Cosmetics Online Market

Public version
Methodology

1. This report examines the cosmetics online stores segment. It includes stores specializing in decorative and care cosmetics, perfumes, products for manicure, pedicure, and make-up artists.

2. An online store is a website or mobile app where users can place orders by filling out a form or by adding products to a virtual cart. Revenue of Russian retailers only are taken into account (without revenue of foreign retailers). The report includes cosmetics online stores and 2 biggest multicategory marketplaces (with revenue over 100 billion rubles). For the latter, only sales in the category Beauty are taken into account.

3. The data in the report covers 58 online cosmetics stores including 56 online cosmetics stores of the beauty category that are members of Russia’s eCommerce TOP-1000 list (in 2020, by number of orders) and 2 multicategory marketplaces (Ozon.ru and Wildberries.ru). Estimates for the number of online orders are based on regular monitoring of online retailers, data provided by retailers themselves, or information found in the public domain.

4. We are applying automatic parsing to determine which third-party services are used by online stores. In difficult cases we are layering in manual analysis. The listing of marketing services includes main solutions for every store from TOP-10.
Key Figures
In 2020, online cosmetics stores included in the TOP 1000 were issued 83 million orders for the amount of 95 billion rubles. The average order value was 1 150 rubles.
Market Dynamics

The number of orders in the cosmetics online shops segment increased by **158%** in 2020. The volume of online sales for the same period increased in rubles by **99%**. The average bill decreased by **23%**.
In 2020, cosmetics online stores stand for 10% of all domestic online orders and 4% of related revenue volume.
Average Conversion Rate of Online Stores

In the cosmetics online stores segment, the conversion rate is 5.1% (5.1 orders per 100 website visits). The nearest rates are in the segments of online bookstores and online stores of clothing, shoes, and accessories – 5.9% and 4.5%, respectively.

Conversion rate for cosmetics stores does not take into account multicity category stores.
Food retailers are excluded because of large share of online retailers taking orders only by mobile apps.
Integrated individual solutions for your e-commerce business

More than 20 years of successful business in Russia. Among the clients are big international brands of such segments as Beauty, Fashion, goods for children, Healthcare, sports goods, High-Tech, banks, auto.

- Warehouse logistics
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- Transport management
- Loyalty programs realization
- Financial services

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Segment Composition
The TOP-1000 Russian online retailers includes 58 online cosmetics stores, of which almost half (47%) are general stores. They account for the vast majority of the total number of orders and sales of online cosmetics stores - but even more (by 7 and 1.5 times, respectively) the number of orders with cosmetics and the volume of online sales of cosmetics from the two universal marketplaces under consideration. Of the individual specializations, the most popular are care cosmetics stores, which account for almost a quarter (21%) of the retailers included in the study, and which account for 5% of the segment’s revenue.

* «Other» includes on all graphics (in descending order) decorative cosmetics, hair stores, cosmetic equipment, on other charts (also in descending order) - perfumery and nail products
Key Player – Wildberries.ru

Wildberries.ru share among online cosmetics stores* for 2020 is (by volume of revenue):

37%

*Considering online retailers making eCommerce TOP1000 list by the number of orders, without “long-tail” figures (retailers outside general TOP1000)
TOP-10 Market Players*

1. **WILDBERRIES**  Wildberries.ru
2. **OZON**  Ozon.ru
3. **ИТУАЛ**  Letu.ru

Other online stores in TOP-10 (in alphabet order):

- 4fresh
- Аль де Ботэ
- Krasotkapro
- Randewoo
- Рив Гош

* By volume of revenue.
69% of online cosmetic stores are companies (JSC, LLC). 31% are registered as individual entrepreneurs.
Only 18% of largest online stores in the segment (TOP-1000 participants) stores are registered in non-capital regions, including 3 stores registered in the Sverdlovsk region, 3 more - in other regions of the Urals and the Asian part of Russia, 4 non-capital regions of European Russia.

* By the legal entity registration address
Delivery
42% of the cosmetics online stores use all four delivery methods.

*Pick-up point - pick-up from all non-automated (with employees) pick-up points, including company stores.
Mobile Commerce
Customers are more likely to use mobile browsers to visit online cosmetic stores.

Average figures for 58 online stores based on SimilarWeb data are given here ("weight" of store in general segment traffic is not taken into account)
Mobile Apps

The most popular* app belongs to Goldapple.ru – more than 1 m downloads with an average Google play rating 4,9.

33%

The share of cosmetics online stores with apps in Google Play

25%

The share of cosmetics online stores with apps in App Store

* Excluding the applications of multi-category online stores and international applications.
Customer Acquisition Channels
The traffic structure of the cosmetics online stores segment is close to the average values for the entire eCommerce market, except for the 3 times bigger share of the display ads transitions (10% vs. 3% on average) and a slightly increased share of the «organic».

According to SimilarWeb; the average figures for 58 online stores are given, without taking into account the "weight" of the store in the total traffic of the segment.
As of July 2021, 30 online cosmetics stores were presented on Yandex.Market (52% of those included in the study). The peak of placement activity was in 2018 - 41 online stores on Yandex.Market. Total amount of reviews – 397 K
Average rating * 4.6 🌟🌟🌟🌟🌟

* Average rating for all reviews on Yandex.Market for July 2021
The data is calculated for 58 online cosmetics stores that were in the TOP 1000 participants in June 2021
**Social Networks Activity**

Instagram is the most popular social network for online retailers of children’s goods. 91% of them have active accounts at Instagram, and 68% of these accounts have more than 10,000 subscribers.

<table>
<thead>
<tr>
<th>Social Network</th>
<th>Total*</th>
<th>Median**</th>
<th>Number of Subscribers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instagram</td>
<td>91%</td>
<td>39,583</td>
<td>5% 18% 35% 33%</td>
</tr>
<tr>
<td>Vkontakte</td>
<td>89%</td>
<td>28,052</td>
<td>2% 24% 38% 25%</td>
</tr>
<tr>
<td>Facebook</td>
<td>77%</td>
<td>2,384</td>
<td>30% 23% 12% 12%</td>
</tr>
<tr>
<td>Youtube</td>
<td>46%</td>
<td>6,240</td>
<td>12% 16% 16% 2%</td>
</tr>
<tr>
<td>Odnoklassniki</td>
<td>25%</td>
<td>14,655</td>
<td>11% 9% 5%</td>
</tr>
<tr>
<td>Twitter</td>
<td>16%</td>
<td>188</td>
<td>9% 7%</td>
</tr>
</tbody>
</table>

* The percentage of online stores using the respective social network
** Median number of subscribers using the respective social network

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Distribution of online retailers by the number of subscribers in social networks:

- **0 - 1,000**
- **1,001 - 10,000**
- **10,001 - 100,000**
- **100,001 +**
42% online stores use in-house development CMSs (CMS is a system for creating, managing, and editing content). 25% online stores Bitrix, 12% – Magento, 21% - another CMSs.

56% of online cosmetics retailers do not send newsletters about their special offers and promotions. 9% use their own email system. 35% of online stores use third-party services. the most popular of which is Mindbox (7%).
Marketing Services

The share of online stores, using marketing services

- **Statistics and Analytics**
  - Yandex.Metrics, Google Analytics, calltracking systems, other services that track traffic and customers behavior on the website.
  - **Yandex.Metrika – 93%**
  - **Google Analytics – 93%**

- **Ad Networks**
  - Networks for placing ads on pages of other ad network participants.
  - **DoubleClick (Google Display&Video 360) - 84%**

- **Advertising Services**
  - Advertising management and personalization services.
  - **Facebook Custom Audiences – 56%**

- **Feedback Services**
  - Online and email communication, callback services.
  - **JivoSite – 14%**

*The share of use for the most popular services is indicated from the total number of online cosmetics stores of TOP-1000.*
News in Russia 2020

February
iHerb is opening its warehouse in Russia

April
«Obuv Rossi» marketplace expands cooperation with cosmetic companies

May
The demand for beauty goods increased by 2 times during self-isolation

June
«Ulybka Radugi» launched a new service – Fast Delivery

July
In the second quarter, sales of beauty products on Wildberries.ru increased by 208% year to year, up to 8,7 bn rubles
Migel Agency Research: How the pandemic changed the preferences of the Russians when choosing cosmetics

September
Lamoda expands the beauty brands category

November
Natura Siberica invested $14,5 m in professional cosmetics development

December
How TikTok became an important platform in beauty market segment
Magnit and Delivery Club launched cosmetics express-delivery

More news in our weekly eCommerce monitoring
World News 2020

January  

Natura & Co acquired Avon

How e.l.f. Cosmetics is using personalization to drive e-commerce sales

February  

The global online sells of the French brand L’Oreal increased by 62%

April  

Madison Reed Inc.: How the traffic and conversions of hair cosmetics retailers have grown during the lockdown

May  

Yieldify: 8 beauty trends in eCommerce

June  

Instagram shopping: Sephora case

August  

WARC forecast: Cosmetics online sales will increase to 23.3% by 2025

How subscription beauty memberships helped Ipsy to generate more than triple the revenue

November  

L’Oréal started to sell digital cosmetics

More news in our weekly eCommerce monitoring
Conversion rates, technologies, mobile traffic share, promotion channels and pivot are given for TOP-10 by number of orders
Our Segment Reports

New segment reports on the horizon:

- Household appliances and electronics
- eGrocery
- Pet goods
- Autoparts
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