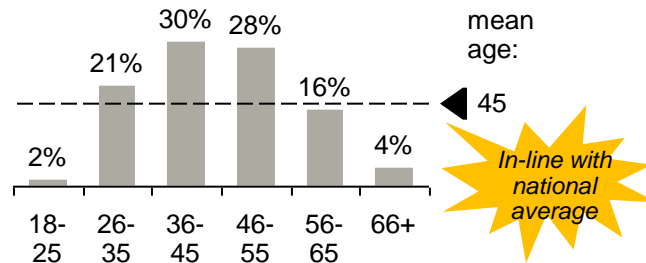
1. Sample size varies according to number of responses for specific question  
 Source: A.T. Kearney Survey of Online Beauty & Personal Care Shoppers UK, Germany and France, Oct-Dec 2012

# Our study surveyed 1256 consumers from France for online Beauty & Personal Care shopping behaviors

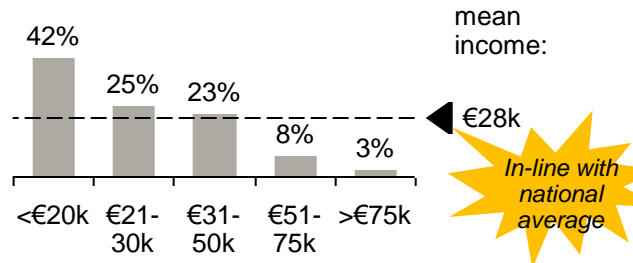
## Total Number of Responses



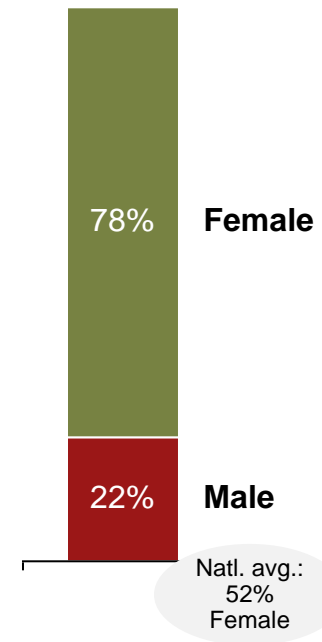
## Age Distribution (n=455<sup>1</sup>)



## Income Distribution (n=455<sup>1</sup>)



## Gender Distribution (n=455<sup>1</sup>)



**Average age and average income are in line with nation-wide statistics – Female participation exceeds population average**

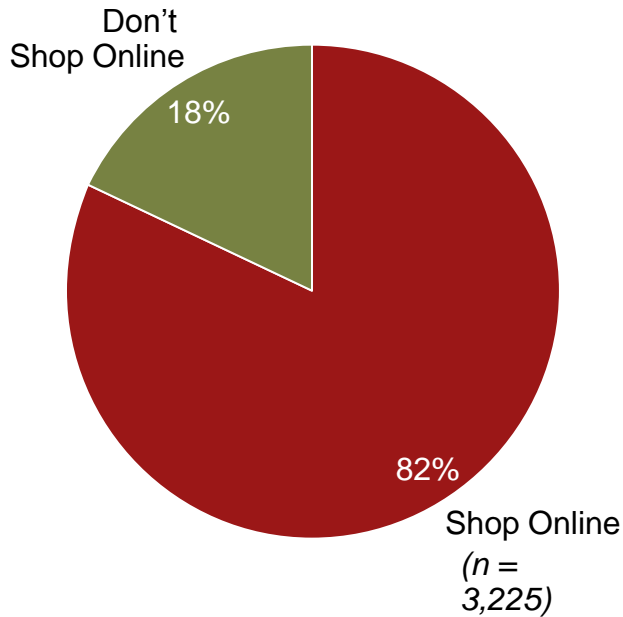
1. Sample size varies according to number of responses for specific question  
Source: A.T. Kearney Survey of Online Shoppers, September 2012

82% of the respondents shop online, with 42% buying Beauty and Personal Care products

## Online survey statistics

### Share of online shoppers

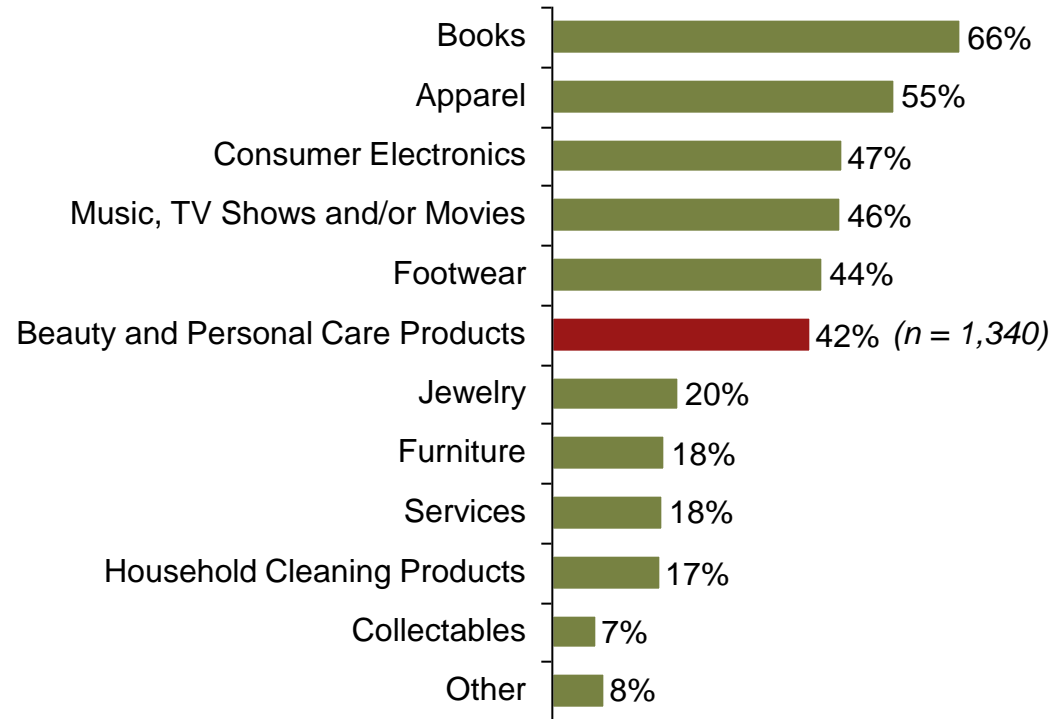
(n = 3,950)



### Most Popular Online Shopping Categories<sup>1</sup>

(% of online shoppers)

(n = 3,225)



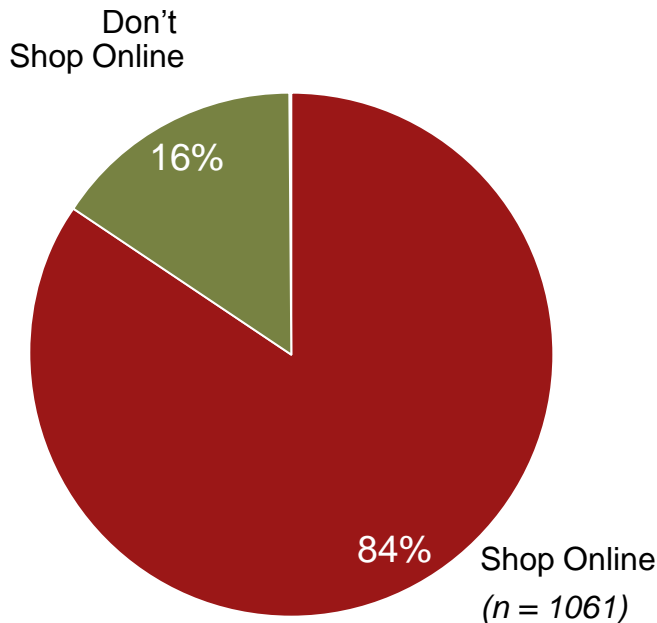
1. Survey Question: What product categories have you purchased online in the past 12 months?

Source: A.T. Kearney Survey of Online Beauty & Personal Care Shoppers UK, Germany and France, Oct-Dec 2012

# In France, 84% of the respondents shop online, with 43% buying Beauty and Personal Care products

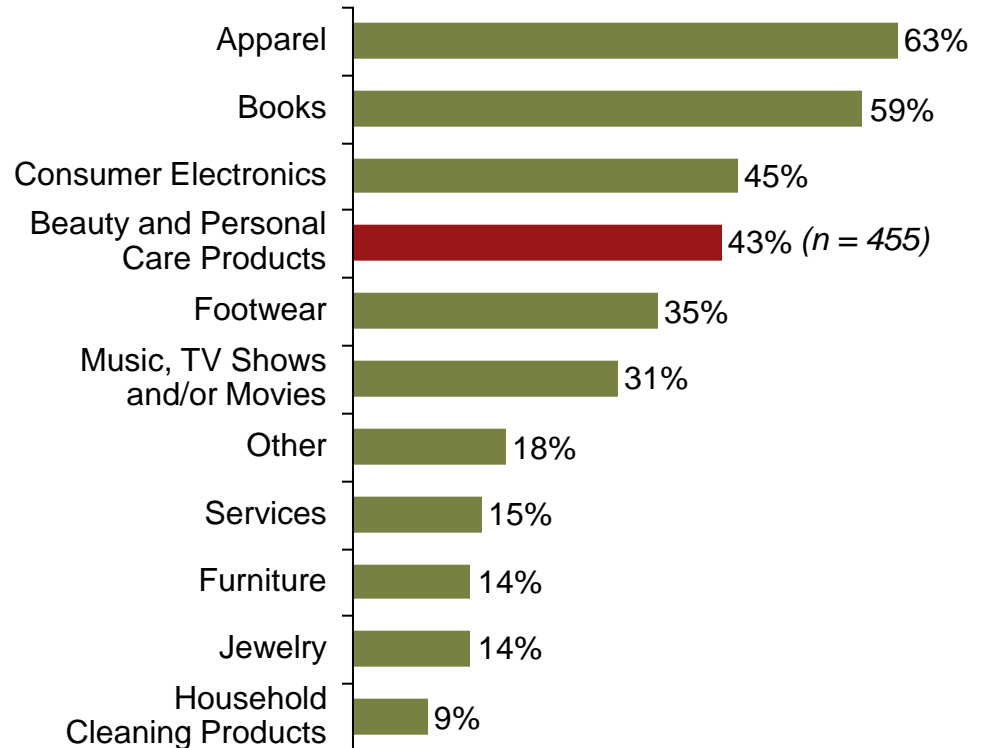
## Share of online shoppers

(n = 1256)



## Most Popular Online Shopping Categories<sup>1</sup>

(% of online Beauty & Personal Care shoppers)  
(n = 1061)



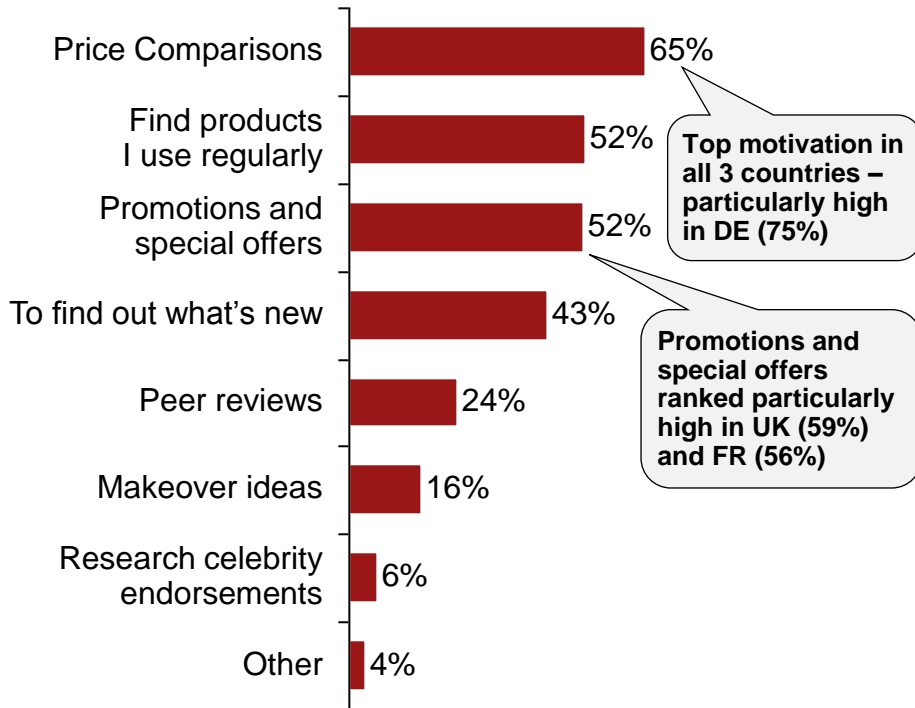
1. Online purchase in the past 12 months  
Source: A.T. Kearney Survey of Online Shoppers, September 2012



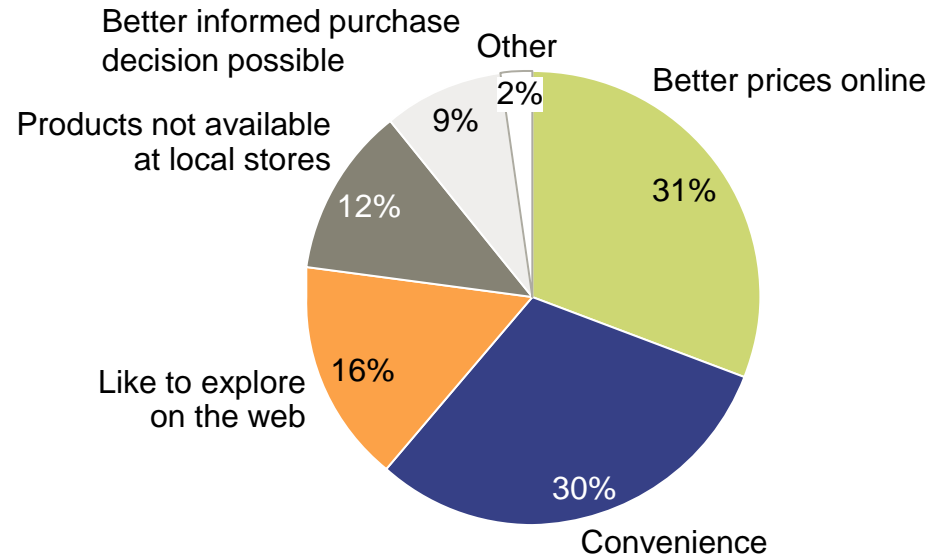
# Price and convenience are the two primary motivators for shopping online for Beauty and Personal Care products

## Motivation

### Motivation for Browsing



### Motivation for Buying

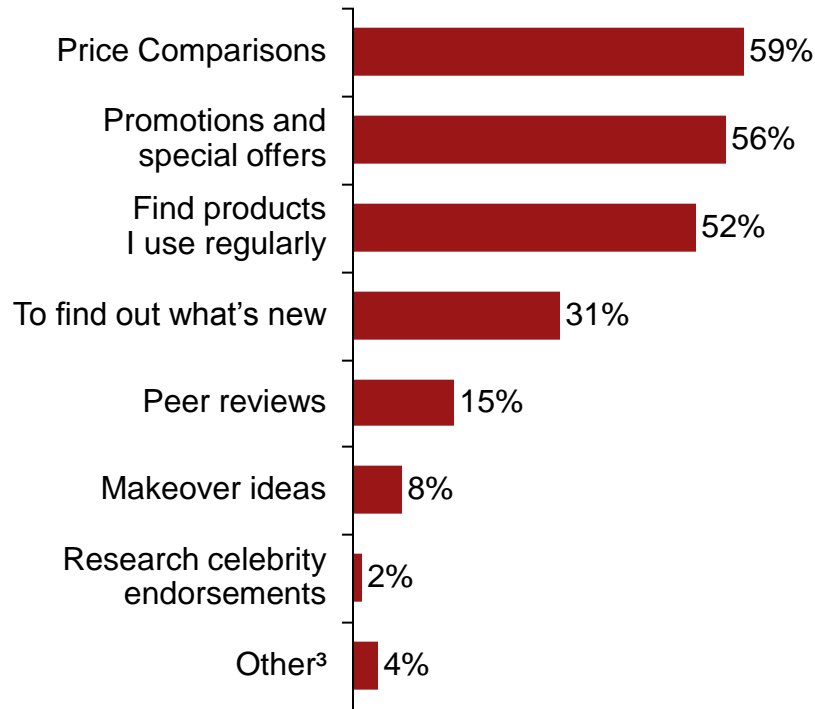


Note: Several response choices possible, sample size varies according to number of responses for specific question  
 Source: A.T. Kearney Survey of Online Beauty & Personal Care Shoppers UK, Germany and France (1,340 respondents), Oct-Dec 2012

# French Beauty and Personal care consumers that are active online are primarily motivated by finding better prices

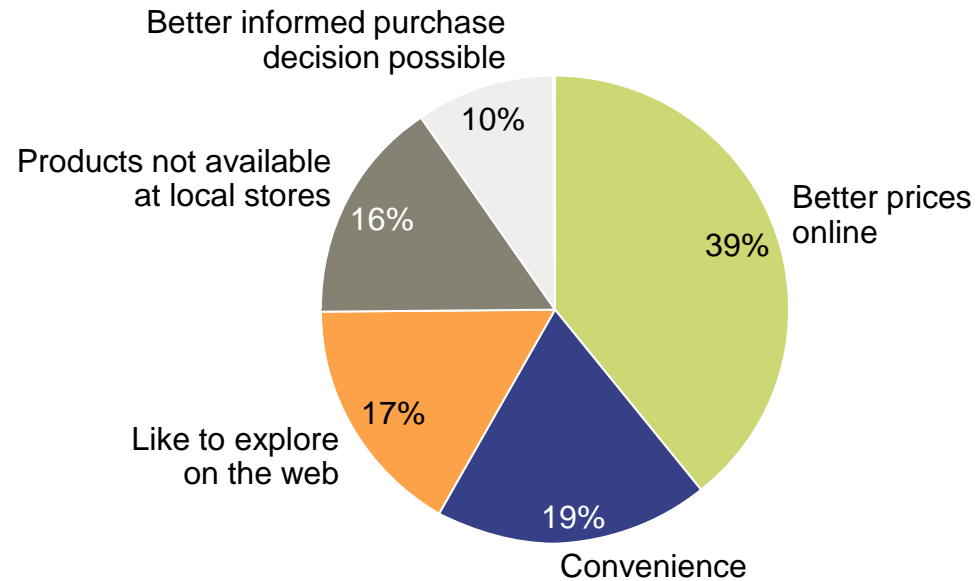
## Motivation for Browsing<sup>1</sup>

(% of online Beauty & Personal Care shoppers)  
(n = 455<sup>2</sup>)



## Motivation for Buying

(% of online Beauty & Personal Care shoppers)  
(n = 455<sup>2</sup>)

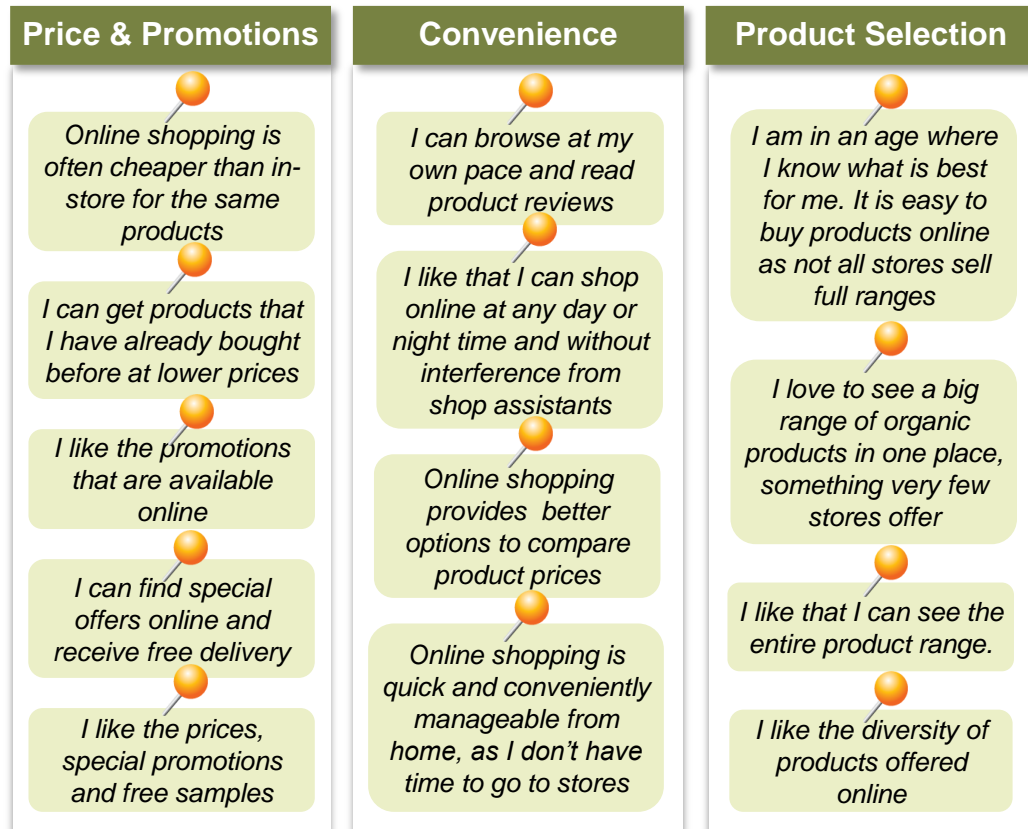


1. Several response choices possible  
 2. Sample size varies according to number of responses for specific question  
 3. Includes, e.g. "To find information on ingredients" and "To find specific products that are difficult to get otherwise"  
 Source: A.T. Kearney Survey of Online Shoppers, September 2012

# The surveyed shoppers are clear about their likes and dislikes

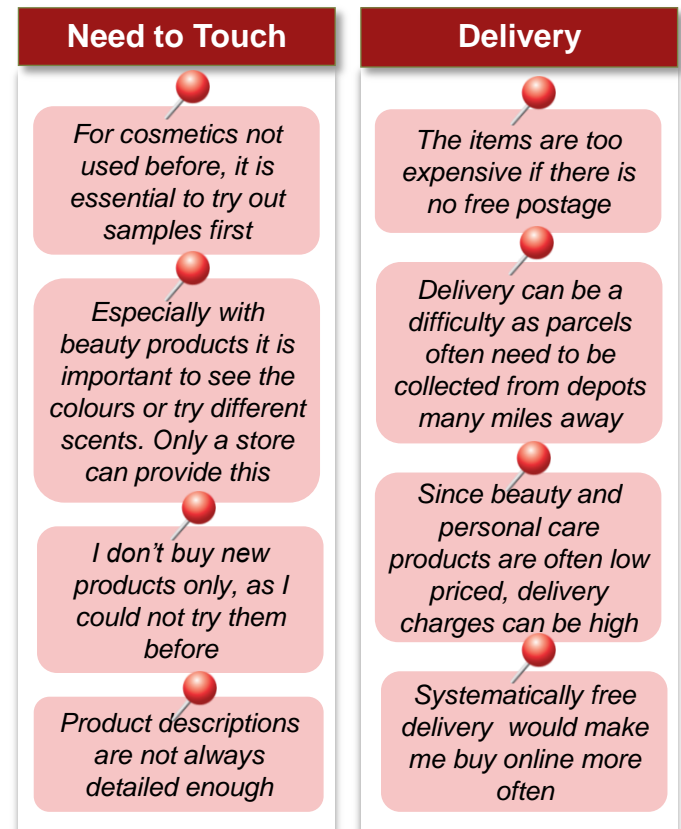
## Online Beauty & Personal Care Shopping – In The Words of Consumers

*Beauty & Personal Care consumers more inclined to shop online do so because they like...*



*Survey Question: Please tell us in your own words what you like and dislike about shopping online for Beauty & Personal Care products.*

*Beauty & Personal Care consumers less inclined to shop online feel this way because...*



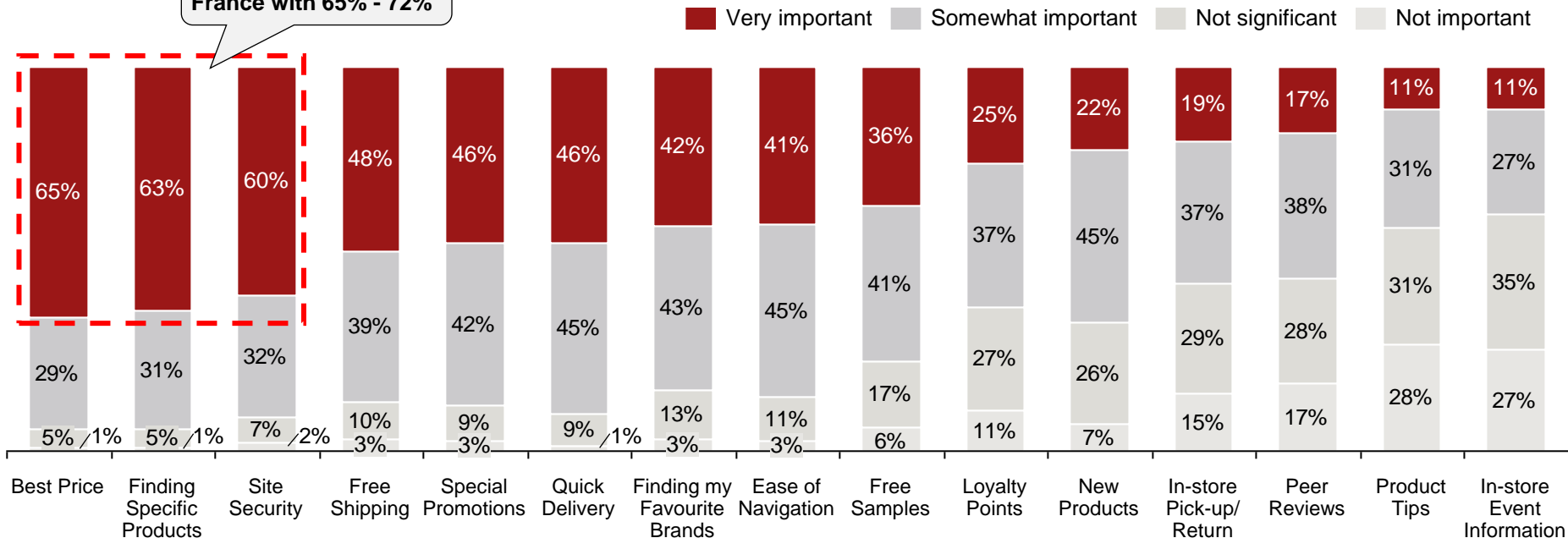
# Finding the best price, specific products, and site security are the top 3 most important attributes across all countries

## Importance

### Most Important Attributes

*Survey Question: What is Most Important to You When Shopping for Beauty & Personal Care Products Online?*

Highest rankings in France with 65% - 72%



Special Promotions ranked high in France (4<sup>th</sup> rank) with 57% of the shoppers valuing this attribute as very important

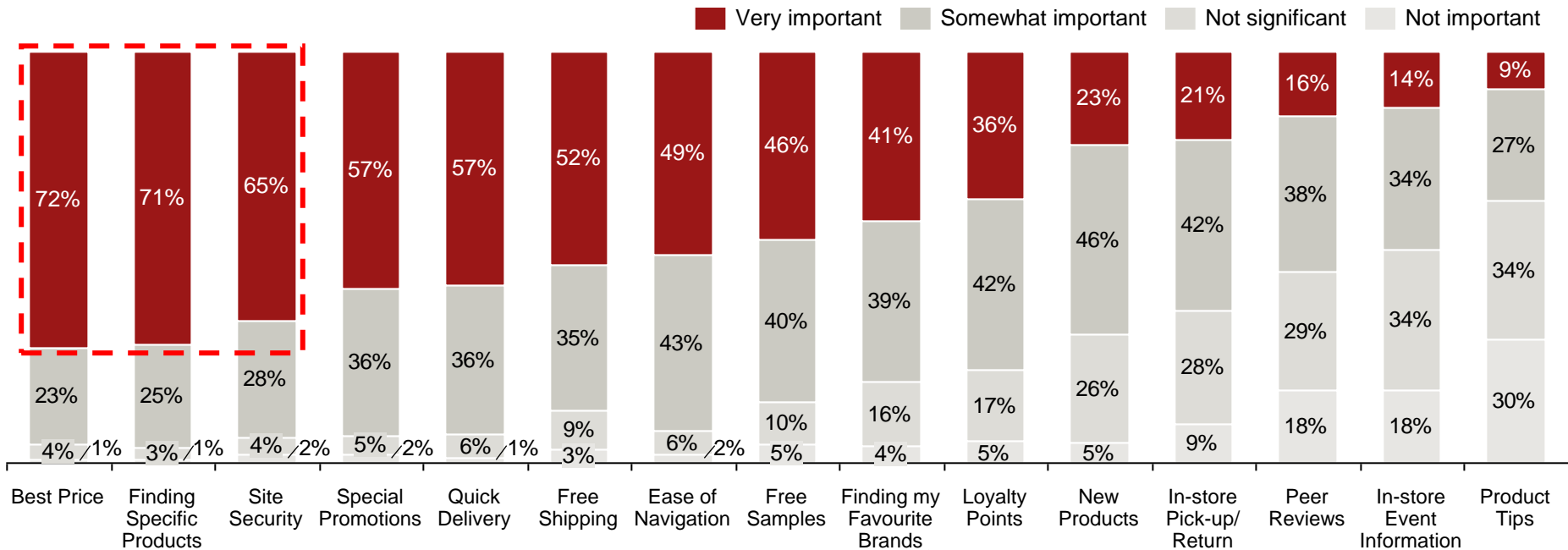
Note: Several response choices possible, sample size varies according to number of responses for specific question  
 Source: A.T. Kearney Survey of Online Beauty & Personal Care Shoppers UK, Germany and France (1,340 respondents), Oct-Dec 2012

# France results : a survey of 15 online shopping attributes revealed finding the best price and specific products, and site security are most important

## Most Important Attributes

(% of online Beauty & Personal Care shoppers)  
(n = 455<sup>1</sup>)

*Survey Question: What is Most Important to You When Shopping for Beauty & Personal Care Products Online?*



**!** Interestingly, finding my favourite brands did not rank high overall, compared to the other attributes

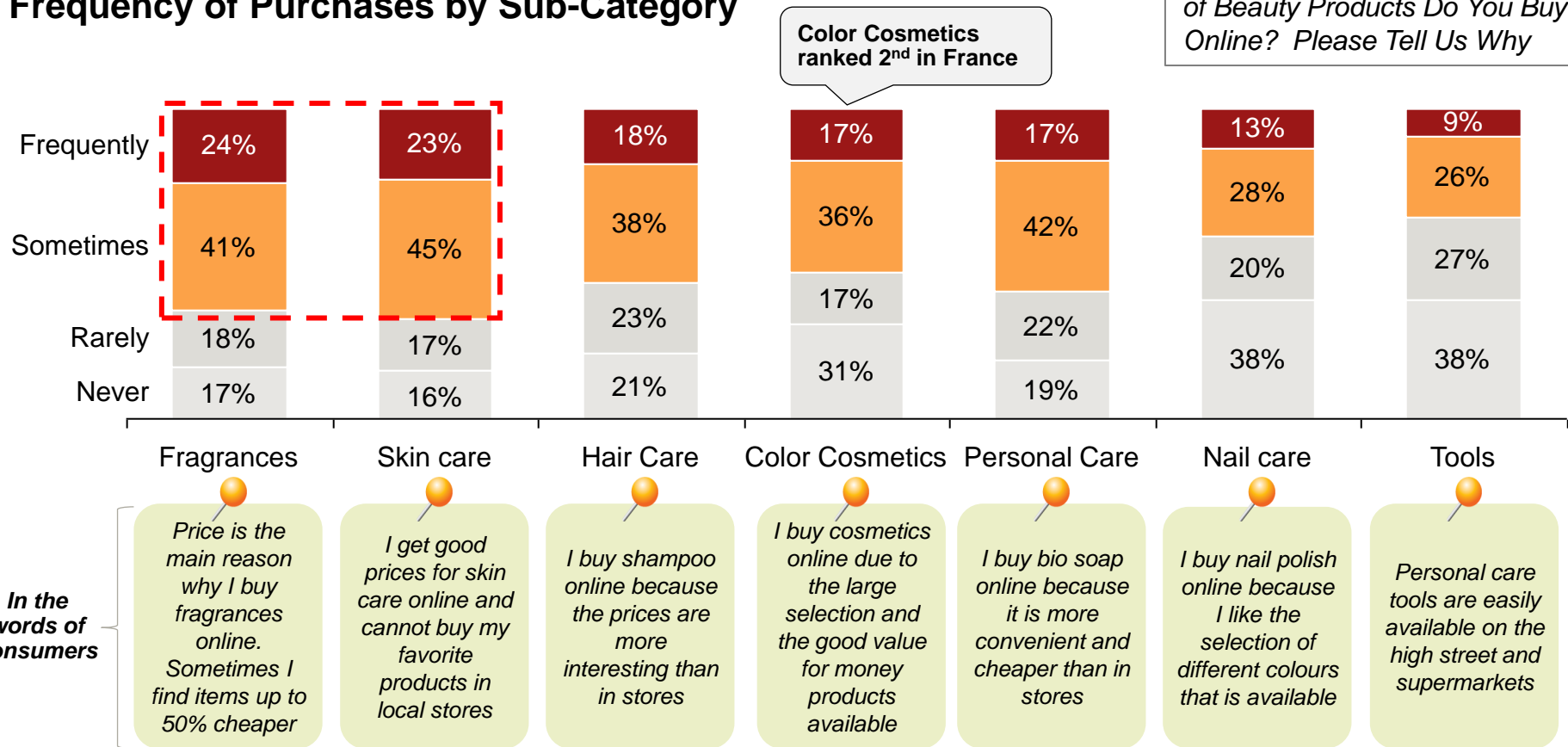
1. Sample size varies according to number of responses for specific question  
Source: A.T. Kearney Survey of Online Shoppers, September 2012

# Fragrances (24%) and Skin Care (23%) are the most frequently purchased online beauty and personal care categories in Europe

## Frequency

### Frequency of Purchases by Sub-Category

*Survey Question: What Types of Beauty Products Do You Buy Online? Please Tell Us Why*

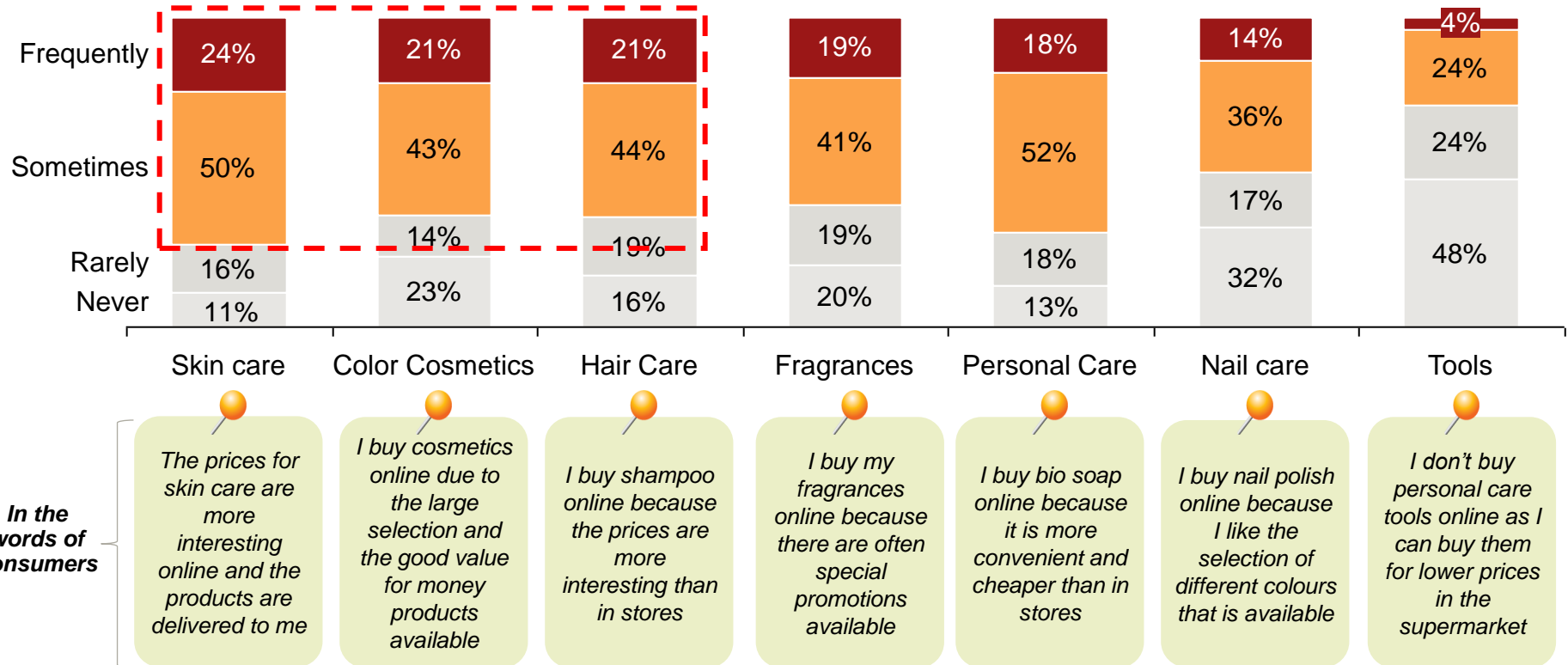


Note: Several response choices possible, sample size varies according to number of responses for specific question  
 Source: A.T. Kearney Survey of Online Beauty & Personal Care Shoppers UK, Germany and France (1,340 respondents), Oct-Dec 2012

# French Beauty & Personal Care shoppers are active in all categories with Skin Care, Color Cosmetics and Hair Care being the most popular

*Survey Question: What Types of Beauty Products Do You Buy Online? Please Tell Us Why*

**Frequency of Purchases by Sub-Category**  
 (% of online Beauty & Personal Care shoppers)  
 (n = 455<sup>1</sup>)



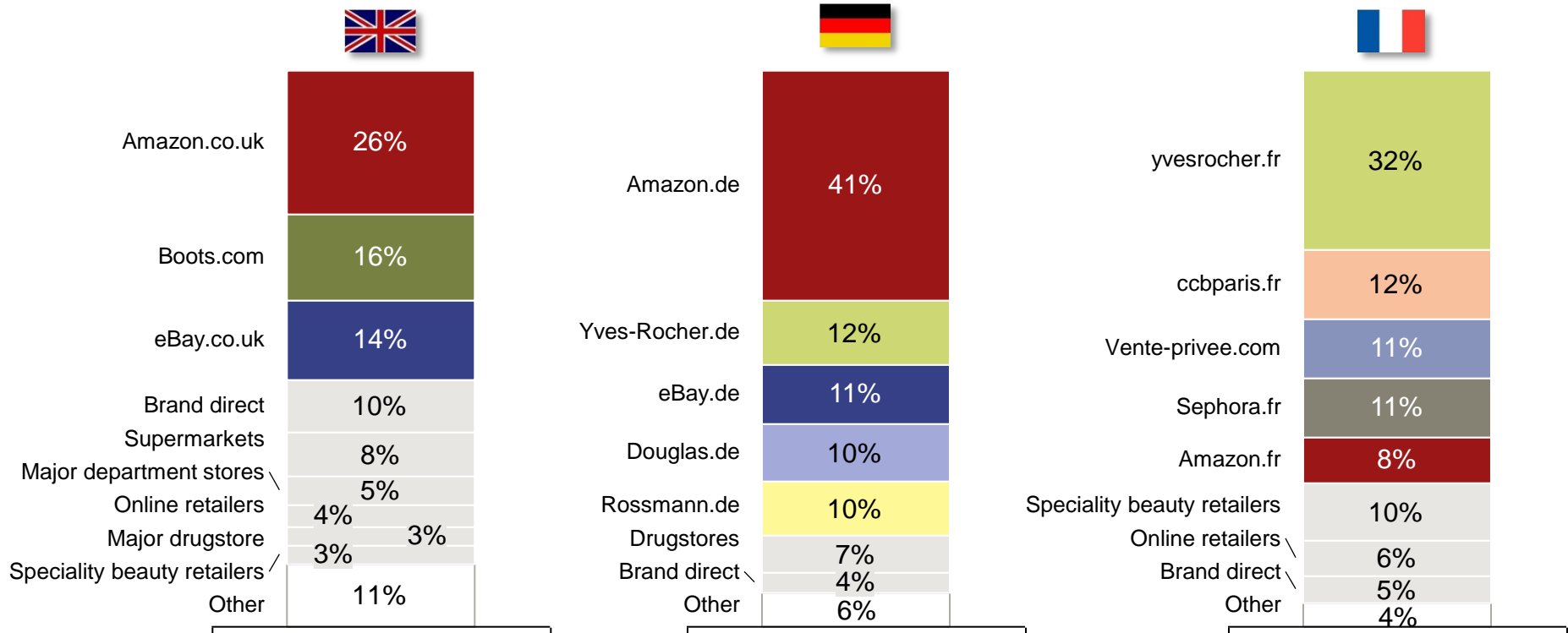
1. Sample size varies according to number of responses for specific question  
 Source: A.T. Kearney Survey of Online Shoppers, September 2012

# Across the three countries, Amazon and Yves Rocher were most frequently named online shopping destinations

## Online destination

### Top online destinations

*Survey Question: What is your most favorite online destination for Beauty & Personal Care shopping?*



Note: Several response choices possible, sample size varies according to number of responses for specific question  
 Source: A.T. Kearney Survey of Online Beauty & Personal Care Shoppers UK, Germany and France (1,340 respondents), Oct-Dec 2012



# Key attributes were consistently cited as the top reasons for why French consumers preferred to shop on these websites

## Online Beauty & Personal Care Shopping – In The Words of Consumers

*Survey Question: Please tell us why you prefer the online destinations where you most frequently shop*

**Beauty & Personal Care consumers are more inclined to shop at these online destinations because...**

