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Understanding Mass Cosmetics/Skincare Purchasers

Google Compete Custom Beauty Research Study
U.S., 2009

Study Methodology

Survey Analysis

- 4,244 consumers in December 2008 who had recently purchased beauty products & 1,448 consumers in January 2009 who had recently visited a beauty-related website

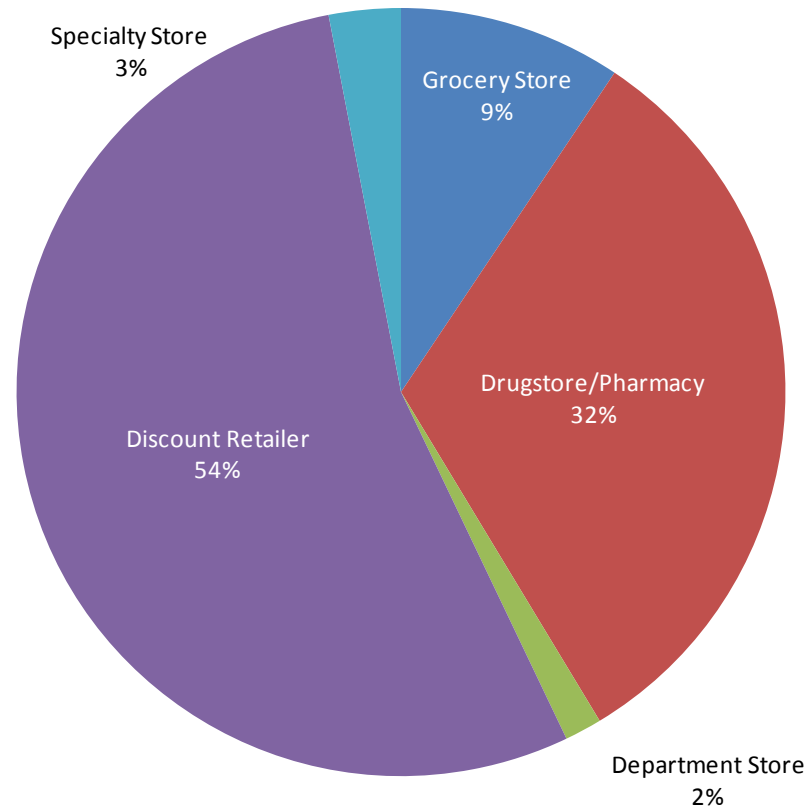
Definitions for Survey Data (which were self reported):

- To obtain a data cut across the beauty sub-verticals, the surveys asked respondents about their most recent purchase and whether or not it was:
 - Fragrance
 - Personal care (soap, body wash, razors, deodorant)
 - Cosmetics/skincare
- If respondent chose cosmetics/skincare, they were then to check off what brand they purchased among a set of brands here which lead to the classification of prestige vs. mass cosmetics/skincare

Prestige	– Avon	– Lancome	Mass	– Maybelline
	– Mary Kay	– Clinique		– Revlon
	– Bobbi Brown	– M.A.C cosmetics/skincare		– L'Oreal
	– Elizabeth Arden	– Chanel		– Neutrogena
	– Bath & Body Works	– Aveda		– CoverGirl
	– The Body Shop	– Estee Lauder		– Olay
	– L'Occitane	– Bare Escentuals		– Dove
	– Dior	– Origins		– New York Color
	– Other*	– Clarins		– Sally Hansen
		– Benefit		– Nivea
	– Prescriptives	– Clearasil		
		– Other*		

Most in-store mass cosmetics/skincare sales occur in discount retailer stores or pharmacies

Place of purchase for in-store mass cosmetics/skincare
Among in-store mass cosmetic/skincare purchasers



Q5: You mentioned that you bought your most recent Cosmetics/Skin Care purchase at a store. From which of the following kinds of stores did you make this purchase?

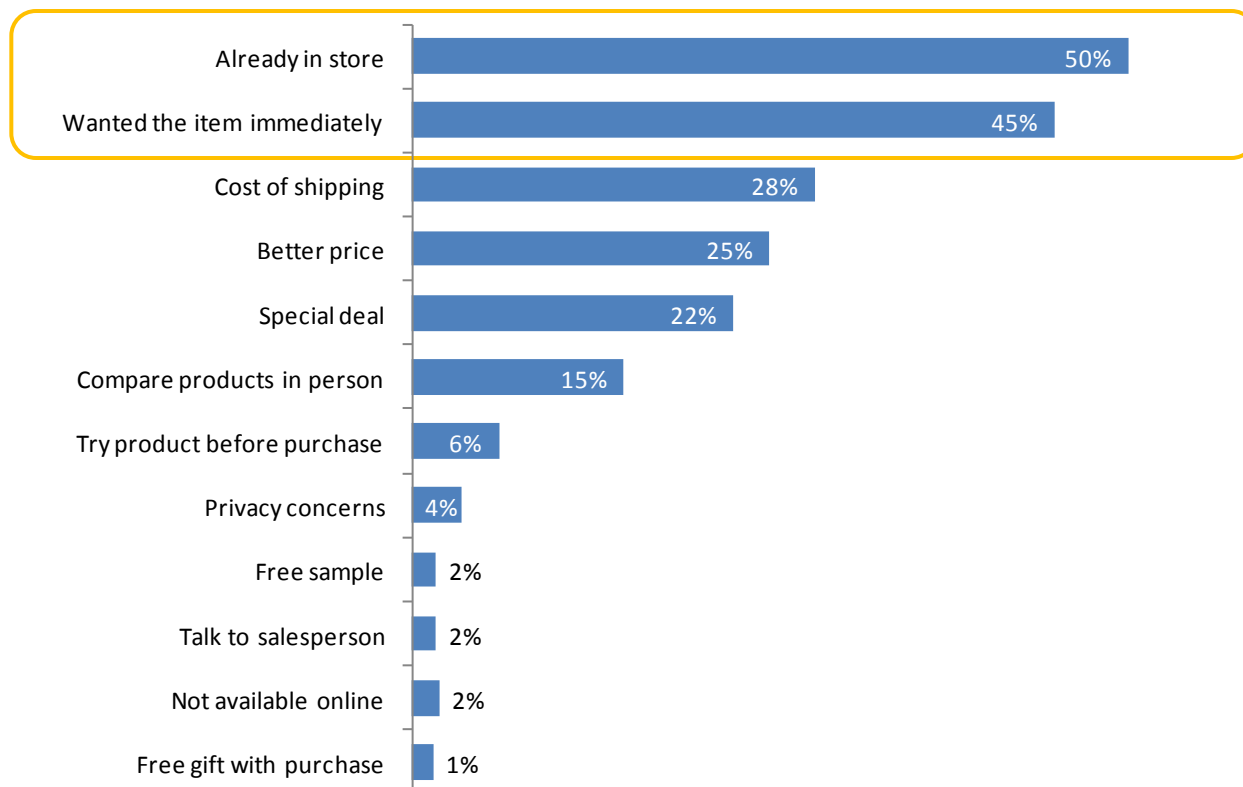
Base: In-store mass cosmetics/skincare purchasers, n=960

Source: Google CPG June 2009 Study: Compete Beauty Products and cosmetics/skincare Survey Questionnaire

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Mass cosmetics/skincare purchasers who buy in-store do so in part because they are already in the store and they want to get the items immediately

Reasons for purchasing mass cosmetics/skincare offline
Among in-store mass cosmetics/skincare purchasers



Q12B: You mentioned earlier that you made your most recent Cosmetics/Skin Care purchase at a store. Why did you buy at a store rather than online?

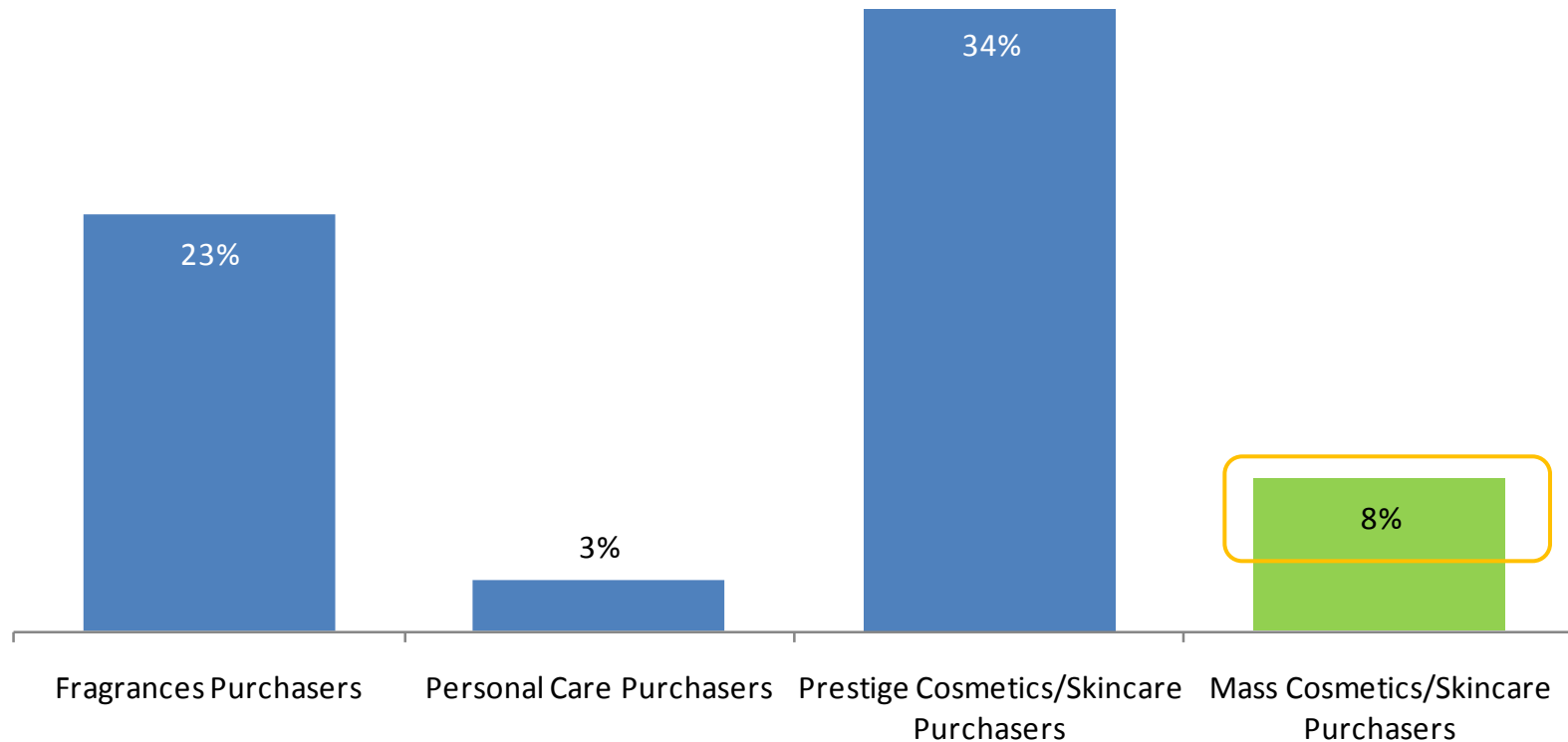
Base: In-store mass cosmetics/skincare purchasers, n=960

Source: Google CPG June 2009 Study: Complete Beauty Products and cosmetics/skincare Survey Questionnaire

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A small percentage of consumers purchase mass cosmetics/skincare online

Propensity to purchase beauty products online



Q4: Where did you buy your most recent (Insert "Cosmetics/Skin Care", "Fragrance" or "Personal Care") purchase?

Base: Fragrance purchasers, n=1050; Personal care purchasers, n=1061; Prestige cosmetics/skincare /skincare purchasers, n=1060; Mass cosmetics/skincare purchasers, n=1073

Source: Google CPG June 2009 Study: Compete Beauty Products and cosmetics/skincare Survey Questionnaire

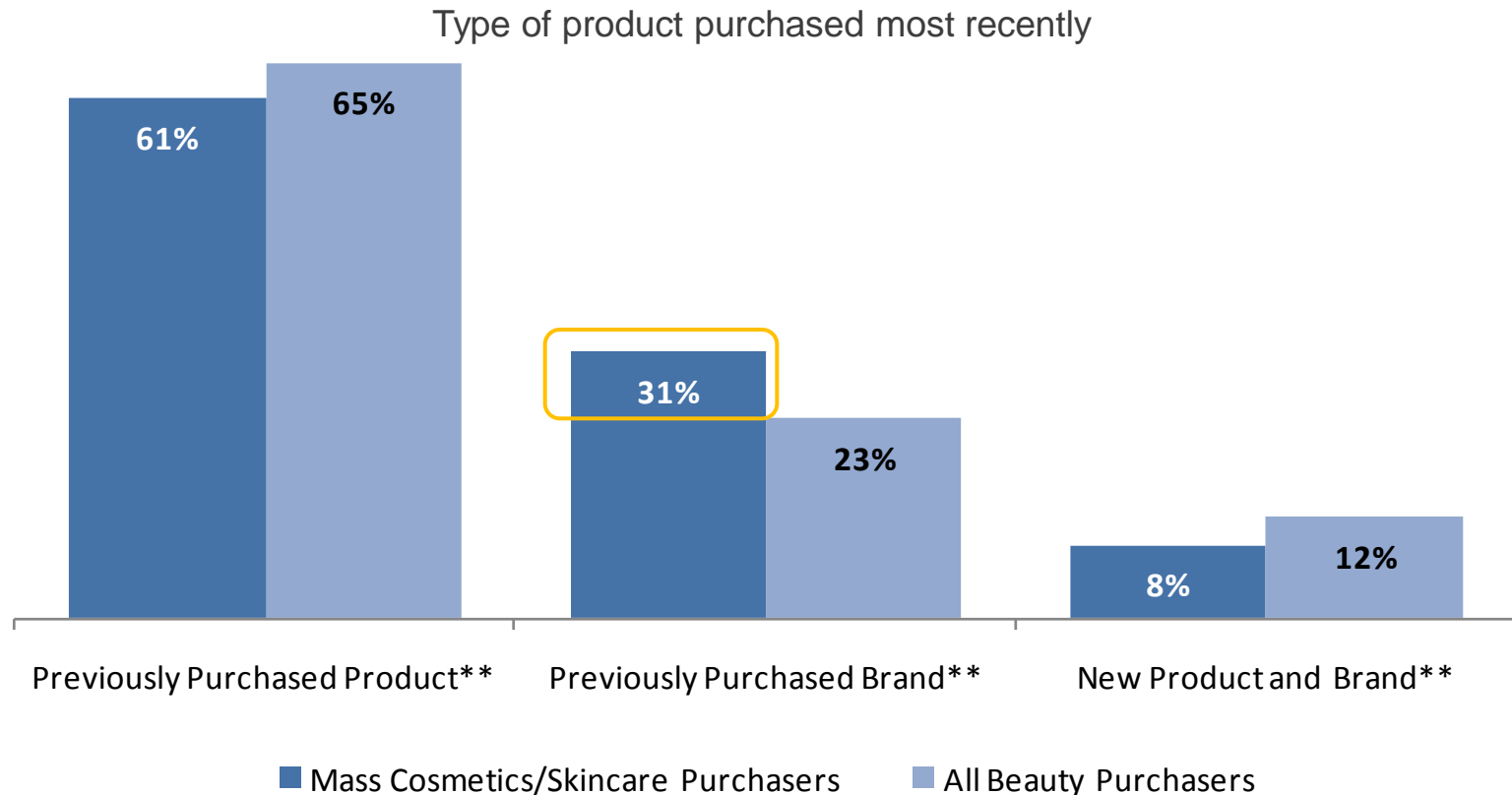
Online mass cosmetics/skincare purchasers prefer the ease and convenience of ordering online and home delivery

Reasons for purchasing mass cosmetics/skincare online
Among online mass cosmetics/skincare purchasers



Q12A: You mentioned earlier that you made your most recent Cosmetics/Skin Care purchase online. Why did you buy online rather than at a store?
Base: Online mass cosmetics/skincare purchasers, n=88
Source: Google CPG June 2009 Study: Compete Beauty Products and cosmetics/skincare Survey Questionnaire

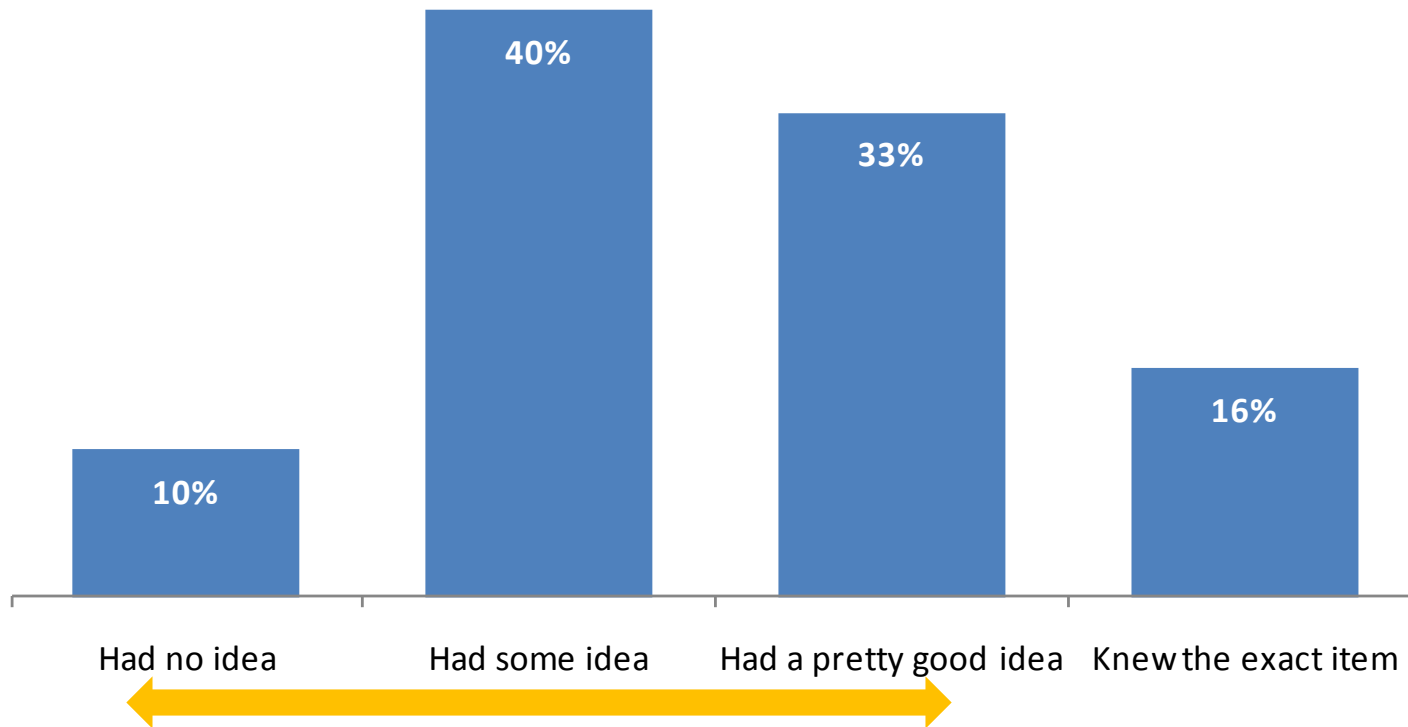
Mass cosmetics/skincare shoppers are more likely than other beauty shoppers to try a new product from a trusted brand



** indicates significance at the 95% level

84% of purchasers who conduct research do not know exactly which mass cosmetics/skincare they intend to buy when they start shopping

Mindset about most recent mass cosmetics/skincare purchase
Among mass cosmetics/skincare purchasers who conducted research prior to most recent purchase



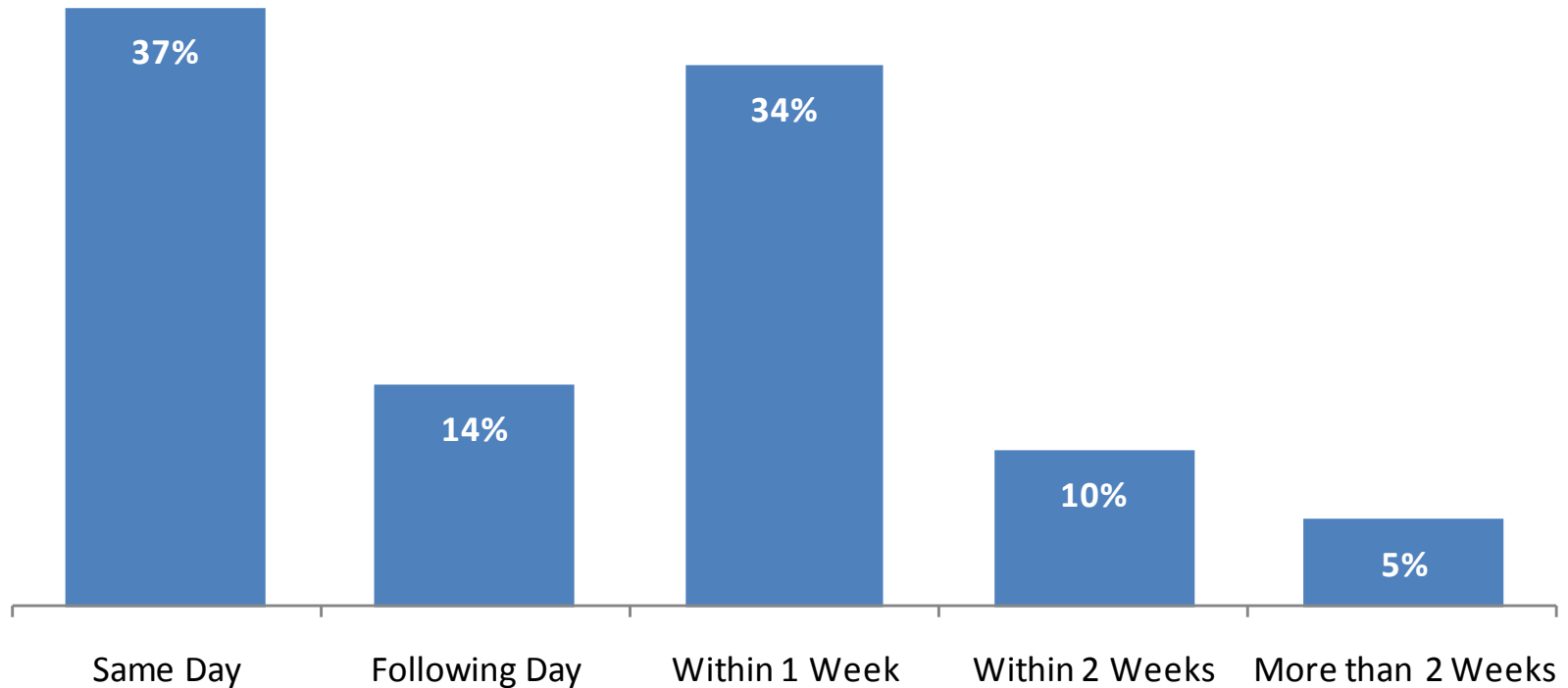
Q9: Which statement best describes your mindset about your most recent Cosmetics/Skin Care purchase when you *first started* looking at sources?

Base: Mass cosmetics/skincare purchasers who conducted research prior to purchase, n=442 (41% of cosmetics/skincare purchasers)

Source: Google CPG June 2009 Study: Complete Beauty Products and cosmetics/skincare Survey Questionnaire

85% of mass cosmetics/skincare purchasers buy within a week of starting their product research

Time between initial research and purchase for most recent purchase
Among mass cosmetics/skincare purchasers who conducted research prior to most recent purchase



Q11: Thinking about your most recent Cosmetics/Skin Care purchase, approximately how soon after you started looking for information about what items and brands to buy did you make your purchase?

Base: Mass cosmetics/skincare purchasers who conducted research prior to purchase, n=442 (41% of mass cosmetics/skincare purchasers)

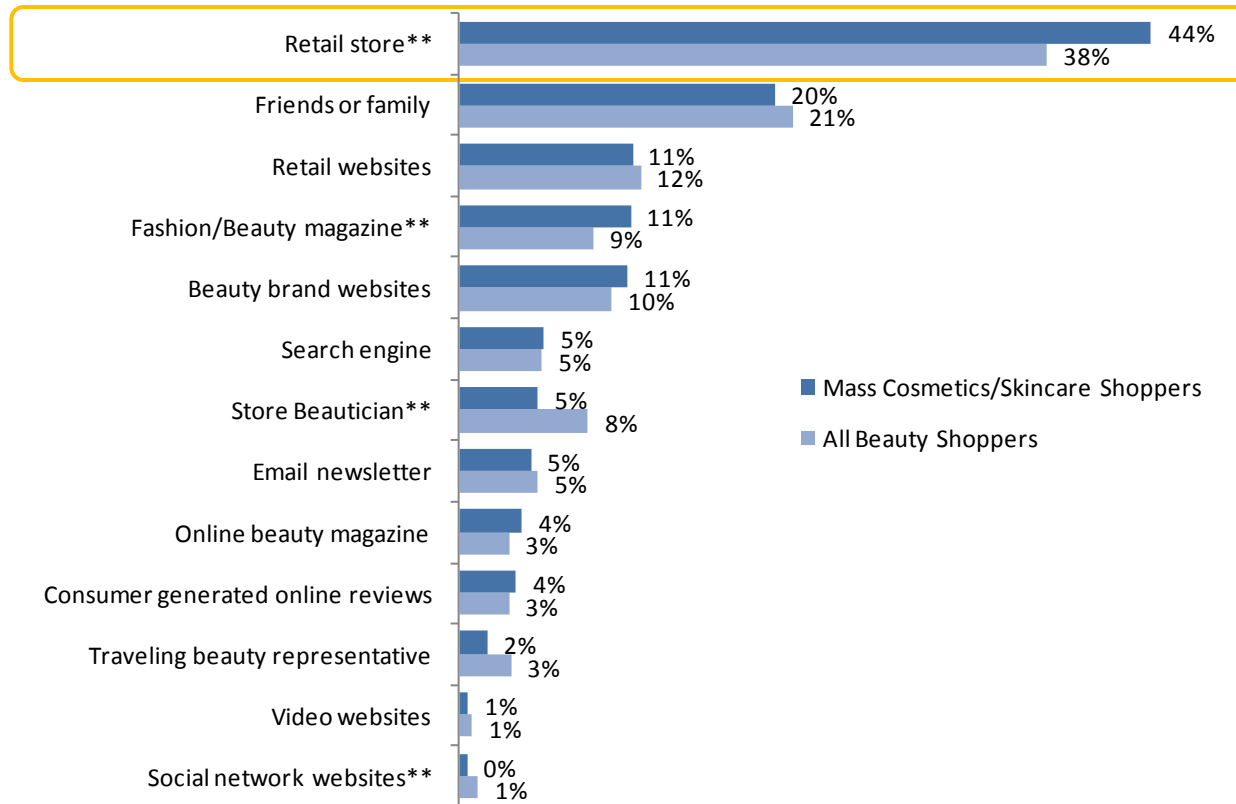
Source: Google CPG June 2009 Study: Complete Beauty Products and cosmetics/skincare Survey Questionnaire

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Mass cosmetics/skincare shoppers rely on product information within retail stores

Resources used by mass cosmetics/skincare purchasers

Mass cosmetics/skincare purchasers who used a resource to shop for their most recent beauty products



** indicates significance at the 95% level

Q2: Thinking about the {Insert "Cosmetics/Skin Care", "Fragrance" or "Personal Care"} products you purchased in the past three months, what sources did you use to find information about what products and brands to buy?

Base: Mass cosmetics/skincare purchasers, n=1073; Beauty purchasers, n=4244

Source: Google CPG June 2009 Study: Compete Beauty Products and cosmetics/skincare Survey Questionnaire

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Mass cosmetics/skincare purchasers depend on friends and family to find out about new brands

Timing of resources used by mass cosmetics/skincare purchasers
 Among mass cosmetics/skincare purchasers who used a resource to shop
 for their most recent cosmetic/skincare product

Resource	Initial product exposure	General product research	Specific product comparison	Final decision
Beauty Brand Websites*	29%	55%	39%	13%
Beauty Magazine*	23%	74%	13%	13%
Friends or Family	32%	49%	19%	19%
Retail Store	12%	48%	36%	29%
Retail Websites*	11%	59%	30%	30%

*small sample

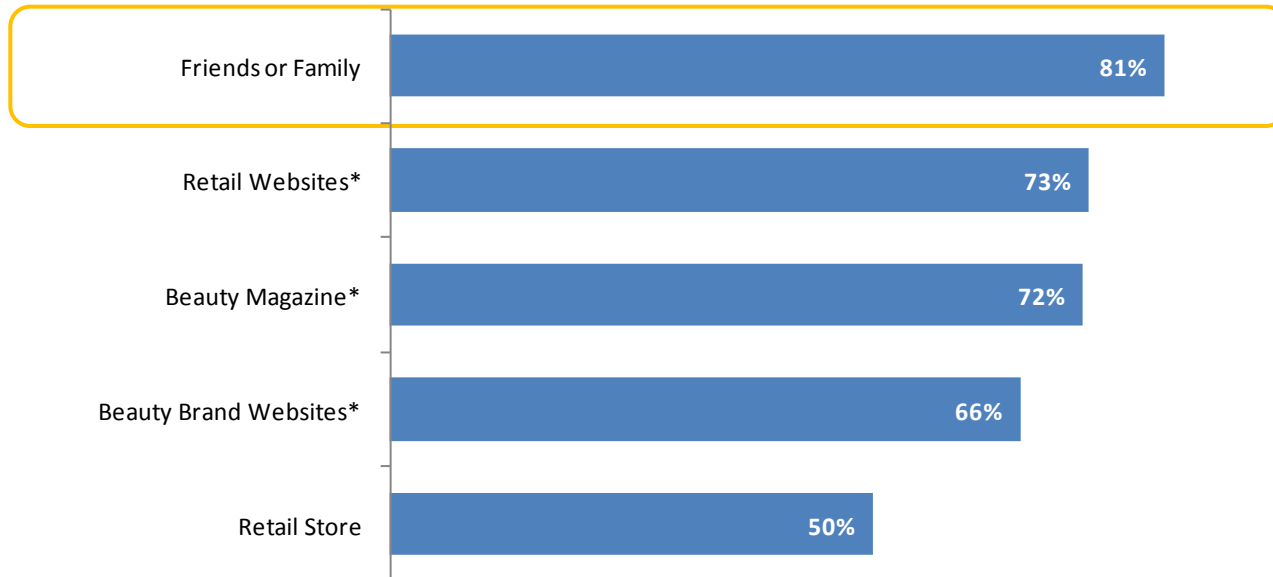
Q8. Thinking about your most recent Cosmetics/Skin Care purchase, when did you use each of the sources during your decision about what to buy?

Base: Mass cosmetics/skincare purchasers who used each resource to shop for their most recent mass cosmetic/skincare products, n= variable (38-214)

Source: Google CPG June 2009 Study: Compete Beauty Products and cosmetics/skincare Survey Questionnaire

Friends and family are most influential to mass cosmetics/skincare purchasers

Influence of resources used by mass cosmetics/skincare shoppers
Mass cosmetics/skincare purchasers stating “Often” or “Frequently”



*small sample

Q7: Thinking about your most recent Cosmetics/Skin Care purchase, how influential was each of the sources you used in making your final decision about what to buy? (5-point scale)

Base : Mass cosmetics/skincare purchasers who used each resource to shop for their most recent mass cosmetic/skincare products, n= variable (38-214)

Source: Google CPG June 2009 Study: Compete Beauty Products and cosmetics/skincare Survey Questionnaire

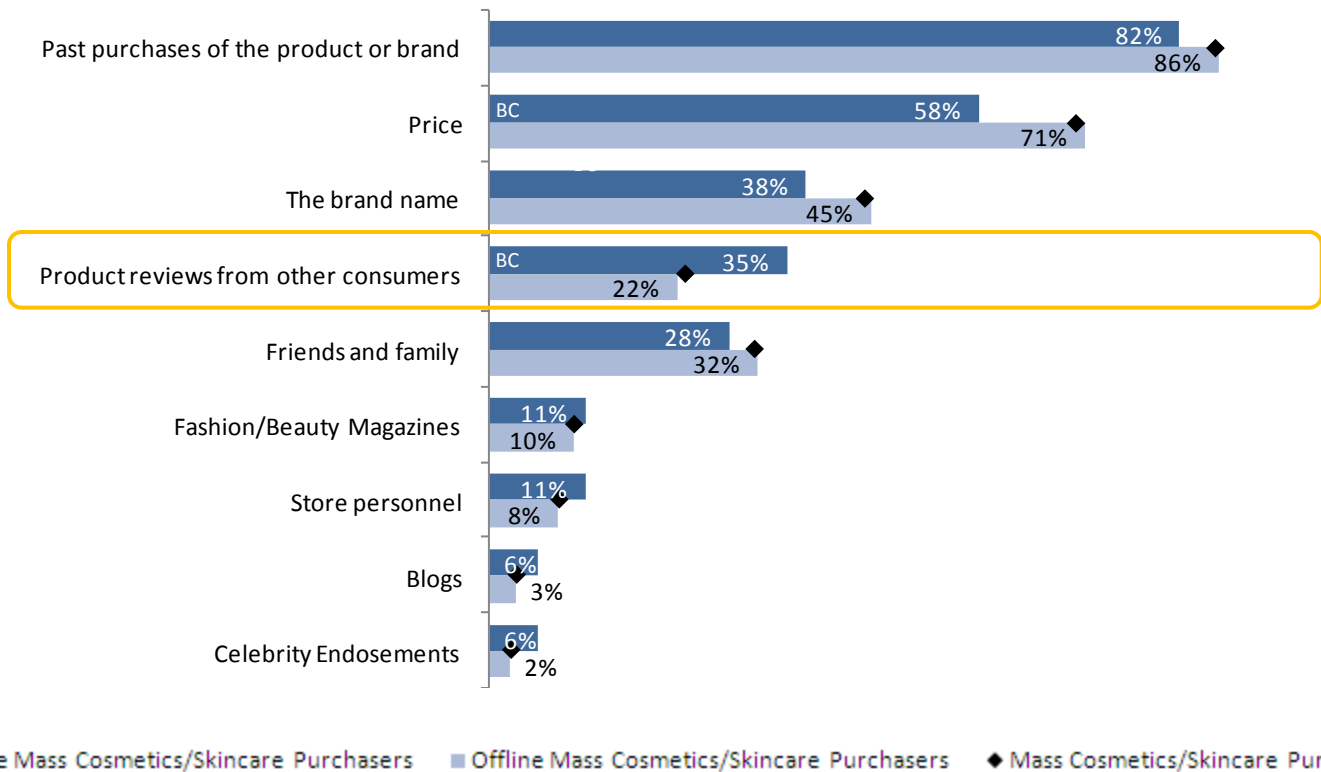
Online mass cosmetics/skincare shoppers rely on search engines to help guide their purchase process

Tendency to perform specific actions when shopping online for mass cosmetics/skincare
 Mass cosmetics/skincare purchasers stating “Often” or “Frequently”



Consumer generated reviews are more influential to online purchasers than offline purchasers

Influence of sources on purchase decision
Mass cosmetics/skincare purchasers stating “Extremely Influential” or “Very Influential”



Uppercase indicates 95% significant level



Q18. When considering a Cosmetics/Skin Care purchase, how influential are the following on your decision? (5-point scale)
 Base: Online mass cosmetics/skincare purchasers, n=88; Offline mass cosmetics/skincare purchasers, n=985; Mass cosmetics/skincare purchasers, n=1073
 Source: Google CPG June 2009 Study: Compete Beauty Products and cosmetics/skincare Survey Questionnaire

Why should mass cosmetics/skincare marketers care about the web?

Because online mass cosmetics/skincare purchasers are ...



Younger and more affluent

- **40%** of online purchasers vs. **33%** of offline purchasers are between the ages of 25-44 ^A
- **56%** of online purchasers vs. **40%** of offline purchasers have a household income above \$60K ^{B**}

Influencers

- Online shoppers are **25%** more likely to tell others about their favorite brands and products compared to offline fragrance shoppers ^{C**}
- Online shoppers are **68%** more likely to be viewed as knowledgeable about beauty products compared to offline fragrance shoppers ^{C**}

** indicates significance at the 95% level

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A: D2: Please select your age.

B: D3: What is your annual household income?

C: Q19: Below is a list of statements related to Cosmetics/Skin Care . How much do you agree or disagree that each of the following statements describe you, using the 5-point scale below?

All of the Above:

Base : Online mass cosmetics/skincare purchasers, n=88; Offline mass cosmetics/skincare purchasers, n=985

Source: Google CPG June 2009 Study: Compete Beauty Products and cosmetics/skincare Survey Questionnaire

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Because online mass cosmetics/skincare purchasers are ...

Bigger spenders

- **23%** of online shoppers vs. **7%** of offline shoppers spend more than \$50/month on cosmetics/skincare ^{A **}
- **53%** of online shoppers vs. **2%** of offline shoppers spend more than half of their cosmetics/skincare budget online ^{B**}

More engaged consumers

- **34%** of online shoppers vs. **12%** of offline shoppers use the web to research cosmetics/skincare at least once a month ^{C**}



A: Q16: During a typical month, how much would you estimate you spend on Cosmetics/Skin Care products?

B: Q17: Considering all the money you spend on Cosmetics/Skin Care products in a typical month, approximately what percentage of it is spent on purchases made *online*?

C: Q13: You mentioned earlier that you go online to find information about what Cosmetics/Skin Care and brands to buy. Approximately how often do you go *online* to look for information on Fragrance?

All of the Above:

Base : Online mass cosmetics/skincare /skincare purchasers, n=88; Offline mass cosmetics/skincare purchasers, n=985

Source: Google CPG June 2009 Study: Compete Beauty Products and cosmetics/skincare Survey Questionnaire

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