COSMETICS
INDUSTRY REPORT

INDARU

Independent Media & Data Advisors

Who are we

INDARU is an independent consulting firm specialized in media and data analysis

Our mission

We exist to help brands extract all the value from their media investments

INDARU

We provide services around media consulting, media audits and data & analytics with the final goal of optimizing advertisers ROI

MARKETING MIX MODELING

Measure and find the most efficient media mix

CONSULTANCY

Marketing technology selection and data strategy

MEDIA AUDITS

Evaluate your media performance

DASHBOARDING

Track media buying results in real-time

INDARU

Indaru brings unfettered and fast advice from years of experience in data analytics and media

Independent Advice

Not tied to any media agency, technology vendors or advertisers

Owner-Operated

No red-tape of a corporate firm, enabling us to be agile and responsive

Data & Media Experts

Experts in data analytics makeup half the team while the other half are experts in media

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Executive Summary

Cosmetics follow the **global trend** of online advertisement, with US and France increasing their investment in digital ad spend of 1,216 million USD (US) and 85 million USD(France). (S34)

Youtube (61%) and Facebook (51%) were the most **trusted social networks** to find and buy products in the US in 2022. (S35)

Leading goals of social media marketers are engagement (62%) and reach (60%), but there is a big opportunity for monetization.(S41)

The **revenue growth** of natural cosmetics worldwide is rapidly growing, with an average growth of 6.94%. From a negative growth rate of 2.90% in 2015, it has been increasing ever since and is expected to keep on growing for the years to come. (S45)

Gen Z is the generation that **purchased** most on social media, especially within the age range of 18 to 24 with 55.50%. (S69)

Executive Summary

Internet searches (46%) and television (42%) were Millennials' favorite channels for care product ideas in the US in 2021. (S83)

The digital shoppers from Gen X barely use social media for shopping. 17% used Facebook (17%) in the US & 9% Instagram. (S94)

The main **medium** for ads for beauty and personal luxury was TV (44.6%) followed closely by digital (36%). (S97)

The **digital ad spending** in Western Europe in 2021 was largely dominated by display (38b USD) and search (35b USD). (S113)

Recommendations

R1: Personal care and beauty are the second most purchased product categories on social media based on data from the US in 2021 (S37). This highlights the shift from offline to online purchasing. Therefore, there is a **need for companies to adapt to consumers' need purchasing habits** and expectations to remain competitive in the market. Cosmetics companies must develop their online platforms (ie: user-friendly website) to facilitate the consumer journey of consumers. For example, Gen Z were the generation to be most influenced by social media, with 63% of them buying an item after seeing it on said platform (S64).

R2: Having said that, it is recommended for companies to develop a **strong online presence.** In 2022, Dior, L'Oréal and Lacôme were the most influential brands globally (S40), and when looking at the leading brands in the market they are part of the top brands, with L'Oréal being *the* leading brand (S27). For that reason, it is important for companies to not only have a user friendly interface where consumers can easily purchase products, but also work on their online presence using social media. This must be tailored based on your target audience and objectives. It will be important to establish the main goals of the social media account, being leads, followers, likes, comments or others, in order to establish the right marketing strategy.

R3: The way that shoppers approach skincare is undergoing a fundamental change, as they are becoming more informed and educated about the products on offer. With the increasing awareness of ingredients and their potentially harmful effects, consumer knowledge now sets the rhythm that beauty companies have to follow. For example, 50% of Gen Z said they would *not* buy from skin care products from brands that are not justified as cruelty-free in 2021 in the US (S54). Clearly, there is a huge opportunity in the natural & organic cosmetics sector, with an average global growth rate of 6.94% (S46), and thus it could be a good opportunity to enter this growing segment within the cosmetics industry.

R4: To remain competitive, it is crucial to be able to predict which trends will arise in the future, and thus **adapt** one's' **marketing strategy**. Some key trends to have in mind in the next few years are **social media** as a medium of advertising, which is said to bring the highest ROI in 2026, and **online audio-podcast** as they are expected to take larger share of consumers' media time though they are under-invested (S109). Great opportunities.

Recommendations

R4: Millennials are reshaping the beauty and personal care industry at a rapid pace. **It is a target group** with high importance, and therefore it is important to know how to target them using the marketing mix modelling. In order to target them properly, one must know through which channels are Millennials most likely to be receptive and active on. Millennials' favorite channels for care product ideas were internet searches and television in 2021 in US (S83). On top of that, they were most influenced by Facebook (30%) as a social network, and Instagram being the runner up (23%) in 2022 in US. Consequently, Millennials are best targeted through internet searches, television, and in terms of social network with Facebook. Interestingly, Millennials have the most exposure to content on TikTok in 2023 - which is good to keep in mind (S85).

R5: When looking for care product ideas, **Gen Z** were most interested in social media channels and internet searches (S68). It is a useful information, as 89% of **Gen Z were more willing to try new brands online** as of 2021 in US (S63). This is important in order to develop an efficient marketing mix model to target Gen Z, and for cosmetics, it seems that the best online channels are social media and internet searches.

R6: Though Millennials are the largest demographic group in the US, **Gen X are the one with the highest and most willing to spend their expendable income** (S88). This is important in order to see which group will be interested by a company's product, being whether it is luxurious (higher prices) or non-luxurious (lower-prices). Additionally, knowing which price range is good, but it must be accompanied with a marketing strategy and thus see which channels are Gen X most receptive on. In this case, the best channel to reach Gen X is through emails (S92), an important information when developing the marketing mix modelling for this target group.

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MARKET OVERVIEW

Executive Summary

The **revenue of cosmetics** in the United States in 2022 had a rapid growth rate of 21.9%, while Europe grew by 1.8%, though as the years go by, both of their growth rate are aligning at the same pace, with 3.5% and 3.4% of growth in 2026. (S15)

The revenue of the **luxury cosmetics** market worldwide is expected to increase up to 31.56 billion US$ by 2027. (S19)

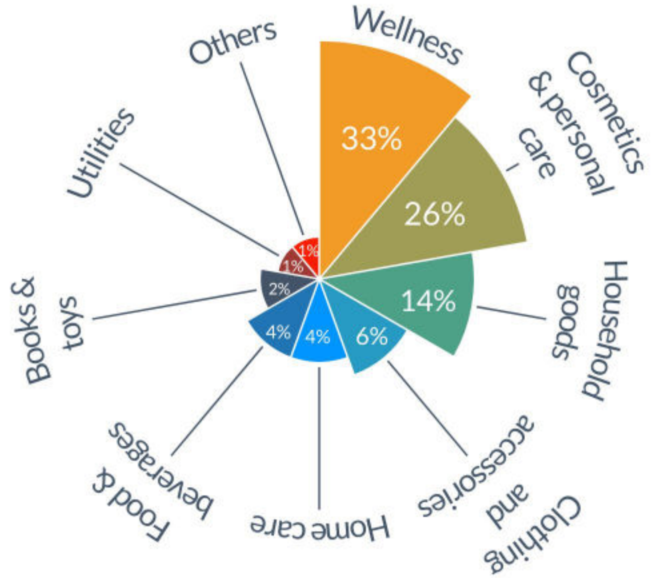
Meanwhile, the difference between **luxury and non-luxury** cosmetics between United States and Europe is that in the US 70% of the revenue come from non-luxury, while in Europe the split is more equal with 54% of revenue coming from non-luxury. (S20)

The cosmetic market revenue worldwide in 2022 was **concentrated** mainly in United States with 18,010 million USD and China, with 13,970 million USD. The runner ups were Japan, India, and United Kingdom. (S21)

L'Oréal Paris was the **leading brand** if cosmetic worldwide, with a brand value of 11.22 billion US$, followed by Estée Lauder with 7.93 billion US$. (S27)

Cosmetics & personal care made up 26%, the second biggest segment, of sale from direct selling in EU in 2018

Distribution of sales from direct selling in Europe 2018



Source: Tighe, D. “Europe: Sales Share of Direct Selling Industry by Product 2018.” *Statista*, 15 Mar. 2021,

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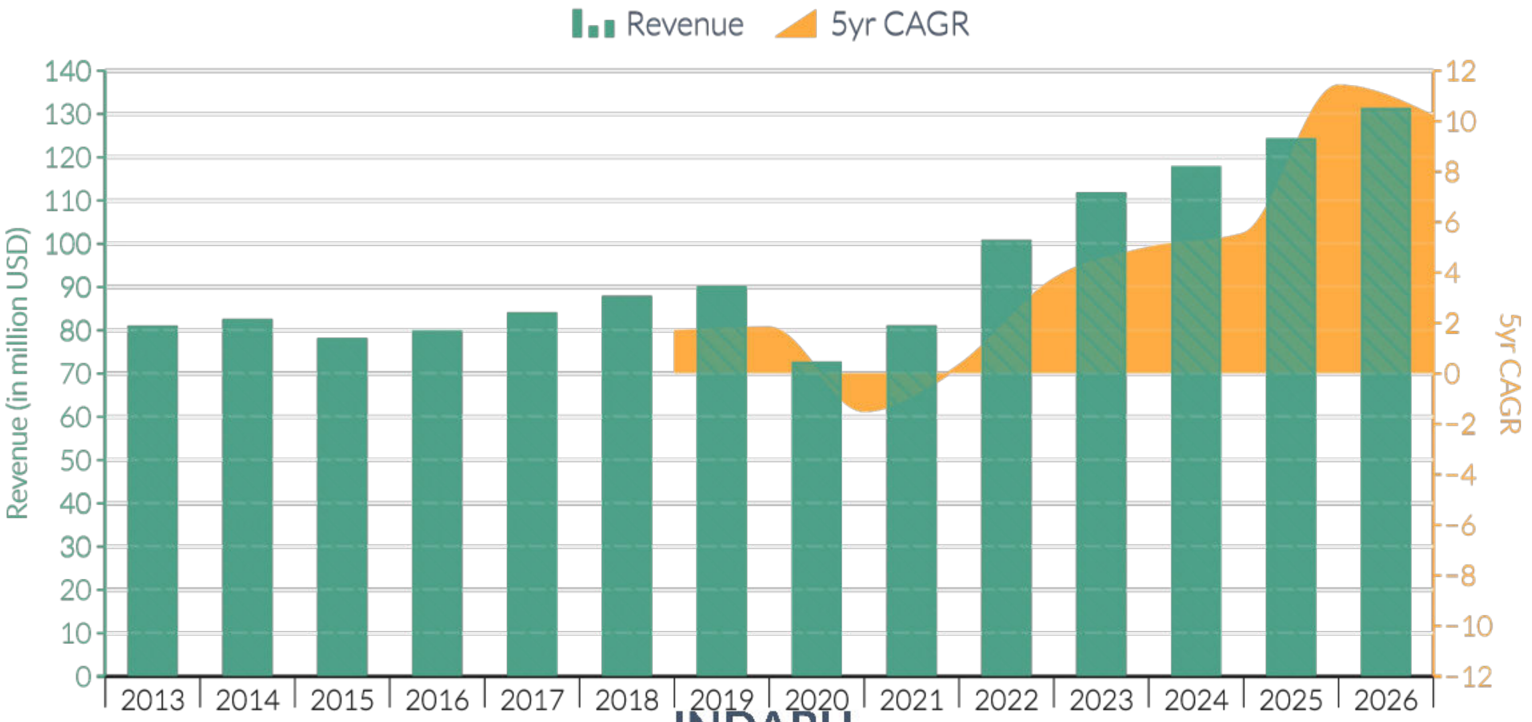
Global cosmetics market is expected to reach 131,041 USD in revenue by 2026, and to grow annually by 4.25% (CAGR 5yr)

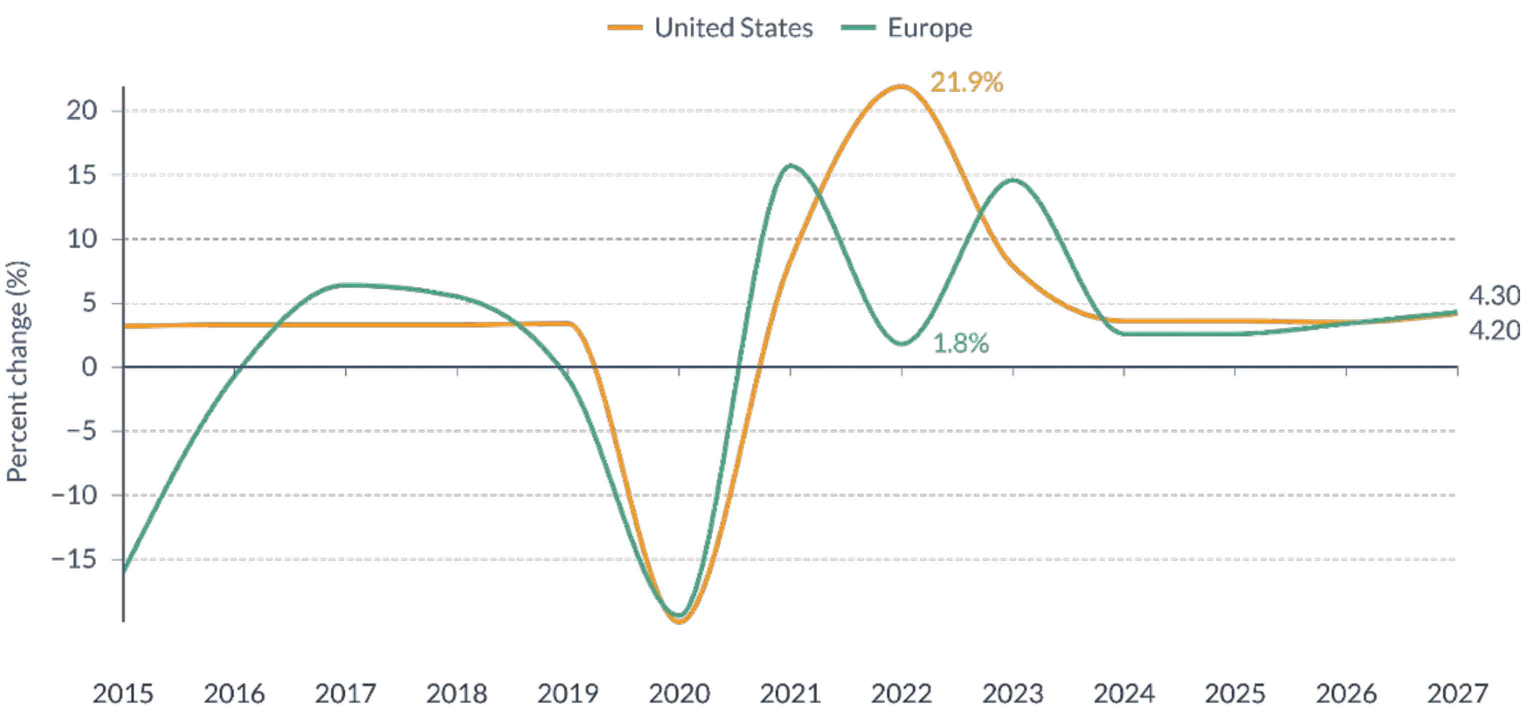
Revenue of the global cosmetics markets



Source: Published by Statista Research Department, & 27, S. (2022, September 27). *Global: Cosmetics market revenue 2013-2026*. Statista.

In 2022, US (21.9%) grew at a much faster pace than Europe (1.8%), though in 2026 onwards the growth rates seem to coincide (3.5%/3.4%)

Revenue change of cosmetics in the US and EU



Source: *Beauty & Personal Care - Global: Statista market forecast*. Statista. (n.d.).

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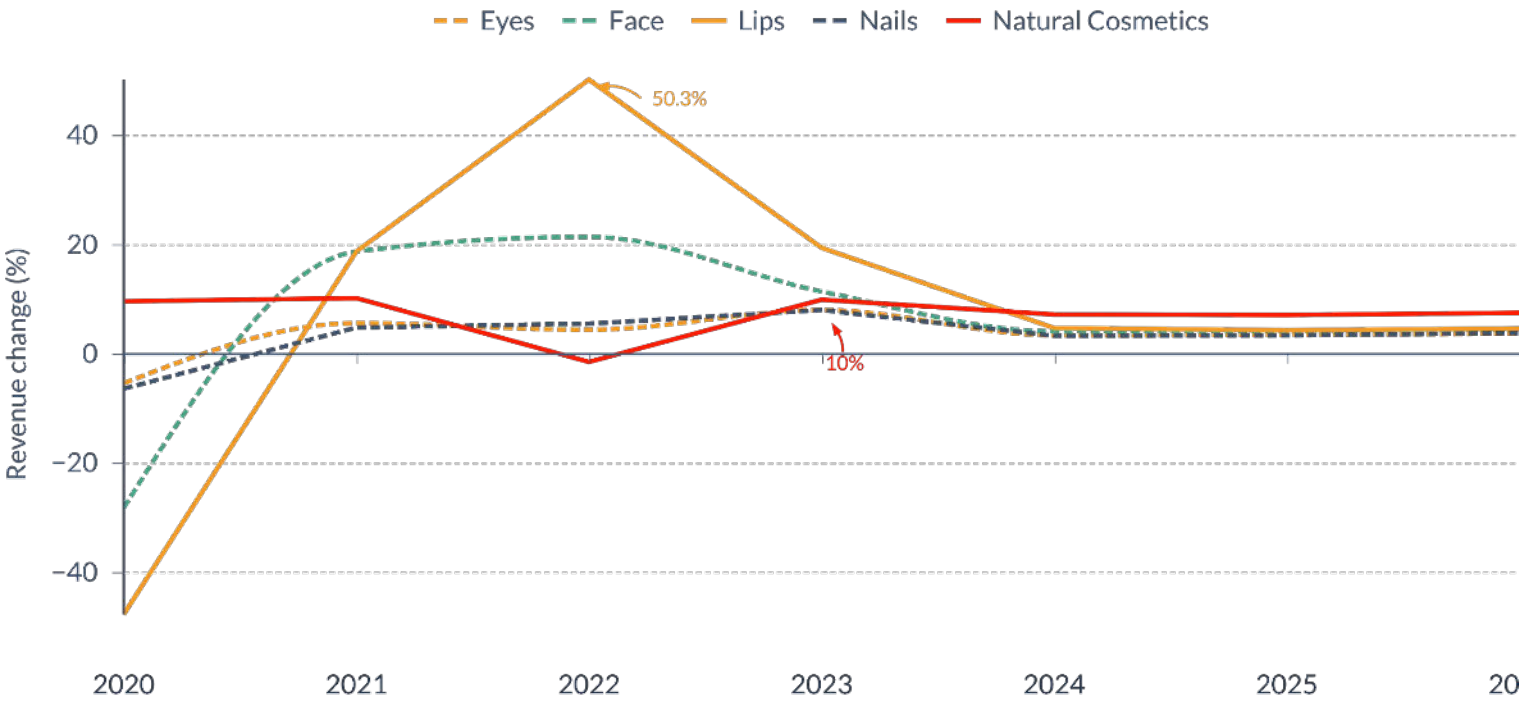
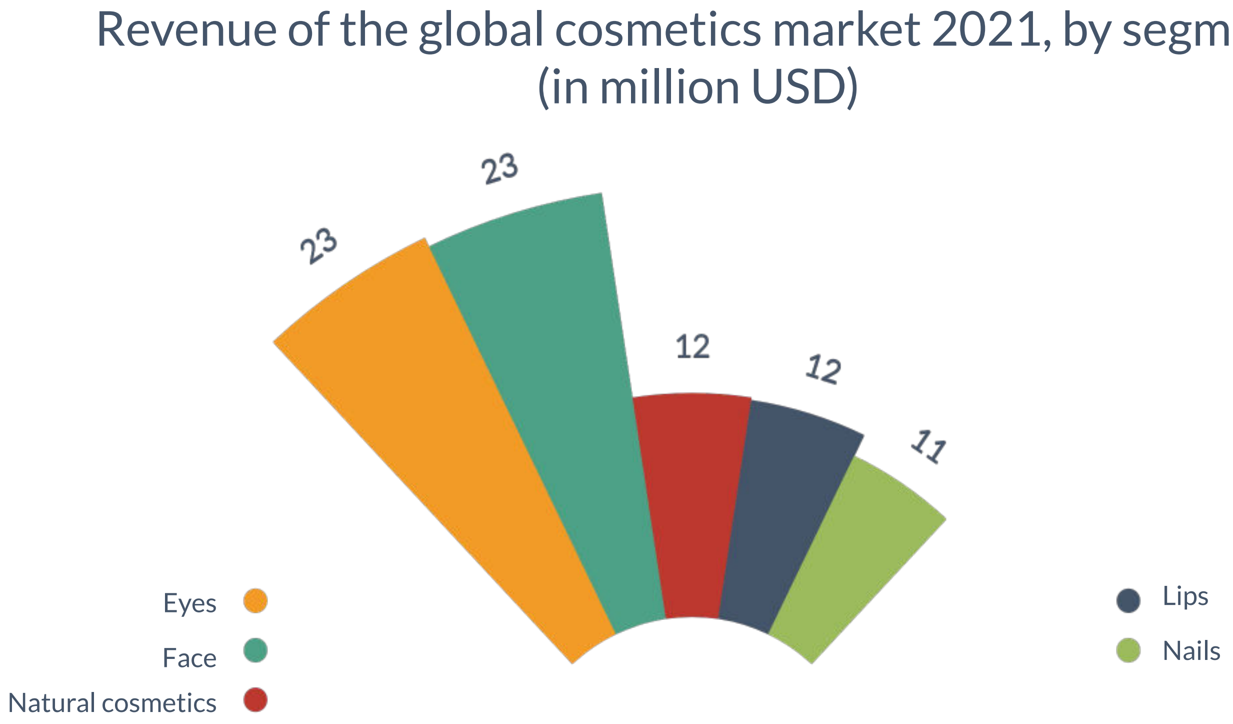
The category "Lips" had tremendous growth, 50.3% in 2022, but natural cosmetics is gaining popularity, with expected grow of 10% in 2023

Revenue change per categories worldwide



Source: *Cosmetics - united states: Statista market forecast*. Statista. (n.d.).

The segments "Eyes" and "Face" are the most remunerative, with each making above 20,000 million USD of revenue worldwide



Source: Published by Statista Research Department, & 27, S. (2022, September 27). *Global: Cosmetics market revenue 2013-2026*. Statista.

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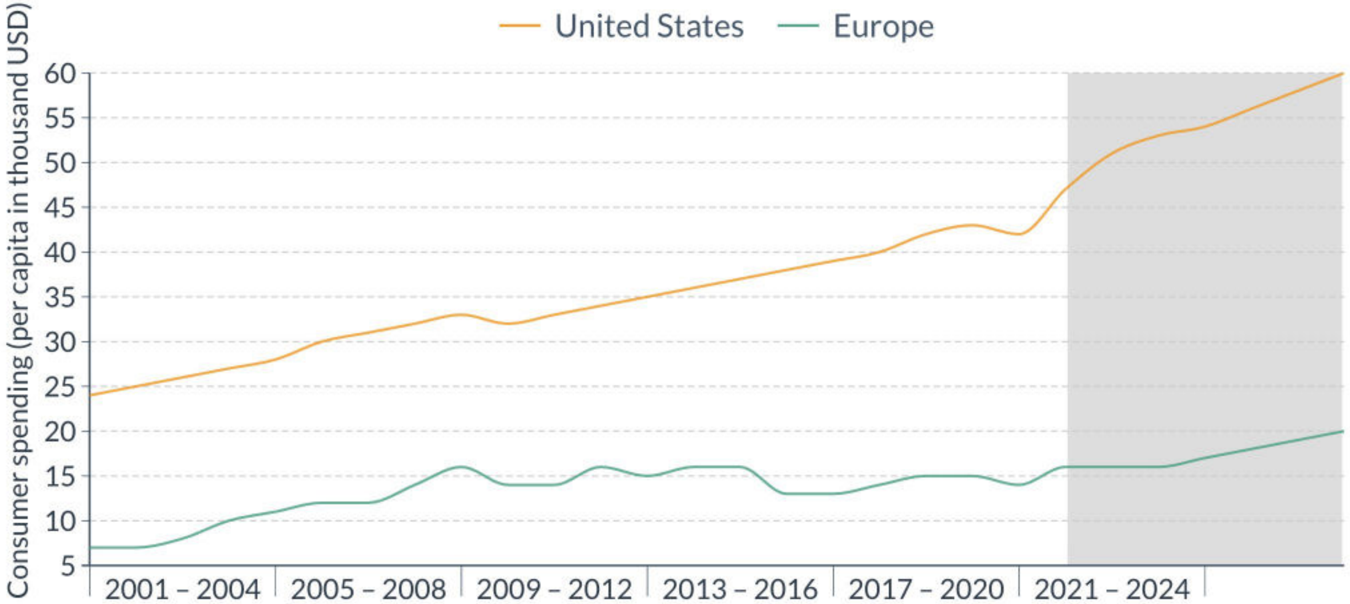
US has a higher consumer spending (per capita) than Europe, however, Europe's CAGR 5yr is higher (3.4%) than US' (2.4%)

Consumer spending (per capita) in the US and EU



Source: *Beauty & Personal Care - Global: Statista market forecast*. Statista. (n.d.).

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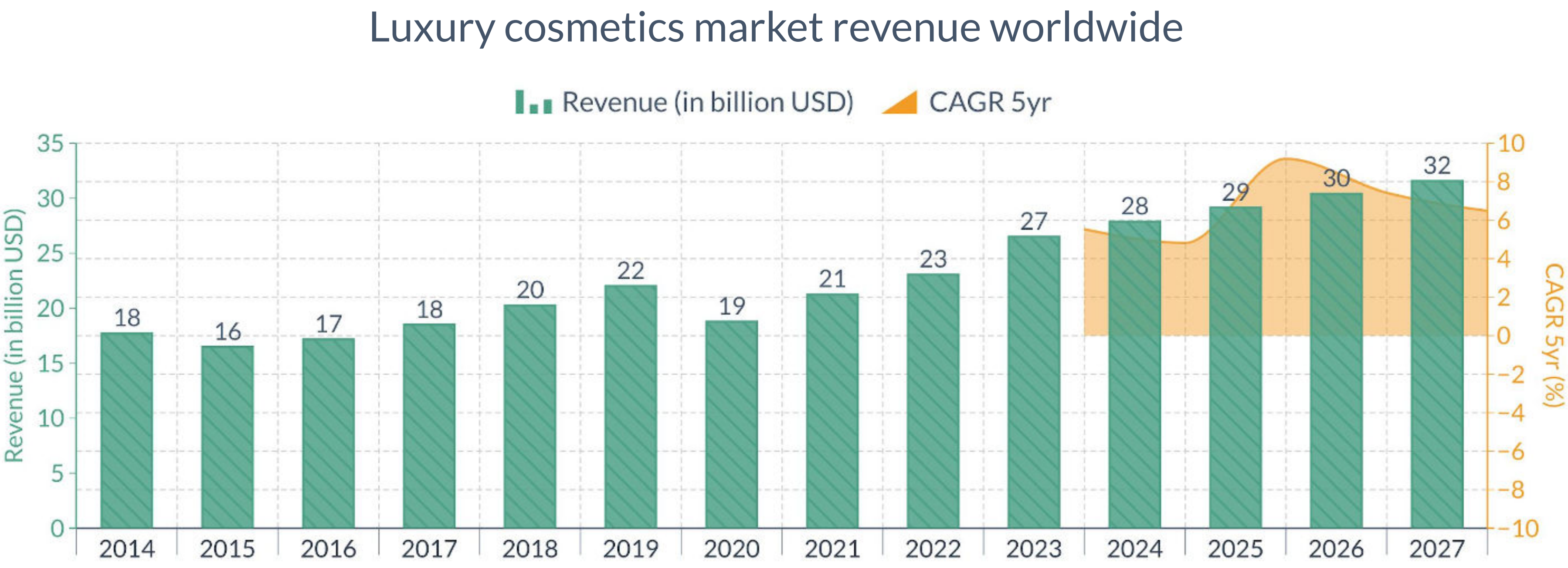
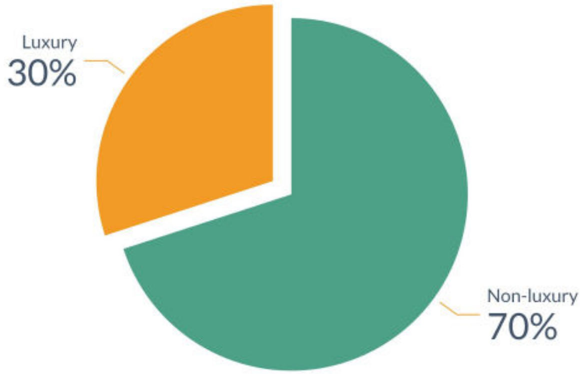
Additionally, the revenue of the luxury cosmetics market worldwide is expected to increase up to 31.56 billion USD by 2027



Source: Published by Statista Research Department, & 26, S. (2022, September 26). *Global: Luxury cosmetics market revenue 2014-2027*. Statista.

United States is more focused on non-luxury (70%), while Europe has a more balanced focused with 46% luxury and 54% non-luxury

Luxury & non luxury cosmetics splits in terms of revenue for the US in 2022



Luxury & non luxury cosmetics splits in terms of revenue for the EU in 2022

Source: *Beauty & Personal Care - Global: Statista market forecast*. Statista. (n.d.).

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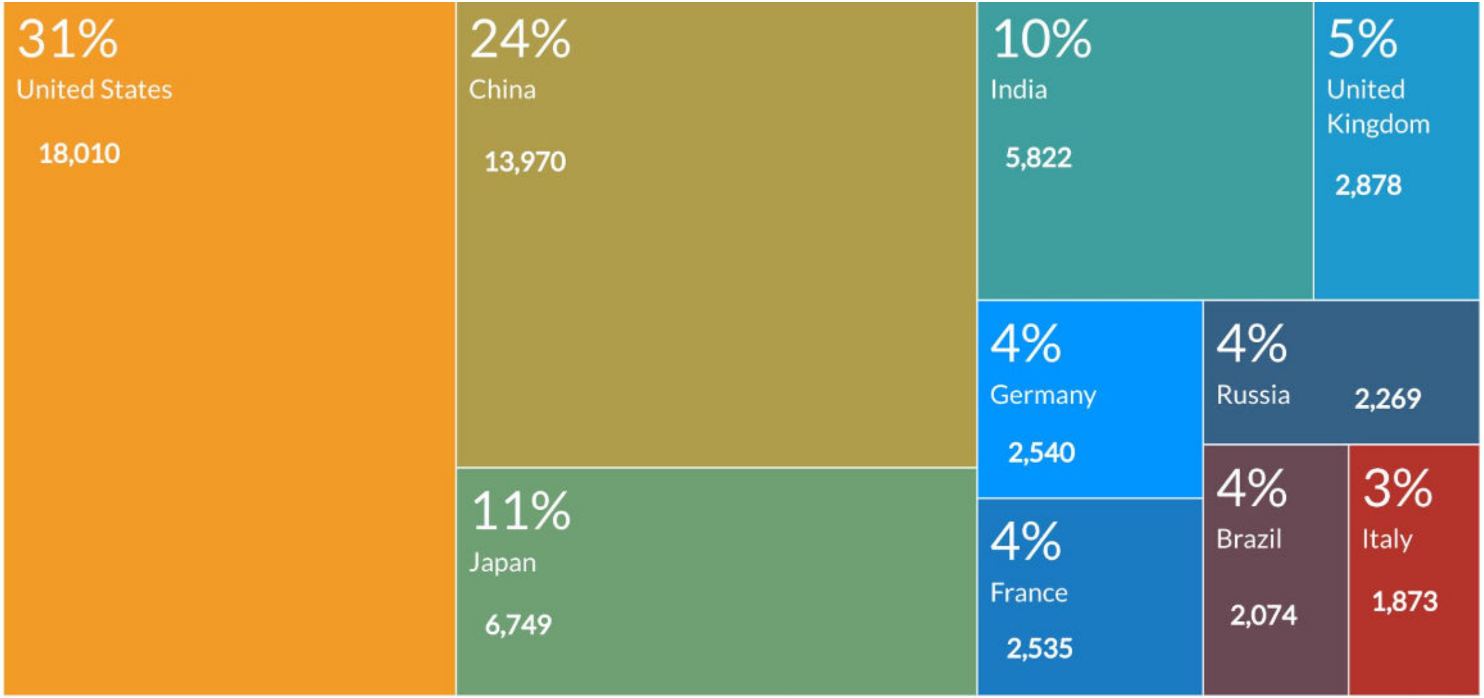
United States and China concentrated most of the cosmetic revenue in 2022, with over 18K and 13K millions of USD respectively

Cosmetics market revenue worldwide 2022 by country (in million USD)



Source: *Cosmetics - worldwide: Statista market forecast*. Statista. (n.d.).

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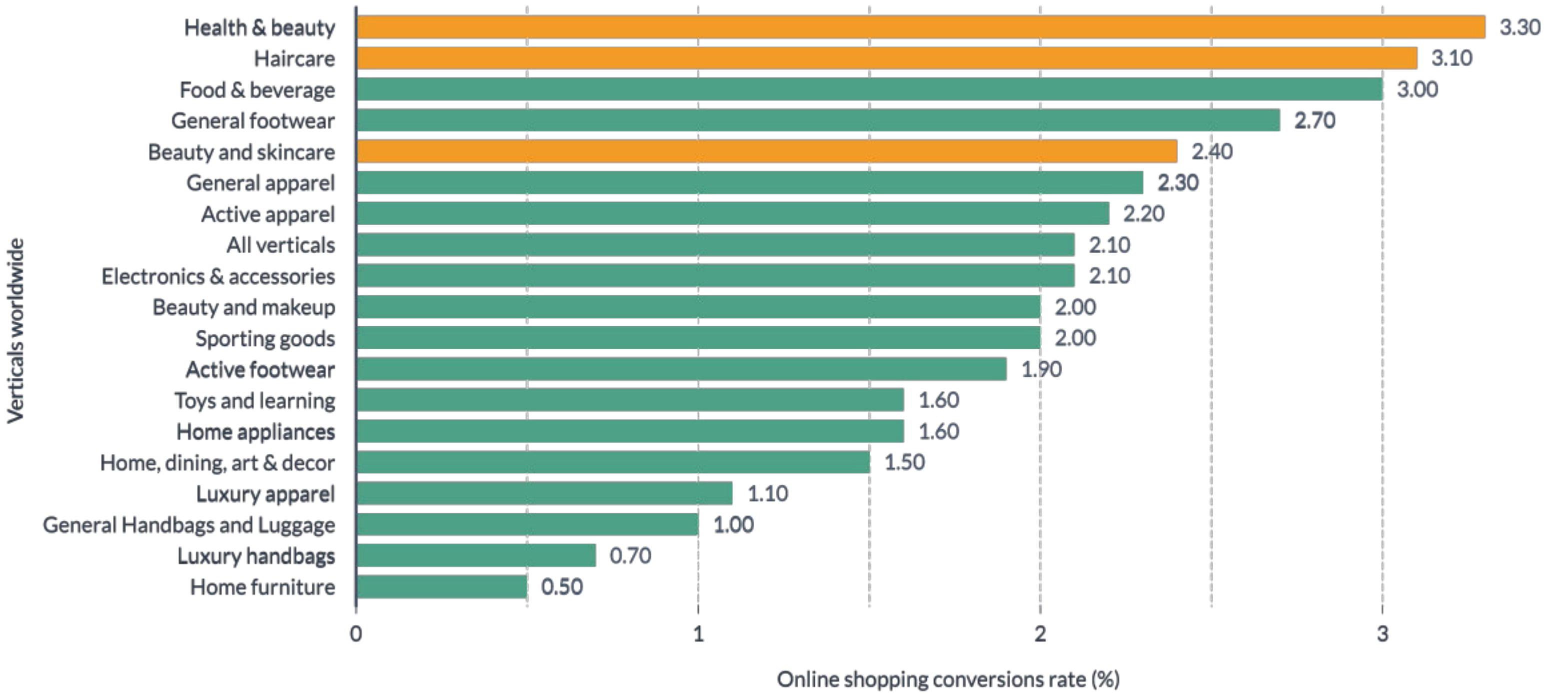
Online conversion rate of e-commerce sites were highest for health & beauty, and hair care with over 3% conversion rate

Global conversion rate is selected verticals in 3rd quarter 2022



Source: Chevalier, S. (2022, December 8). *Global conversion rate by industry 2022*. Statista.

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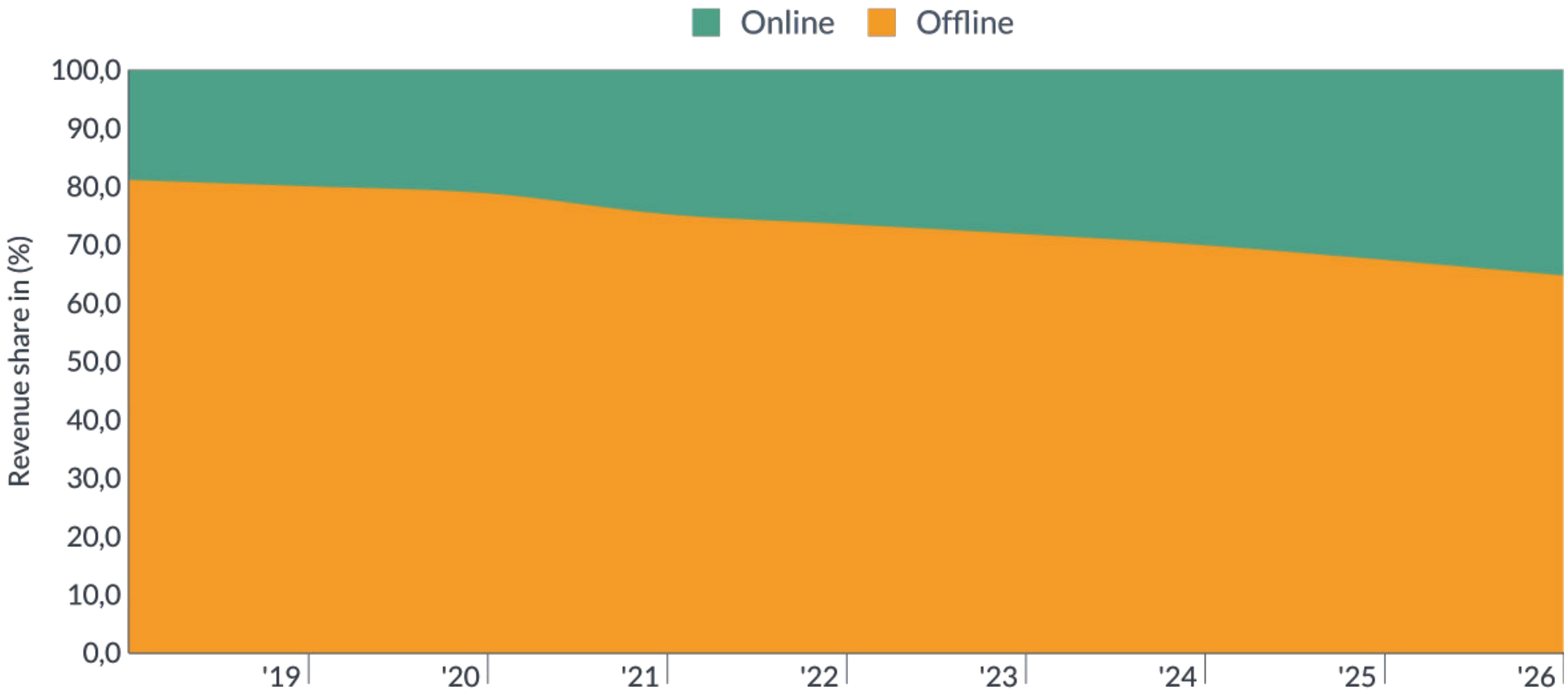
Though cosmetics are still mainly bought offline (69.9%), online revenue is increasing, with a 11.2% growth between 2017 and 2023

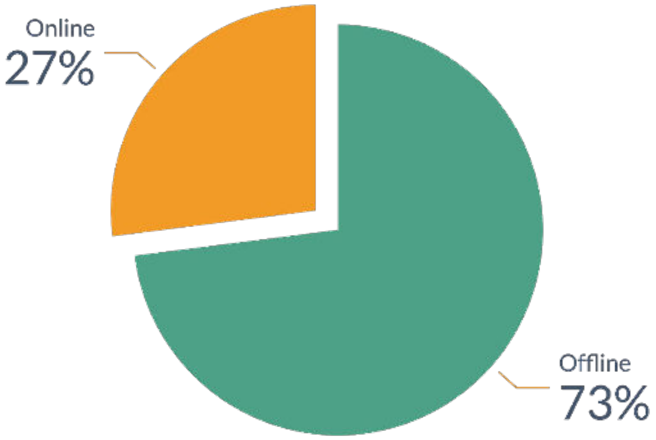
Offline and online revenue share worldwide



More specifically to US and EU, there are similarities in terms of the proportion of online (33%/27%) and offline (67%/73%)

Online & offline cosmetics revenue share in 2022 in the US

Online & offline cosmetics revenue share in 2022 in the EU



Source: *Beauty & Personal Care - US: Statista market forecast*. Statista. (n.d.).

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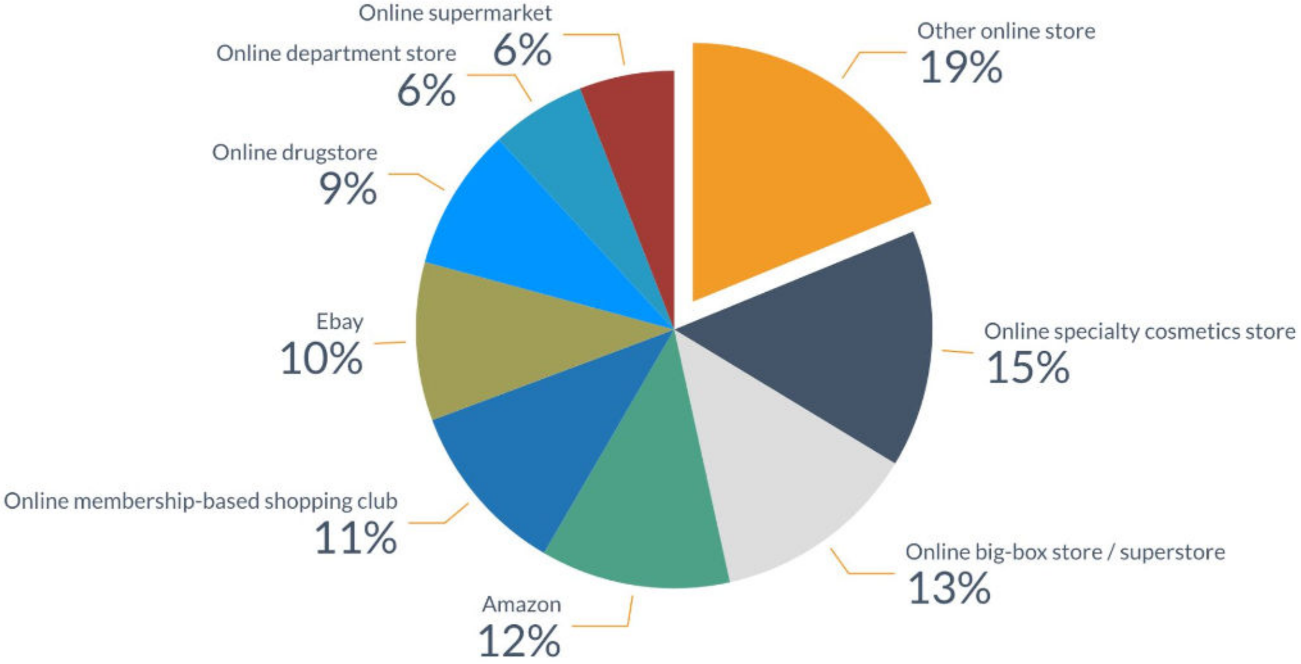
Online shopping is quite diversified among channels, though the most popular in 2020 was "other online store" (19%) in the US

Expenditure proportion by online channels for cosmetics in the US in 2020



Source: *Beauty & Personal Care - US: Statista market forecast*. Statista. (n.d.).

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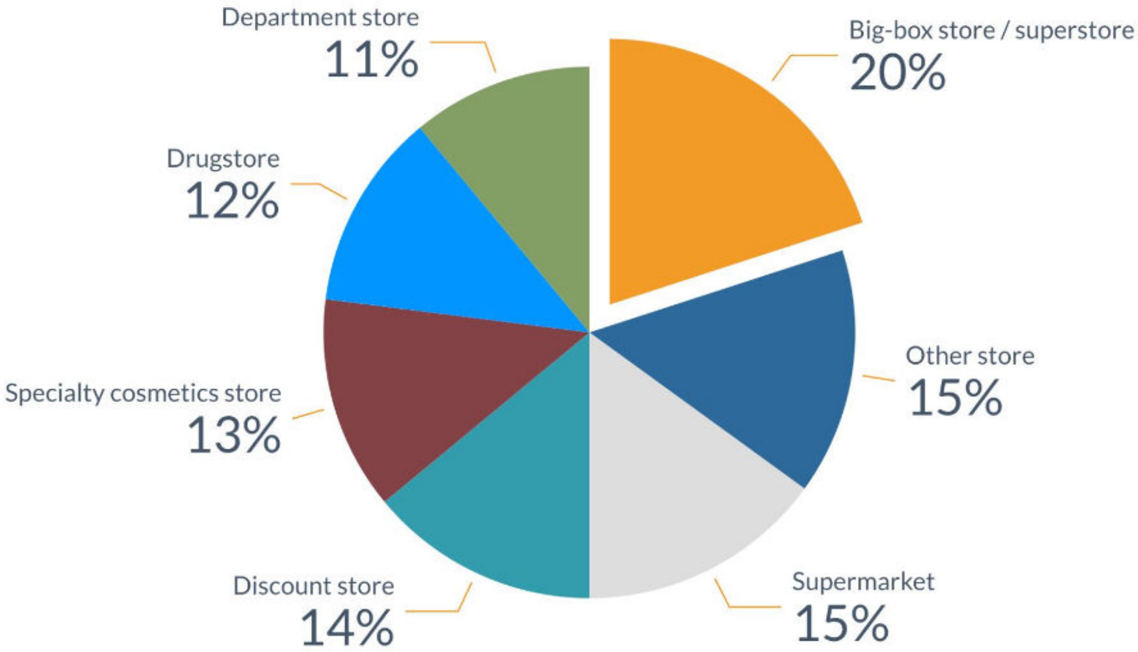
Offline channels are fairly fragmented, with big box store (20%) being the main one among others in the US in 2020

Expenditure proportion by offline channels for cosmetics in the US in 2020



Source: *Beauty & Personal Care - US: Statista market forecast*. Statista. (n.d.).

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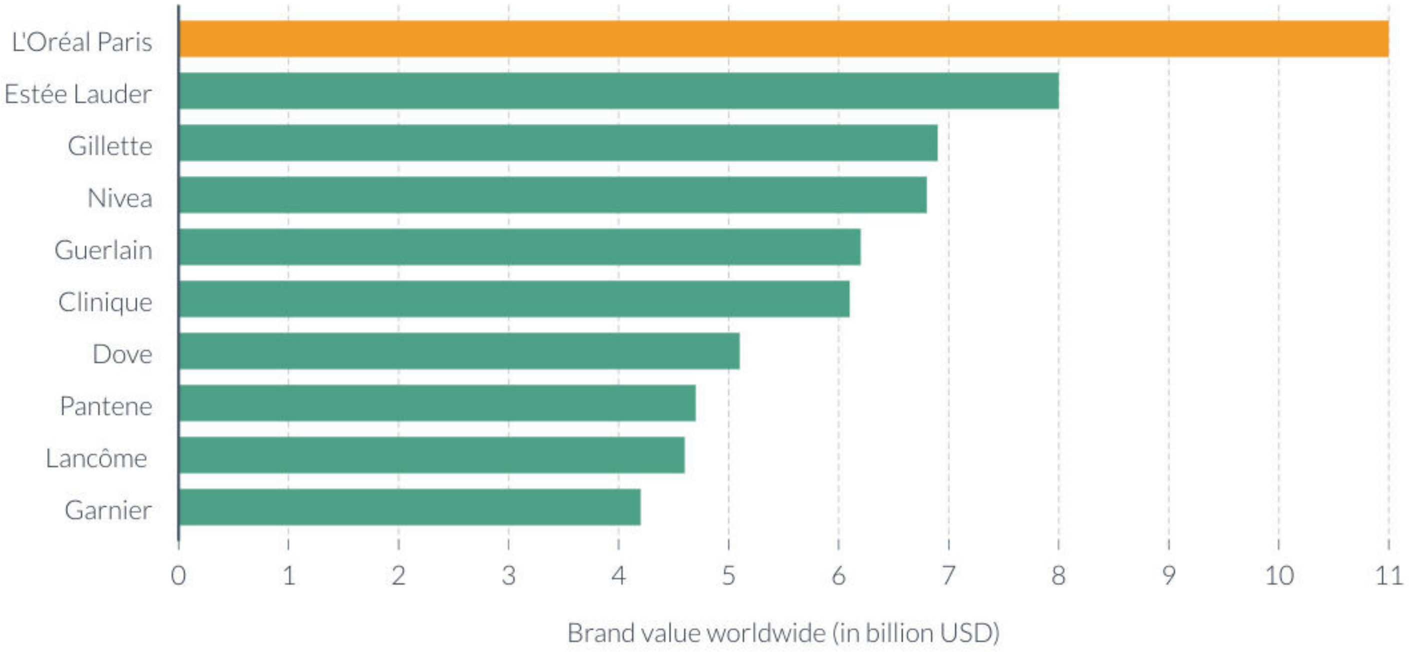
L'Oréal Paris was the leading brand of cosmetic worldwide, with a brand value of 11.22 billion USD, followed by Estée Lauder in 2022

Brand value of leading 10 cosmetics brands worldwide in 2022



Source: Petruzzi, D. (2022, May 10). *Brand value of the leading 10 cosmetic brands worldwide 2022*. Statista.

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INFLUENCE OF SOCIAL MEDIA

Executive Summary

Cosmetics follow the **global trend** of online advertisement, with United States and France increasing their investment in digital ad spend of 1,216 million US$ (US) and 85 million US$ (France), compared to 477 million US$ (US) and 2 million US$ (France) in 2019. (S34)

Youtube (61%) and Facebook (51%) were the most **trusted social networks** to find and buy products in the US in 2022. (S35)

The second product category most purchased on on social media in 2021 in the US was "Personal care & beauty" with 15%. (S37)

Dior, L'Oréal Paris and Lancôme were the most **influential beauty brands** globally in the first half of 2022, with a MIV above 337. (S40)

Leading goals of social media marketers are engagement (62%) and reach (60%), but there is a big opportunity for monetization.(S41)

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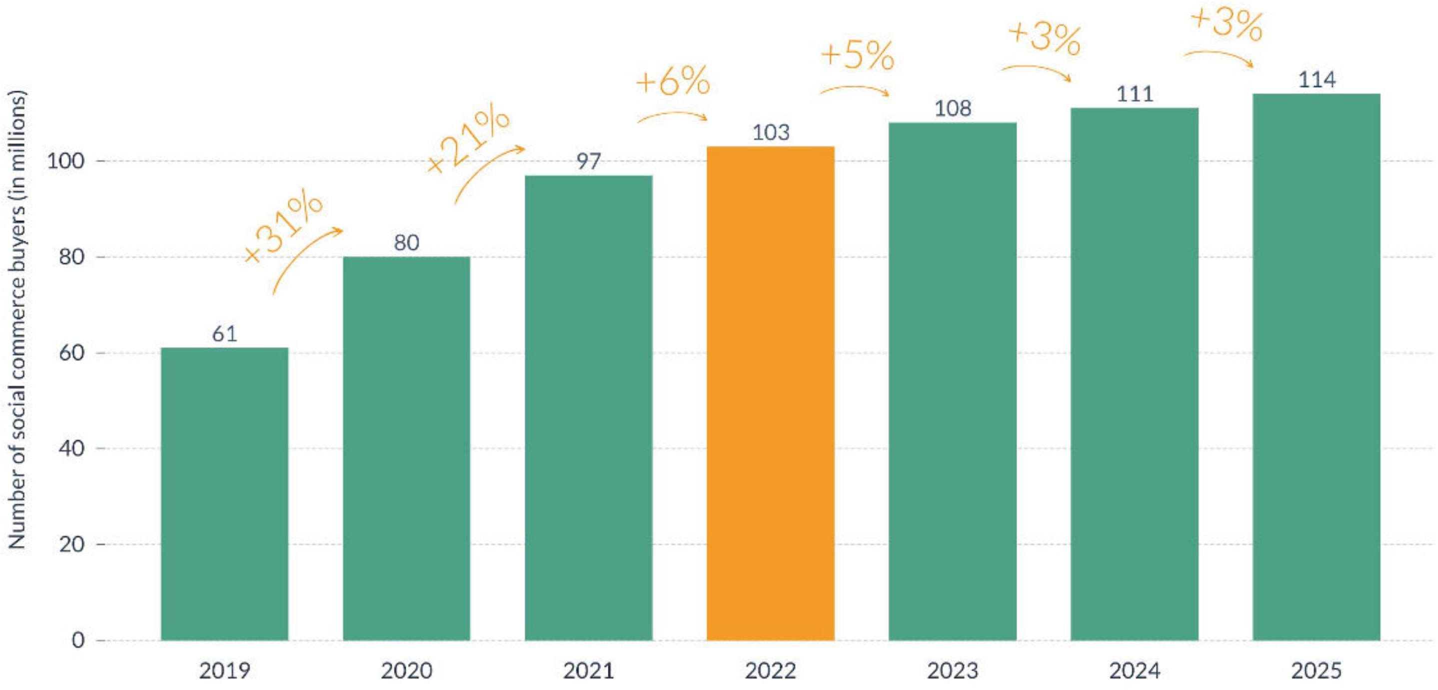
In 2022, the number of US social buyers was expected to be 102.60millions, and is expected to grow by 11.4% in 2025

Number of US social buyers



Source: Chevalier, S. (2022, October 11). *U.S. Social Buyers 2020-2025*. Statista.

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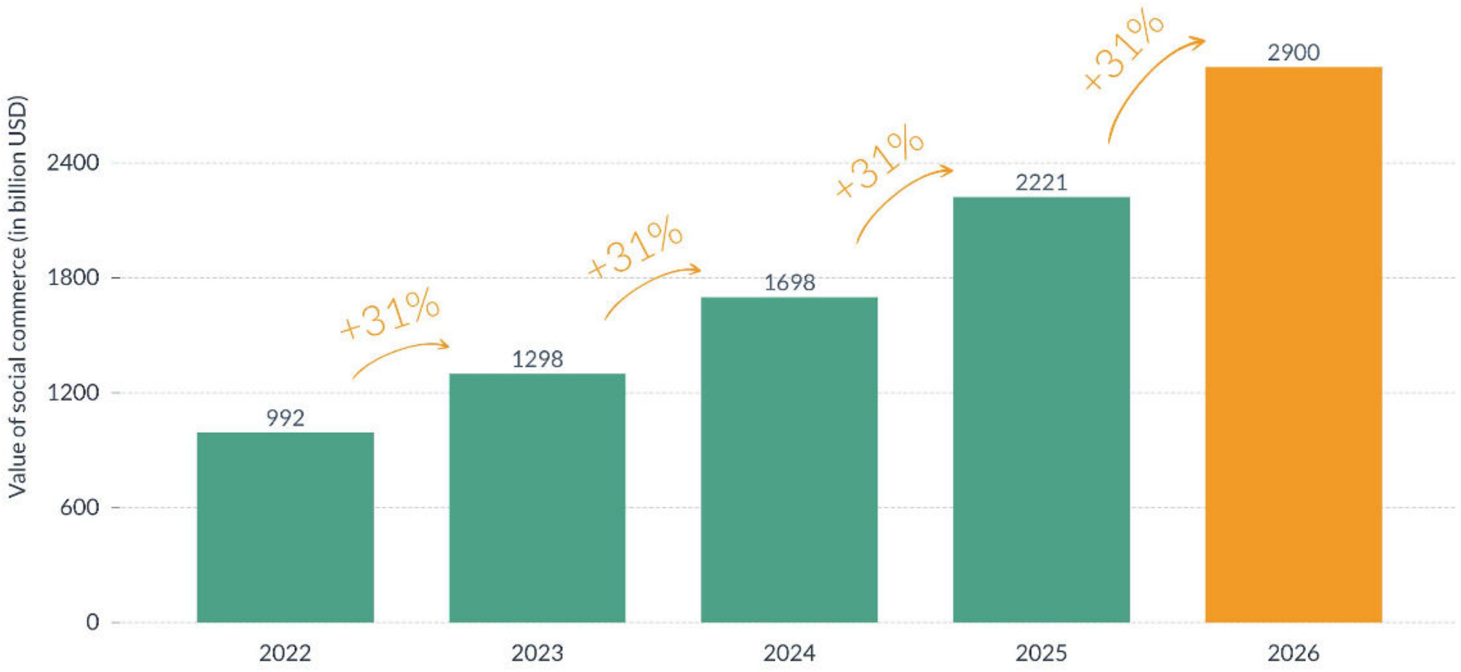
Global sales through social media platforms are estimated to reach 992b USD in 2022, and forecasted to reach 3 trillion USD in 2026

Social commerce sales value worldwide



Source: Chevalier, S. (2022, September 16). *Global Social Commerce Market Size 2022-2026*. Statista.

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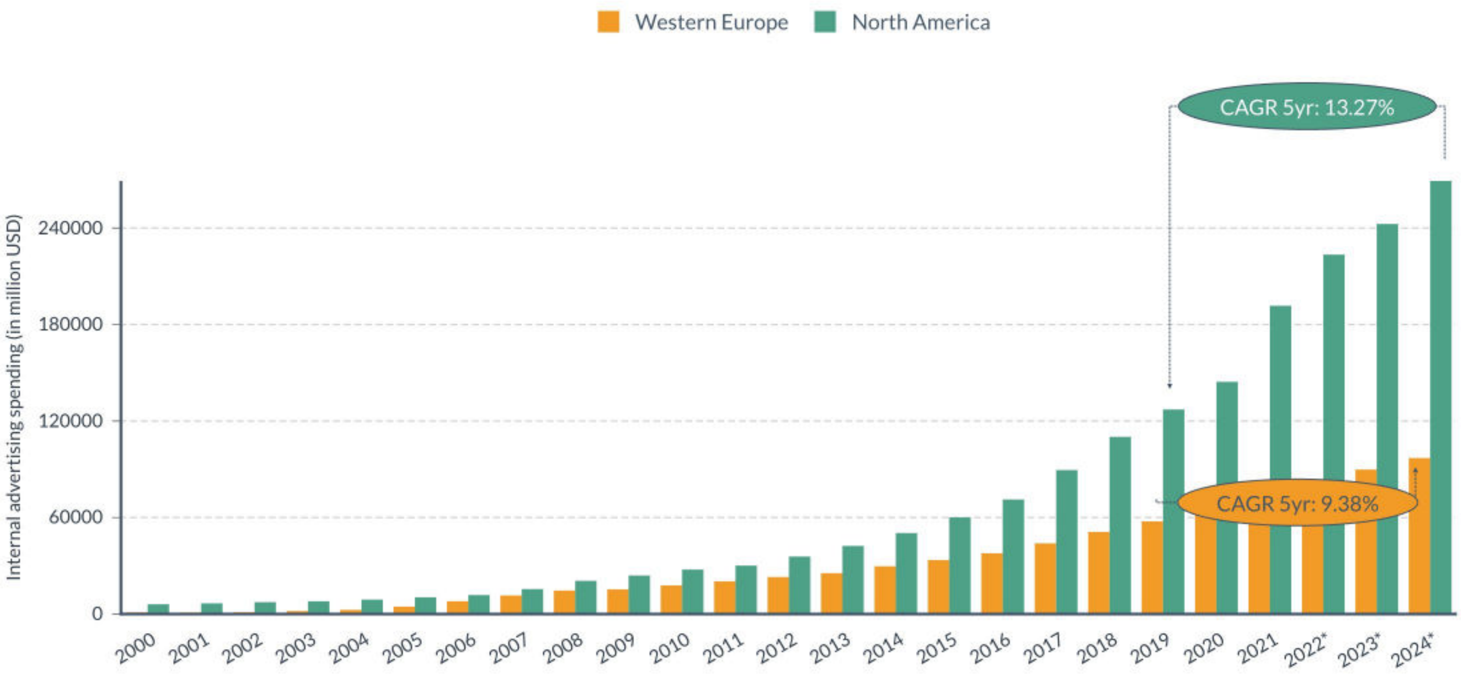
Internet advertising spending grows at a 13.27% rate CAGR in North America, compared to CAGR in Western Europe of 9.38%

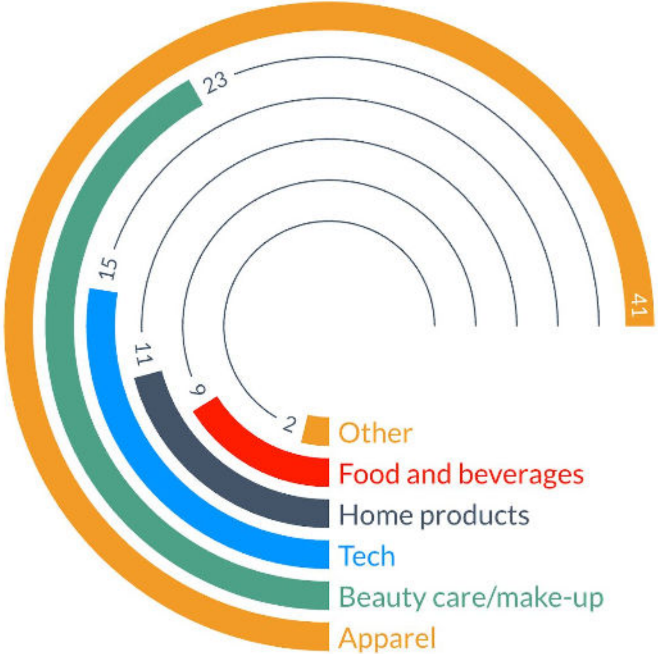
Internet advertising spending in North America and Western Europe



Source: Published by Statista Research Department, & 10, J. (2023, January 10). *Global internet ad spend by region 2024*. Statista.

Social media influenced the second most the category of “Beauty care & make up” (22.92%), specifically among Gen Z and Millennials

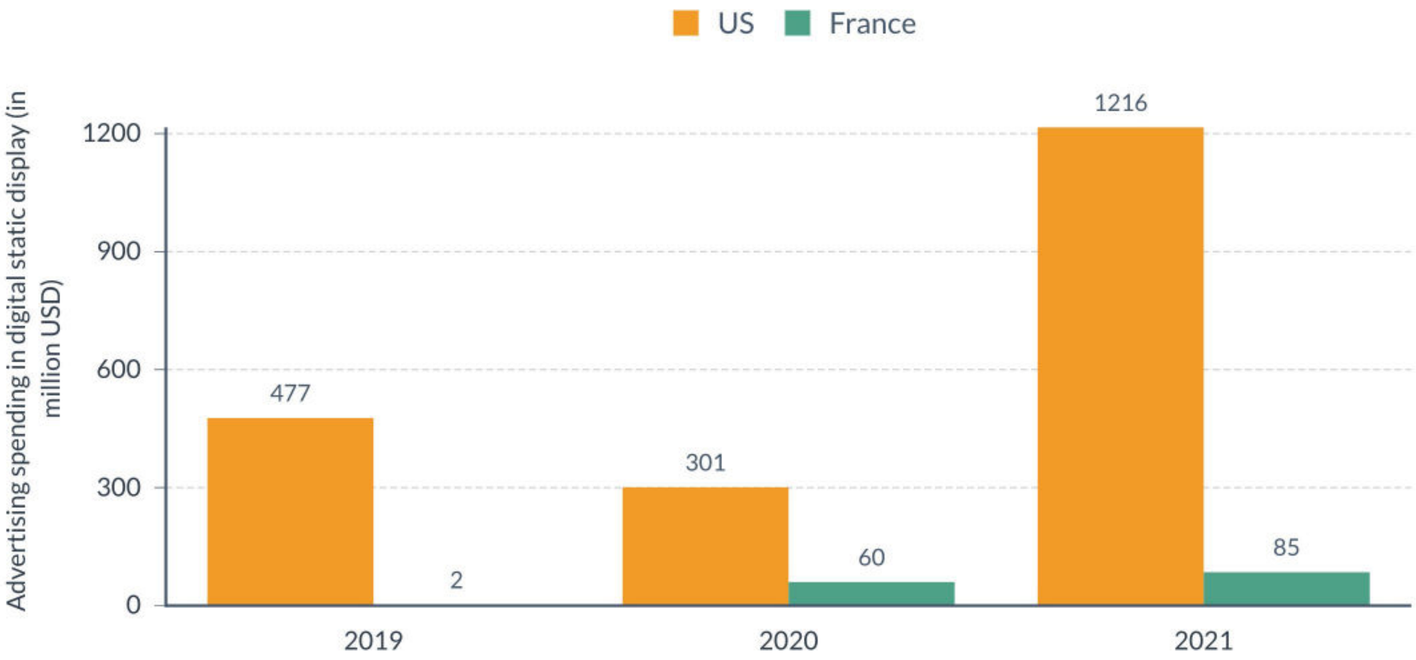
Products that US Gen Z and Millennials buy more due to social media in 2021



Source: Chevalier, S. (2022, October 25). *U.S. Genz/Millennial purchased items due to social media 2021*. Statista.

Cosmetics follow this global trend, with US and France increasing their investment of 1,216m USD (US) & 85m USD (France) in 2021

Cosmetics & personal care display ad spend in the US & France



Source: Navarro, J. G. (2023, February 7). *U.S.: Cosmetics & Personal Care Display ad spending*. Statista.

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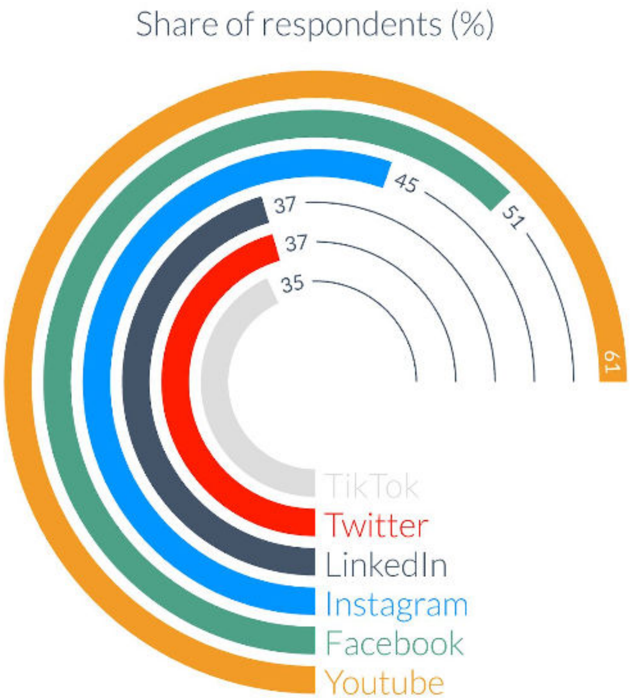
YouTube (61%) and Facebook (51%) were the most trusted social networks to find and buy products in the US in 2022

Most trusted social networks to find and buy products in the US in 2022



Source: Chevalier, S. (2022, September 23). *U.S. most trusted social networks for Social Shopping 2022*. Statista.

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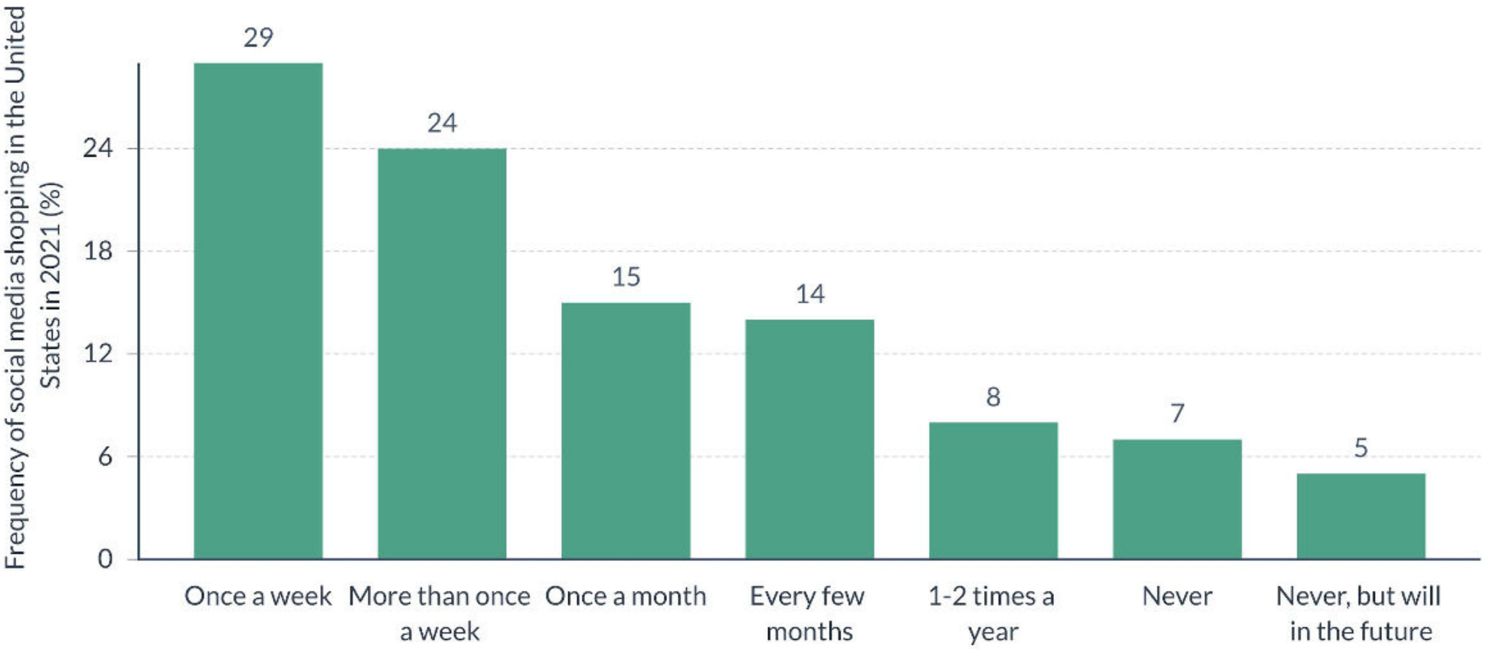
In 2021 in the US, 53% of the users shopped on social media at least one a week

Social media shopping frequency in the US in 2021



Source: Chevalier, S. (2022, November 18). *U.S. social media shopping frequency 2021*. Statista.

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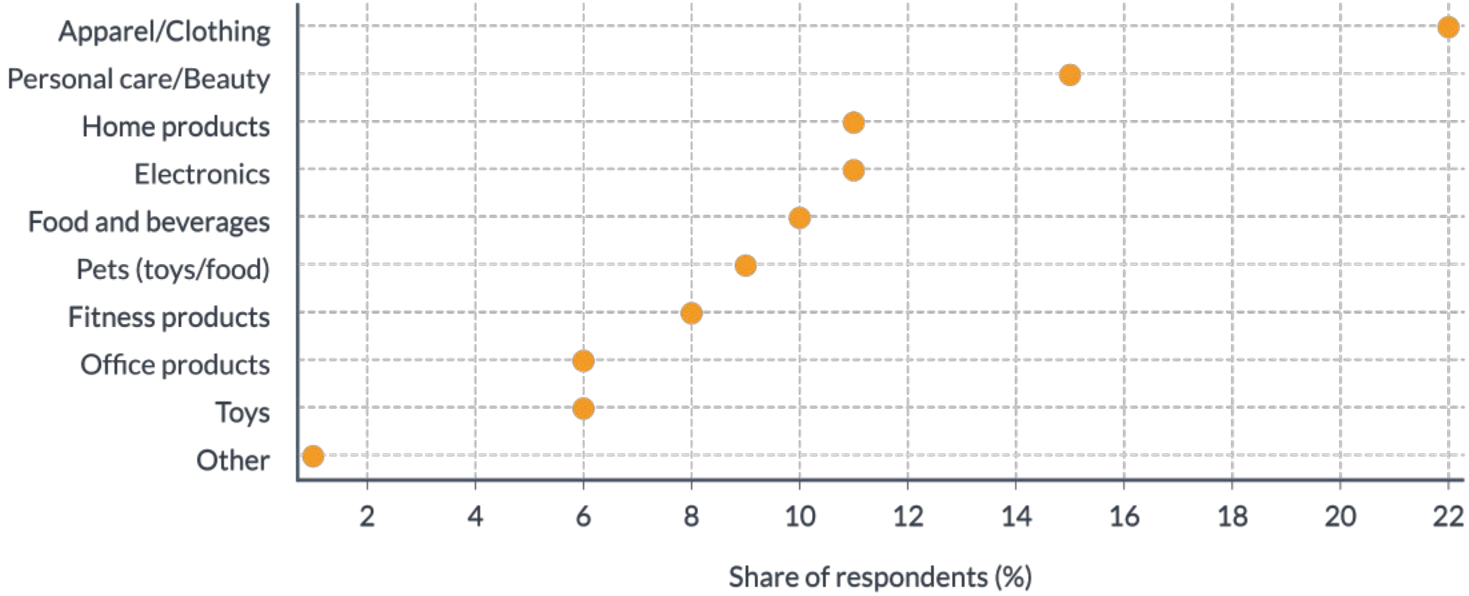
In terms of the most purchase product categories on social media in 2021 in US “Personal care & beauty” came second with 15%

Most purchased product categories on social media in the US



Source: Chevalier, S. (2022, February 17). *U.S. main products bought on social media 2021*. Statista.

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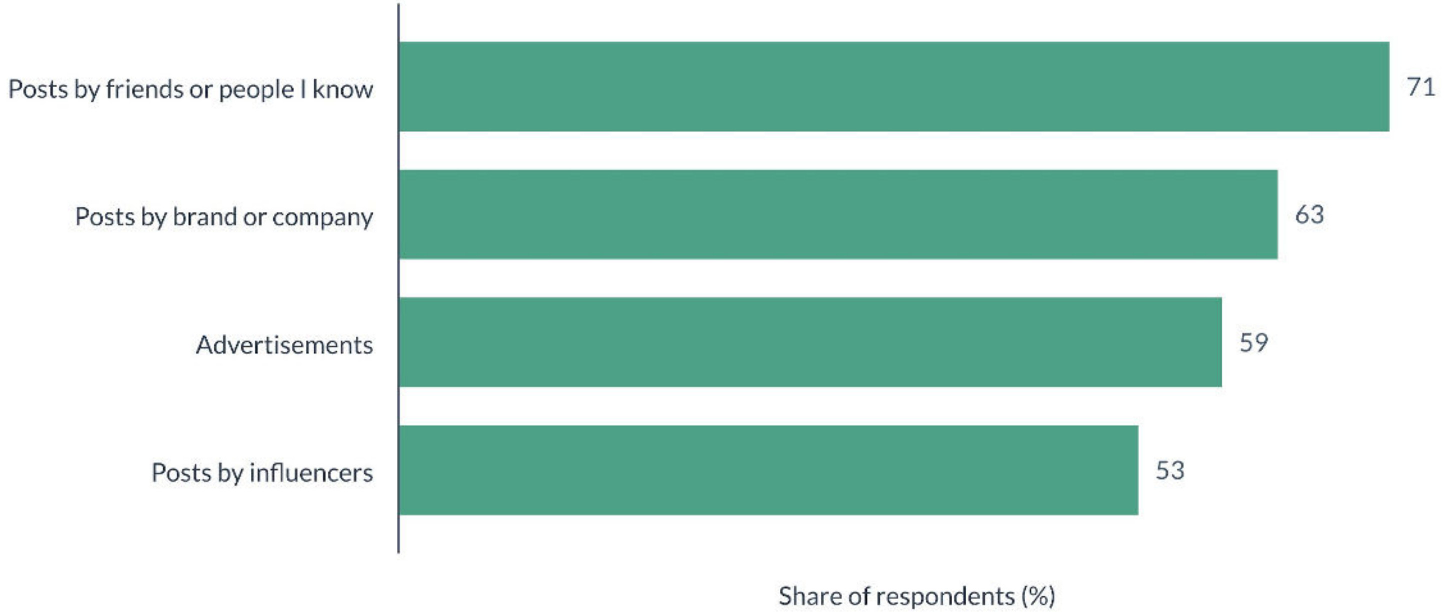
The two most influential social media content in purchasing decisions are post by friends (71%) and posts by brands (63%)

Most influential social media content for buyers in the US in 2021



Source: Chevalier, S. (2022, September 19). *U.S. Social Media Content Purchase Influencers 2021*. Statista.

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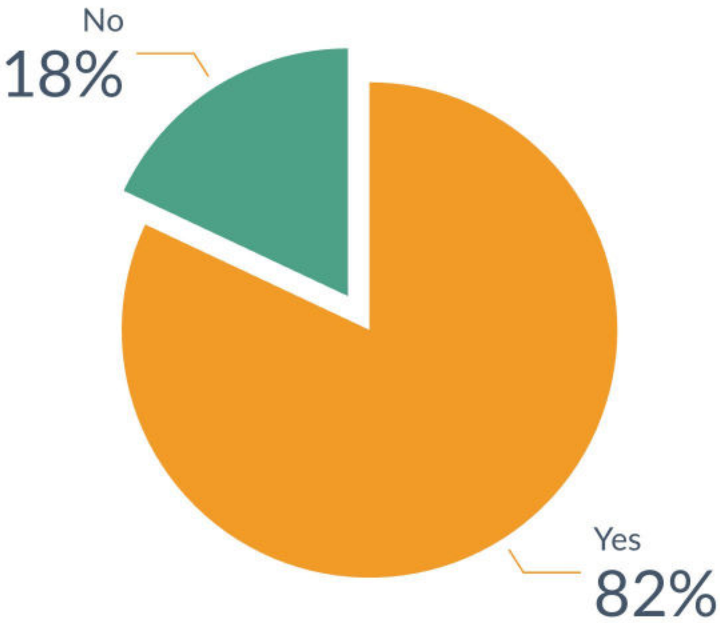
Out of the share users who discovered a product on social media, 82% of them purchased it directly on their phone

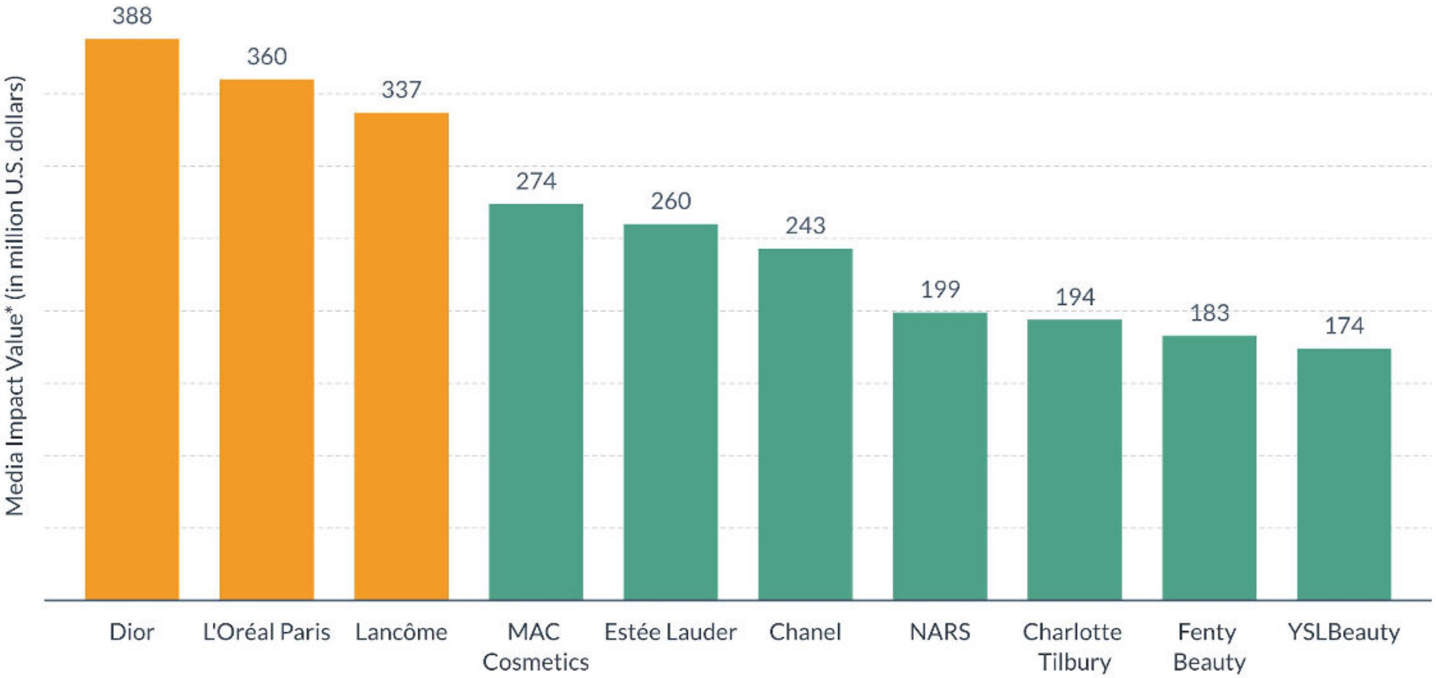
Mobile shopping after discovery in social media in the US in 2021



Source: *U.S. mobile shopping by social media discovery 2021 | statista*. (n.d.).

Dior, L'Oréal Paris and Lancôme were the most influential beauty brands globally in the first half of 2022, with a MIV above 337

Leading global beauty brands based on Media Impact Value H1 2022



Media Impact Value™ (MIV®) allows brands to assign a monetary value to every post, interaction or article to measure its impact and identify contributions to brand performance across Voices, channels and regions.

Source: *Most influential beauty brands on media 2022 | statista*. (n.d.).

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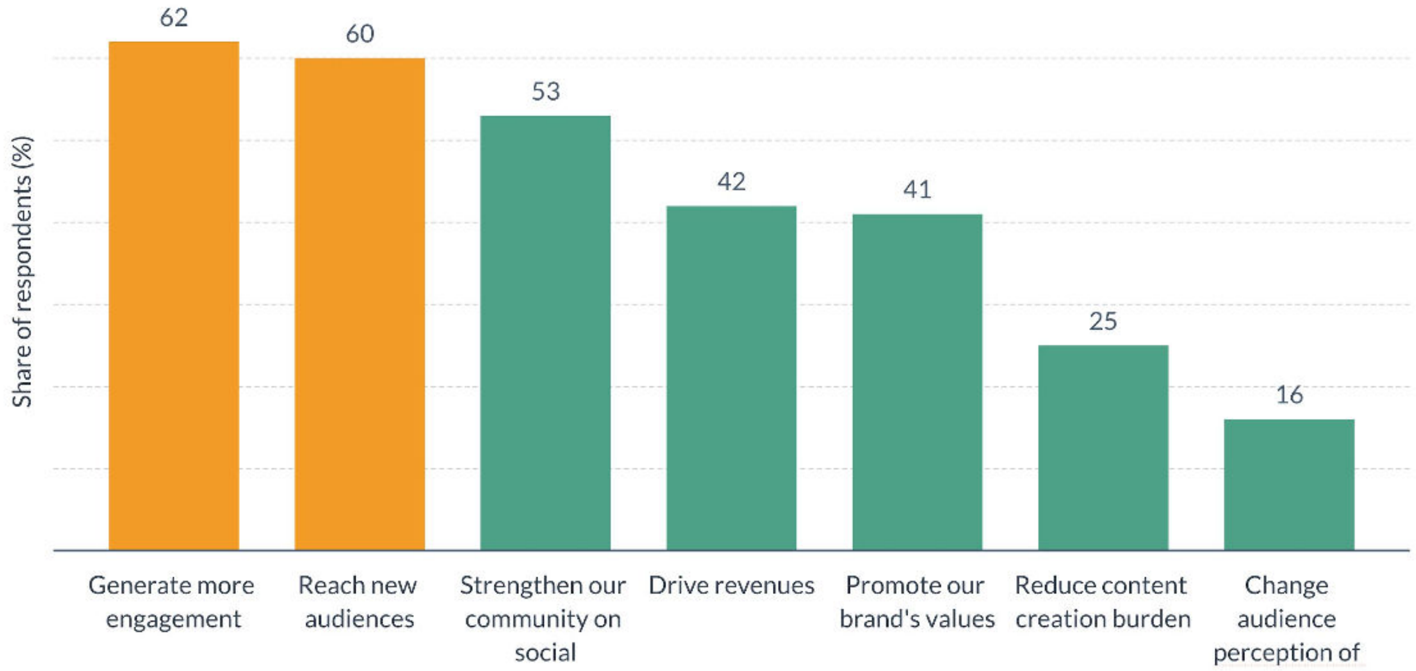
Leading goals of social media marketers are engagement (62%) and reach (60%), but there is a big opportunity for monetization

Leading creator marketing goals in the US in 2022



Creators refers to the people responsible for creating and uploading content social media, also called influencers

Source: Published by S. Dixon, & 22, M. (2022, March 22). *U.S. beauty brands by Social Media User Engagement 2020*. Statista.

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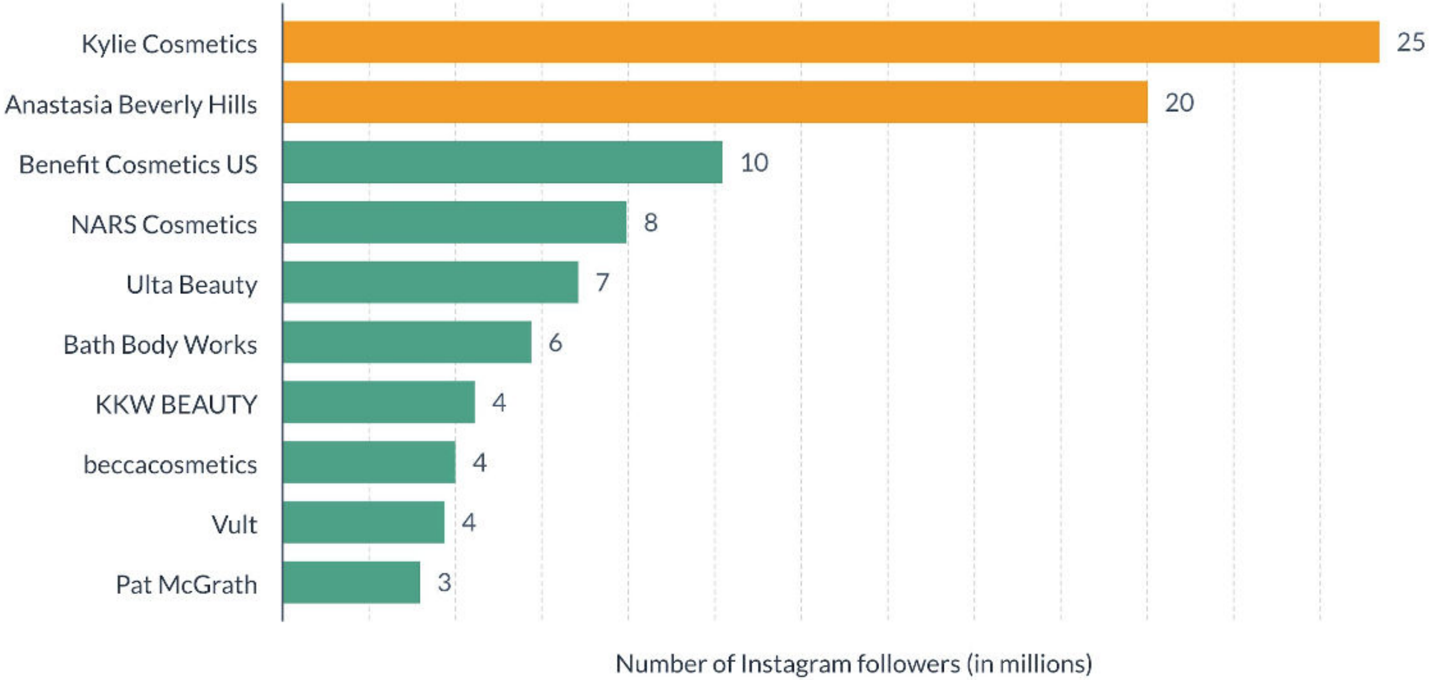
Based on the number of Instagram followers, Kylie Cosmetics & Anastasia Beverly Hills were the most popular brands online

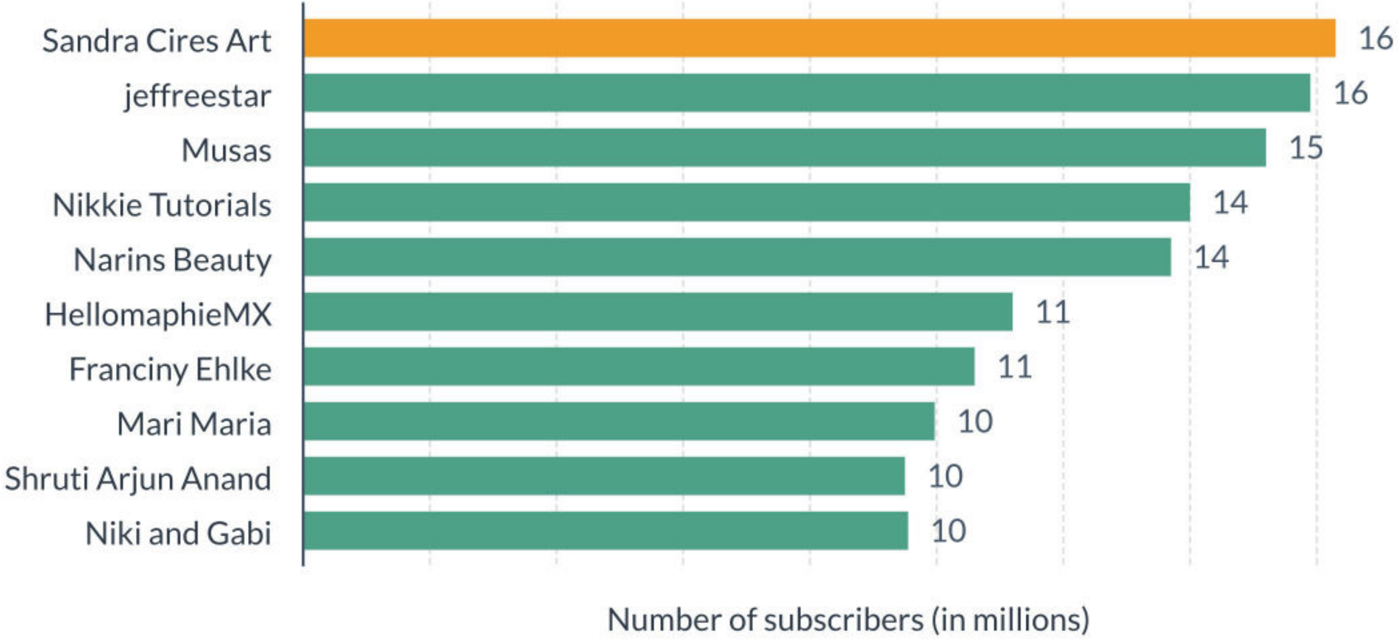
Leading beauty brands ranked by number of Instagram followers as of March 2022



Source: Published by S. Dixon, & 23, M. (2022, March 23). *Instagram: Most-followed Beauty Brands 2022*. Statista.

Sandra Cires Art channel was the most popular YouTube beauty channel as of November 2022, with 16.30 millions of subscribers

YouTube: most subscribed beauty content creators 2022



Source: Published by L. Ceci, & 18, N. (2022, November 18). *YouTube top beauty and makeup channels 2022*. Statista.

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ORGANIC TRENDS

Executive Summary

The **revenue growth** of natural cosmetics worldwide is rapidly growing, with an average growth of 6.94%. From a negative growth rate of 2.90% in 2015, it has been increasing ever since and is expected to keep on growing for the years to come. (S46)

The **growth rate** of natural and organic personal care between the years 2018 and 2028 is faster in North America (9.10%) than on a global scale (8.30%). (S47)

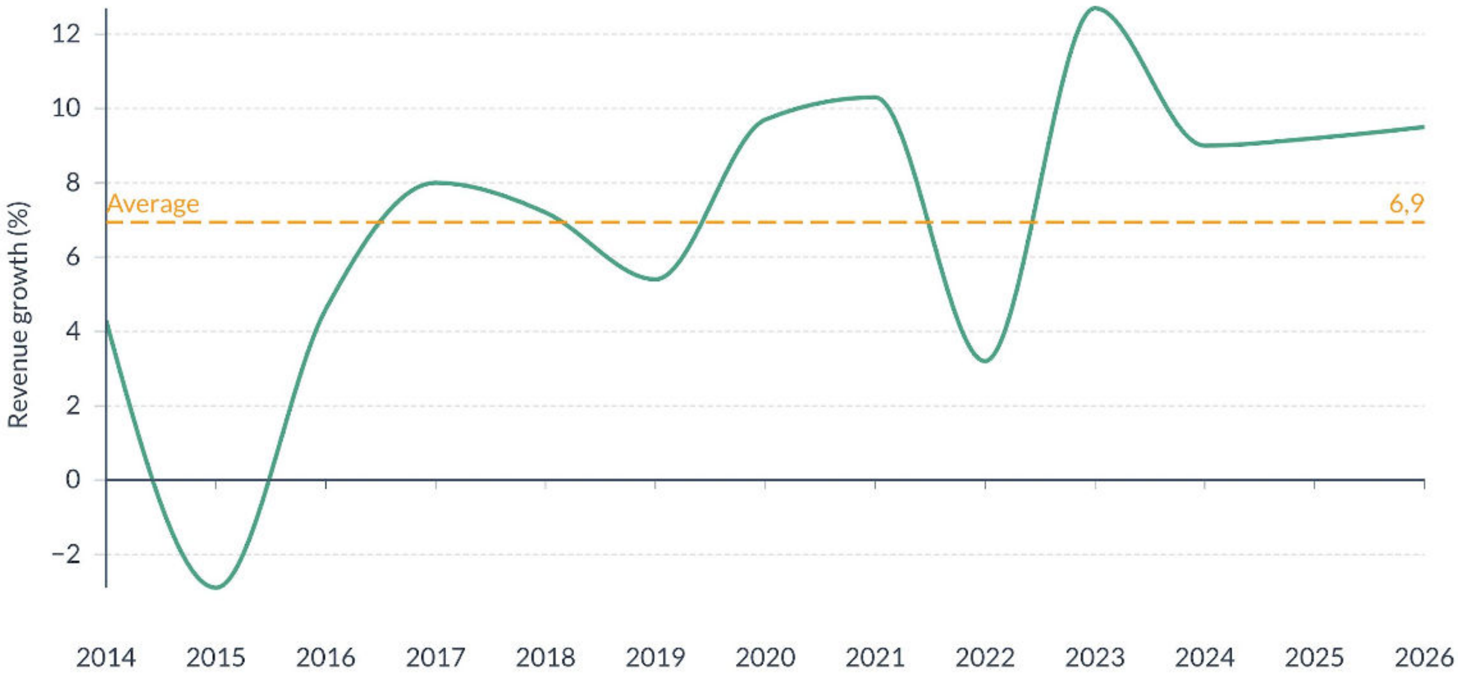
For **women** in the US in 2016, skin care and hair care were the most important categories to buy all-natural products, with 57% and 51%, respectively, of the respondents agreeing. (S51)

The sustainable personal care market share of Millennials is expected to decrease by 2% in the UK by 2025. (S53)

50% of Gen Z said they would *not* buy from skin care products from brands that are not justified as cruelty-free, in the US in 2021. (S54)

In terms of trend, it can be noted that the natural cosmetics worldwide is growing, with an average growth of 6.94%

Annual revenue growth of the natural and organic cosmetics market worldwide



Source: Published by Statista Research Department, & 16, N. (2022, November 16). *Global: Natural and organic market revenue growth*. Statista.

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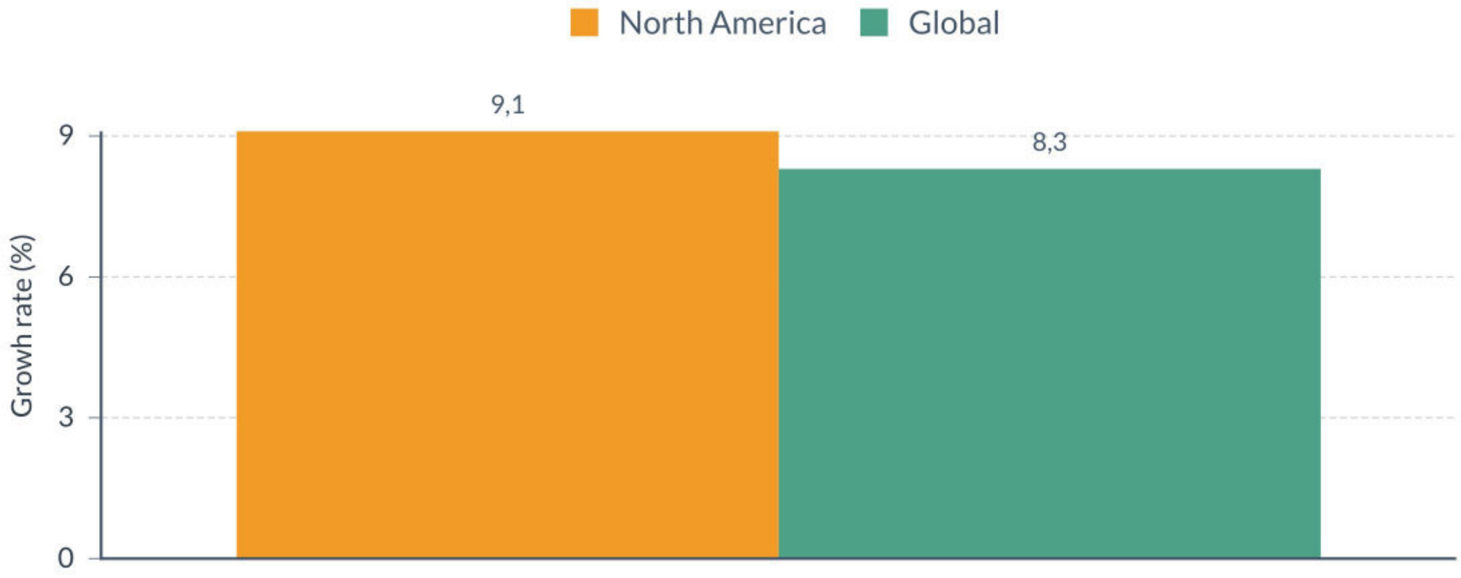
The growth rate of natural and organic personal care is faster in North America (9.10%) than on a global scale (8.30%)

Growth of the global and North American natural personal care in 2018-2028



Source: Petruzzi, D. (2022, February 2). *Organic Personal Care Market-growth worldwide 2018-2028*. Statista.

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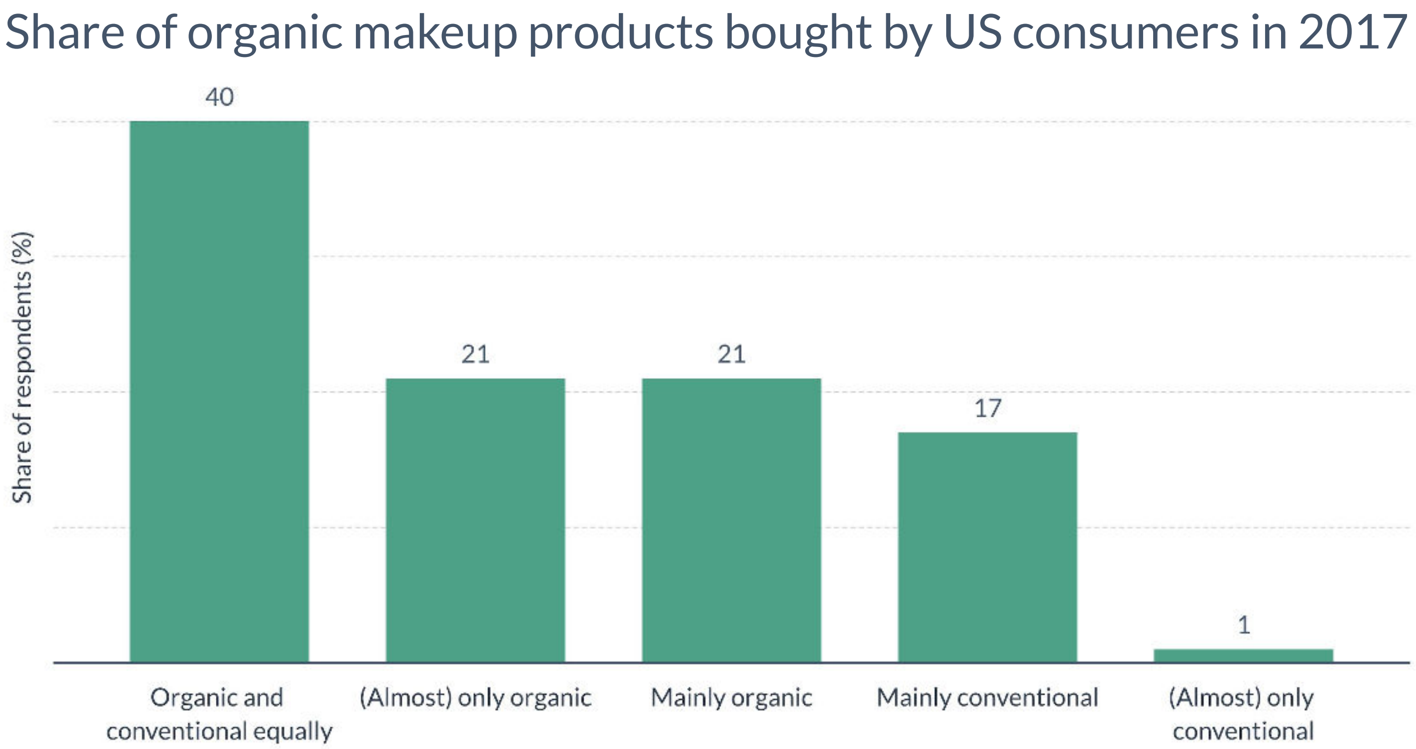
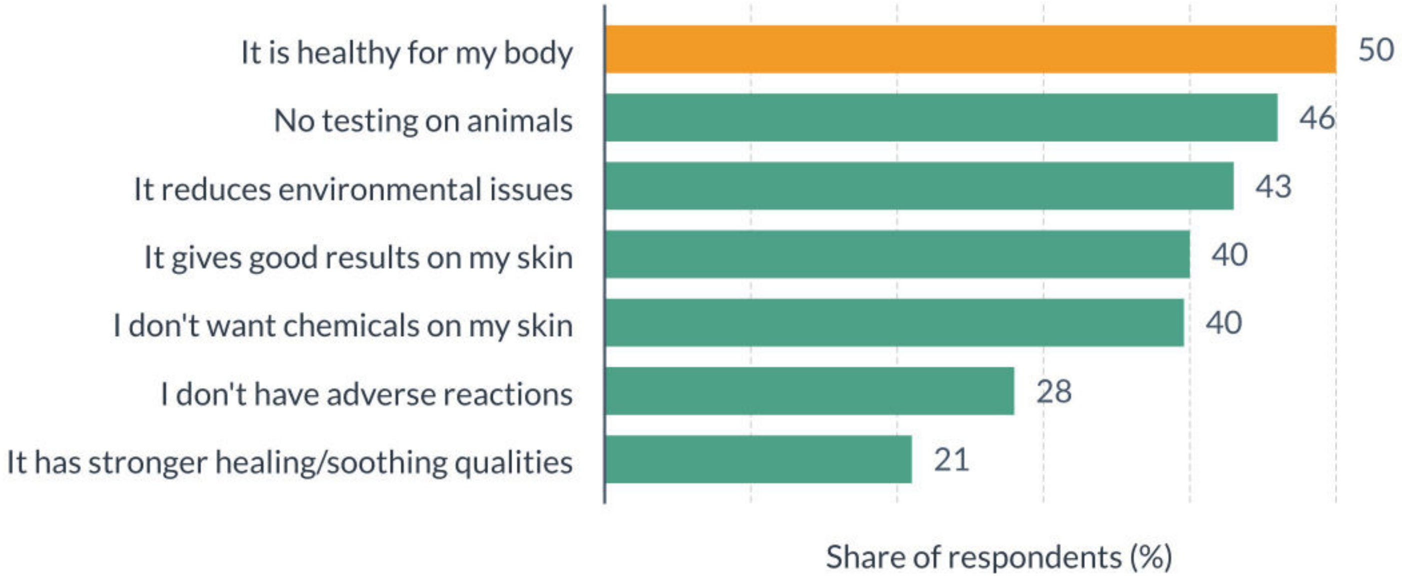
42% of the respondents in US used mostly organic cosmetics, with 40% using either or equally. As opposed to 18% using mostly conventional



Source: Kunst, A. (2019, December 20). *Makeup: Share of Organic Products U.S. 2017*. Statista.

The main reason for using natural and organic beauty products was for "health for my body" in 2022, with a 50% rate responses

Main motivations for using natural and organic beauty products in 2022 in EU

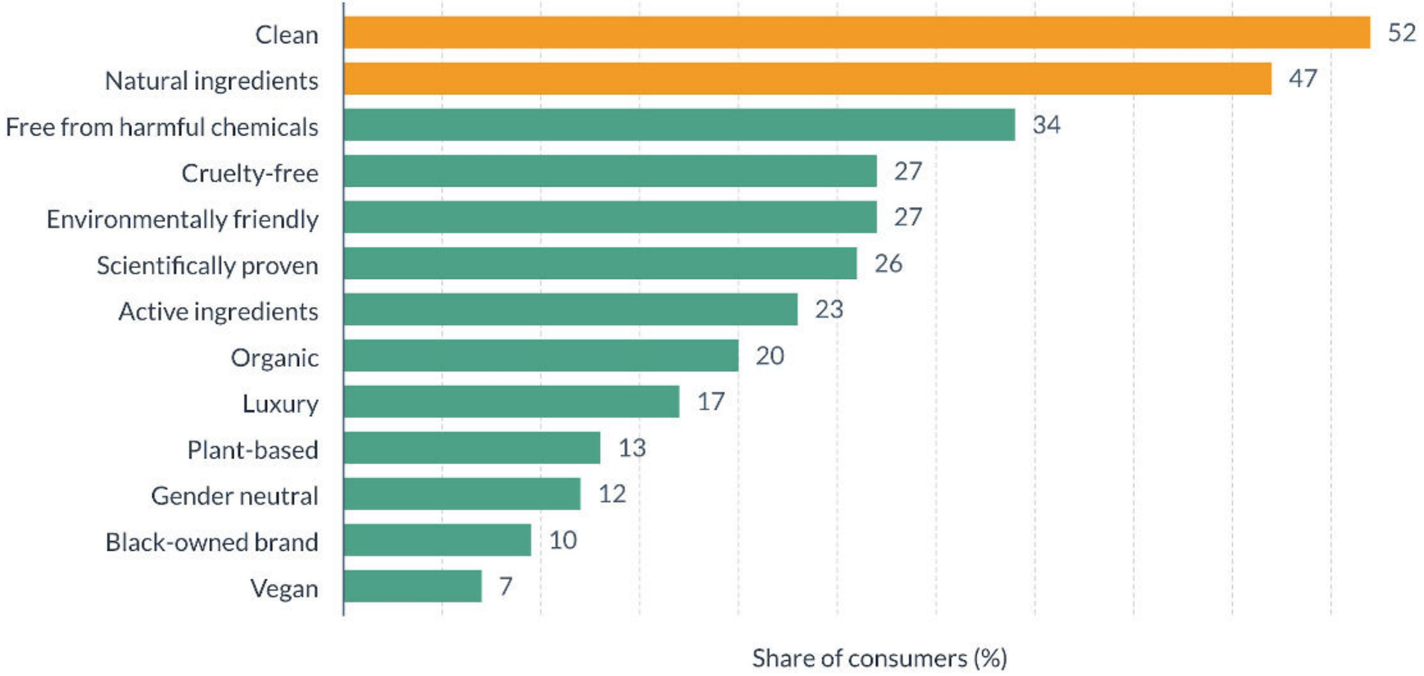


Source: Shahbandeh, M. (2022, November 2). *Natural and organic beauty: Main motivating factors in Europe 2022*. Statista.

INDARU

In US, most important attributes for beauty/ personal care were: “clean” products (47%) and made of “natural ingredients” (47%)

Beauty and personal care: important product attributes for US consumers in 2022

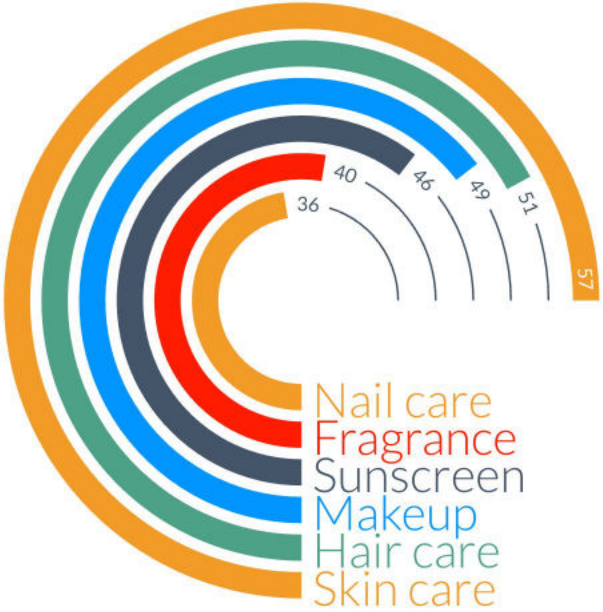


Source: Shahbandeh, M. (2022, October 14). *Beauty products: Most important product attributes for consumers 2022*. Statista.

INDARU

For women in the US, skin care (57%) and hair care (51%) were the most important categories to buy all-natural products

Importance of buying all-natural beauty products for US women in 2016, by category



Source: Mikulic, M. (2016, September 27). *Importance of bio beauty products for U.S. women by category 2016.* Statista.

The leading label to motivate female shoppers in France to buy cosmetics online in 2022 was “Cosmétiques Bio” (89%)

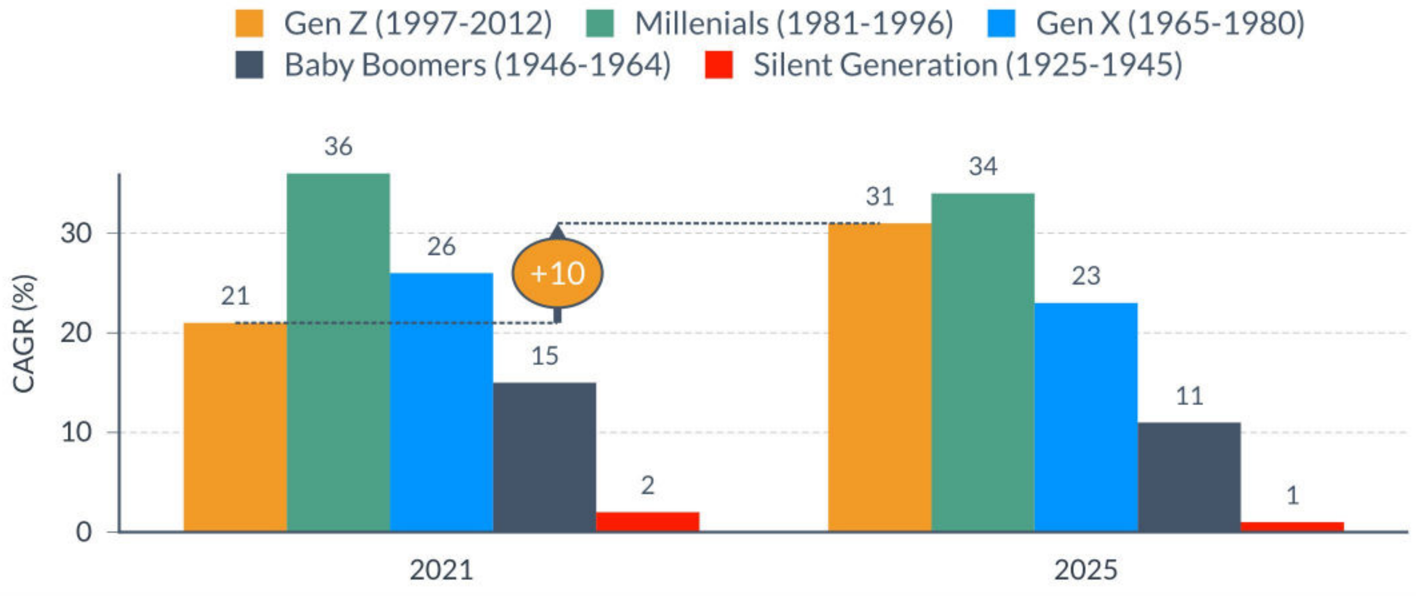
Most popular labels that motivate shoppers to buy cosmetics online in France 2022

Source: Published by Lynn Beyrouthy, & 10, O. (2022, October 10). *France: Top labels for cosmetic online purchases 2022*. Statista.

INDARU

The sustainable personal care market share of Gen Z expected to grow most rapidly in UK, with CAGR of 10% , by 2025

Growth of the sustainable person care market with CAGR of market share in the UK in 2021

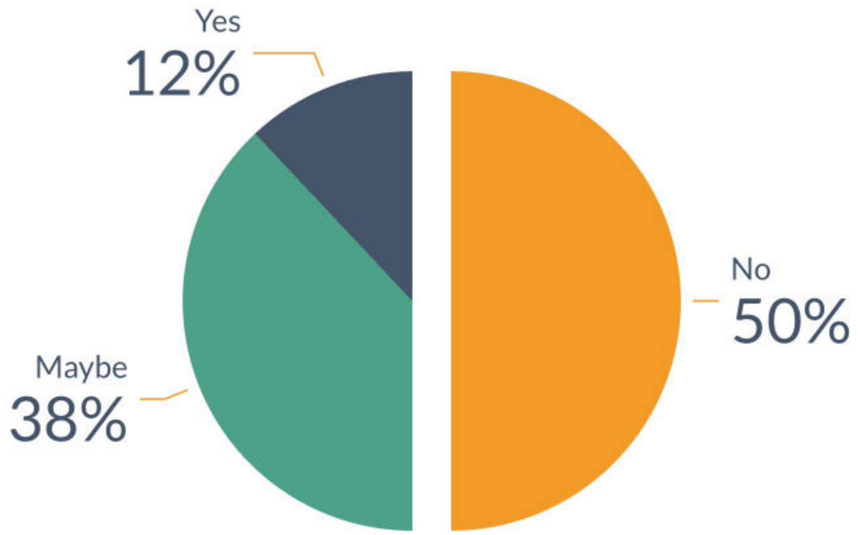


Source: Published by M. Ridder, & 16, N. (2021, November 16). *United Kingdom: Sustainable personal care market growth 2021*. Statista.

INDARU

50% of Gen Z said they would *not* buy from skin care products from brands that are not justified as cruelty-free, in the US in 2021

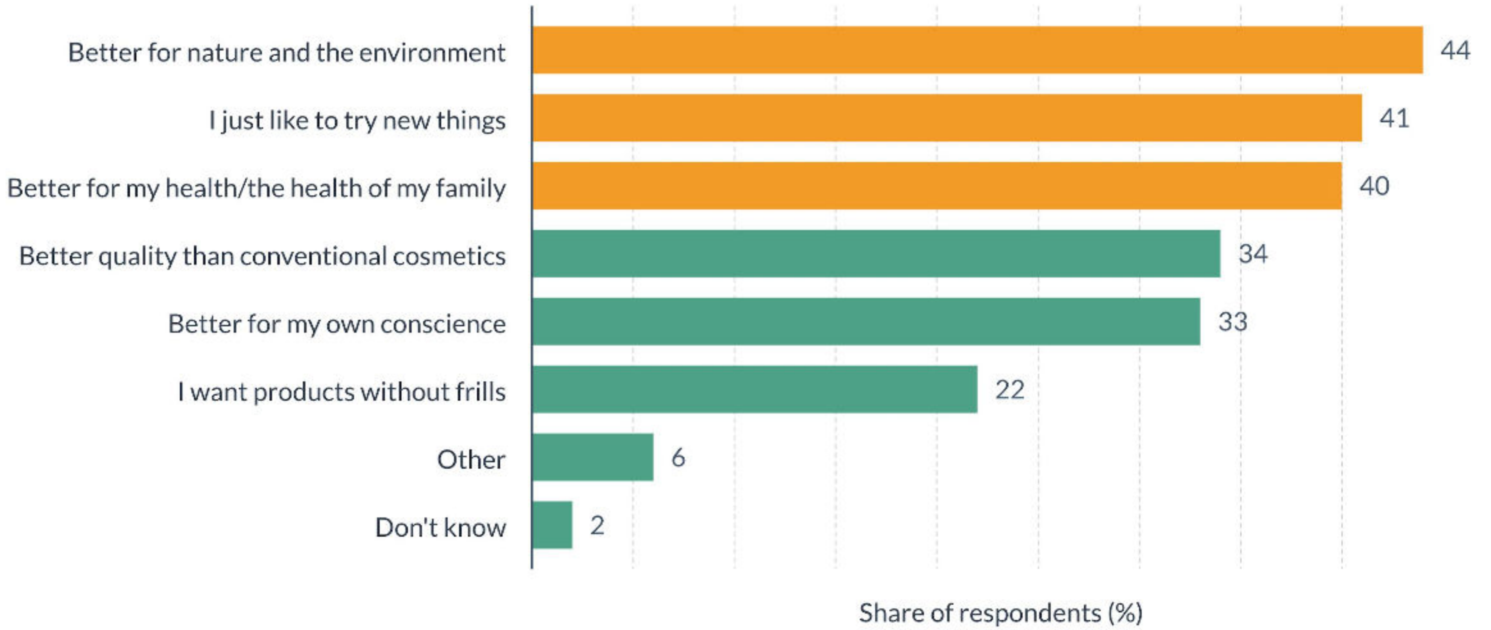
Willingness of Gen Z to buy from non cruelty-free brands in the UK and US in 2021



Source: Petruzzi, D. (2022, December 16). *Beauty: Gen z about buying from non cruelty-free brands 2021*. Statista.

Main reasons to buy natural cosmetics for Gen Z were: environment (44%), try new things (41%), and better health(40%)

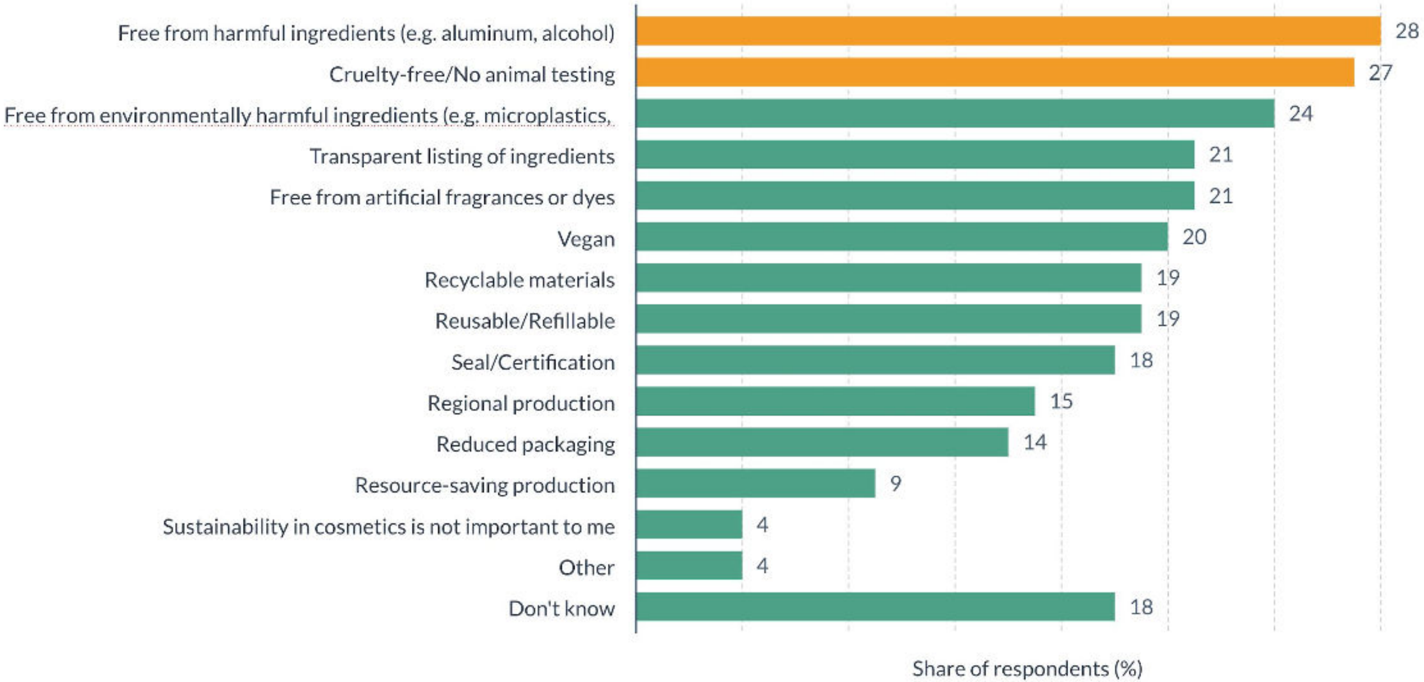
Gen Z reasons to buy natural cosmetics in the US in 2021



Source: Kunst, A. (2022, March 16). *Gen Z drivers of Natural Cosmetics purchases U.S. 2021*. Statista.

Main criterias for Gen Z for sustainable purchase for cosmetic products: free from harmful ingredients (28%) and cruelty-free (27%)

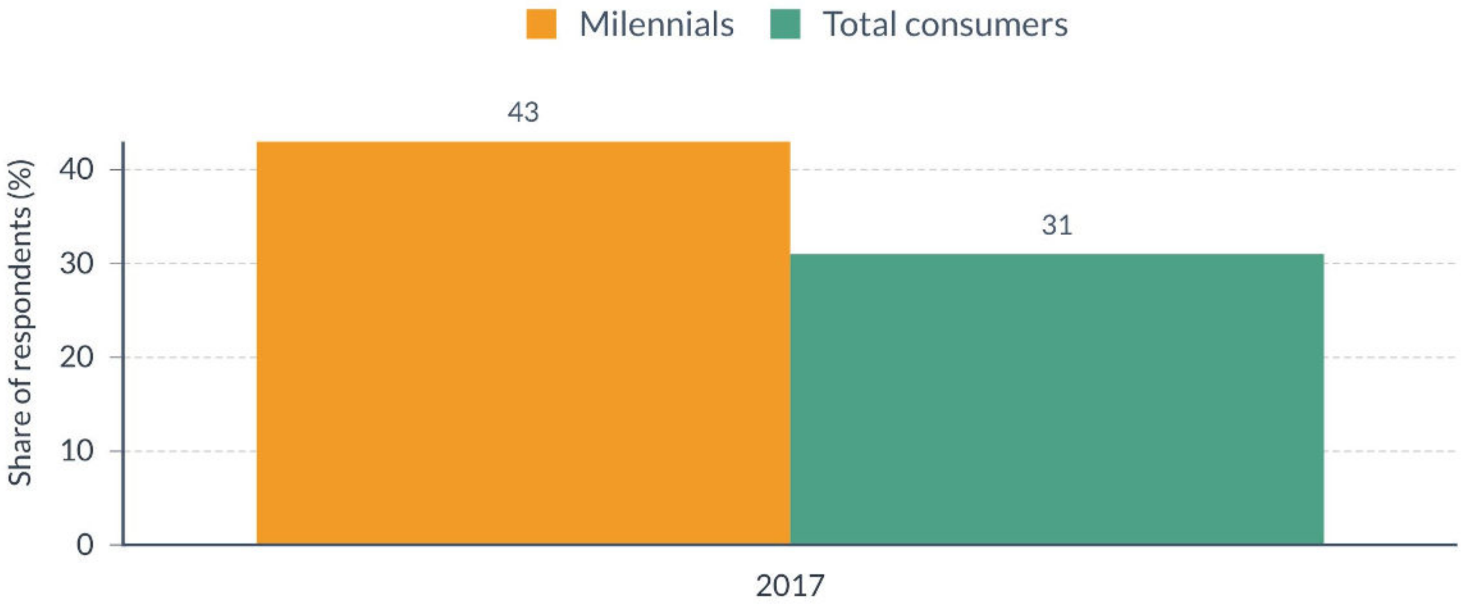
Gen Z sustainable purchase criteria for cosmetic products in the US in 2021



Source: Kunst, A. (2022, March 16). *Gen Z Sustainable Purchase Criteria for cosmetics U.S. 2021*. Statista.

Among the Millennials' survey of 2017, 43% stated their preference for natural skin care products

Share of Millennials looking for natural skin care products in the US in 2017

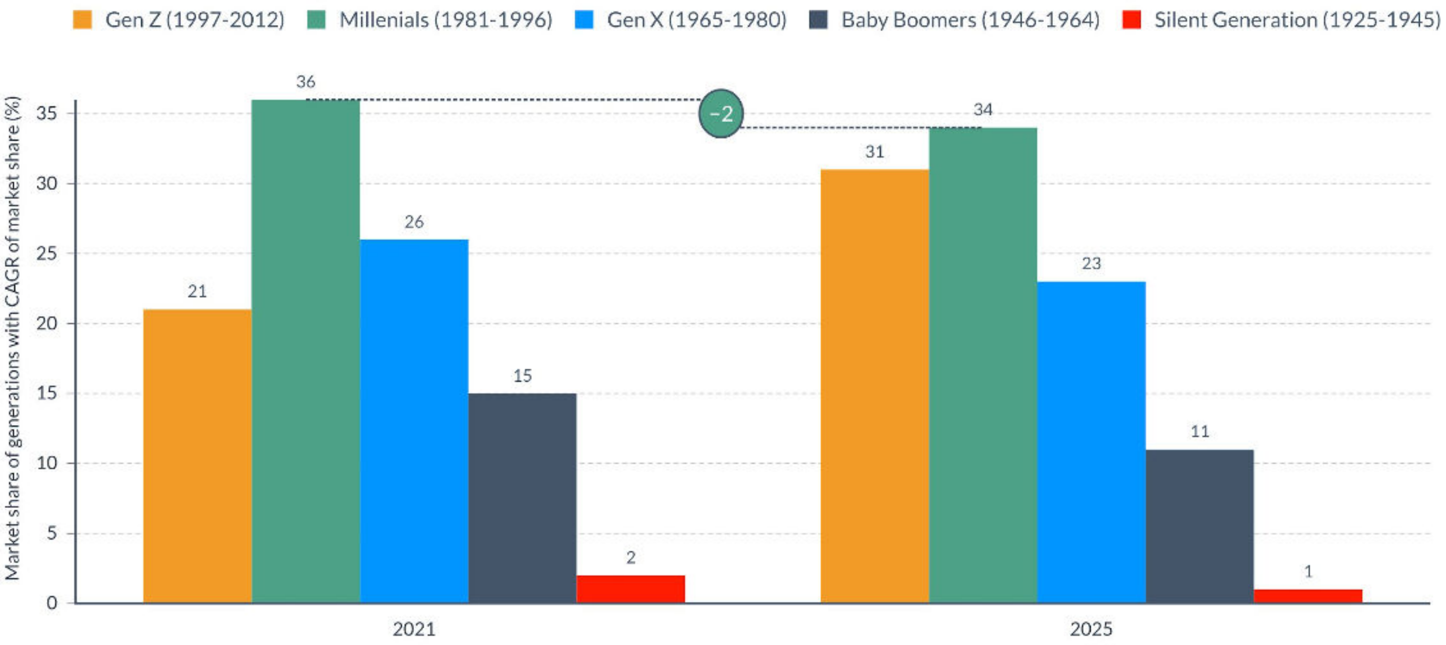


Source: Ad spend of selected personal care brands 2021- US (Jan, 6, 2023). Statistica

INDARU

The sustainable personal care market share of Millennials is expected to decrease by 2% in the UK by 2025

Growth of the sustainable personal care market with CAGR of market share in the UK in 2021



Source: Ad spend of selected personal care brands 2021- US (Jan, 6, 2023). Statistica

INDARU

CONSUMERS:
GEN-Z

Executive Summary

Gen Z is the generation that used social media most to search for product information with 44.4% in 2022 in the US. (S61)

Gen Z were the most **influenced** by social media, with 63% buying an item after seeing it on said platform. (S64)

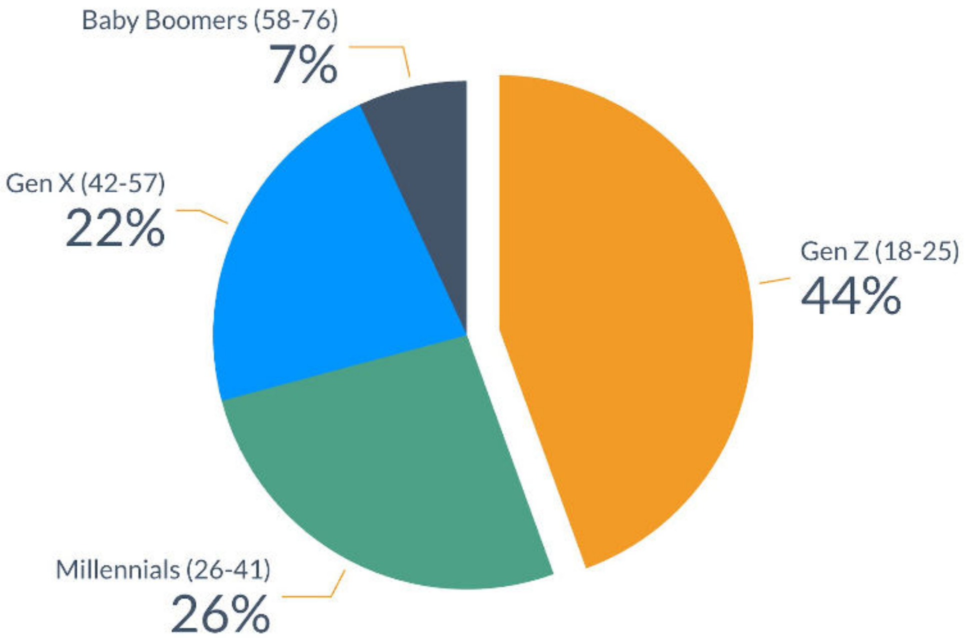
Social media channels (44%) and internet searches (40%) were Gen Z's favorite channels for care product ideas in the US in 2021. (S68)

Gen Z is the generation that **purchased** most on social media, especially within the age range of 18 to 24 with 55.50%. (S69)

INDARU

Gen Z is the generation that used social media most to search for product information with 44.4% in 2022 in the US

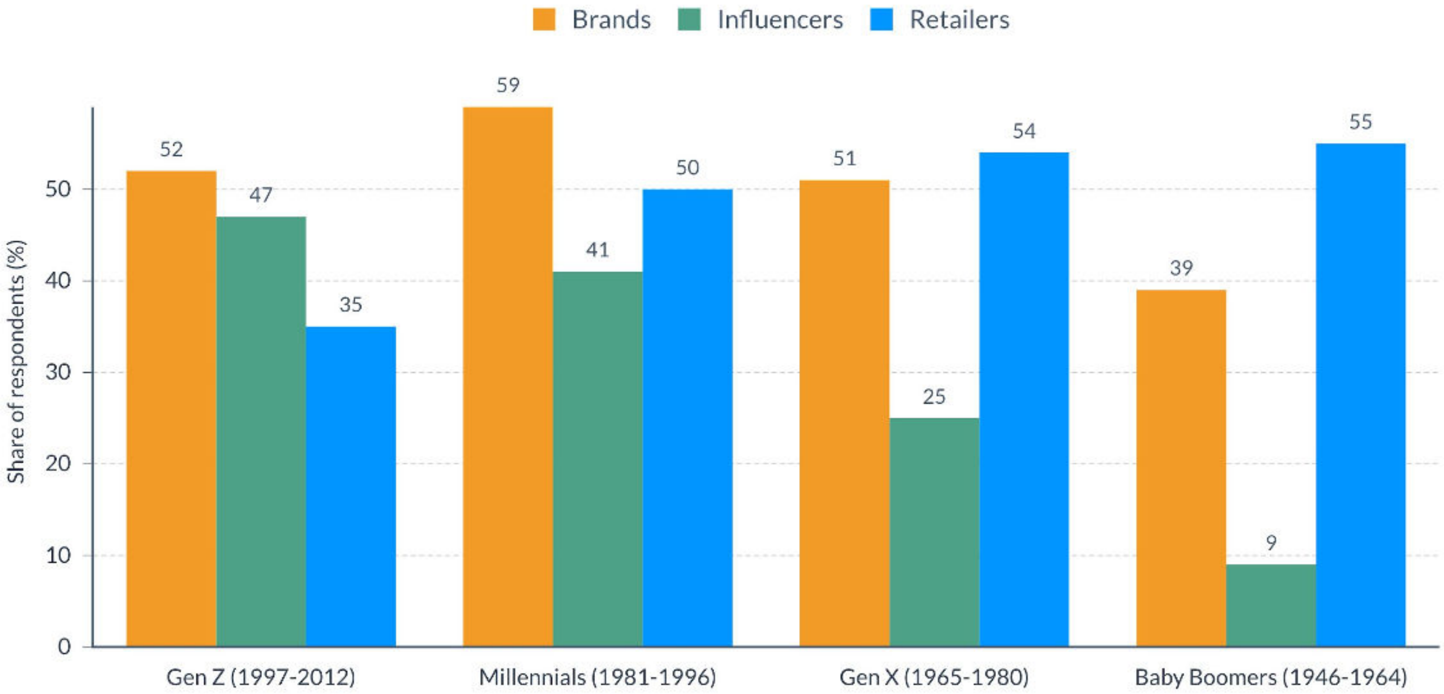
Social media usage for product search in the US in 2022



Source: *U.S. social media use for product search by age 2022 | statista*. (n.d.).

Looking at Gen Z, out of brands, influencers and retailers, they were the most responsive to brands (52%) in 2022

Global social media users on accounts followed and bought from 2022

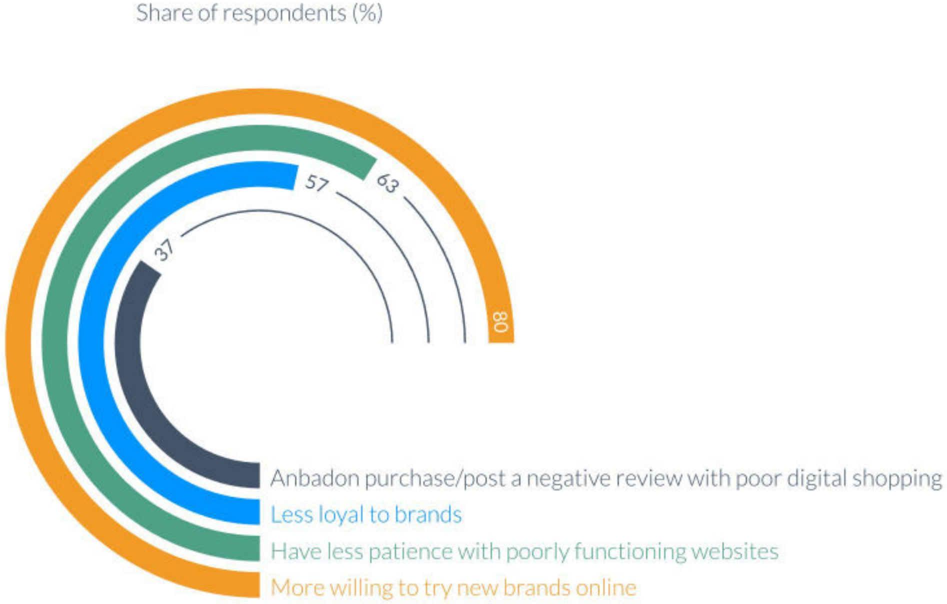


Source: Published by Statista Research Department, & 25, O. (2022, October 25). *Global social media accounts followed and bought from by generation 2022.* Statista.

INDARU

80% of Gen Z were more willing to try new brands online, however, over half (57%) were becoming less loyal to brands in 2021

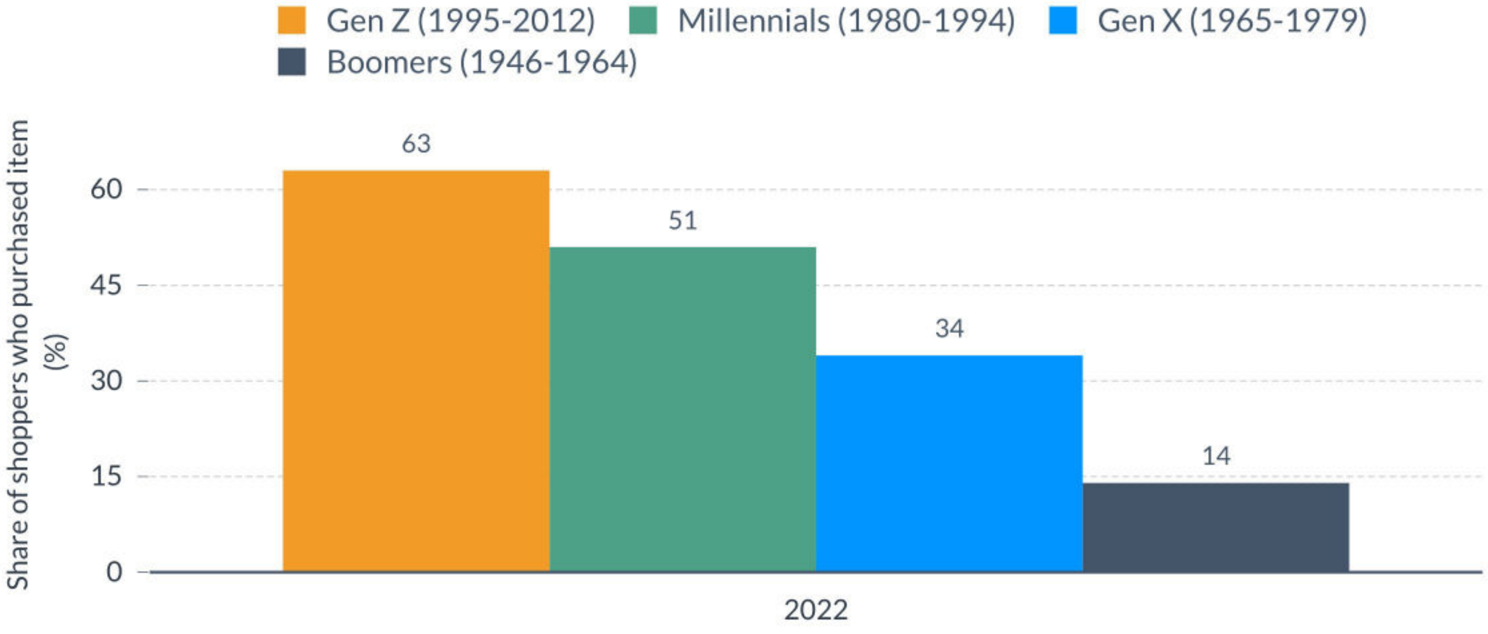
Change in loyalty towards brands among US Gen Z shoppers since COVID19 2021



Source: Pasquali, M. (2023, January 18). *United States: Gen Z loyalty towards brands 2021*. Statista.

Gen Z were the most influenced by social media, with 63% buying an item after seeing it on said platform

Consumers who bought an item after seeing it on social media in the US in 2022, by age

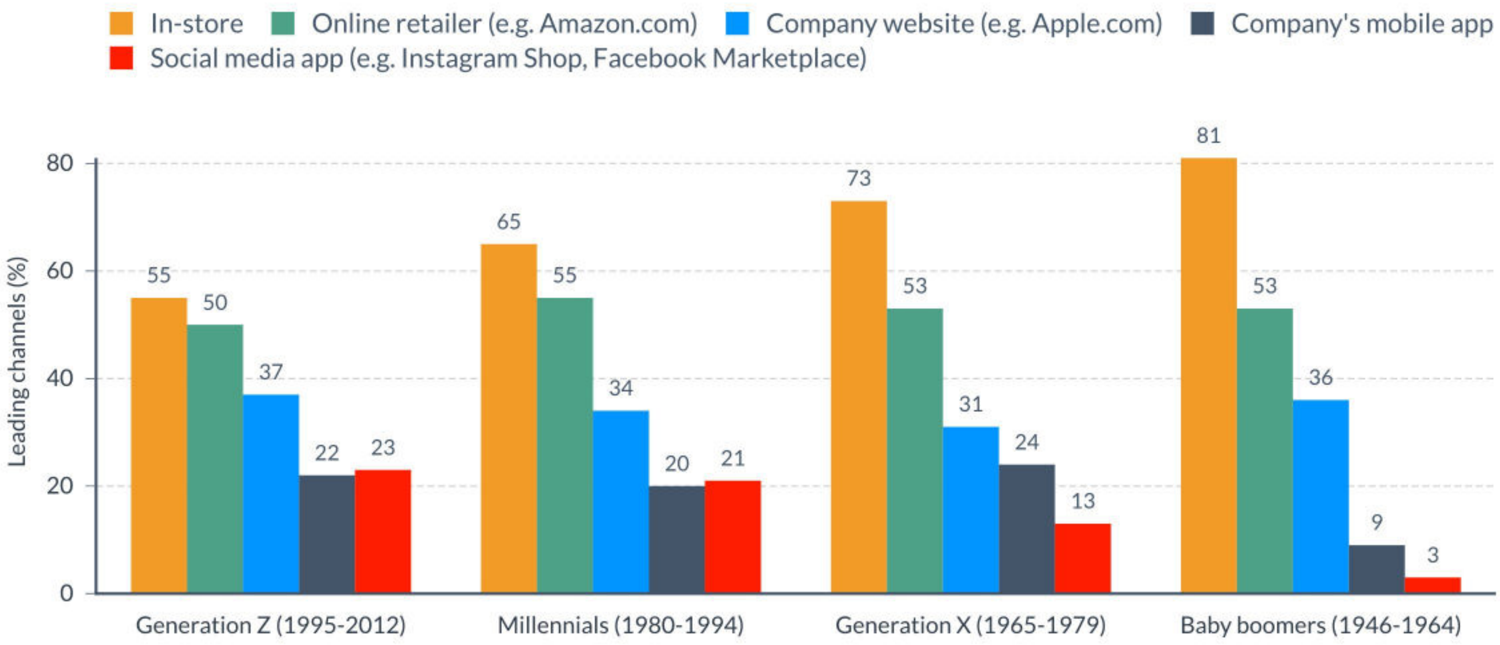


Source: Tighe, D. (2022, October 25). *U.S. shoppers inspired by social media by age 2022*. Statista.

INDARU

Gen Z's main channels to buy products in the US in 2022 were "In-Store" (55%), with "Online retailer" just 5% below

Main channels to buy products for consumers in the US in 2022, by generation



Source: *U.S.: Main channels for product purchases by age | statista*. (n.d.).

INDARU

43% of Gen Z shopped for beauty & personal care products online in "Marketplace (ie: Amazon)" back in 2021, in the US

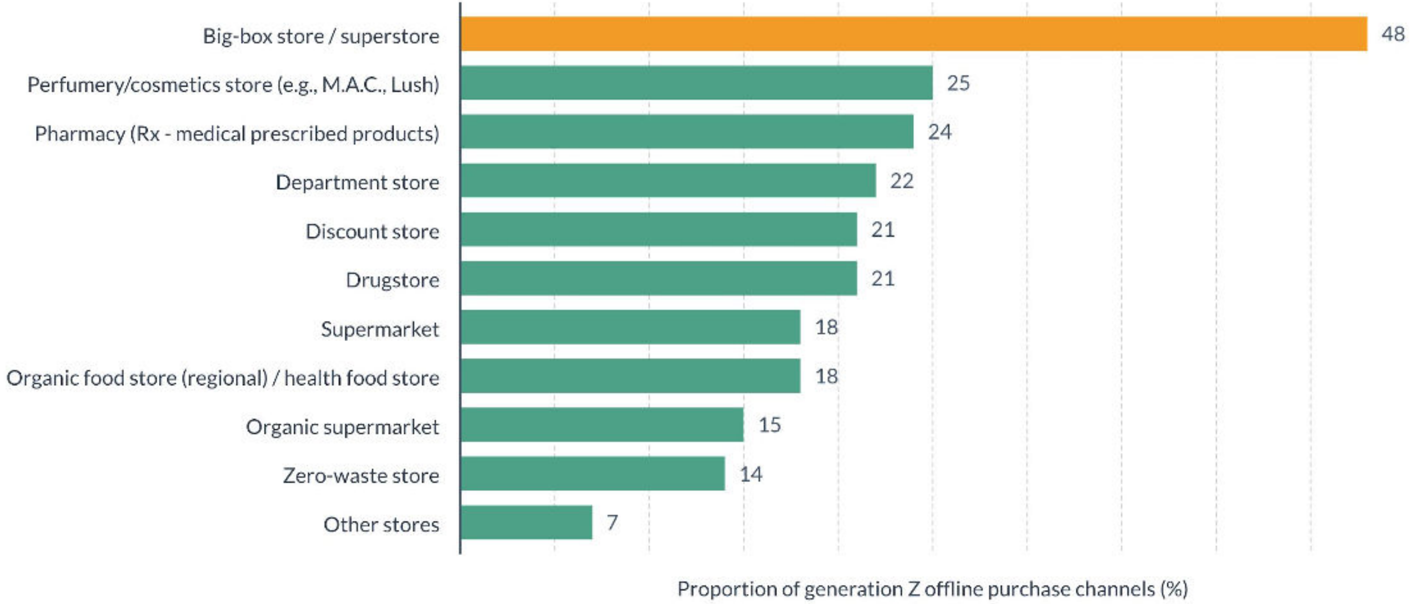
Gen Z beauty & personal care purchase online channels in the US in 2021

Source: Kunst, A. (2022, March 15). *Gen Z cosmetics purchase online channels U.S. 2021*. Statista.

INDARU

48% of Gen Z shopped for beauty & personal care products offline in "Big box store/superstore" back in 2021, in the US

Gen Z beauty & personal care purchase offline channels in the US in 2021

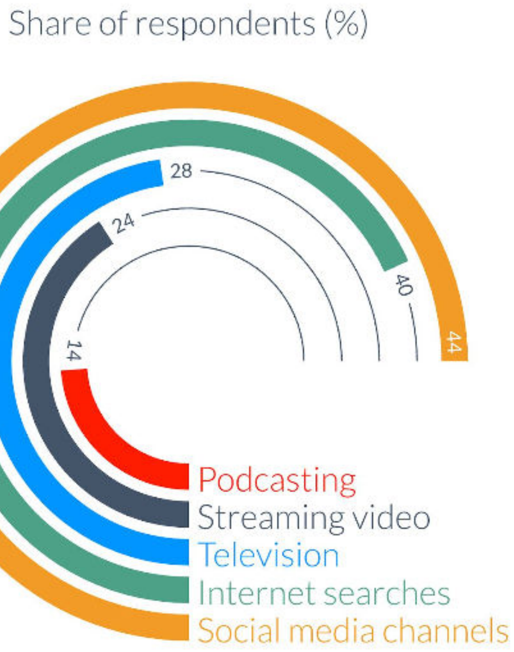


Source: Kunst, A. (2022, March 15). *Gen Z cosmetics purchase offline channels U.S. 2021*. Statista.

INDARU

Social media channels (44%) and internet searches (40%) were Gen Z's favorite channels for care product ideas in the US in 2021

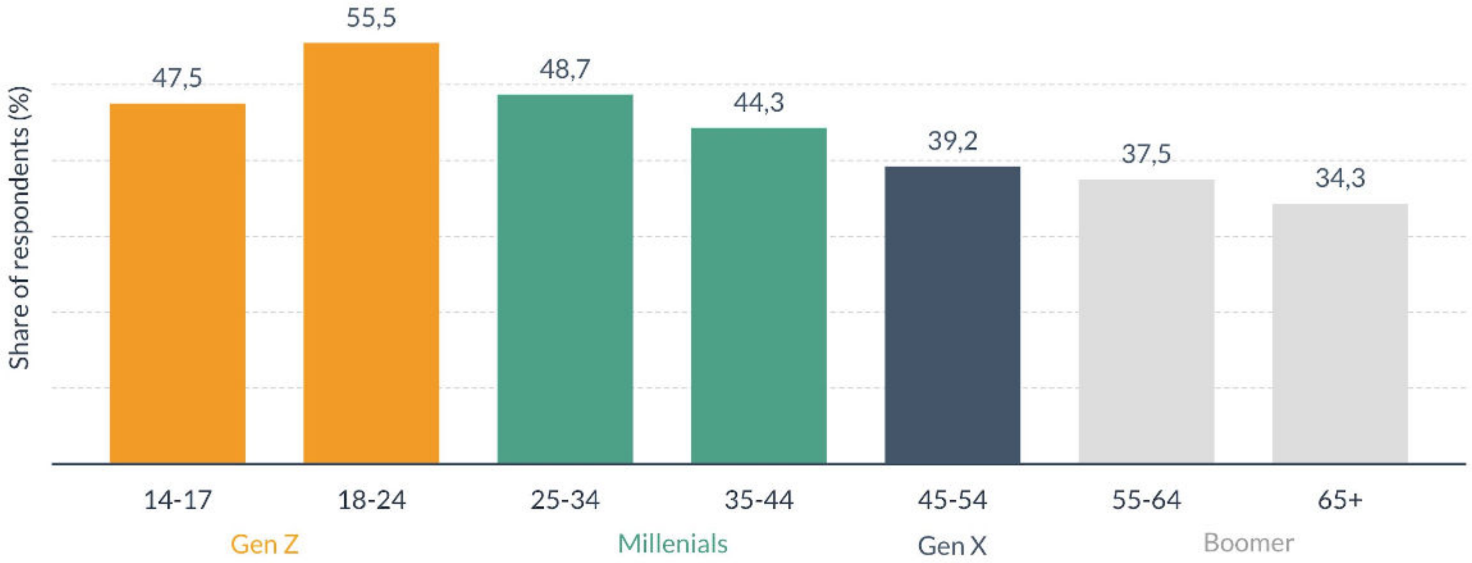
Gen Z's favorite channels for care product ideas in the US in 2021



Source: Petruzzi, D. (2022, November 30). *United States: Channels used by Gen z for care product ideas*. Statista.

Gen Z is the generation that purchased the most on social media, especially within the age range of 18 to 24 with 55.50%

Share of social media users in the US using social media to make purchases in 2021

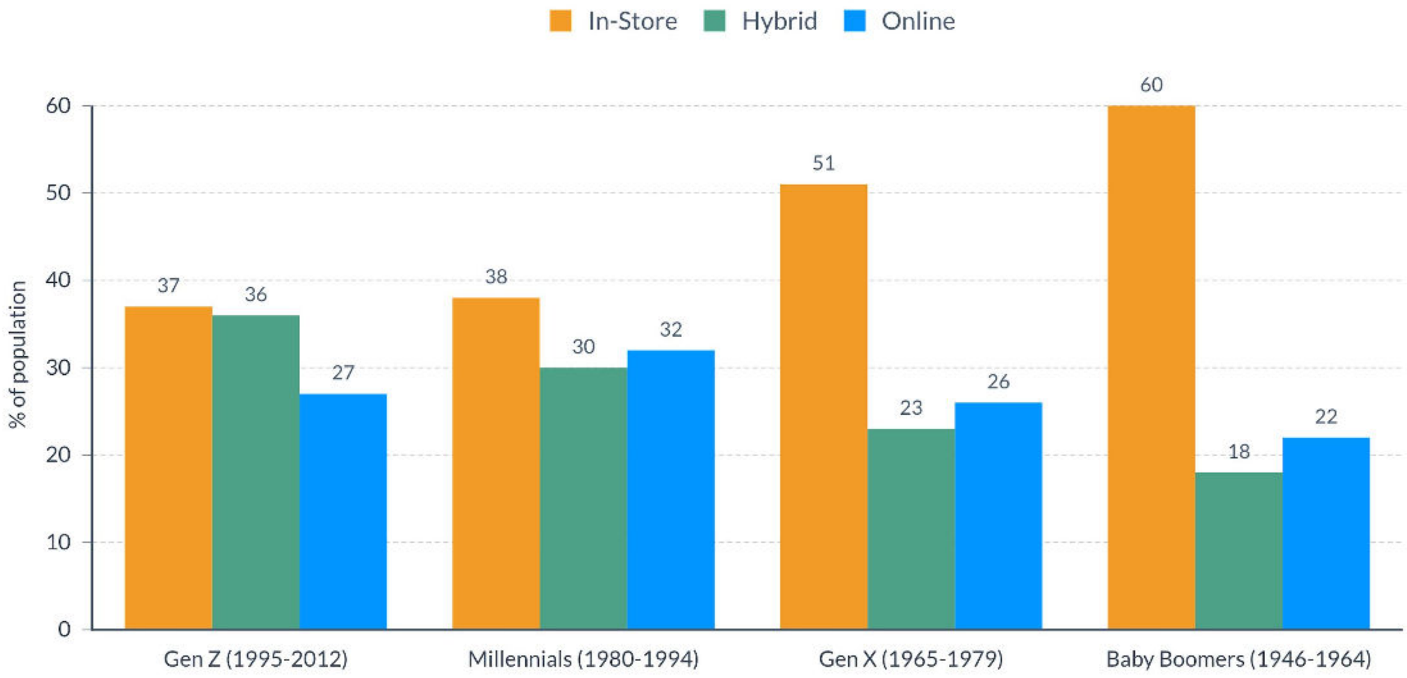


Source: *U.S. social buyers by age 2021 | statista.* (n.d.).

INDARU

Gen Z didn't have preferred shopping methods, it is divided among in-store (37%), hybrid (36%), and online as the latter (27%)

Preferred shopping methods of consumers, worldwide in 2021

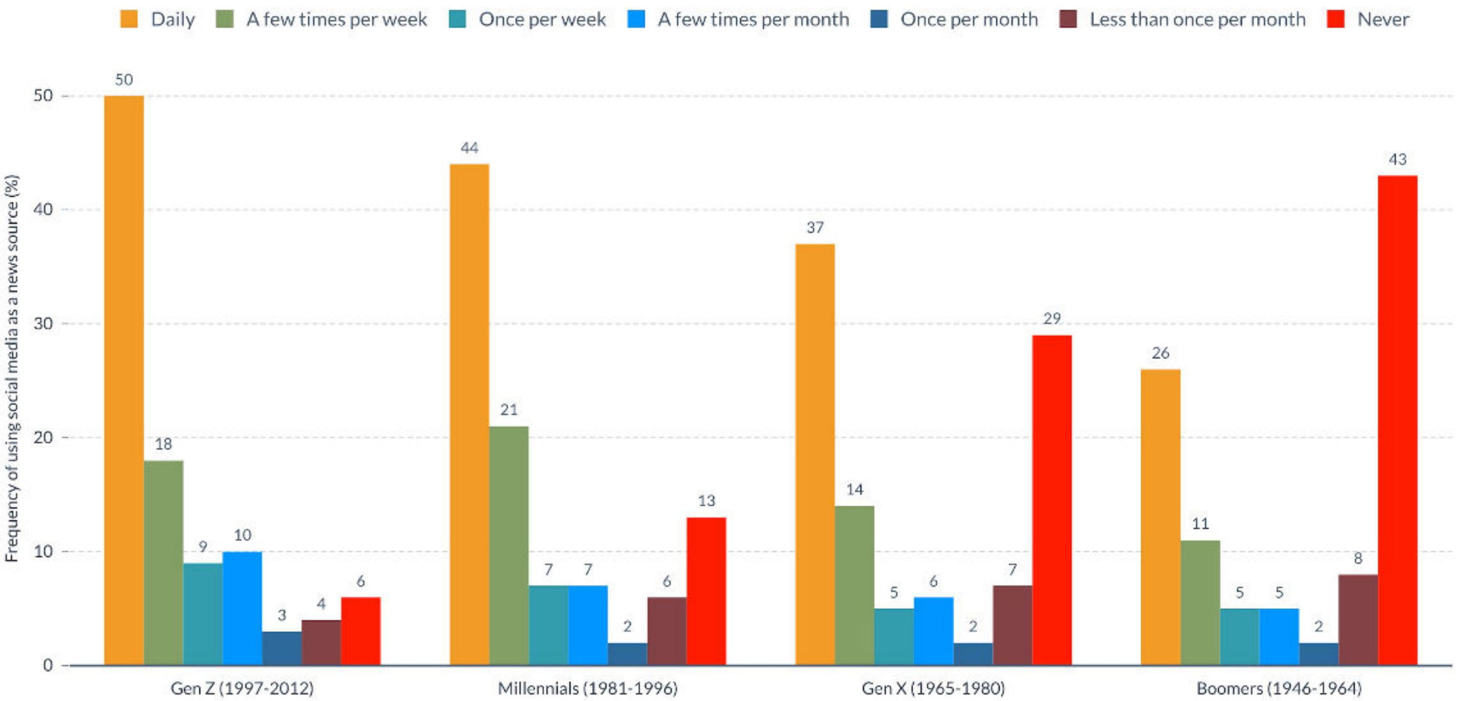


Source: Tighe, D. (2023, January 18). *Global Online Shopping Trends by generation 2021*. Statista.

INDARU

68% of Gen Z used social media daily of a few times per week, while only 6% *never* used social media in 2022 in the US

Consumption frequency of news from social media in the US in 2022



Source: Watson, A. (2022, August 18). *News consumption on social media U.S. by generation 2022.* Statista.

INDARU

CONSUMERS:
MILLENNIALS

Executive Summary

Millenial's main channels to buy products in the US in 2022 were "In-Store" (65%), and closely followed by "Online retailer" (55%). (S76)

Millennials were the most influenced in terms of purchasing decisions by social media advertising, with 58% in 2021 in the US. (S79)

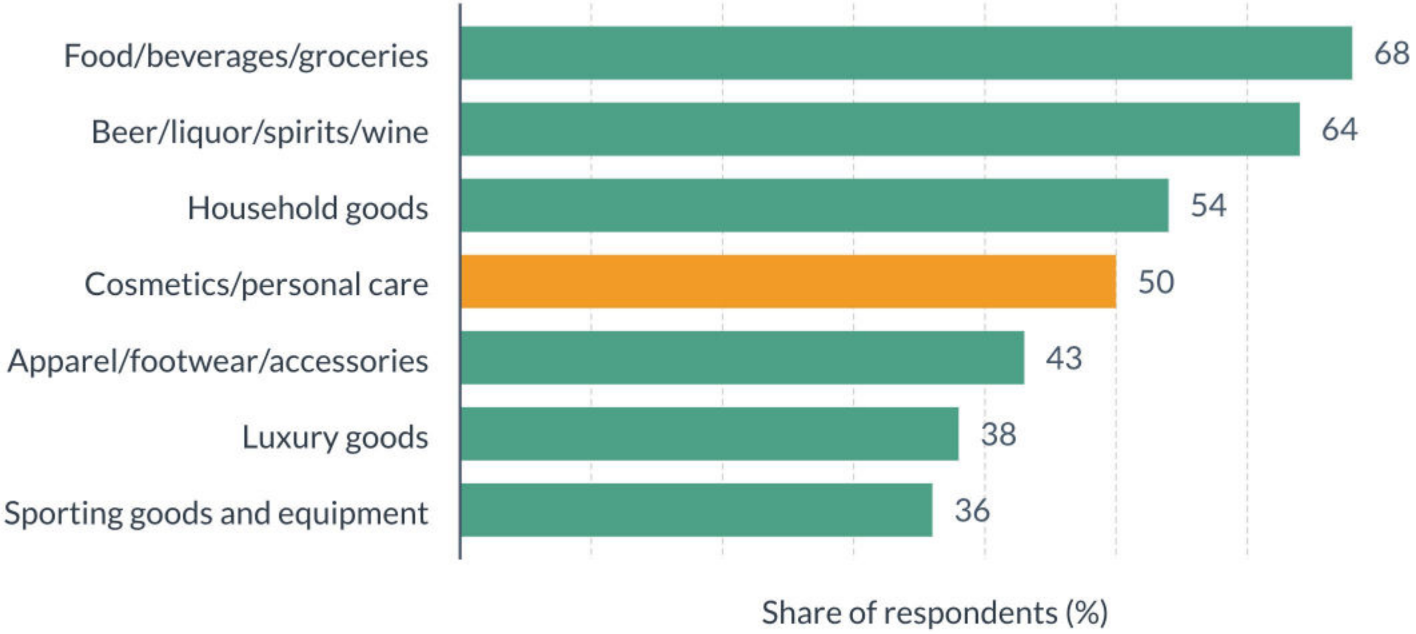
Millennials were the most responsive to brands(59%), with retailers as a runner up with 50% back in 2022. (S82)

Internet searches (46%) and television (42%) were Millennials' favorite channels for care product ideas in the US in 2021. (S83)

Millennials were most influenced by Facebook (30%) as a social media network, with Instagram as the runner up (23%) in 2022 in the US. (S84)

50% of Millennials stated that they preferred to purchase in-store cosmetics/ personal care in 2019

Products Millennials prefer to purchase in-store globally in 2021

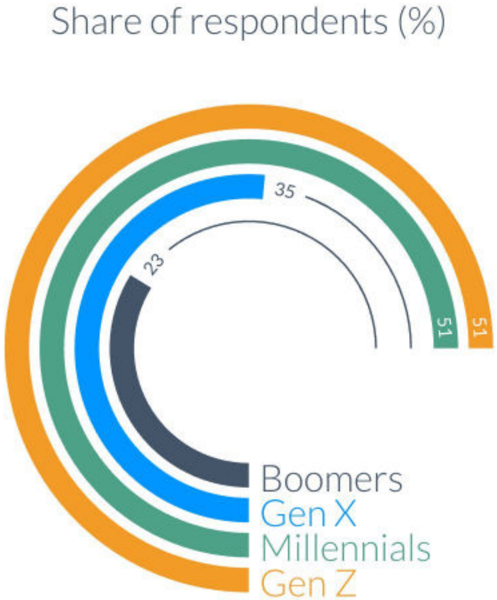


Source: Tighe, D. (2020, November 27). *Millennial in-store shopping preferences worldwide 2019*. Statista.

INDARU

In 2021, 51% of the Millennials surveyed stated that in-store experience when shopping is important

Importance of the in-store experience for beauty purchases worldwide in 2021

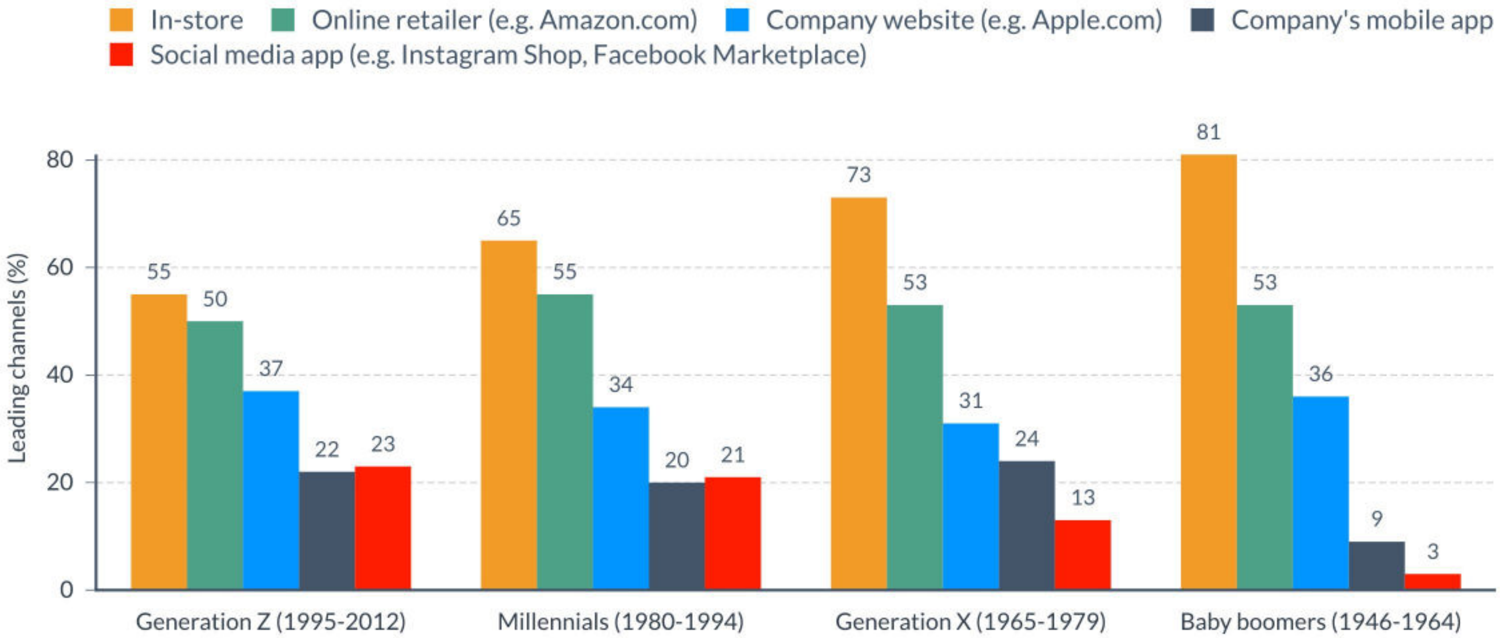


Source: Petruzzi, D. (2023, January 18). *Beauty and health products: Importance of the in-store experience 2021*. Statista.

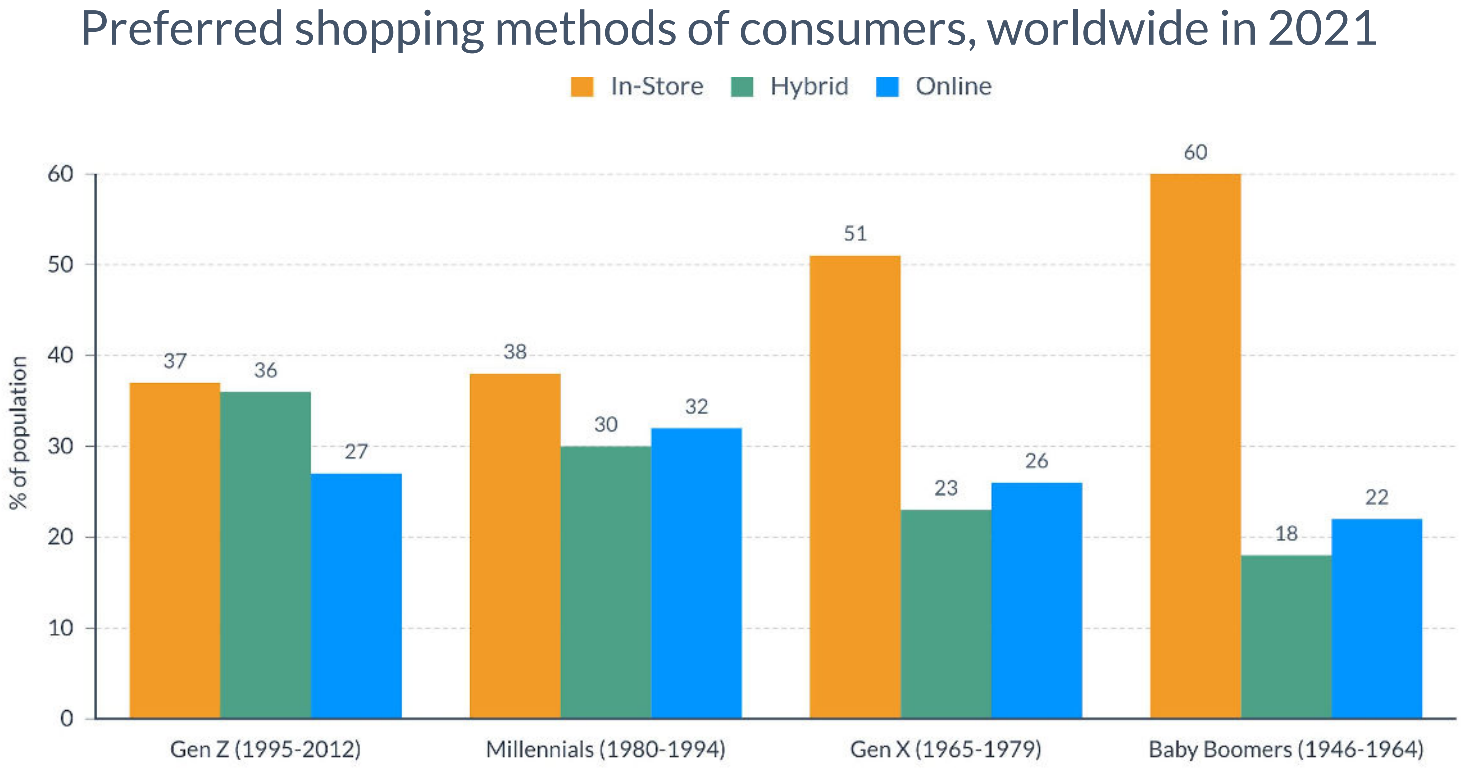
INDARU

Millenial's main channels to buy products in the US in 2022 were "In-Store" (65%), and closely followed by "Online retailer" (55%)

Main channels to buy products for consumers in the US in 2022



Millennials leaned slightly towards “in-store” (38%), with “online” (32%) and “hybrid” (30%) not to far behind

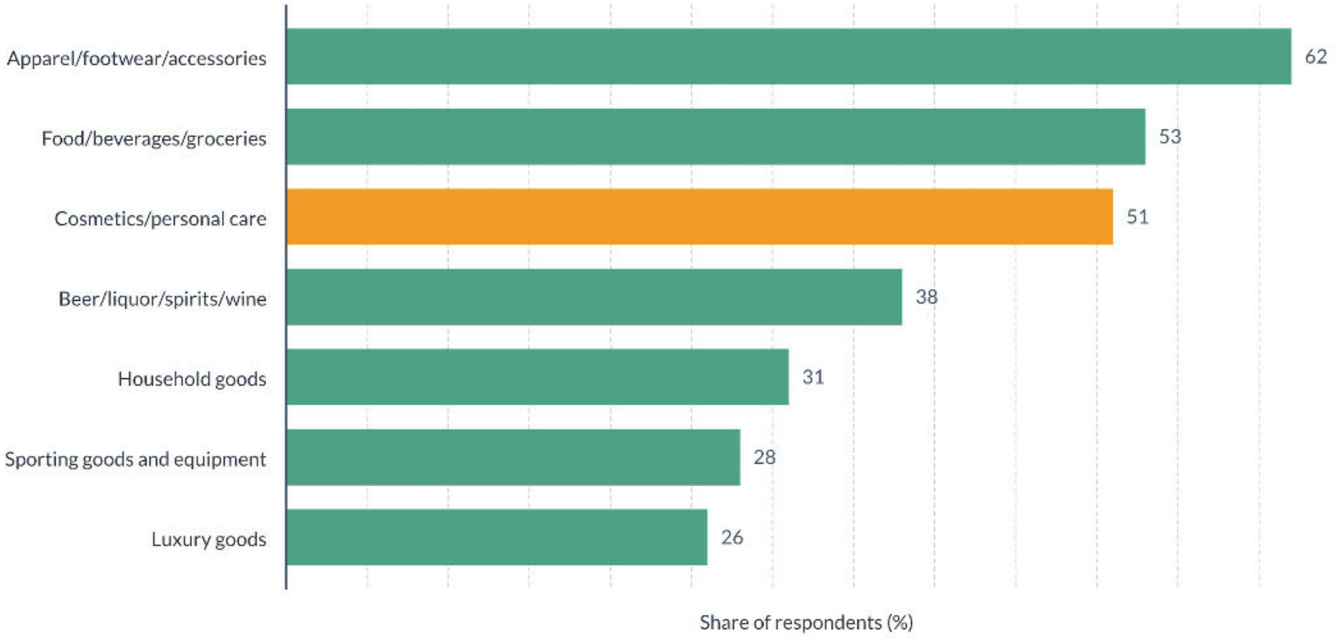


Source: Tighe, D. (2023, January 18). *Global Online Shopping Trends by generation 2021*. Statista.

INDARU

In terms of loyalty, Millennials are 51% loyal to at least one brand in the cosmetics/personal care industry back in 2019

Product categories which Millennials are loyal to globally in 2019



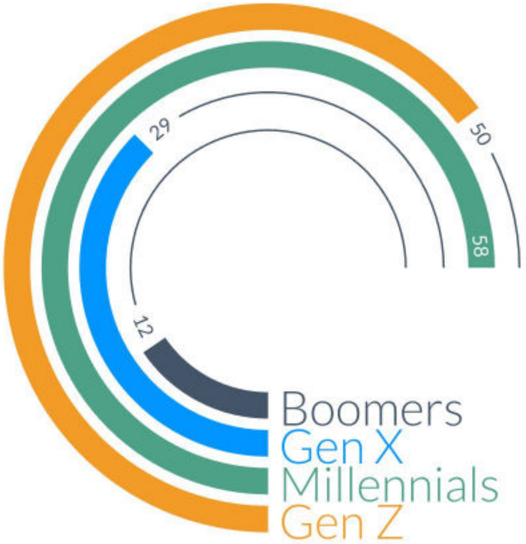
Source: Tighe, D. (2020, November 27). *Millennial loyalty to Brands Worldwide by category 2019*. Statista.

INDARU

Millennials were the most influenced in terms of purchasing decisions by social media advertising, with 58% in 2021 in the US

Share of US consumers influenced by social media ads in 2021

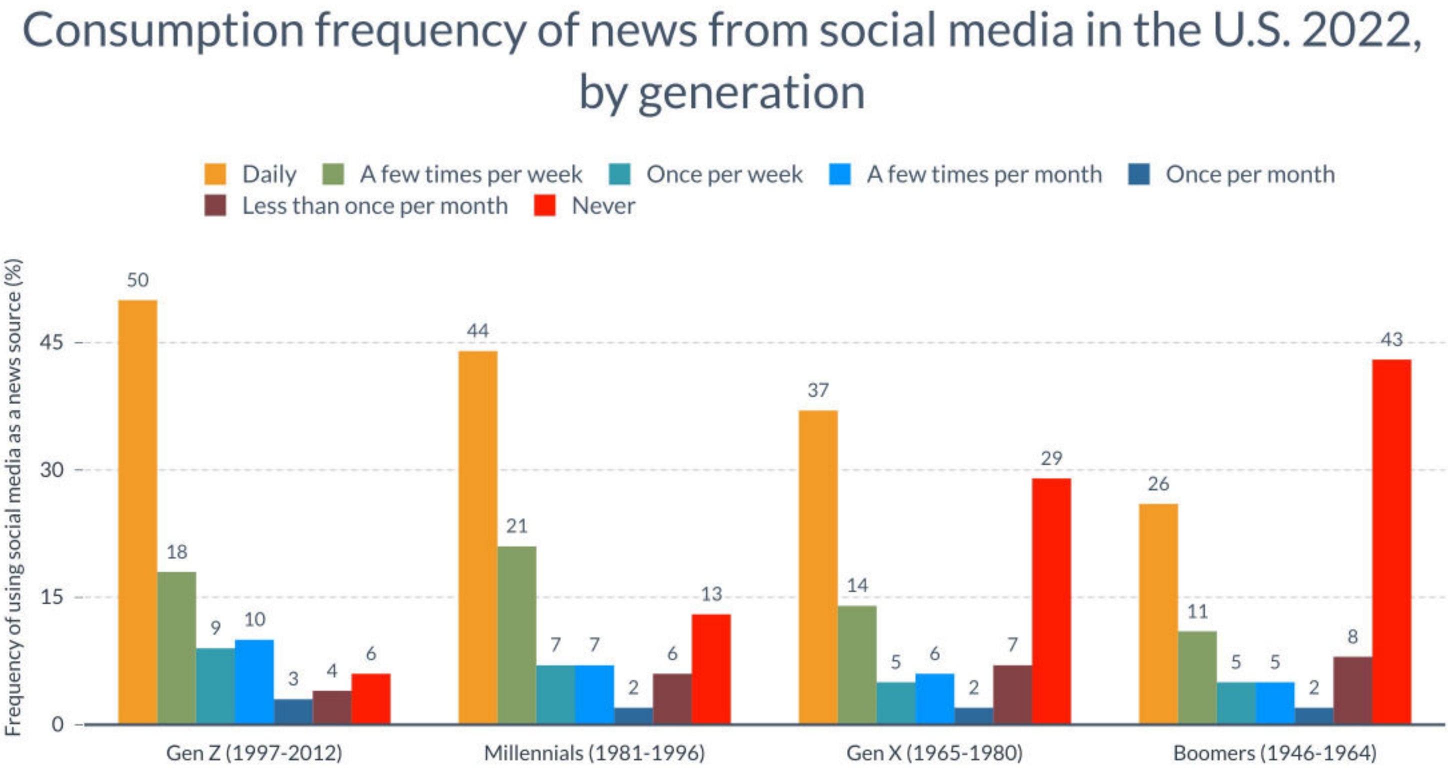
Share of respondents (%)



Source: Published by Statista Research Department, & 10, J. (2023, January 10). *Social media influence on purchase decisions by age USA 2021*. Statista.

INDARU

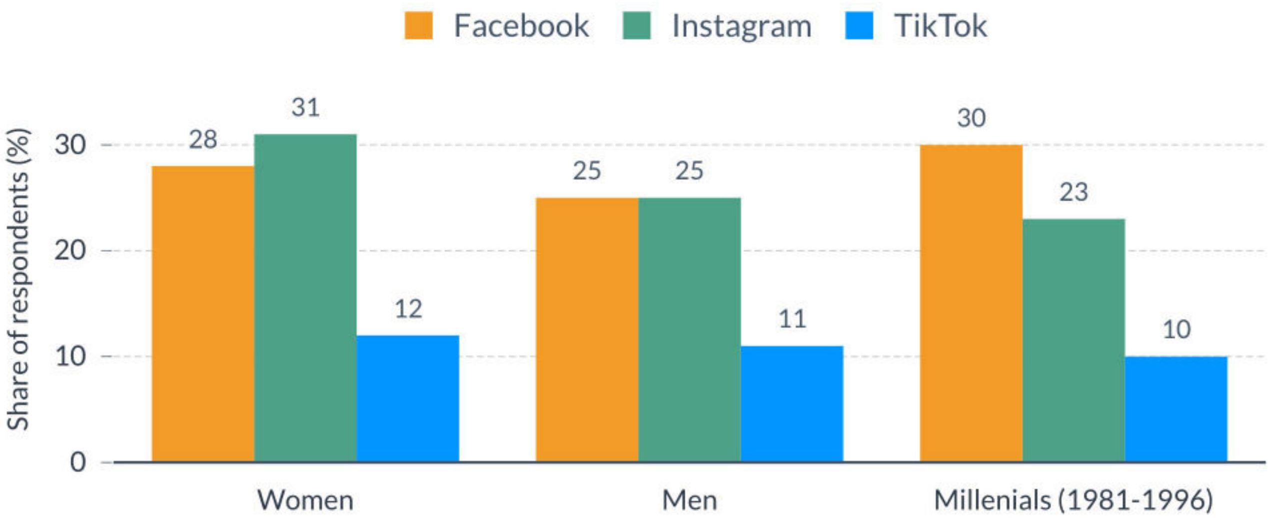
65% of Millennials used social media daily of a few times per week, while 13% *never* used social media in 2022 in the US



Source: Watson, A. (2022, August 18). *News consumption on social media U.S. by generation 2022*. Statista.

Millennials were most influenced by Facebook (30%) as a social media network, with Instagram as the runner up (23%) in 2022 in the US

Most influential social networks of the US millennials buyers in 2022

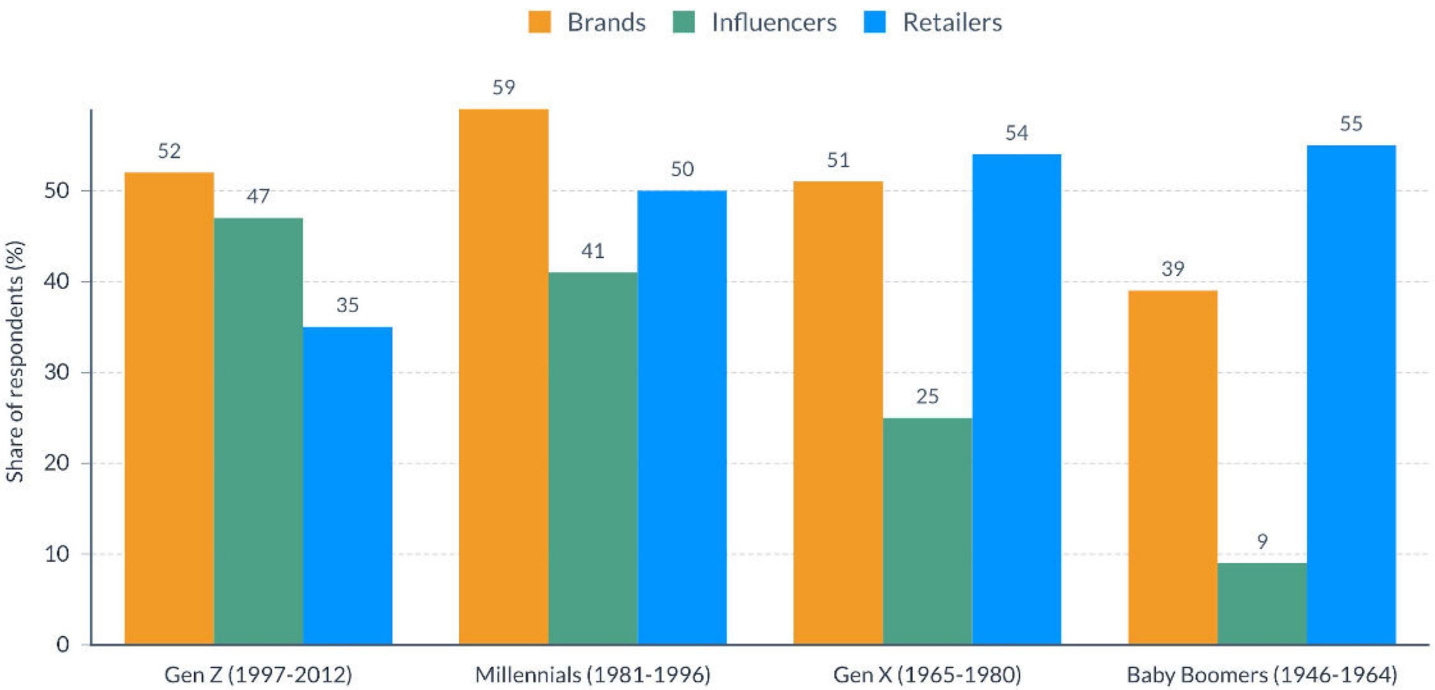


Source: Chevalier, S. (2022, September 23). *Most Influential Social Networks on U.S. Millennial Shoppers 2022.* Statista.

INDARU

Millennials were the most responsive to brands (59%), with retailers as a runner up with 50% back in 2022

Global social media users on accounts followed and bought from 2022

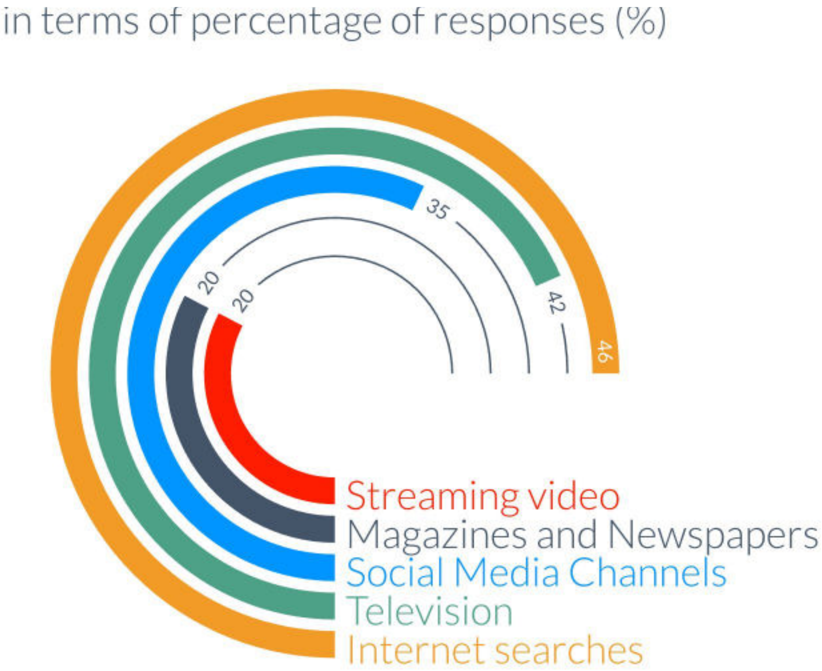


Source: Published by Statista Research Department, & 25, O. (2022, October 25). *Global social media accounts followed and bought from by generation 2022*. Statista.

INDARU

Internet searches (46%) and television (42%) were Millennials' favorite channels for care product ideas in the US in 2021

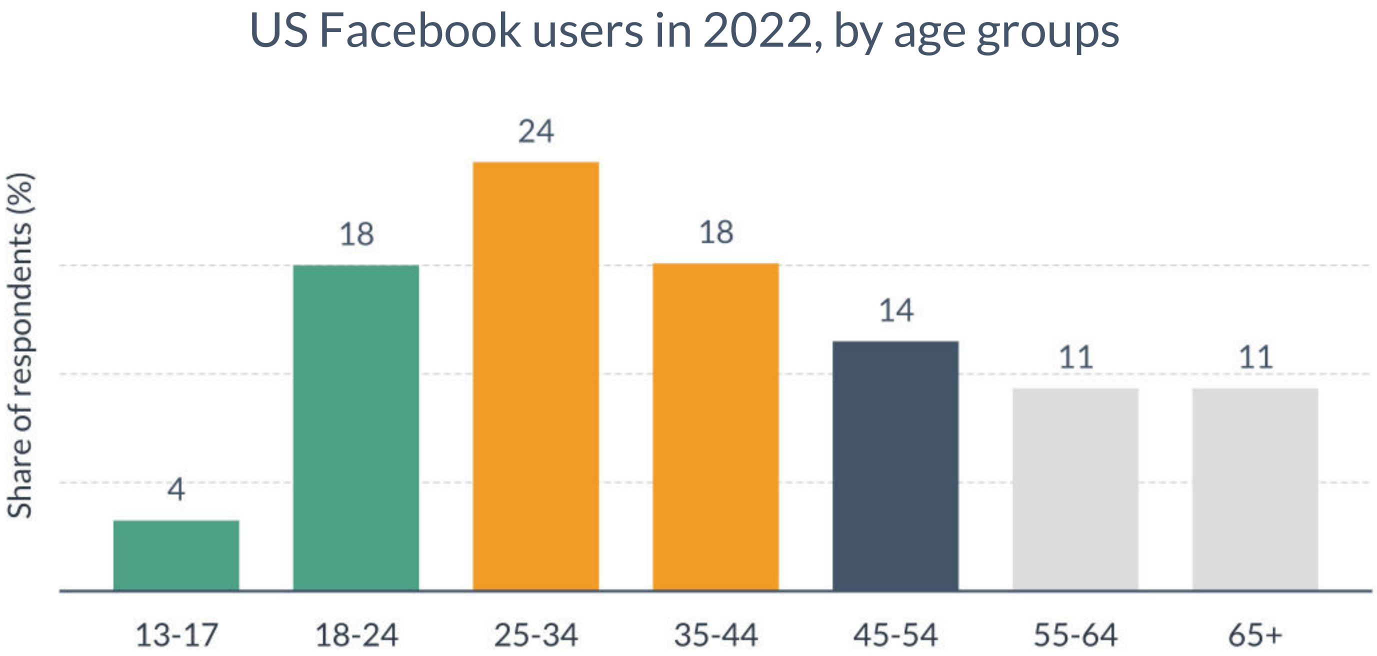
Millennials' favorite channels for care product ideas in the US in 2021



Source: Petruzzi, D. (2022, June 21). *United States: Channels used by Millennials For Care Product Ideas*. Statista.

INDARU

41.8% of Facebook users in US were Millennials, making up its largest audience, with the smallest audience (3.9%) being teens (13-17)

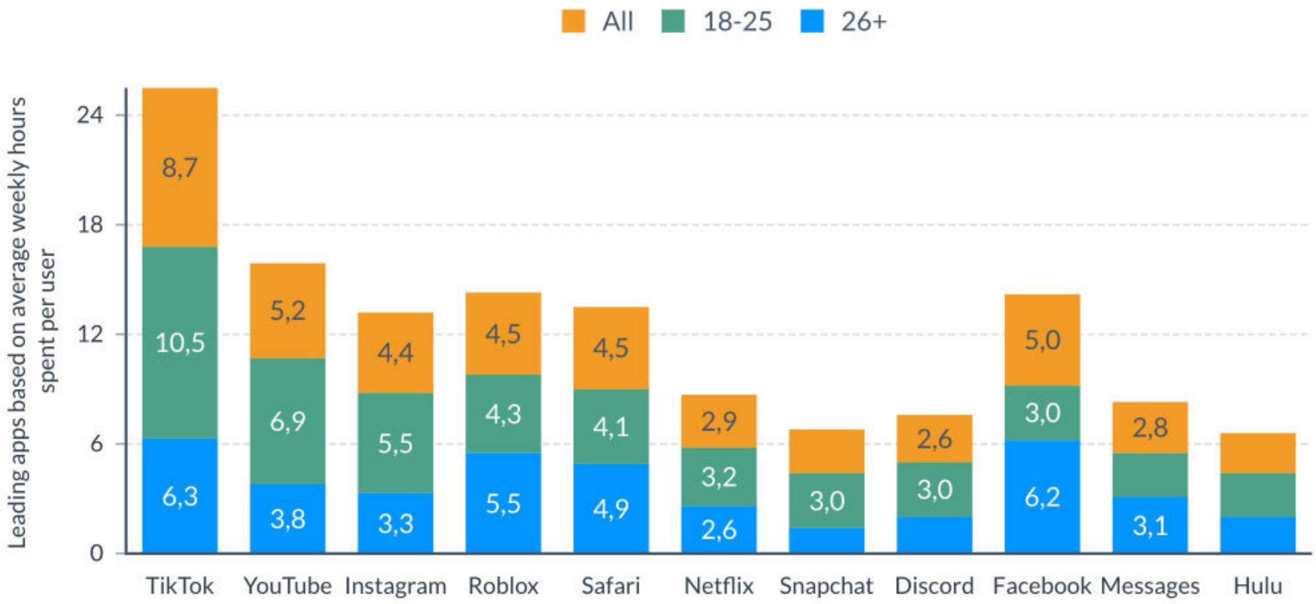


Source: Published by S. Dixon, & 9, J. (2023, January 9). *U.S. facebook demographics Age 2022*. Statista.

INDARU

In US, Millennials (18-25) spend an average of 10.5 hours per week on Tiktok - the most out of other social media and age group

US app user engagement in 2021, by age group



Source: Published by L. Ceci, & 18, J. (2023, January 18). *U.S. top apps weekly engagement by age group 2021.* Statista.

INDARU

CONSUMERS:
Gen X

Executive Summary

Gen X was the generation with most annual household **expenditures** (83K) back in 2021 in the US. (S88)

Gen X were most **influenced** by both retailers (54%) and brands (51%), back in 2022. (S91)

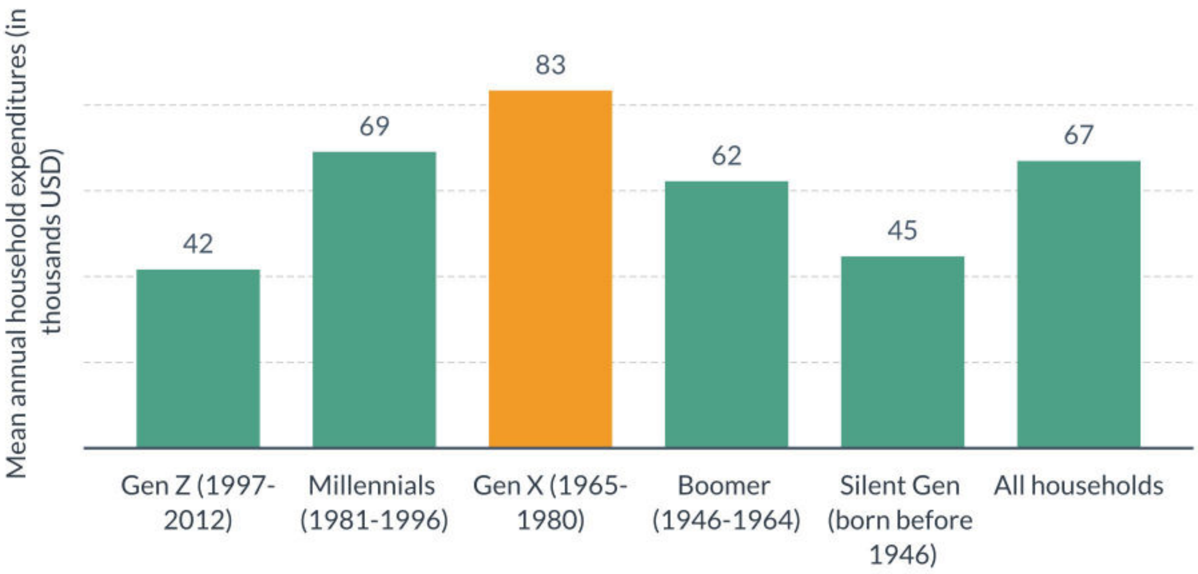
51% of Gen X **used** social media daily of a few times per week, while 29% of Gen X *never* used social media in 2022 in the US. (S93)

The digital shoppers from Gen X barely use social media for shopping. 17% used Facebook (17%) in the US & 9% Instagram. (S94)

INDARU

Gen X was the generation with most annual household expenditures (83K) back in 2021 in the US

US annual household expenditures in 2021

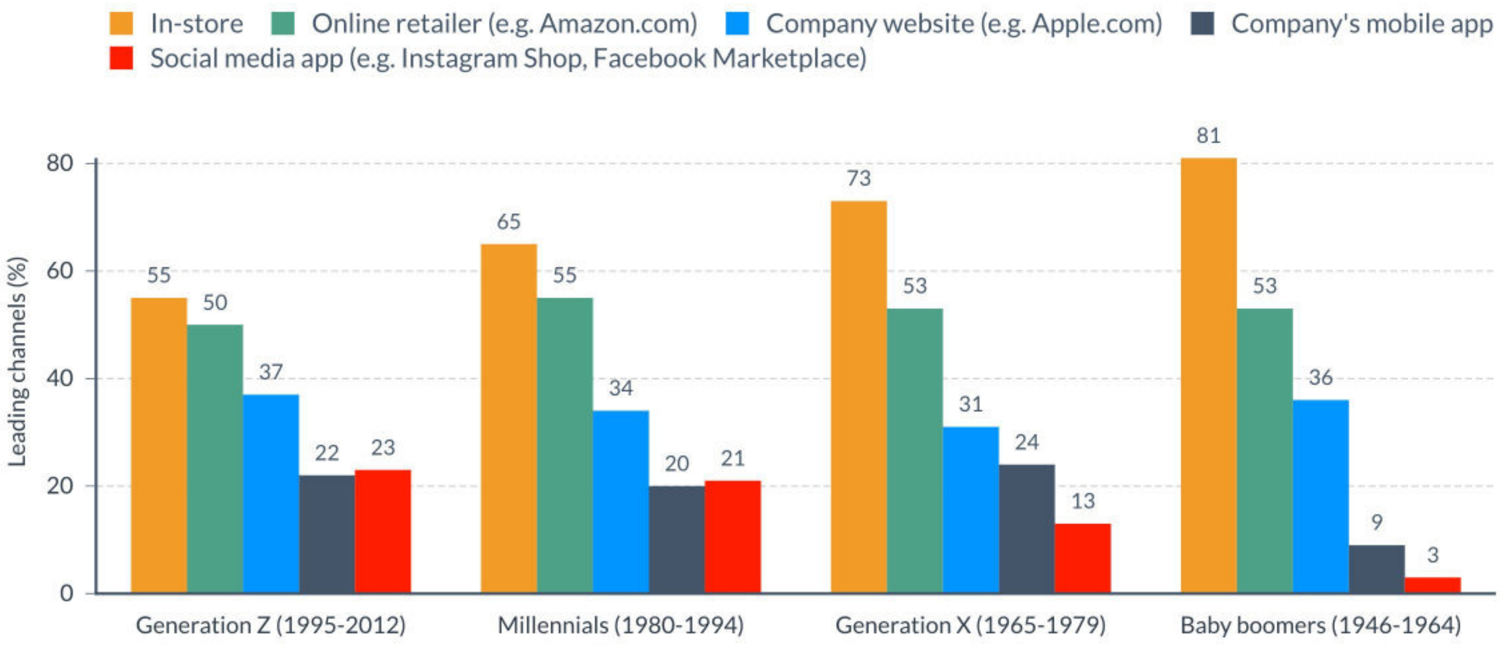


Source: Published by Statista Research Department, & 12, O. (2022, October 12). *Annual household expenditures by generation U.S. 2021*. Statista.

INDARU

Gen X’s main channels to buy products in the US in 2022 were “In-Store” (73%) by far, followed by “Online retailer” (53%)

Main channels to buy products for consumers in the US in 2022

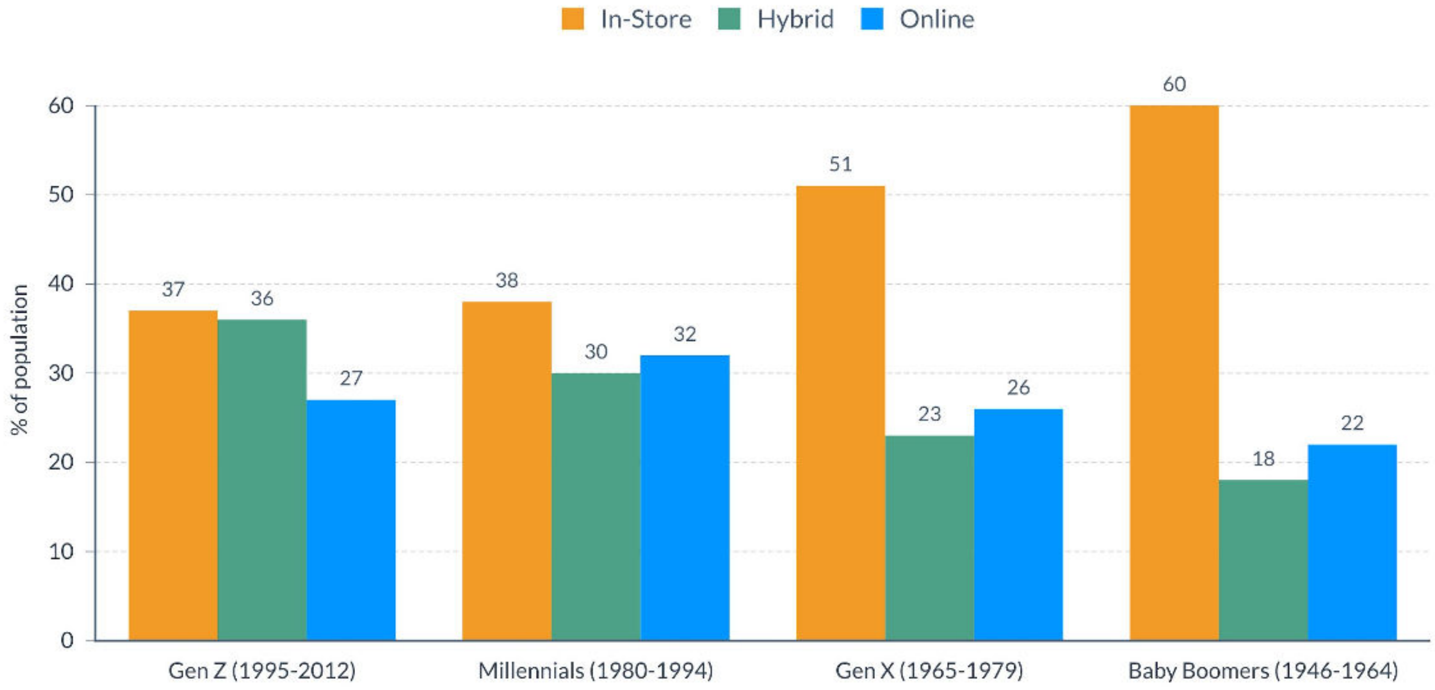


Source: *U.S.: Main channels for product purchases by age | statista.* (n.d.).

INDARU

Gen X clearly prefers “in-store” (60%) purchases

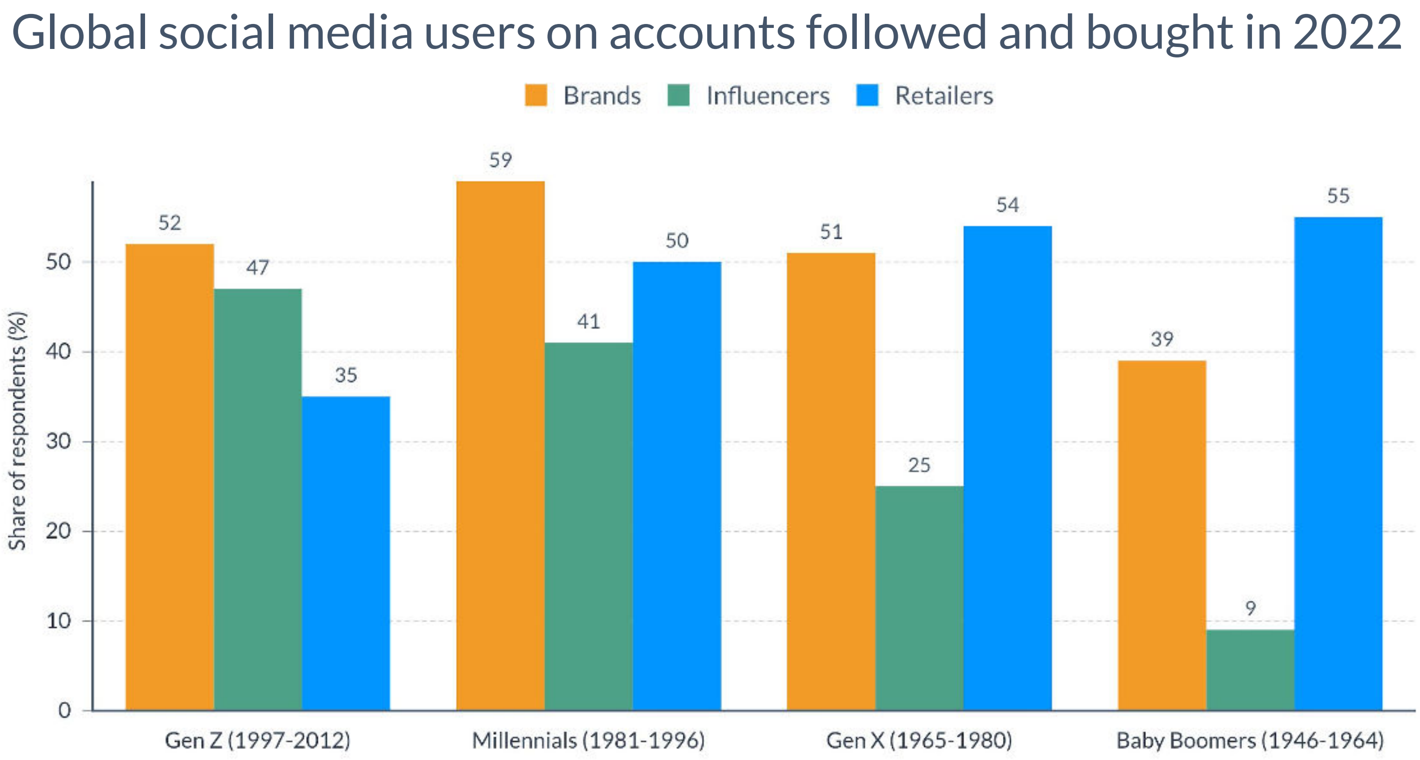
Preferred shopping methods of consumers, worldwide in 2021



Source: Tighe, D. (2023, January 18). *Global Online Shopping Trends by generation 2021*. Statista.

INDARU

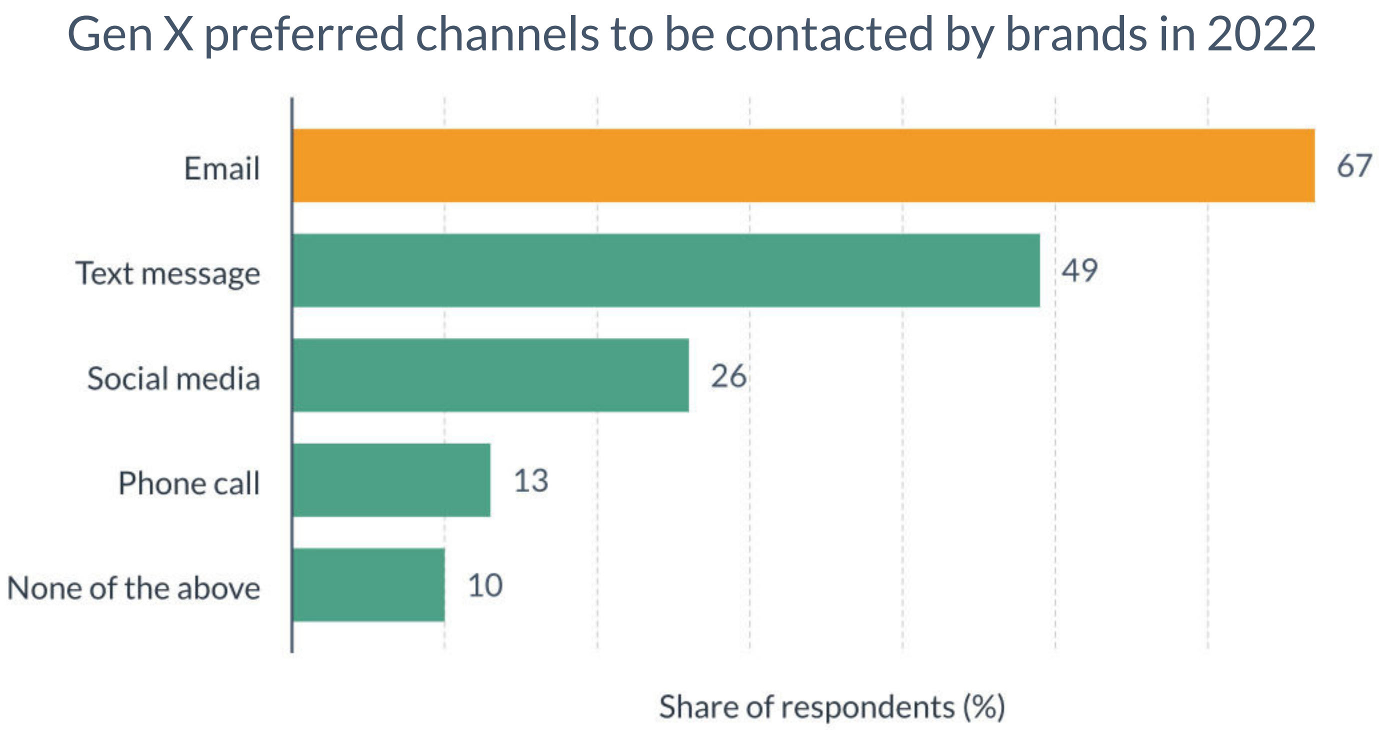
Gen X were most influenced by both retailers (54%) and brands (51%), back in 2022



Source: Published by Statista Research Department, & 25, O. (2022, October 25). *Global social media accounts followed and bought from by generation 2022*. Statista.

INDARU

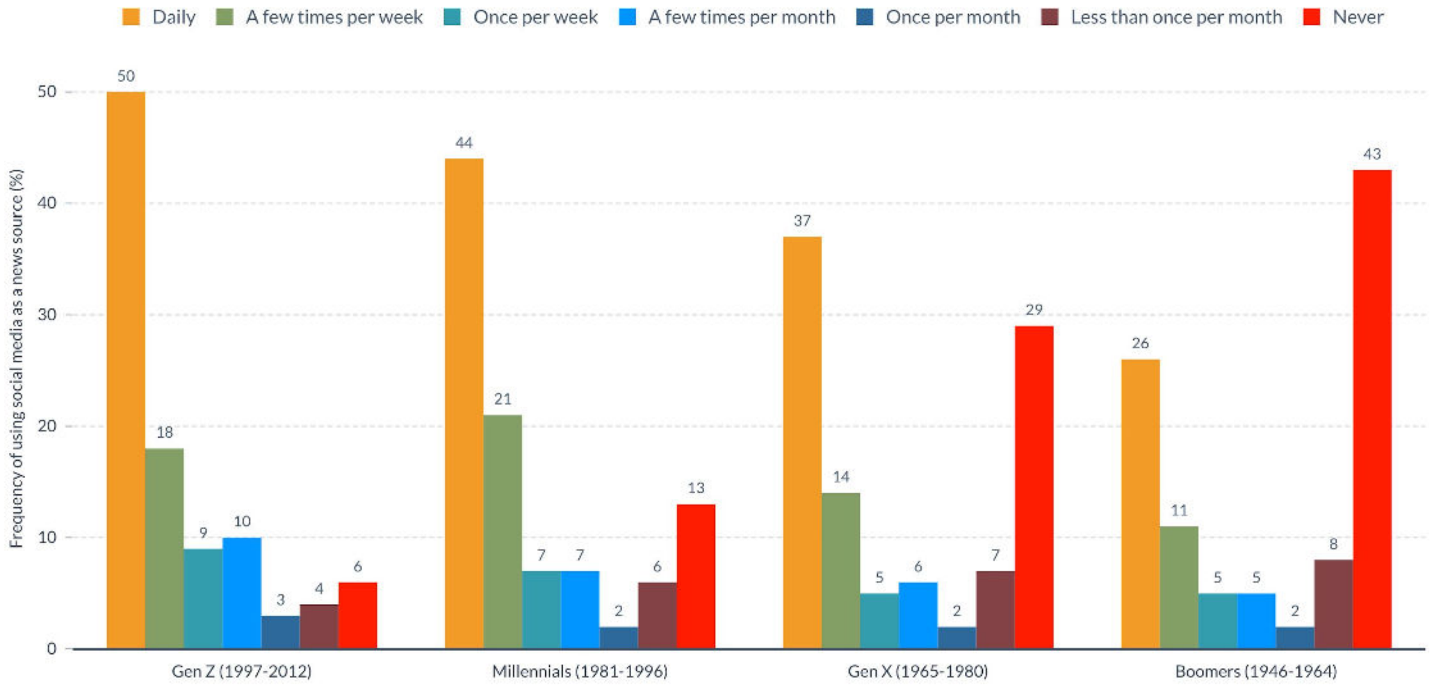
67% of Gen X stated that their favored channel to be contacted by brands was email, in 2022 in the US



Source: Published by Julia Faria, & 10, J. (2023, January 10). *Gen X top channels to be contacted by Brands USA 2022*. Statista.

51% of Gen X used social media daily of a few times per week, while 29% of Gen X *never* used social media in 2022 in the US

Consumption frequency of news from social media in the US in 2022

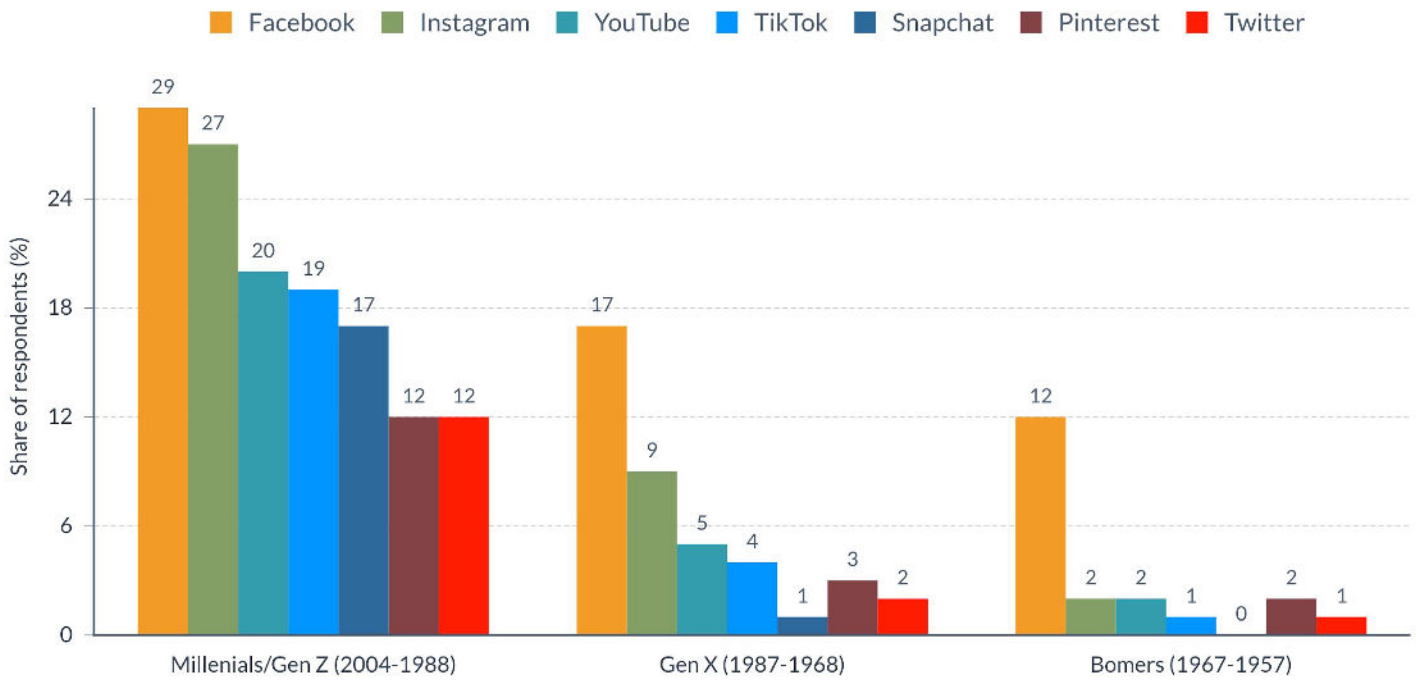


Source: Watson, A. (2022, August 18). *News consumption on social media U.S. by generation 2022.* Statista.

INDARU

The digital shoppers from Gen X barely use social media for shopping, 17% used Facebook in the US & 9% Instagram

Social commerce platforms most used by digital shoppers in the US in 2022



Source: Chevalier, S. (2022, October 11). *U.S. Top Social Commerce platforms by age 2022*. Statista.

INDARU

ADVERTISING

Executive Summary

The main **medium** for ads for beauty and personal luxury was TV (44.6%) followed closely by digital (36%). (S97)

The **digital ad spending** in the US “Pharma & healthcare” made up 11% of the total advertising spending in 2022 in the country. (S102)

Mobile is overtaking **desktop** worldwide, with mobile increasingly eating away at desktop use, with 68.7% (mobile) compared to 31.3% (desktop) in 2025. (S110)

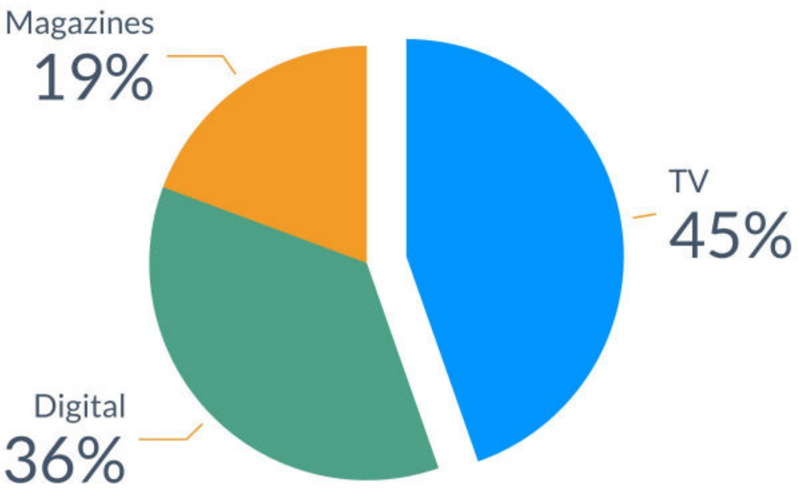
Search advertising was the mobile advertising format with the highest spending in the US, with 78.51billion USD in spending. (S112)

The **digital ad spending** in Western Europe in 2021 was largely dominated by display (38b USD) and search (35b USD). (S113)

INDARU

The main medium for ads for beauty and personal luxury was TV (44.6%) followed closely by digital (36%)

Beauty and personal luxury ad spend share worldwide in 2020



Source: Published by Julia Faria, & 6, J. (2023, January 6). *Beauty ad spend share by medium worldwide 2020.* Statista.

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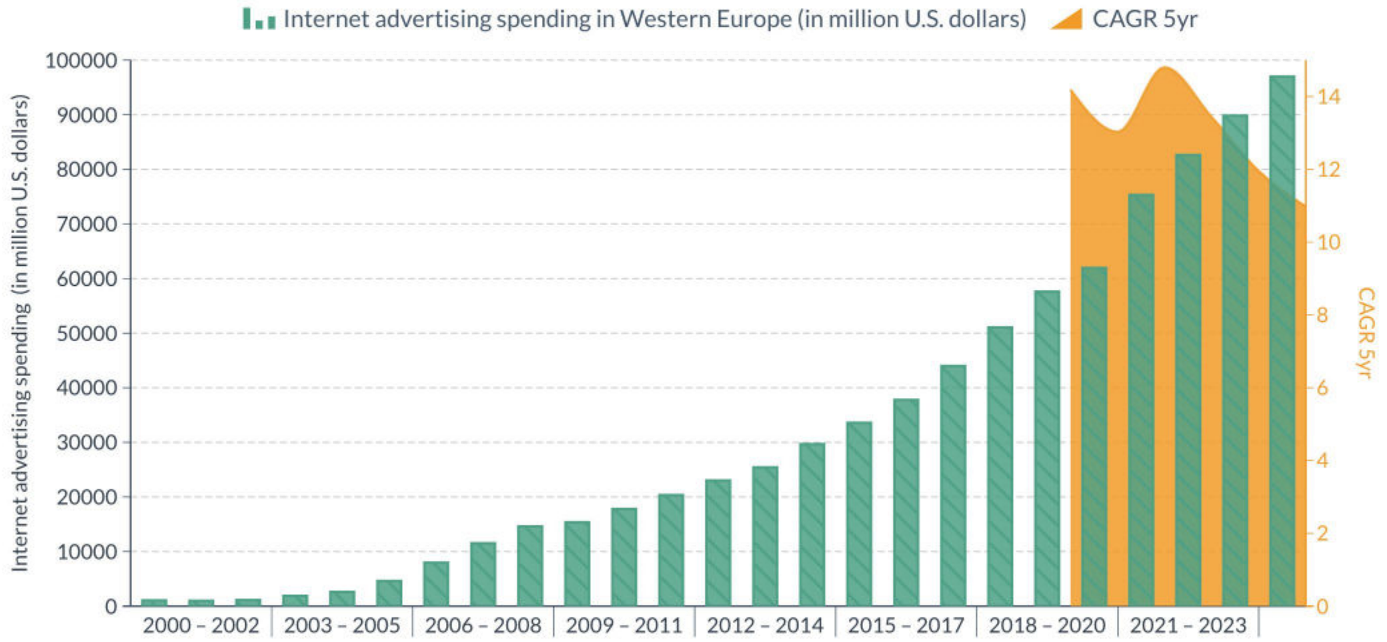
In 2022, internet advertising spending in Western Europe reached 82 million USD and is expected to reach 96 million USD by 2024

Online advertising spending in Western Europe



Source: Published by Statista Research Department, & 6, J. (2023, January 6). *Online advertising spending in Western Europe 2024*. Statista.

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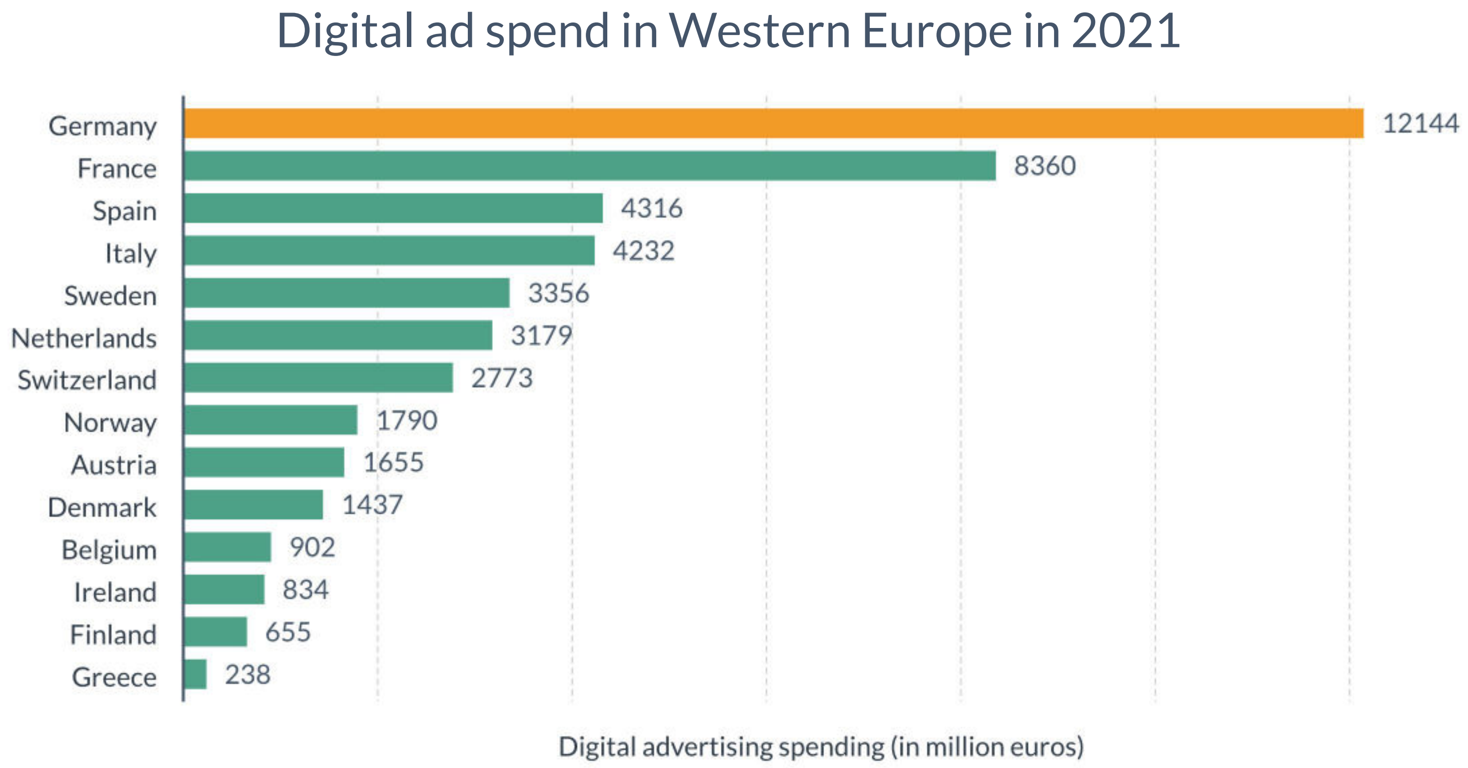
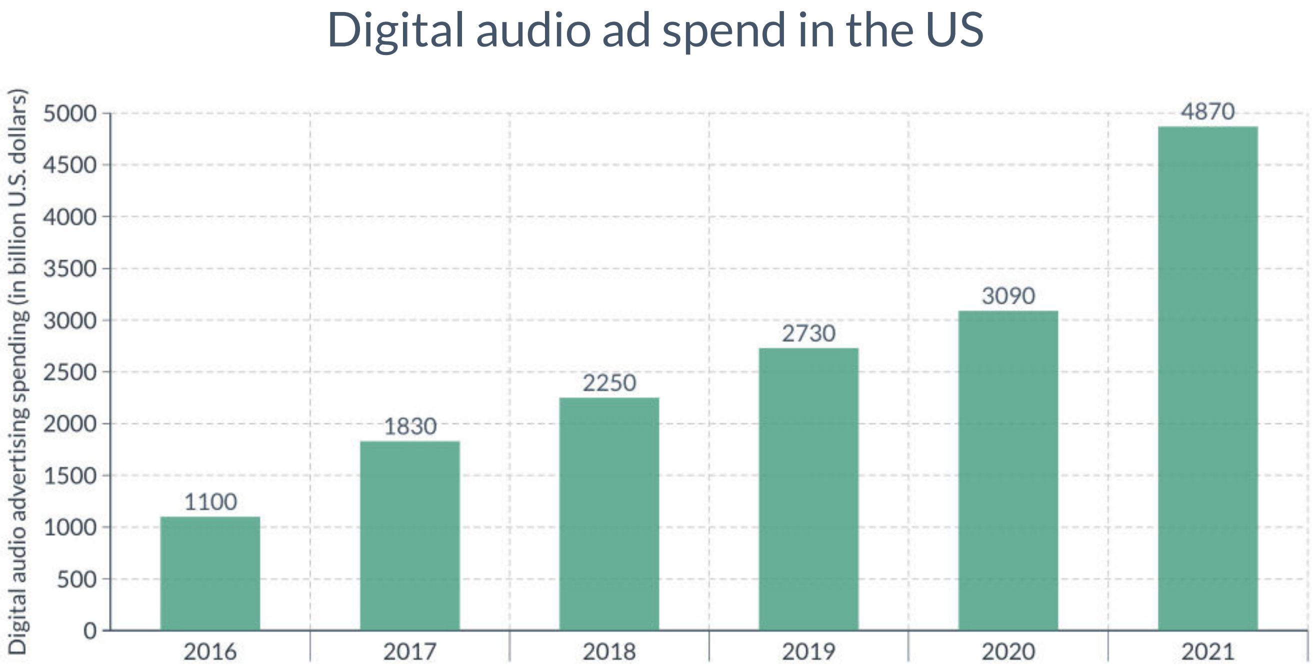
In 2021, UK was the largest digital advertising market in Western Europe (32b EUR) and together make up 78b EUR



Source: Published by Statista Research Department, & 6, J. (2023, January 6). *Western Europe: Digital ad spend by country 2021*. Statista.

From 2020 to 2021, digital audio ad spend in the US increased by 58%, from 3.09 billion USD in 2020 to 4.87 USD in 2021



Source: Published by Statista Research Department, & 10, J. (2023, January 10). *Digital Audio ad spend in the U.S. 2021*. Statista..

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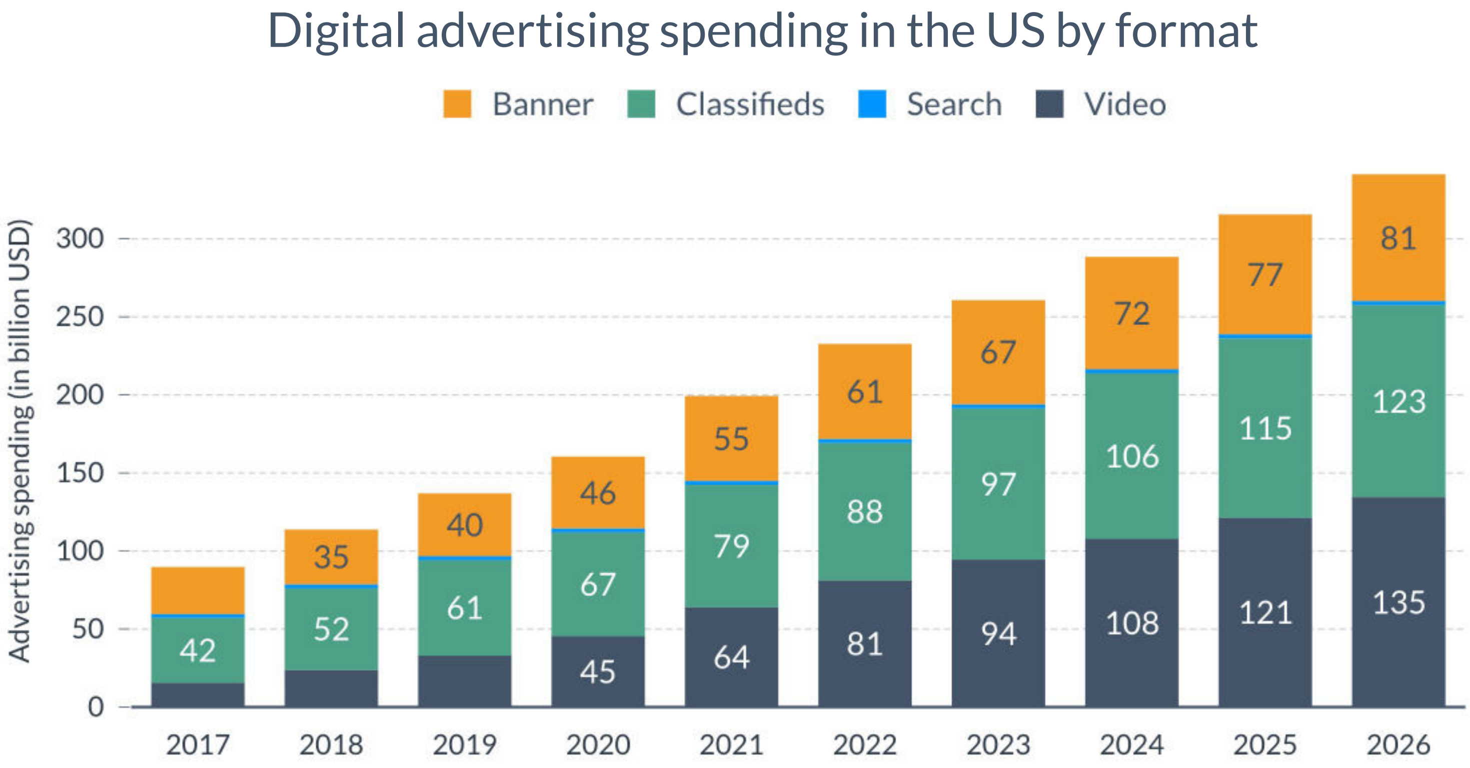
Digital video ad spending in the US is projected to grow from 63.8 billion USD in 2021 to 134.5 billion USD in 2026



Source: Published by Statista Research Department, & 10, J. (2023, January 10). *Digital Market Outlook: U.S. digital advertising spending by format 2026*. Statista.

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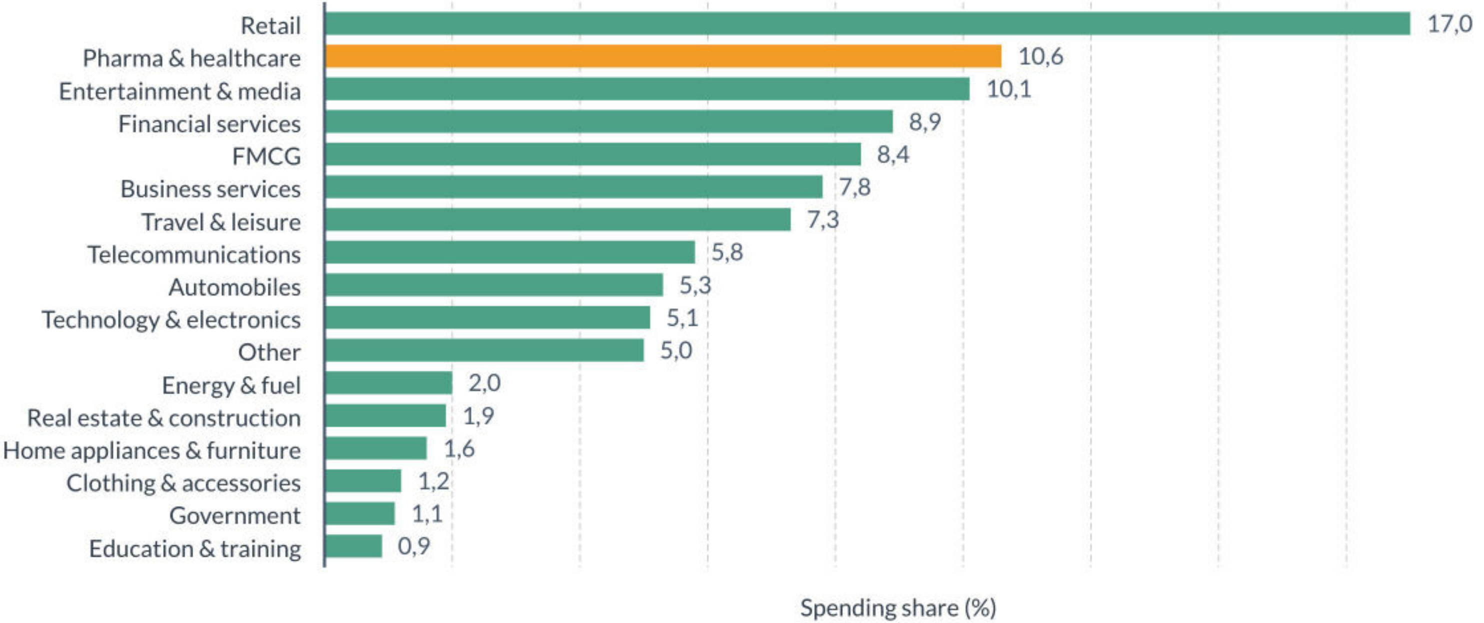
The digital ad spending in the US "Pharma & healthcare" made up 11% of the total advertising spending in 2022 in the country

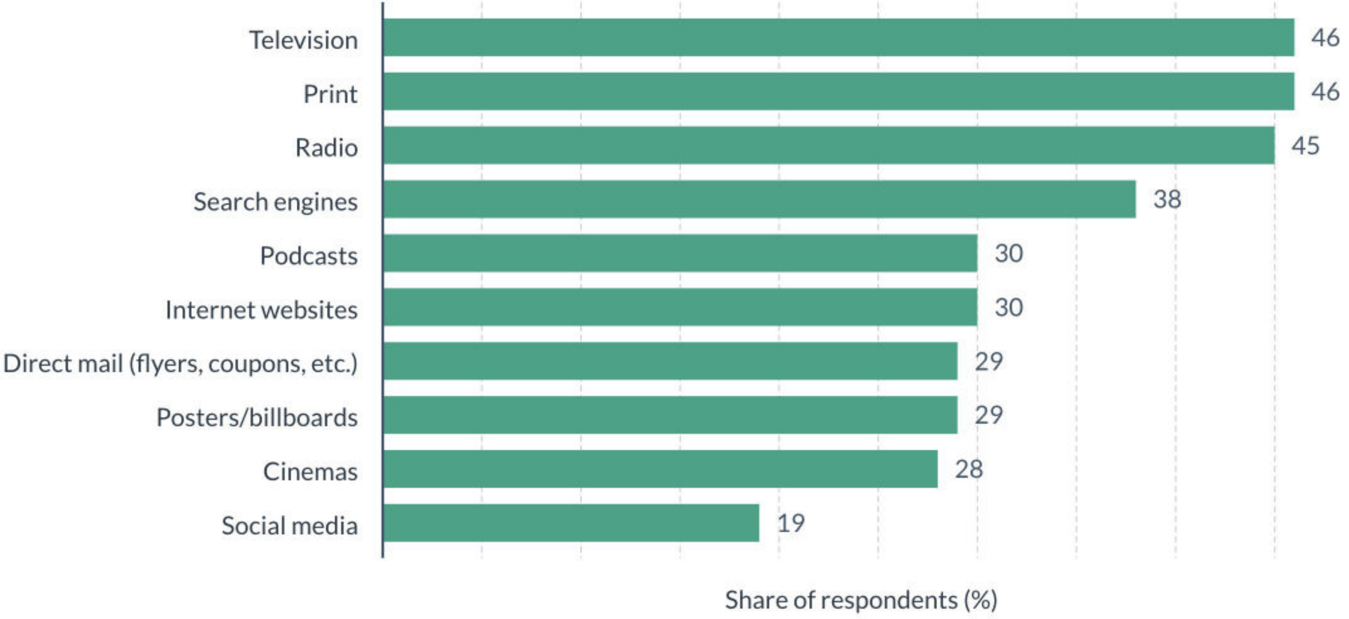
Distribution of digital advertising spending in the US in 2022, by industry



Source: Published by Statista Research Department, & 20, J. (2023, January 20). *Digital Market Outlook: U.S. Digital Advertising Spending Share by industry 2022*. Statista.

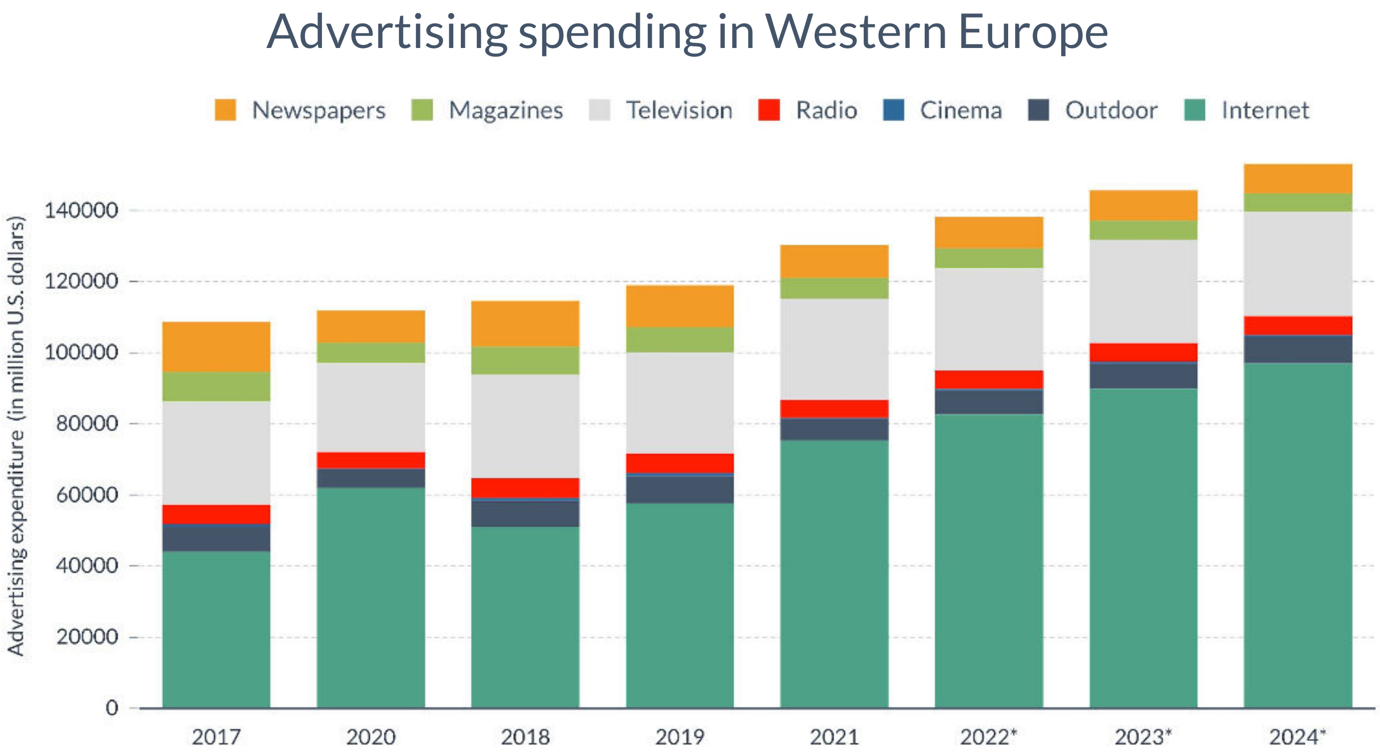
Television (46%), print (46%) and radio (45%) were the most trusted medium for advertising in 2021 in the US

Trust in advertising in the US in 2021, by medium



Source: Navarro, J. G. (2023, January 6). *Trust in advertising in the U.S. media 2021*. Statista.

However, in Western Europe, spending in “Television” is decreasing and is being overtaken by spending in “Internet”



Source: Navarro, J. G. (2023, January 6). *Ad spend by medium in Western Europe 2024*. Statista.

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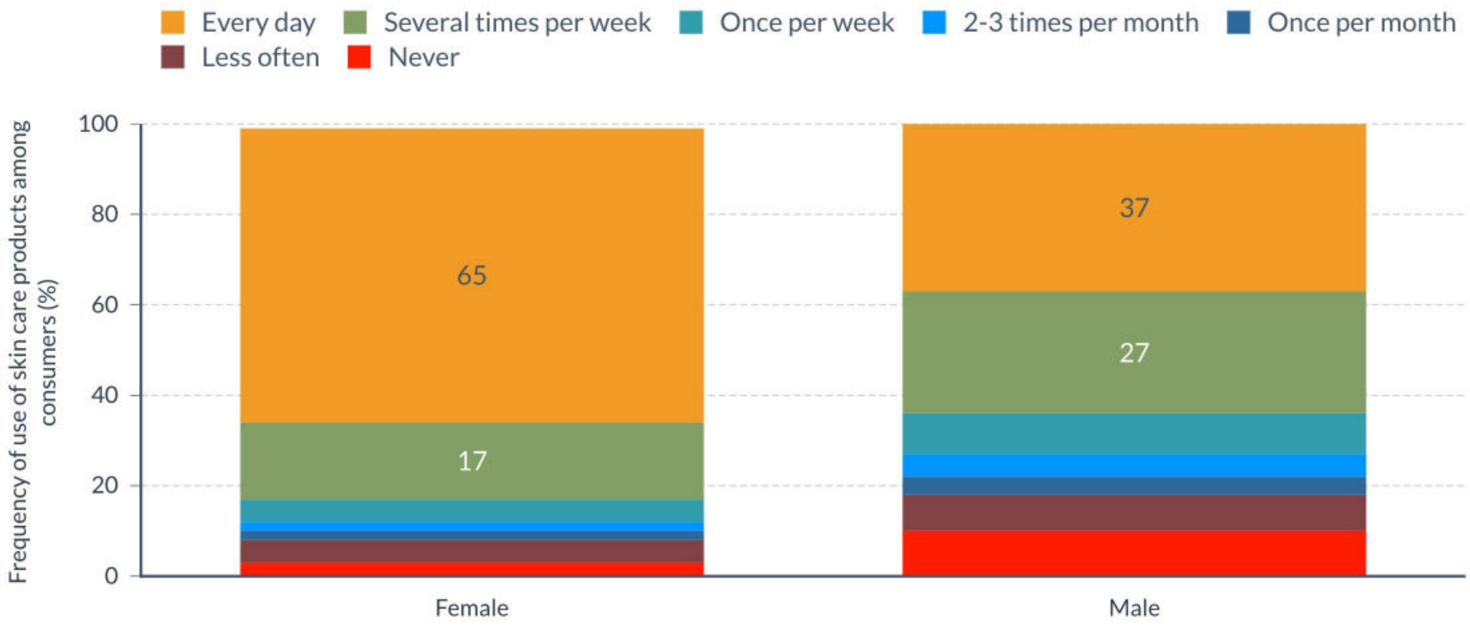
Women (82%) used skin care products on daily basis/several times a week, making them *the* main decision makers in the cosmetics market

Frequency of use of skin care products among US consumers in 2017



Source: Kunst, A. (2019, December 20). *Skin care products: Frequency of use by gender U.S. 2017*. Statista.

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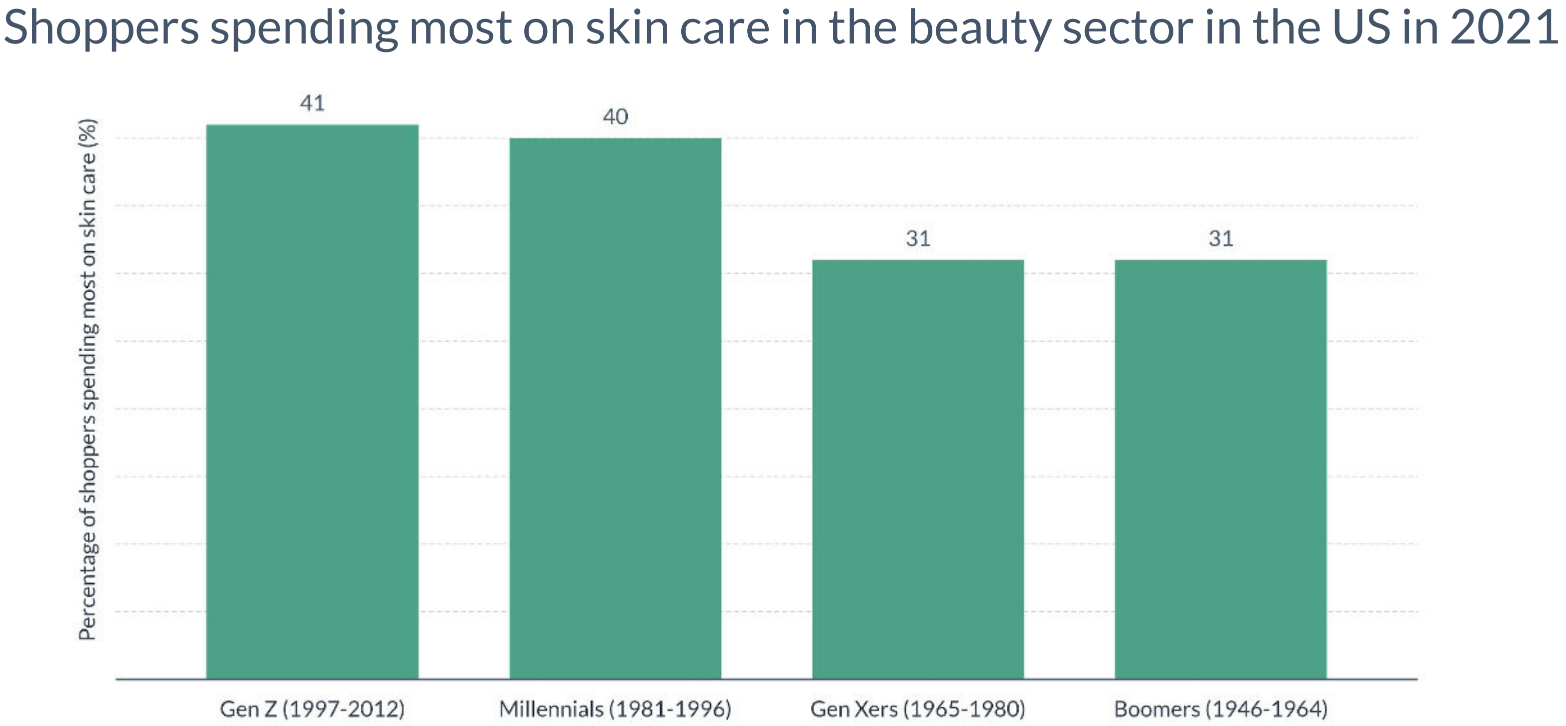
Gen Z (41%) and Millennials (40%) were the two age group segments that spent the most on skin care in the beauty sector in the US, 2021



Source: Petruzzi, D. (2022, March 1). *United States: Skin care shoppers, by age group 2021*. Statista.

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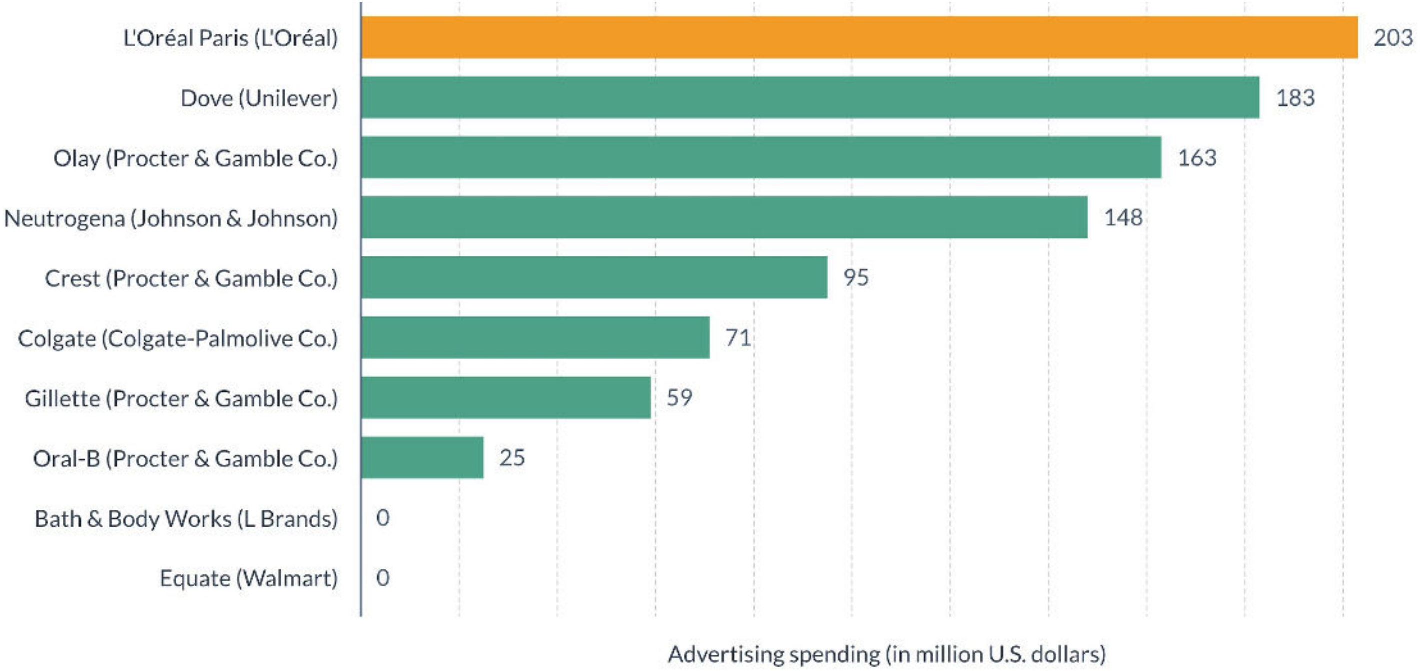
L'Oréal spent the most in advertisement for its product "L'Oréal Paris" in the US, with 203 million USD in 2021

Ad spend of selected personal care brands in the US in 2021



Source: Published by Julia Faria, & 6, J. (2023, January 6). *Ad spend of selected Personal Care Brands in the U.S. 2021*. Statista.

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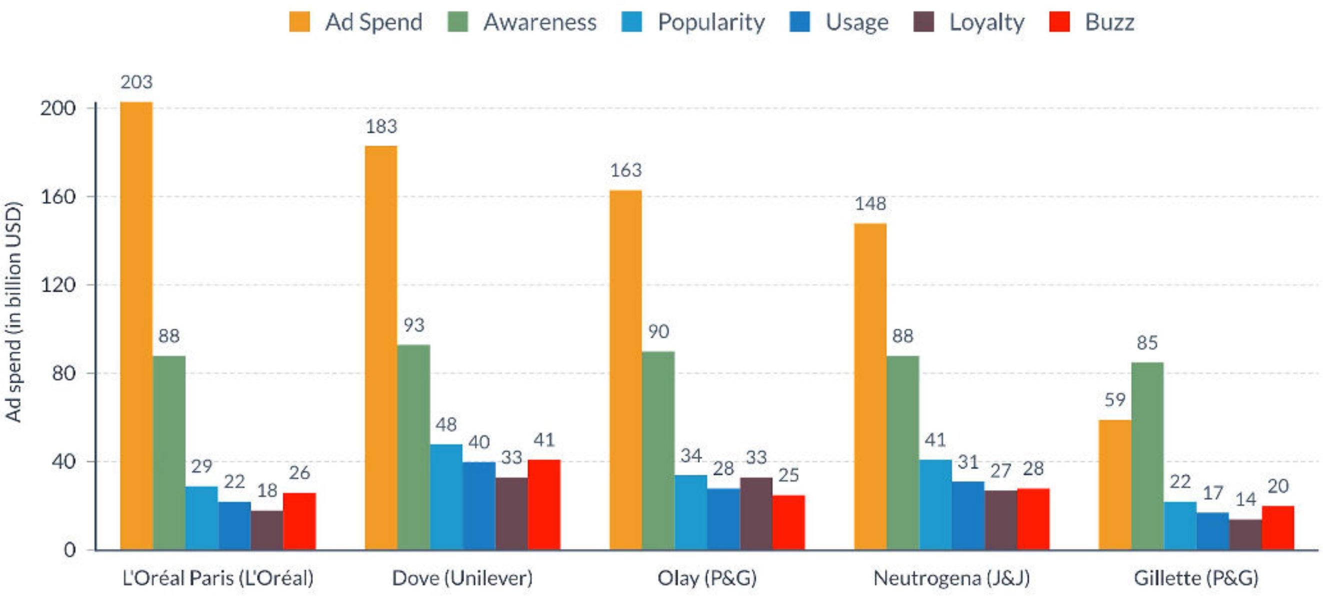
Awareness was not impacted by ad spend, as seen with Gillette having the lowest ad spend and similar awareness levels as others

Impact of brand’s absolute ad expenditure on different brand metrics for selected brands in the US in 2021



Source: (1) Beiersdorf. In Statista. ; (2) Estée Lauder. In Statista. ; (3) L'Oréal. In Statista. ; (4) Avon Products Inc.. In Statista. ; (5) Coty Inc.. In Statista. ; (6) Procter & Gamble Inc.. In Statista. ; (7) Unilever. In Statista.

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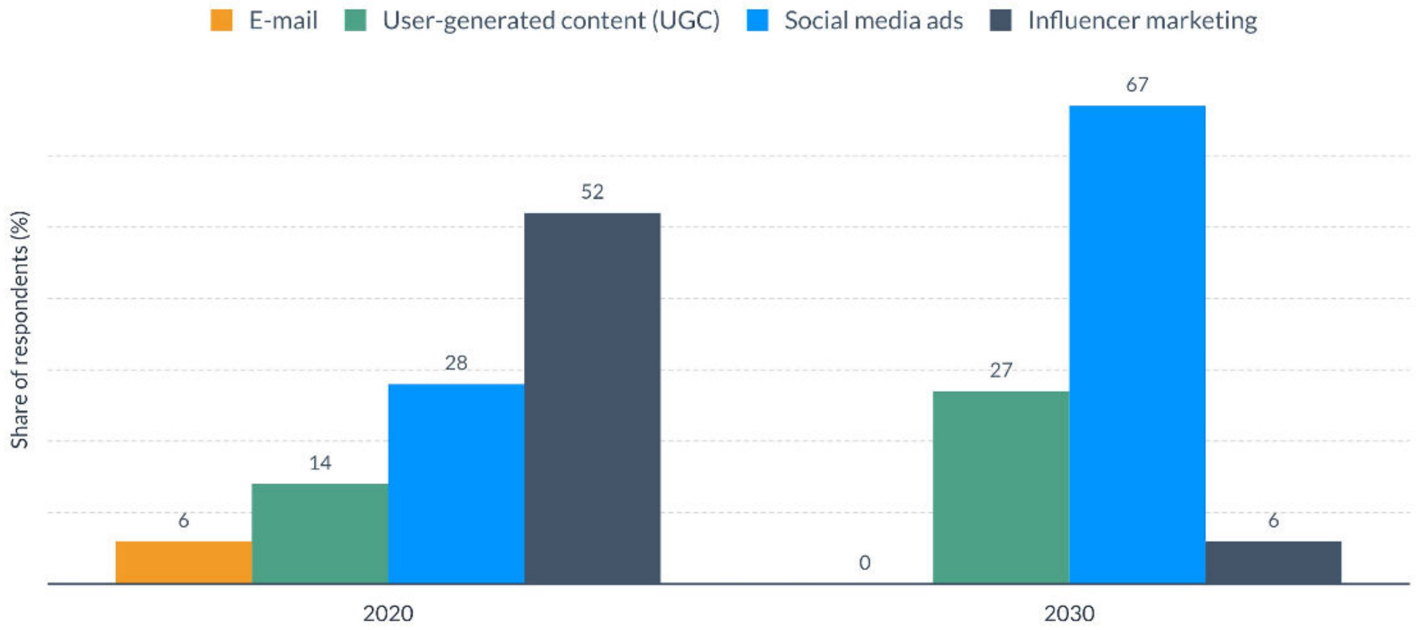
In terms of social media, ads will bring the highest ROI (67%) in 2030 in EU, according to a survey among leaders of largest e-commerce retailers in EU

Marketing channels yielding highest return on investment (ROI) according to e-commerce retailers in EU



Source: Published by Statista Research Department, & 6, J. (2023, January 6). *Top e-commerce Marketing Channels Europe 2020-2030*. Statista.

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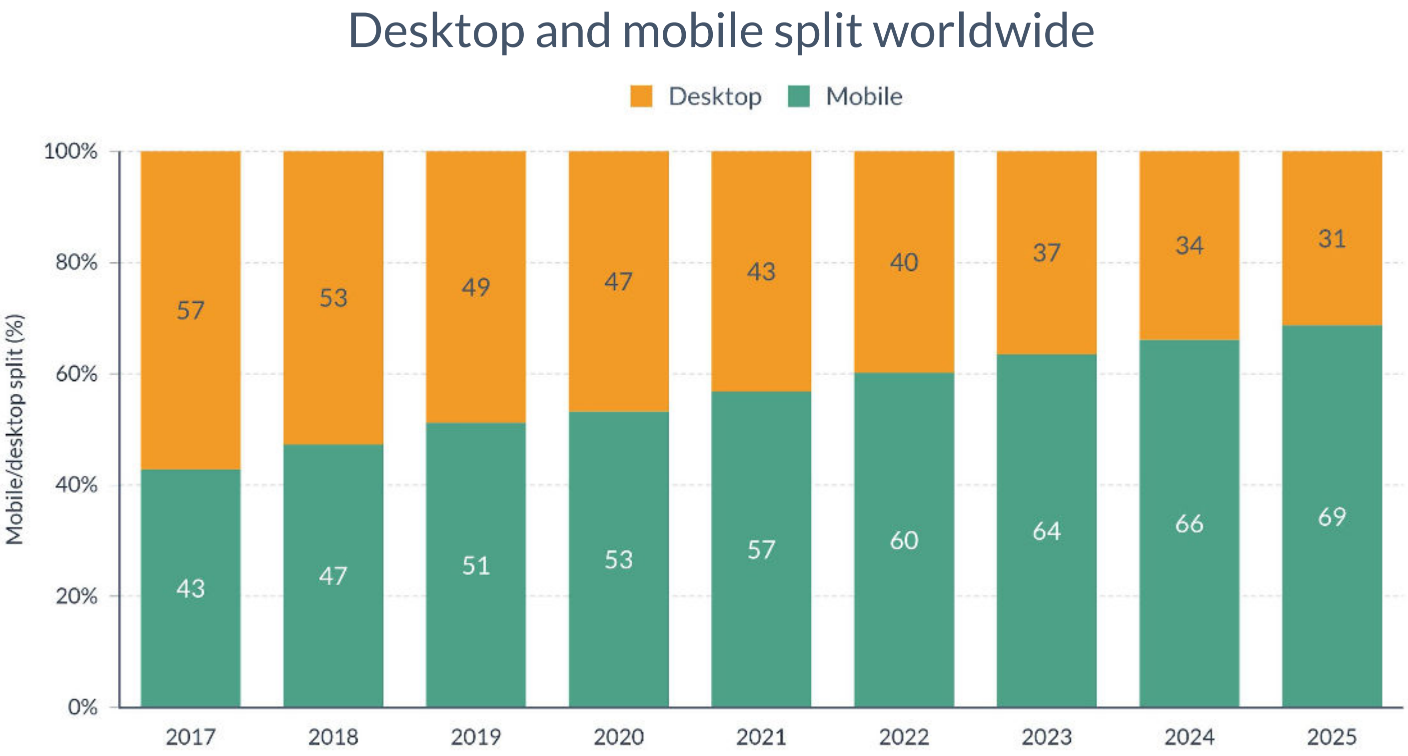
Mobile usage as a sales channel has overtaken desktop, making up 63.5% of the sales in 2023 compared to 36.5% for desktop



Source: *Cosmetics - worldwide: Statista market forecast*. Statista. (n.d.).

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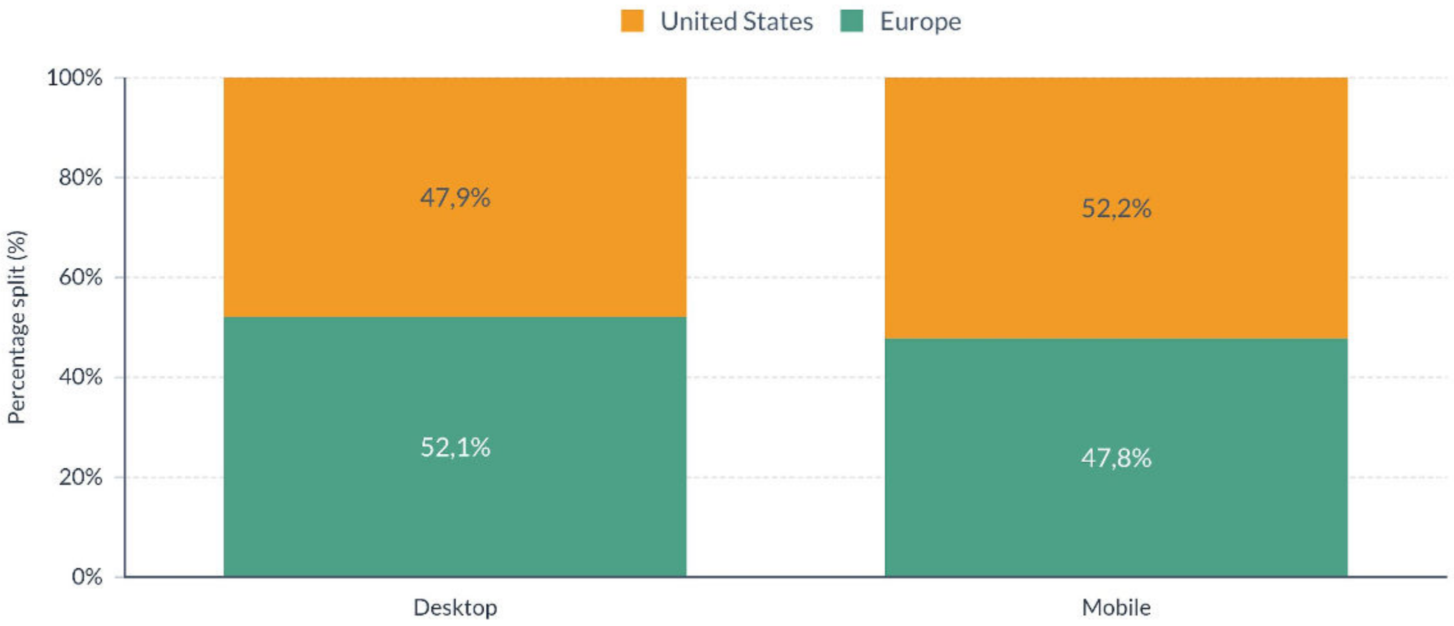
However, when looking specifically at US and EU, there is still a balance mix between mobile and desktop

Desktop and mobile split in 2022 in the US and EU



Source: *Beauty & Personal Care - US: Statista market forecast*. Statista. (n.d.).

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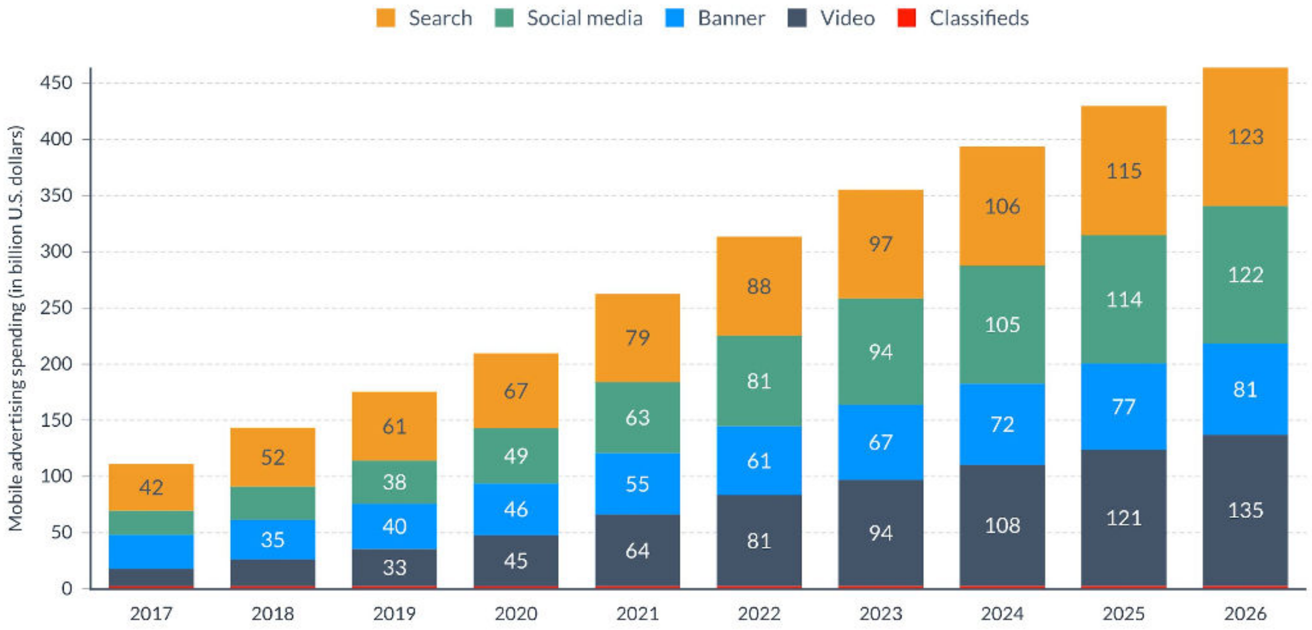
Search advertising was the mobile advertising format with the highest spending in the US, with 78.51billion USD in spending

Mobile ad spend in the US by format



Source: Published by Statista Research Department, & 6, J. (2023, January 6). *Mobile ad spend in the U.S. 2017-2026*. Statista.

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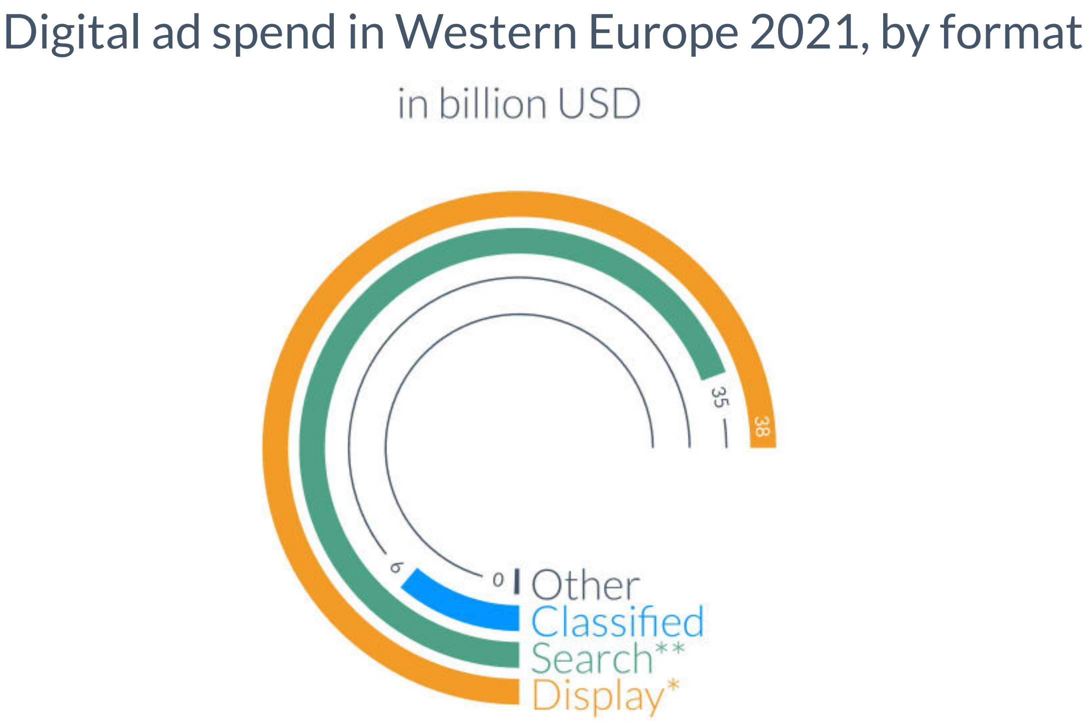
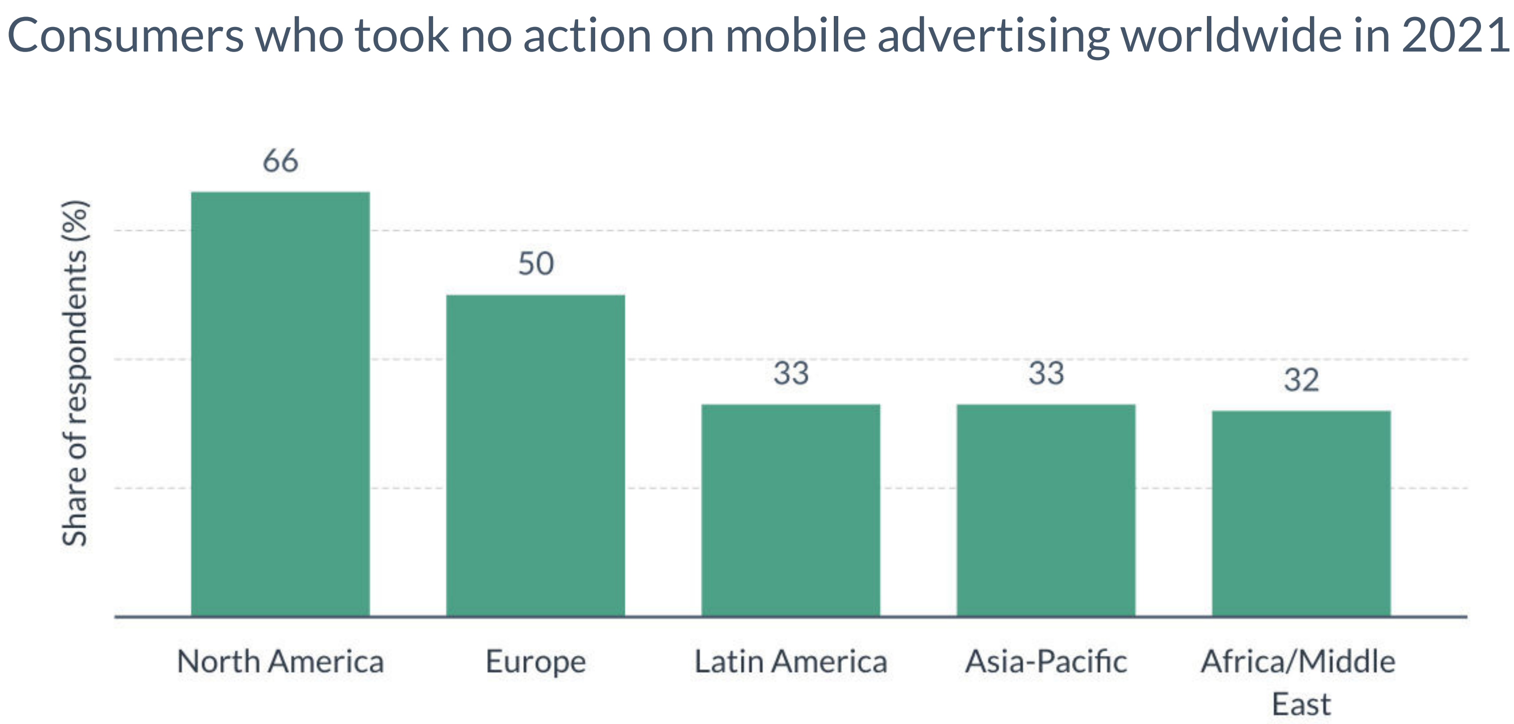
The digital ad spending in Western Europe in 2021 was largely dominated by display (38b USD) and search (35b USD)



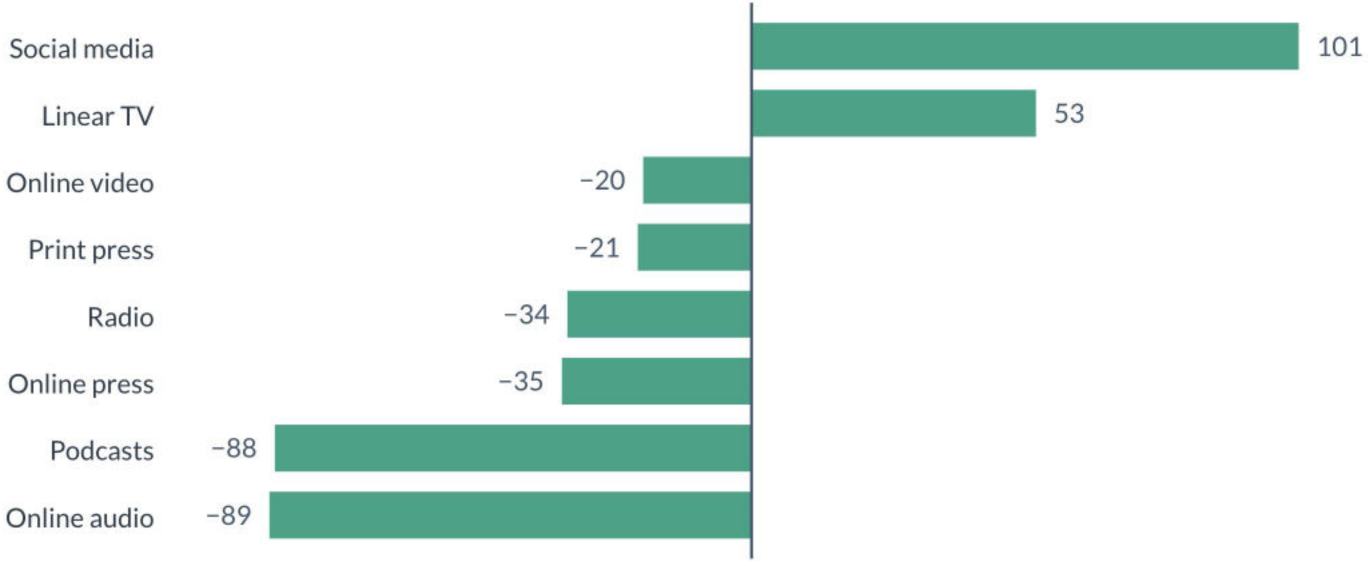
66% of consumers in North America and 50% in Europe took no action on mobile advertising worldwide as of Sept. 2021



Source: Published by Statista Research Department, & 6, J. (2023, January 6). *Mobile Advertising Response Worldwide 2021*. Statista.

Online audio is expected to take larger share of consumers' media time than what is being invested in it

Difference between advertising spending and time spent with selected media in the US in 2022 (index score)



A number above 0 indicates that the medium's share of advertising spending is larger than its share of consumption, and a number below 0 indicates that the medium's share of advertising spending is smaller than its share of consumption.

Source: Navarro, J. G. (2023, January 6). *Time spent with media vs. ad spend in the U.S. 2022*. Statista.

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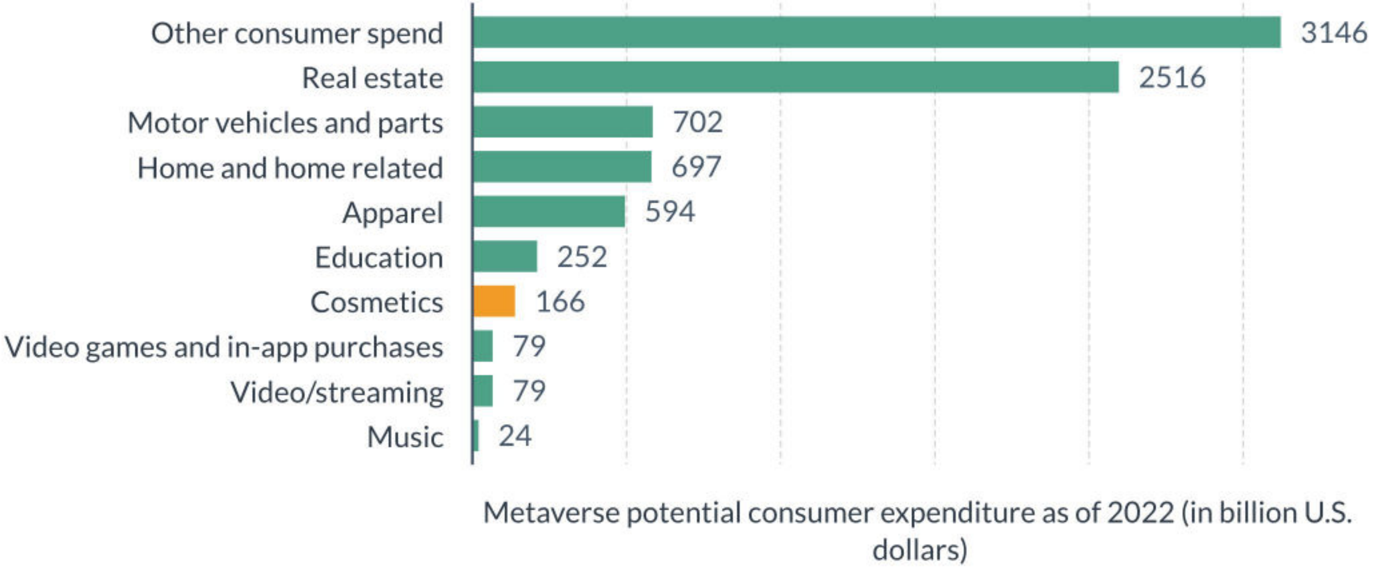
Though still early in the development of the metaverse, “Cosmetics” has its place in it with 166 bn USD of potential sales in the US in 2022

US metaverse potential consumer expenditure TAM 2022



Source: Alsop, T. (2022, July 5). *U.S. Metaverse Potential Consumer Expenditure Tam*. Statista.

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THANK YOU

hello@indaru.com