

E-Commerce Evolves – Are you ready?

Amazon x CEW Beauty Summit 2024



Ecommerce Evolves: *Today's Landscape*

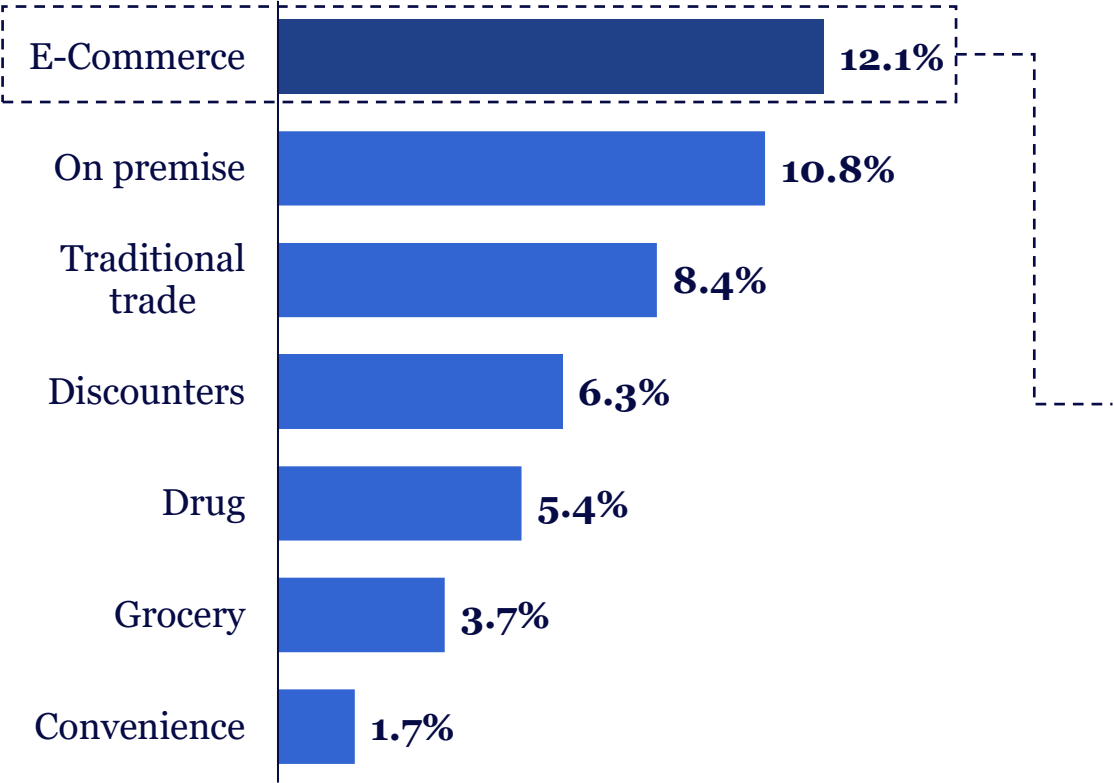


E-commerce is the most dynamic sector in Europe

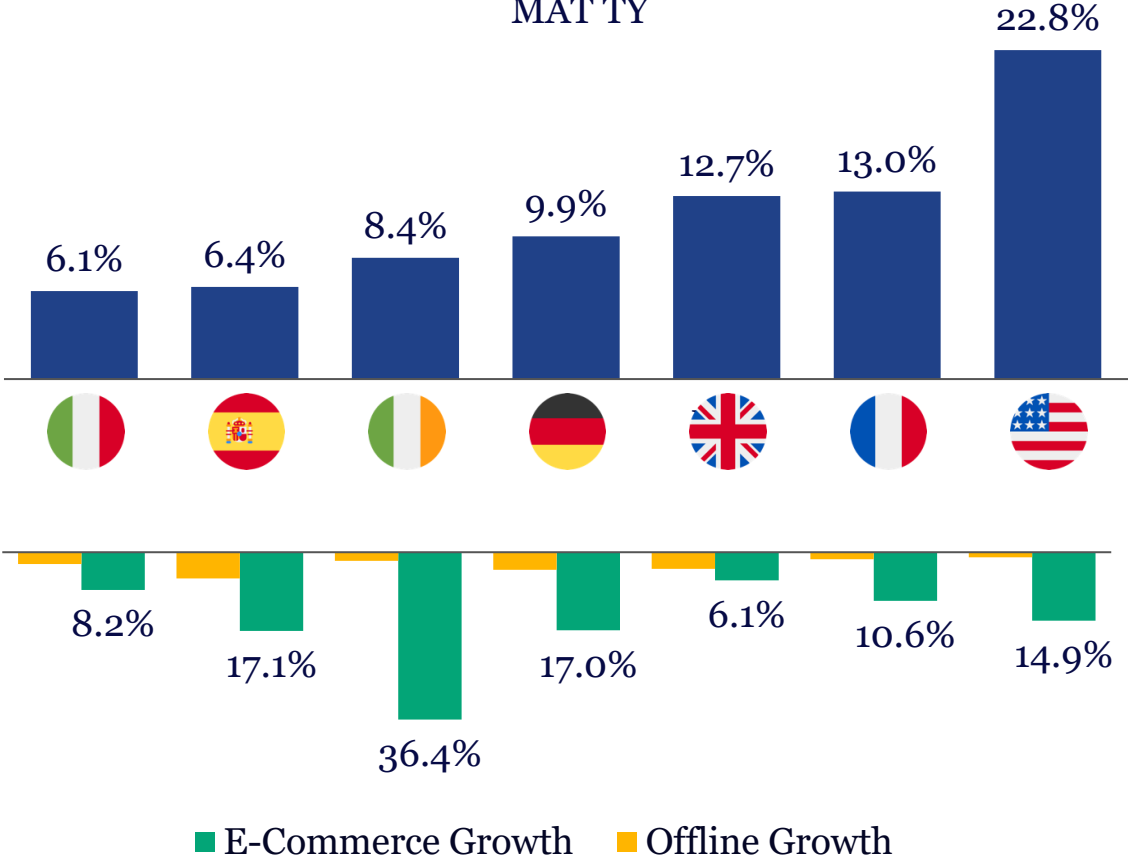
E-commerce sales are outpacing offline growth across European markets as the channel's importance grows

Global CPG channel performance

% sales growth vs. previous year



E-commerce Value Share of Trade MAT TY



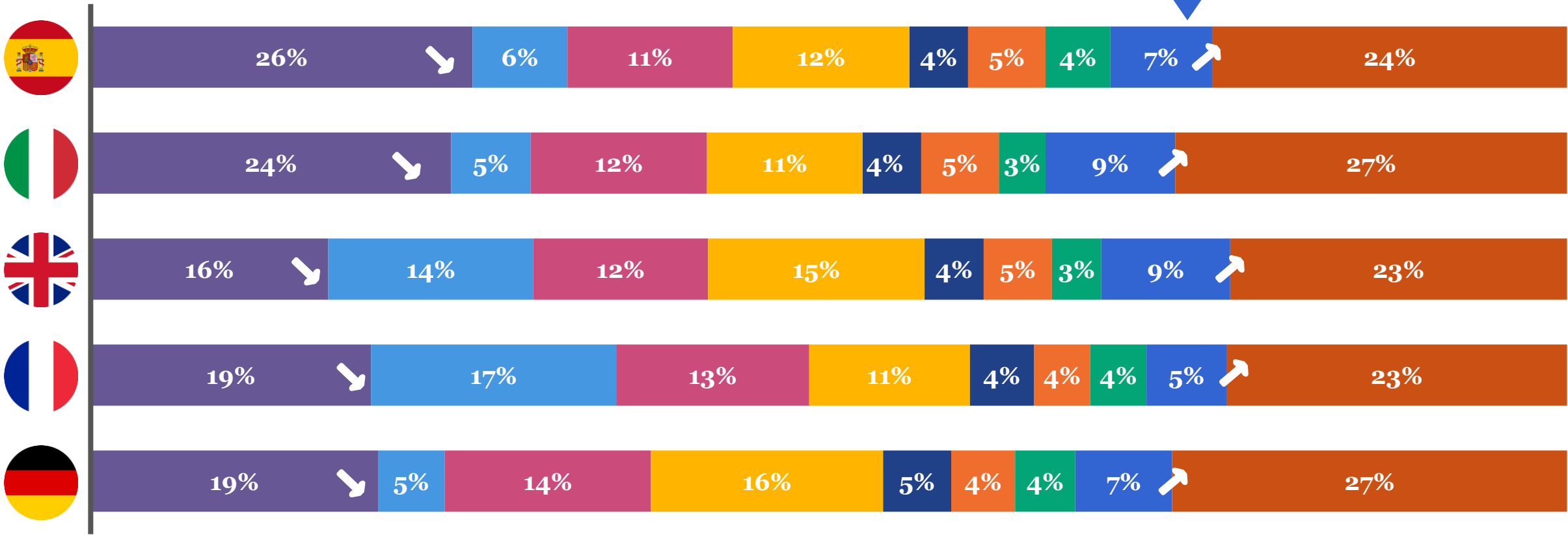
Source: NielsenIQ RMS FMCG data up to Q2 2024 - Ecommerce 26 markets considered | Note: including Tik Tok in China eCommerce from Q1'24 release; Russia no longer included in QBN from Q2'24 release
Source: BE, DE, ES, FR, IE, IT, NL, US – NIQ Omnisales MAT September 2024 | UK – NIQ Homescan MAT September 2024

Beauty is gaining importance at the expense of Fashion and High Tech

Category mix in value in B2C e-commerce of goods

Total e-commerce of goods – MAT Sept 2024

Beauty & Personal Care



■ Computer and electronics ■ Grocery ■ Home and kitchen ■ Clothing ■ DIY and tools ■ Shoes and accessories ■ Sports and outdoors ■ beauty & personal Care ■ Others

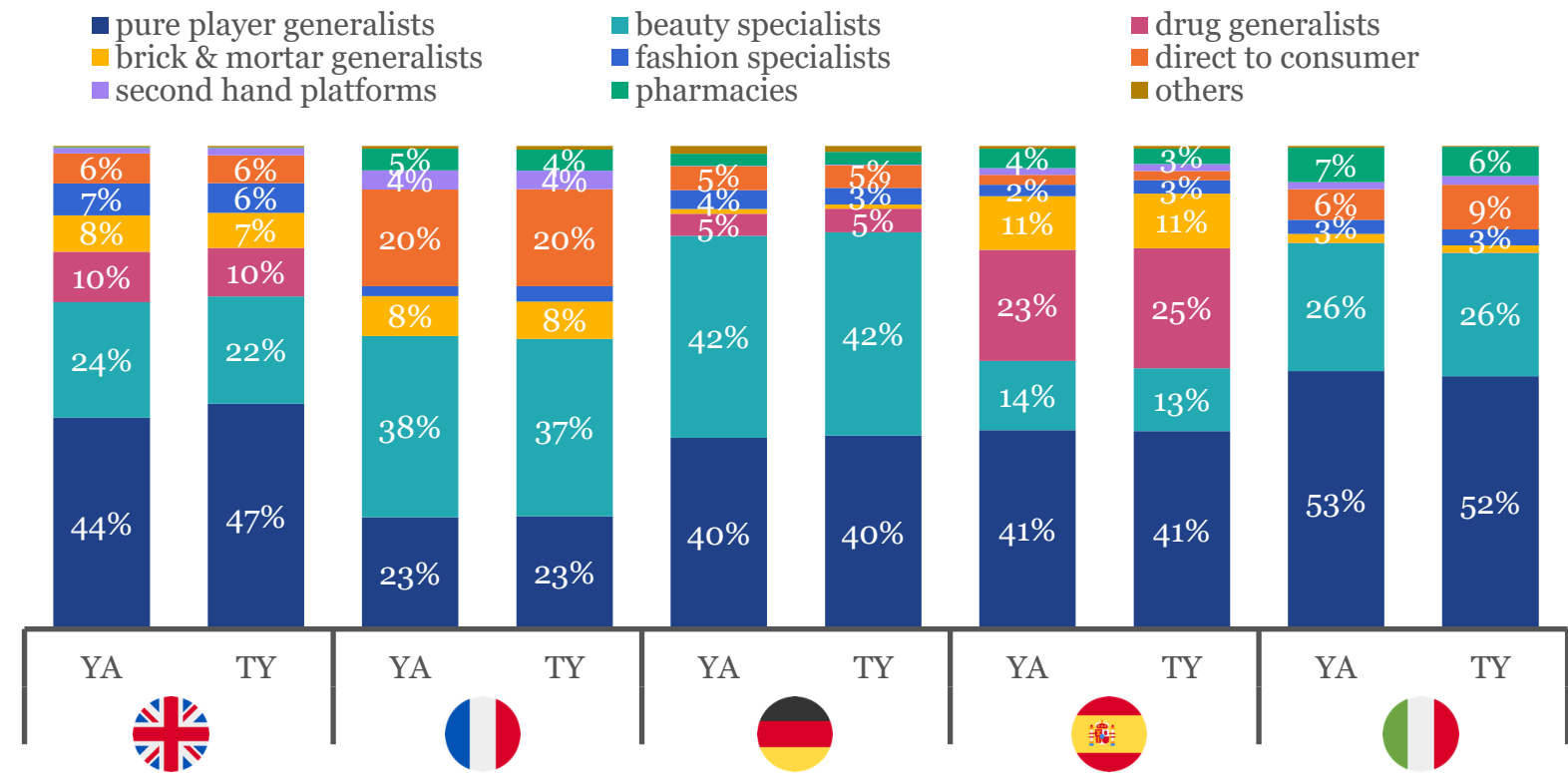
Source: Consumer Panel Foxintelligence by NielsenIQ | all ecommerce only

The European Ecommerce Landscape

Pure players on the rise in the UK - Beauty specialists continue to dominate in both Germany and France, alongside well-established DTC brands in France.

Market share per merchant type in the beauty market

Total beauty online - last 12 months and vs Yoy - in value



Source: Fox Intelligence data FMCG (calibrated E-commerce) – MAT until 15-09-2024
Cosmetics, Fragrances, Face Cleansing, Hair Care Excl Appliances, Body Cleaning, Face Cleansing, Skin Conditioning And Moisturizing, Sun Care





Amazon extends its lead as the powerhouse in beauty e-commerce

Across Beauty categories, Amazon stands as the top merchant across Europe and the US

Merchant Share in Value – Beauty – YTD 2024 - UK

#1		↑
#2		→
#3		↑
#4		↓
#5		↓
#6		↑
#7		↓
#8		↓

36%



62%
Customer Penetration

↑
vs YA

6.5
Frequency of Purchase

↑
vs YA

£91.50
Average Customer Spend

↑
vs YA

↑ + Share vs YA ↓ - Share vs YA

Source: Fox Intelligence e-receipt panel | Cosmetics, Fragrances, Face Cleansing, Hair Care Excl Appliances, Body Cleaning, Face Cleansing, Skin Conditioning And Moisturizing, Sun Care | Latest 52 Weeks – 15.09.24



Ecommerce Evolves:

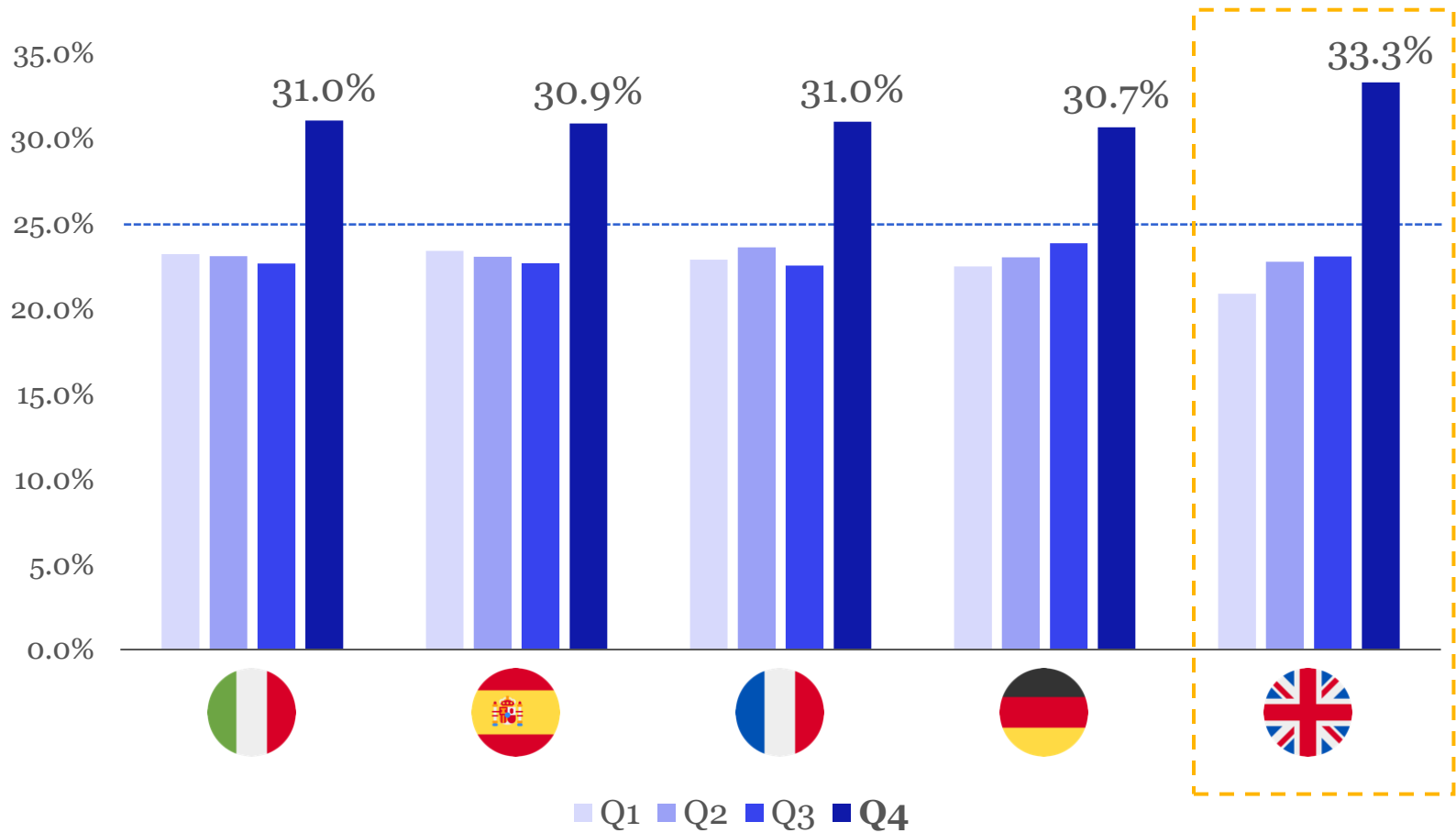
Big Moments Arrive



Q4 represents the most valuable shopping season

In 2023, the final quarter of the year accounted for a third of UK e-commerce sales

Value Sales by Quarter – E-commerce – Beauty & Personal Care



Source; NIQ Omnisaless FY 2023 by Quarter ! TOTAL E-COM (MULTI-SOURCED) - IT, ES, FR, DE, GB



Top 3 e-commerce value days in 2023:

UK - Beauty

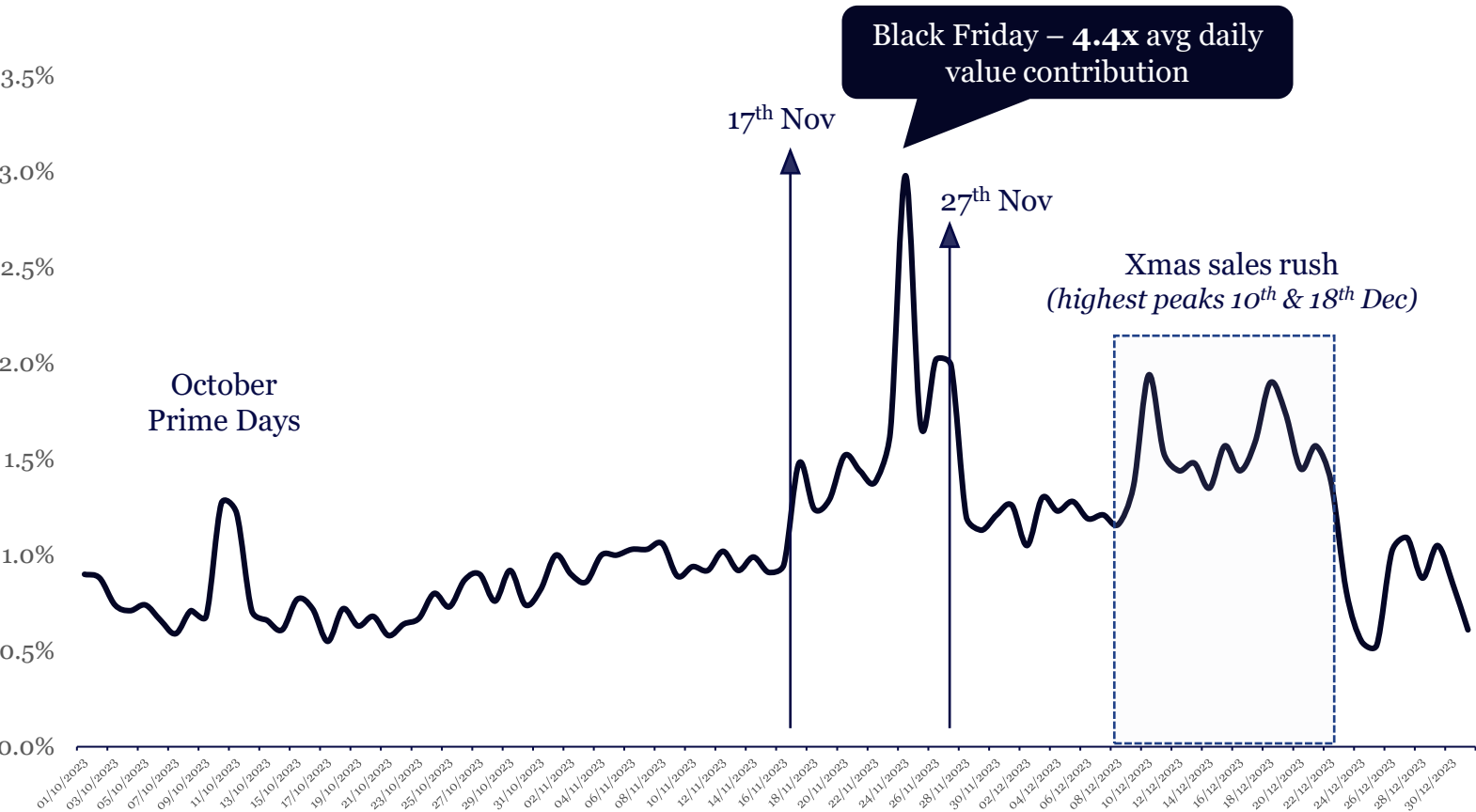
- 1) 24th Nov – Black Friday
- 2) 26th Nov – Black Friday
- 3) 27th Nov – Cyber Monday



Black Friday - the most important day for e-commerce sales

But when does the sales period actually begin?

Q4 Daily Value Contribution –Beauty & Personal Care (UK)

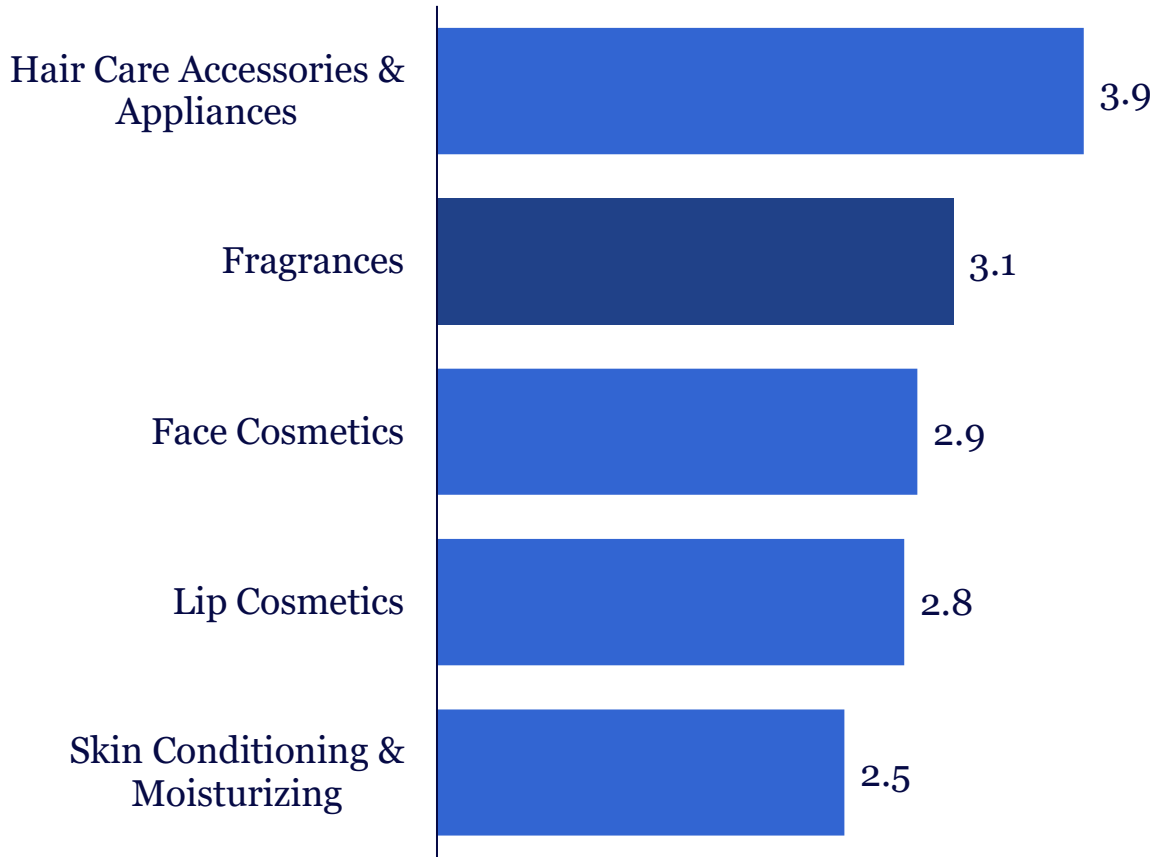


Source: Fox Intelligence e-receipt panel | Cosmetics, Fragrances, Hair Care, Hare Removal, Oral Care, Skin Care & Other Personal Care

Black Friday Gifting & Indulgences

Hair Care Appliances & Fragrances are in high demand during the event as consumers search for gifts and the opportunity to treat themselves

Black Friday week (WE 25.11.23) uplifts vs average week in 2023 - E-Commerce (GB)



Premiumization effect



The average price for tech & durables on Black Friday 2023 was **£22 higher** than the yearly average

Source: NIQ Omnisaless | Total E-comm (multi-sourced) – GB | 1 Source: GfK Market Intelligence: Sales Tracking, EU5, CZ, HU, RU, BR, TR | 2023 Black Friday (W47)

An Incremental Prime Day for Beauty



Uplift in total e-commerce value sales uplift



New shopper recruitment



Popular Prime Day Brands July 2024

 *Value Share vs YTD avg*



Sources: NIQ Omnisales GB – Value Sales – WE 22/07/24 vs YTD 15/07/24 (average week) – Cosmetics, Fragrances, Hair Care, Body Cleansing, Face Cleansing, Sun Care, Skin Conditioning & Moisturizing | Fox Intelligence e-receipt panel – Customer Switch Between Merchants - 16th – 17th July vs YTD 15th July 2024
Source: Fox Intelligence e-receipt panel UK ! Brand value share uplift during July 16-17 vs YTD 2024 ! Selected Beauty Categories

E-Commerce Evolves: *What to Watch Out For*

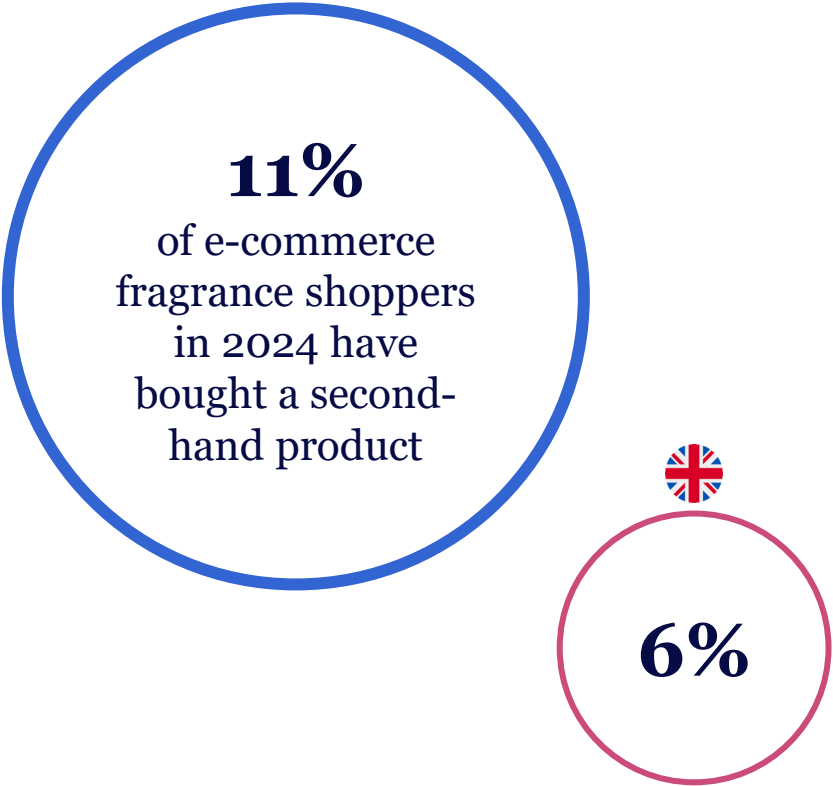


Evolving Savings & Payments

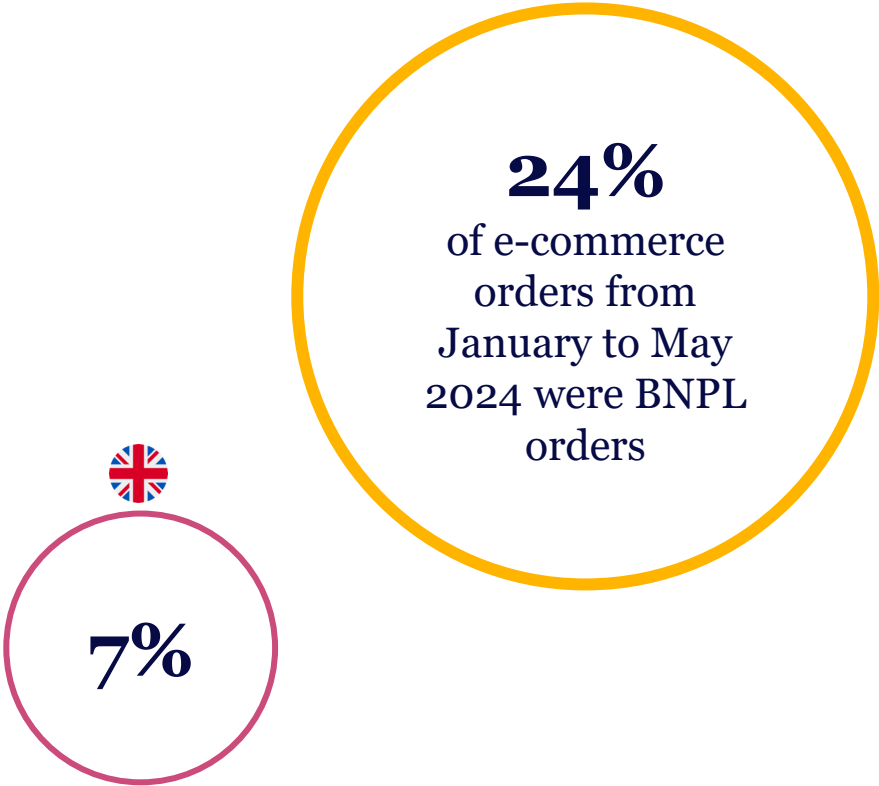
Value saving and financing strategies from European consumers that highlight potential to grow in the UK



Second-Hand Beauty - France



Buy Now Pay Later - Germany



Source: Fox Intelligence e-receipt panel FMCG | France | YTD 2024 15.09.24

Dupes: Friend or foe?

Dupes drive affordability and can encourage trial – but are there risks to the wave of products imitating luxury counterparts?

Dupe – An inexpensive products that closely mimics the benefits, formulation, quality, and/or appearance of a more expensive or high-end product

Dupes are popular on Tik Tok:

#makeupdupes - 1.1B views
#beautydupe - 59.5MM views
#highenddupes - 49.4MM views



Olaplex
£23.40 avg price



Headphock Plex
£1.90 avg price

98% of shoppers stated that discovering dupes has ***expanded their regular beauty routine***

46% of consumers stated that they would purchase ***less expensive products*** as a strategy to spend less on beauty

23% bought dupes because they don't believe purchasing high-end or designer beauty products are **worth the high prices**

Rebuilding Consumer Trust

29% of UK consumers are more skeptical about which sources of information they can trust than a year ago



60% avoid buying via social media because they don't trust the security of payment information

16% avoid sharing personal details in virtual interactions because they do not trust data privacy with AI technologies

10% avoid buying the cheapest product option because they don't trust the quality

18% wait longer for support from a human, to avoid interacting with an AI generated influencer or customer service representative

Source: NIQ Consumer Outlook 2024

E-Commerce Evolves:

Are you ready?



What's Next?

Beauty's e-commerce battlegrounds for the remainder of 2024 and beyond

E-commerce Expansion

E-commerce continues to be a **growth engine for beauty**, growing ahead of instore. In the competitive landscape, **know your consumer to stay ahead.**

Landing the Sales Season

Q4 is the biggest quarter for beauty, with Black Friday the most valuable individual day to e-commerce sales in Europe, making it key to **ensure the event is executed successfully.**

Rebuilding Trust

Consumers harbor concerns over the safety and legitimacy of the rapidly changing ecommerce landscape – this reinforces the **role of reputable platforms and brands to take the lead.**

Improving Value Perception

Consumers are still dealing with the impacts of inflation – ensure the **value benefit of e-commerce is reinforced and brand value is protected** ahead of cheaper market entrants.

