

Cosmetics Online Market

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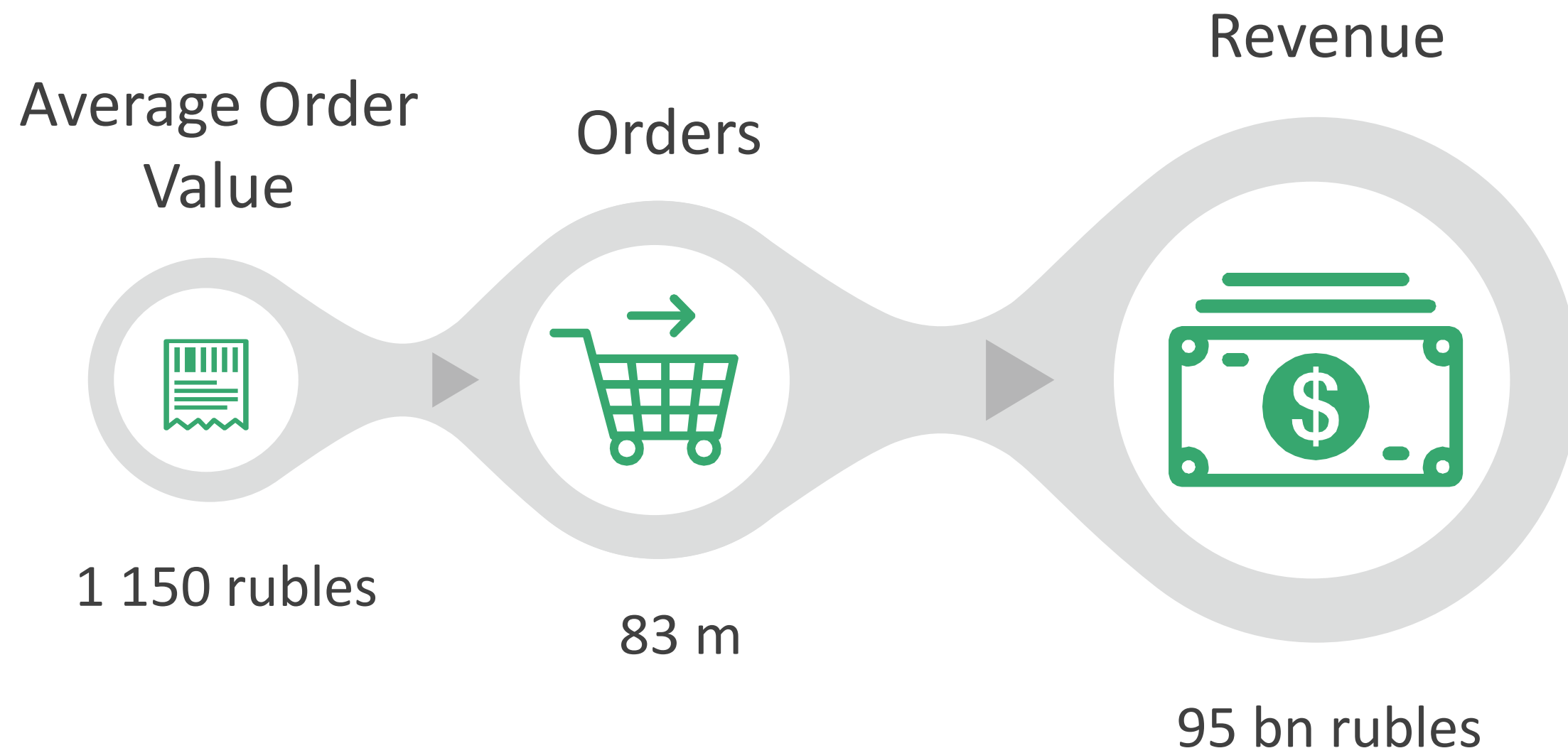
Methodology

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 multcategory 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 multcategory 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

Cosmetics Online Market Size



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**.

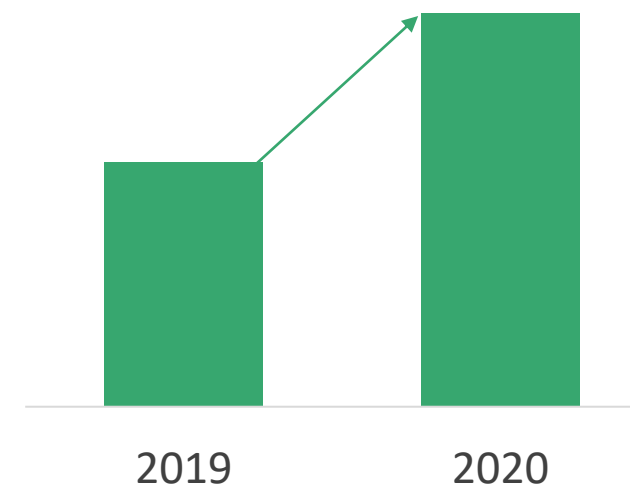


Market Dynamics

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%**.

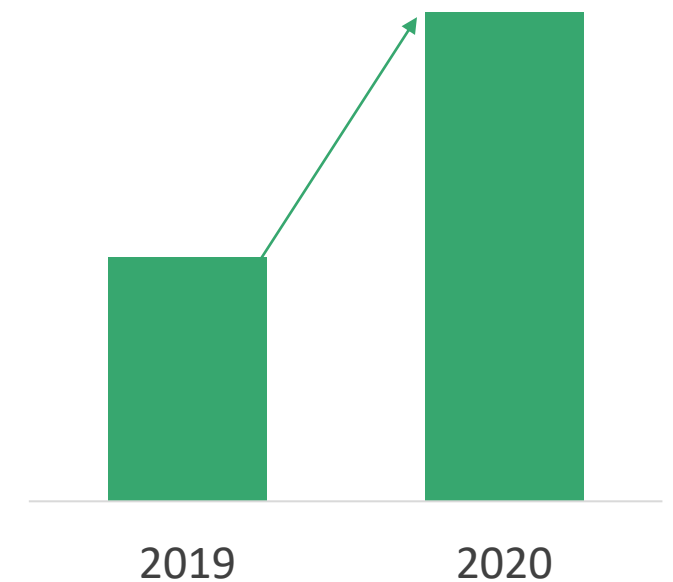
Orders

+158%



Revenue

+99%



The Share of Cosmetics Online Store in eCommerce Market

Number of Orders



Revenue

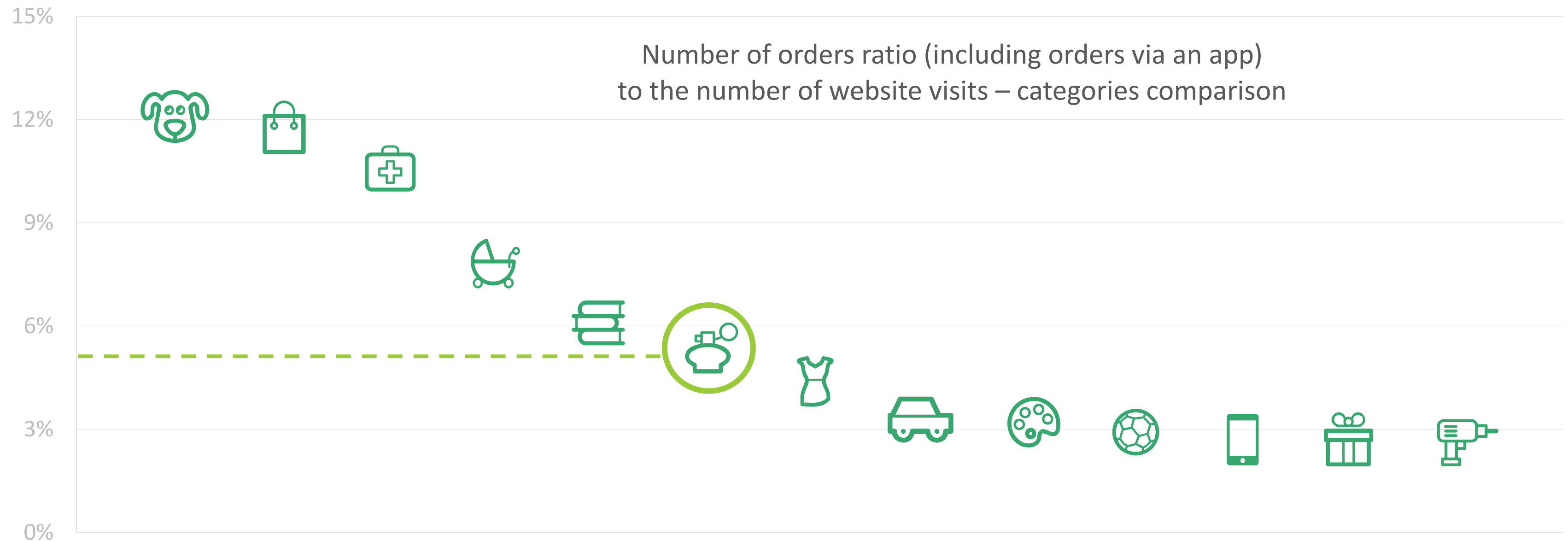


In 2020, cosmetics online stores stand for **10%** of all domestic online orders and **4%** of related revenue volume.

* Only TOP-1000 participants are taken into account

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 multicategory stores
Food retailers are excluded because of large share of online retailers taking orders only by mobile apps*

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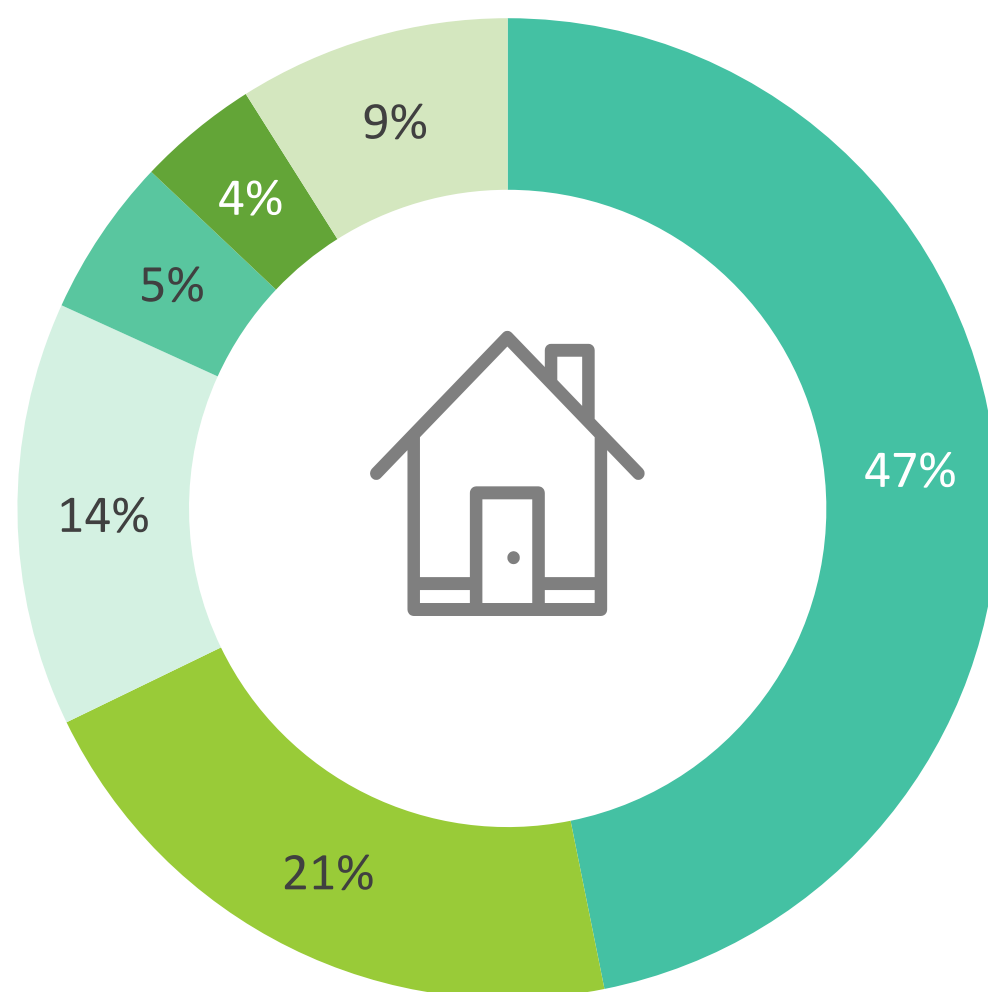
The background features two brushes with light brown bristles and black handles, positioned diagonally. A large, soft cloud of brown powder is scattered across the upper left and center. The text 'Segment Composition' is centered within a light green circular highlight.

Segment Composition

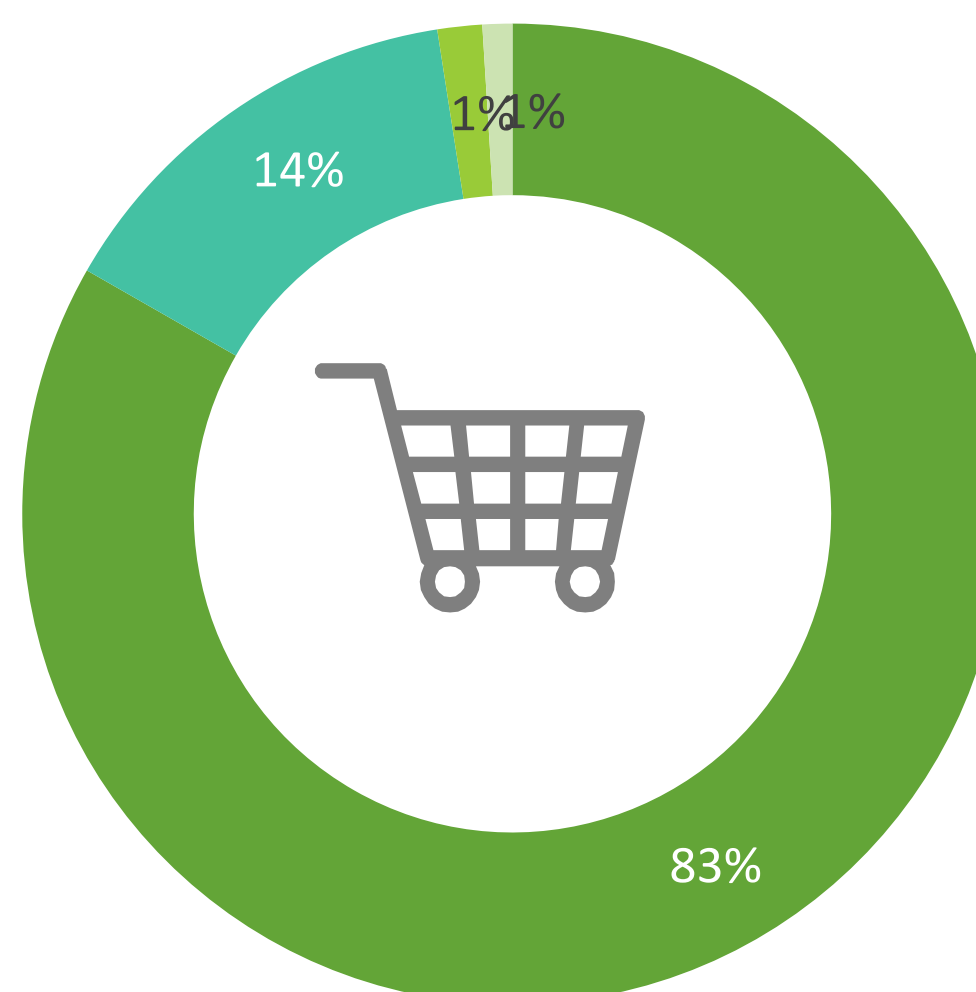
Segment Structure

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.

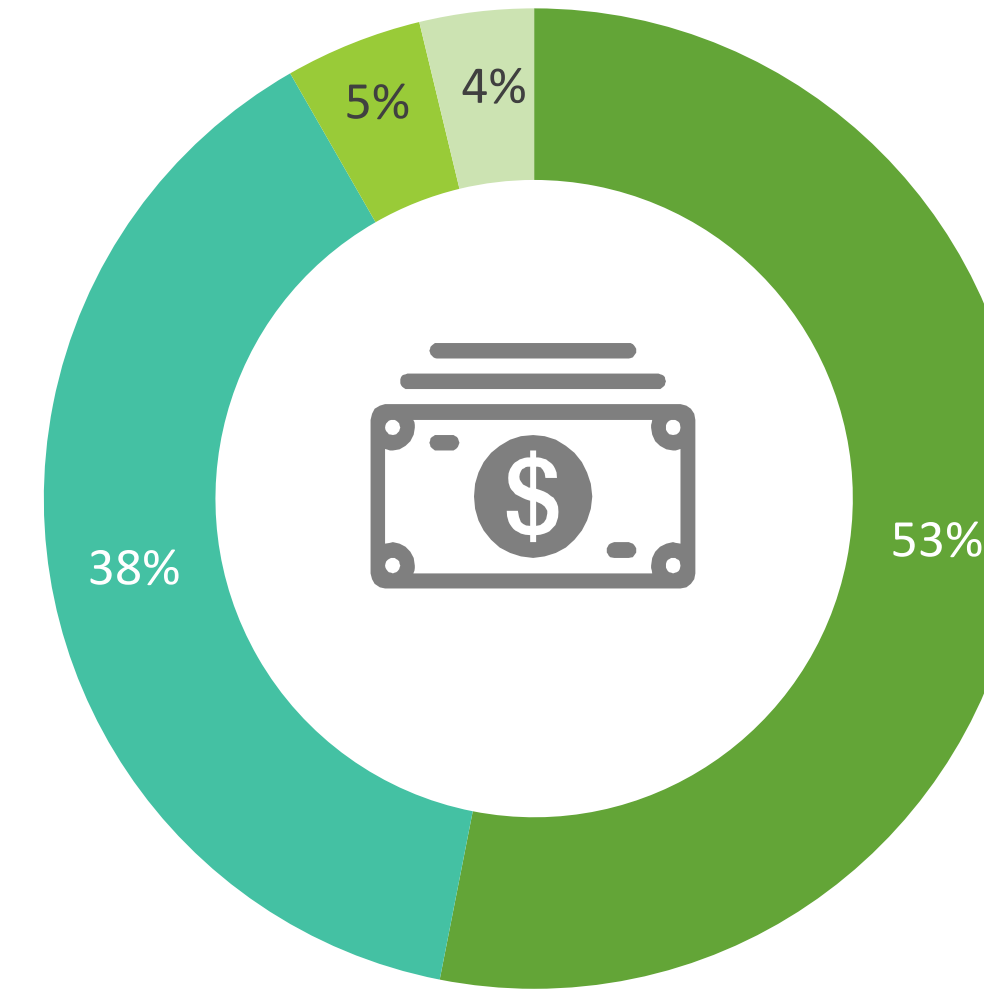
Number of stores



Number of orders



Revenue

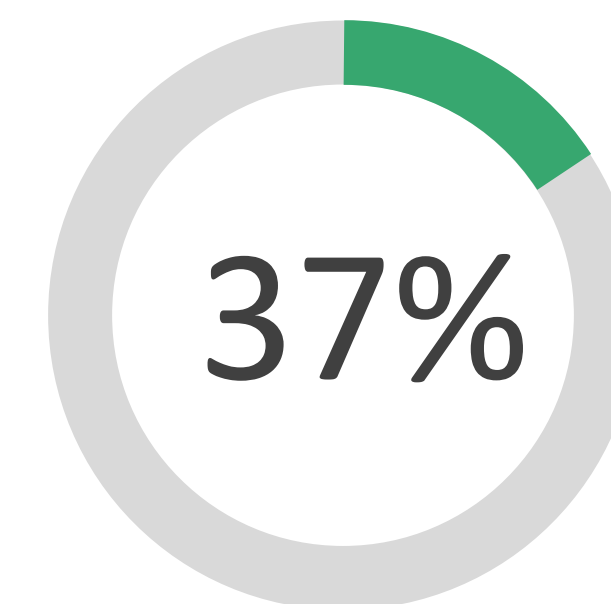


- General stores
- Care cosmetics
- Perfumery
- Nail products
- Universal marketplaces
- Other*

* «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):



*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** 24/7 РАБОТАЕМ ВСЕГДА Ozon.ru

3. **Л'Этуаль** Letu.ru

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



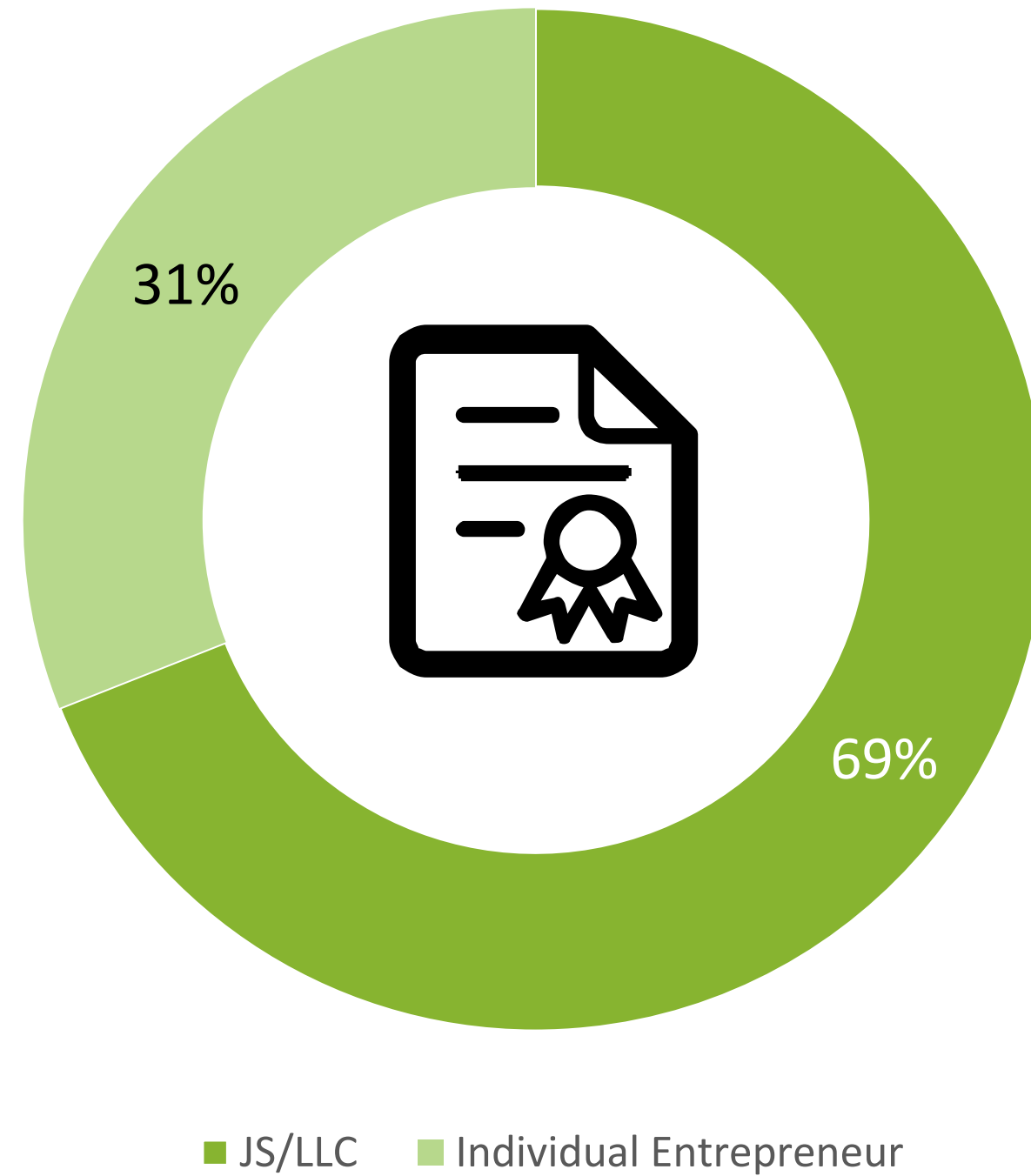
ИЛЬ ДЕ БОТЭ



РИВ ГОШ

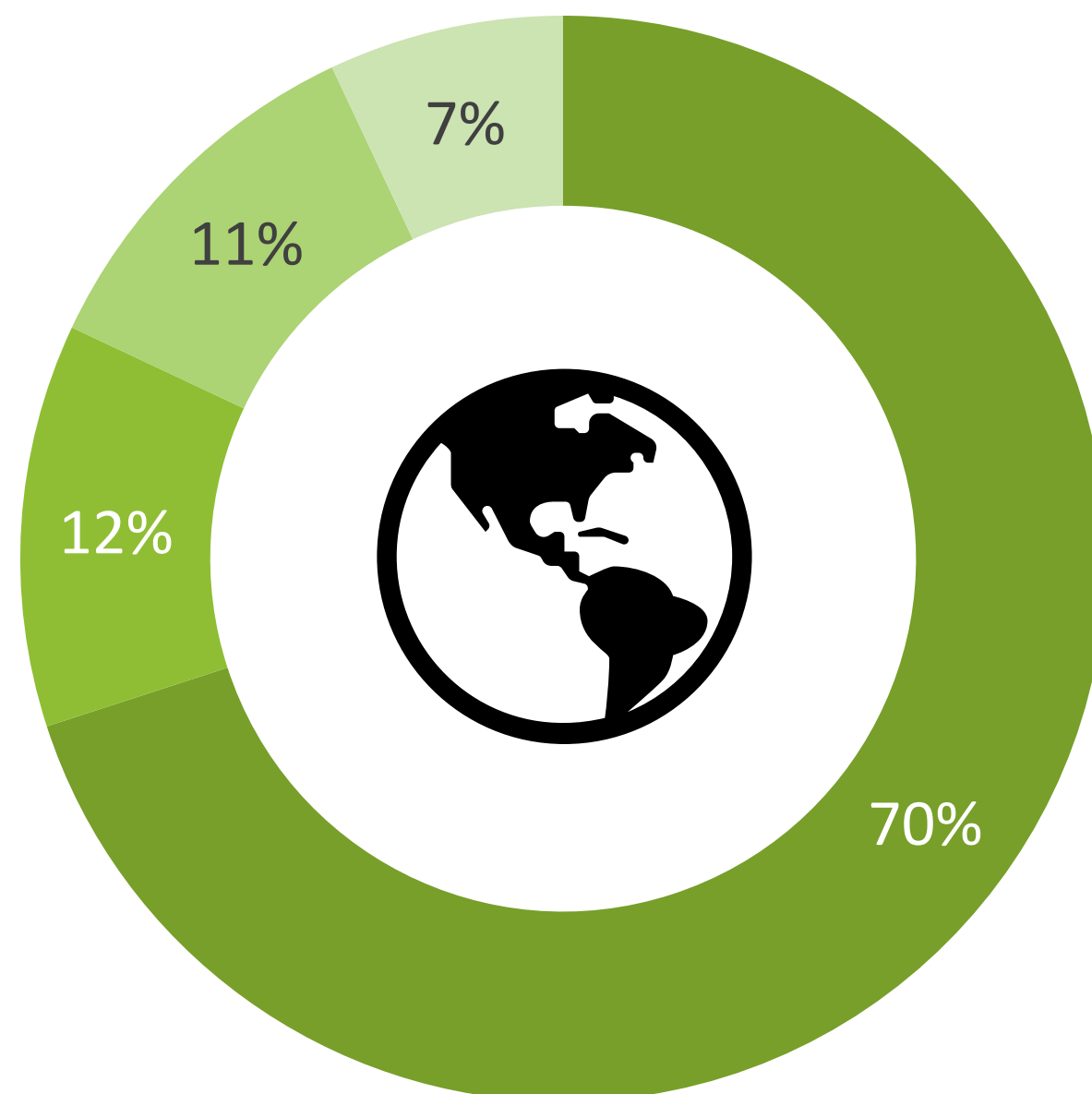


* By volume of revenue.



Retailers by Legal Status

69% of online cosmetic stores are companies (JSC, LLC). 31% are registered as individual entrepreneurs.



- Moscow and Moscow region
- Saint-Petersburg and Leningrad region
- The Urals and the Asian part of Russia
- European part of Russia

Online Stores Geography*

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.

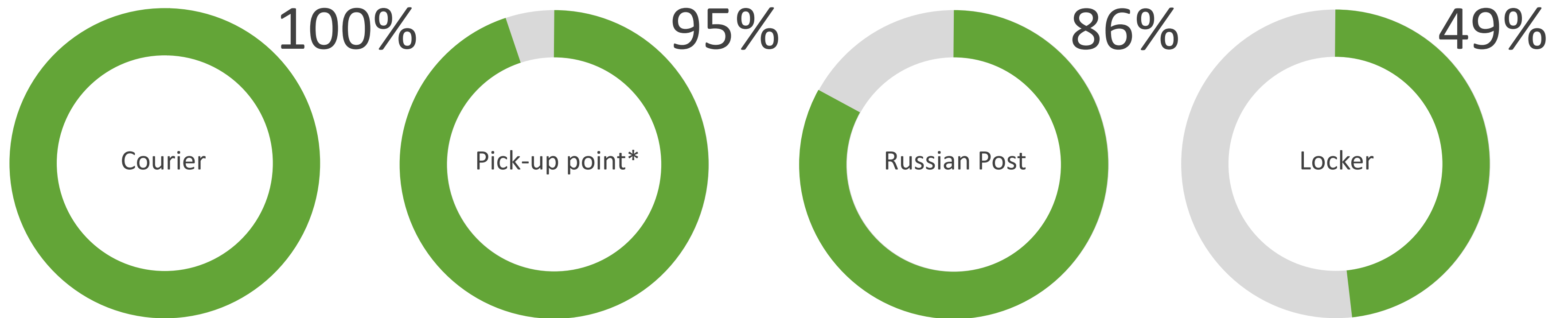
* By the legal entity registration address



Delivery

Delivery Methods

Share of online stores using different delivery methods



42% of the cosmetics online stores use all four delivery methods.

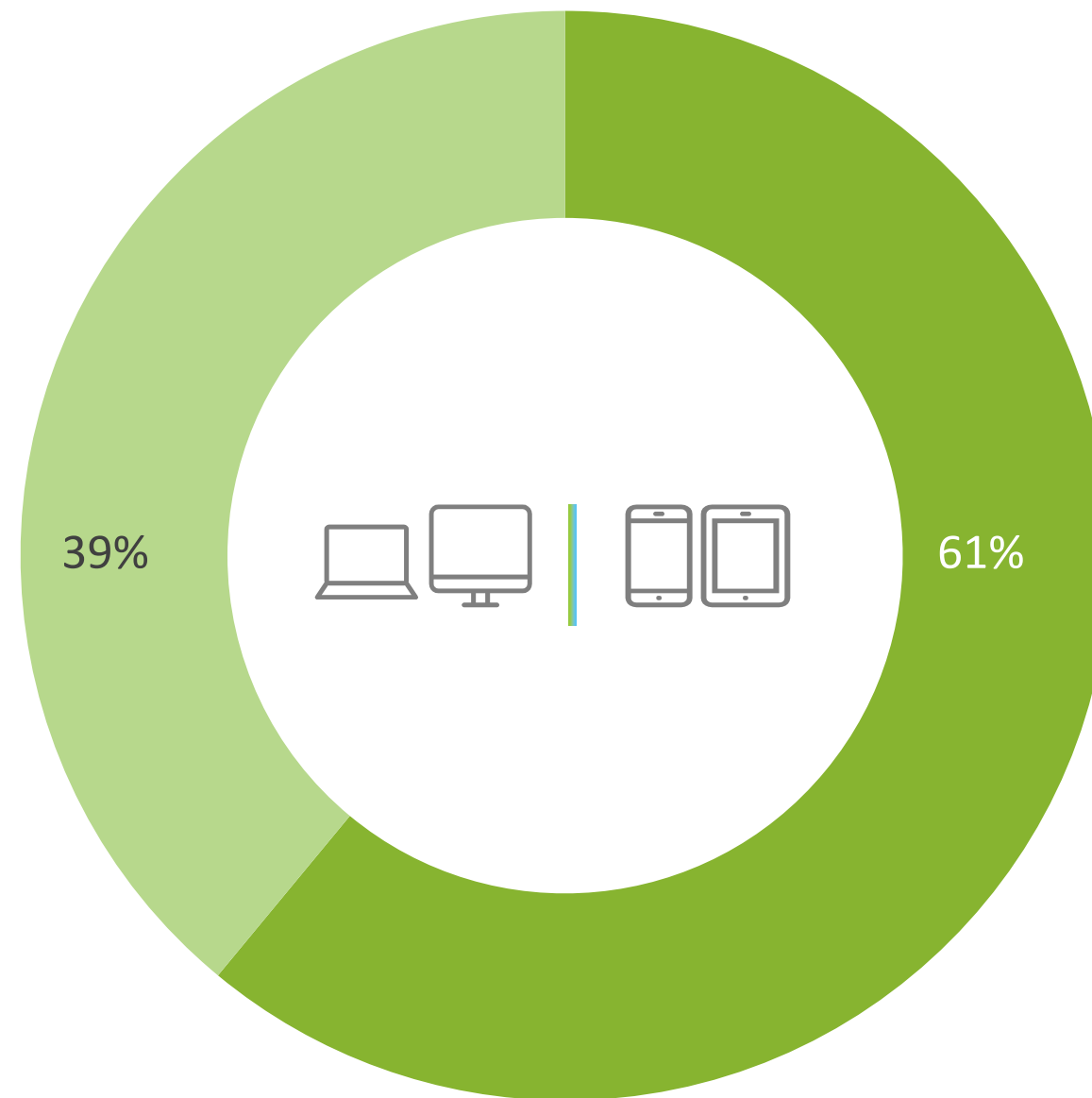
*Pick-up point - pick-up from all non-automated (with employees) pick-up points, including company stores.



Mobile
Commerce



Desktop vs Mobile



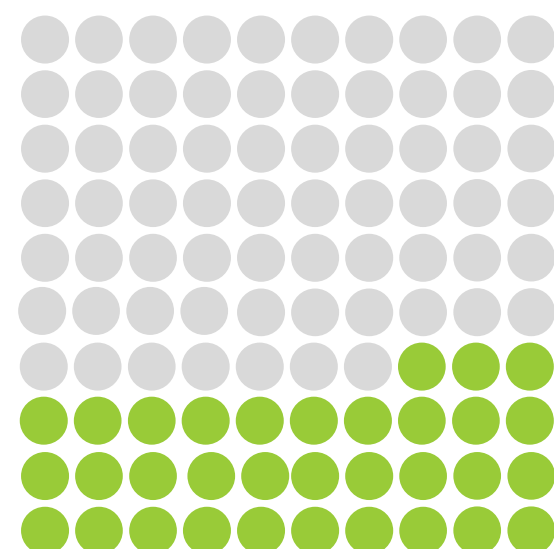
Customers are more likely to use mobile browsers to visit online cosmetic stores.

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)

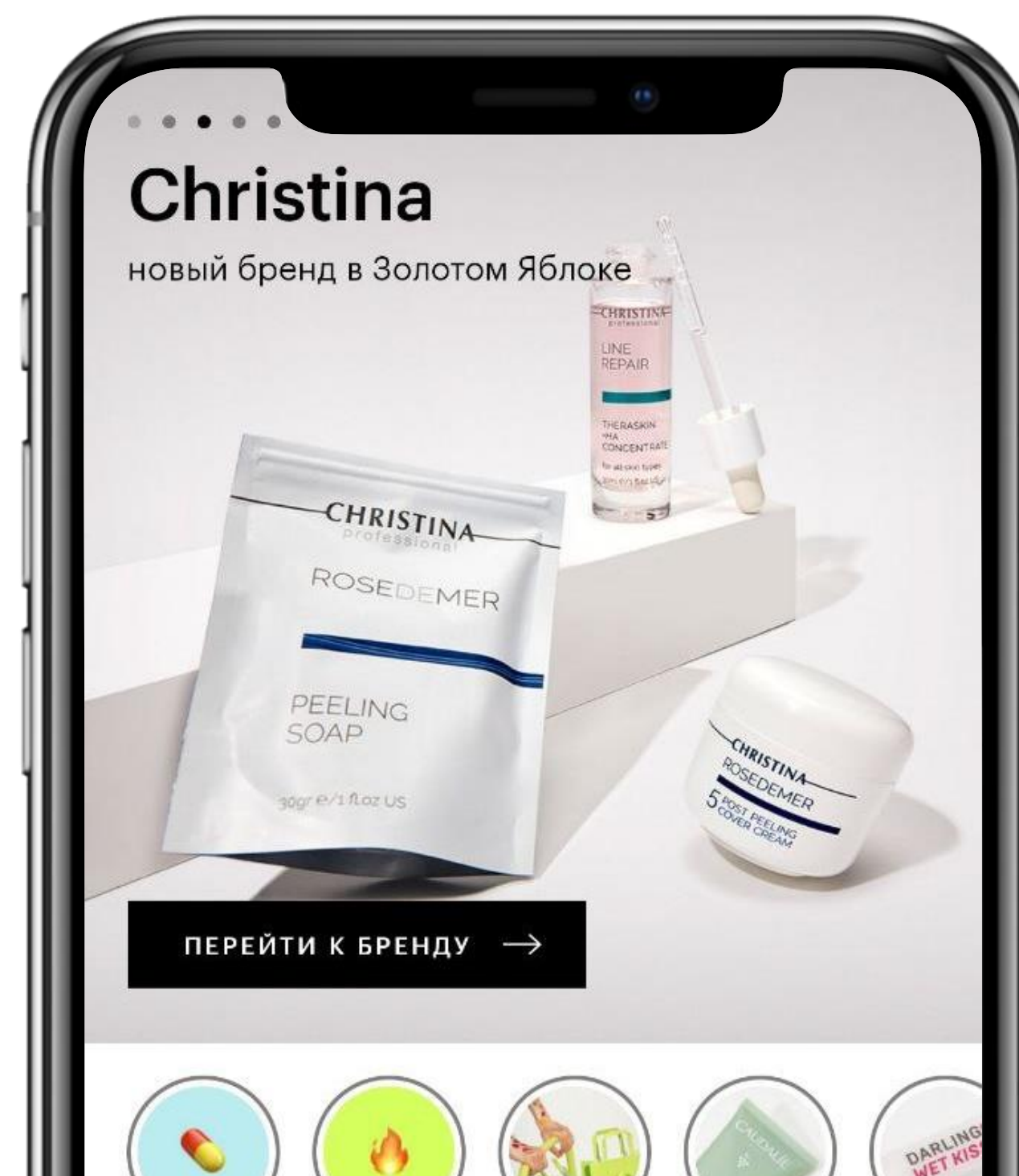
Mobile Apps

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**

Goldapple.ru app (the screenshot of the app with the most reviews) →

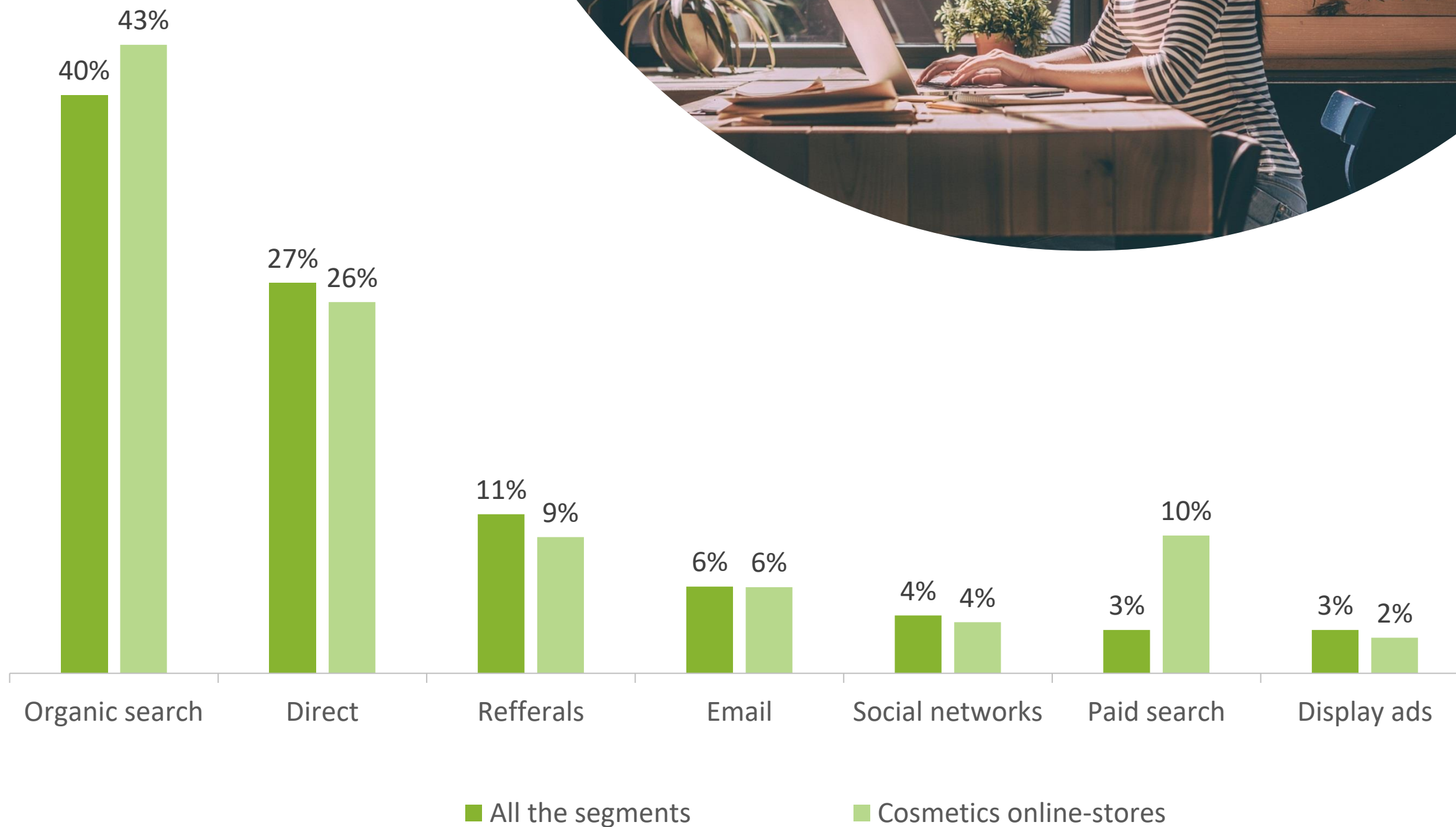
* Excluding the applications of multi-category online stores and international applications.

The background features two brushes with light-colored bristles and dark handles, positioned on a dark surface. A trail of light-colored powder or dust is scattered across the surface, starting from the top left and moving towards the center. A light blue circular highlight is centered over the text.

Customer Acquisition Channels



Share of Traffic




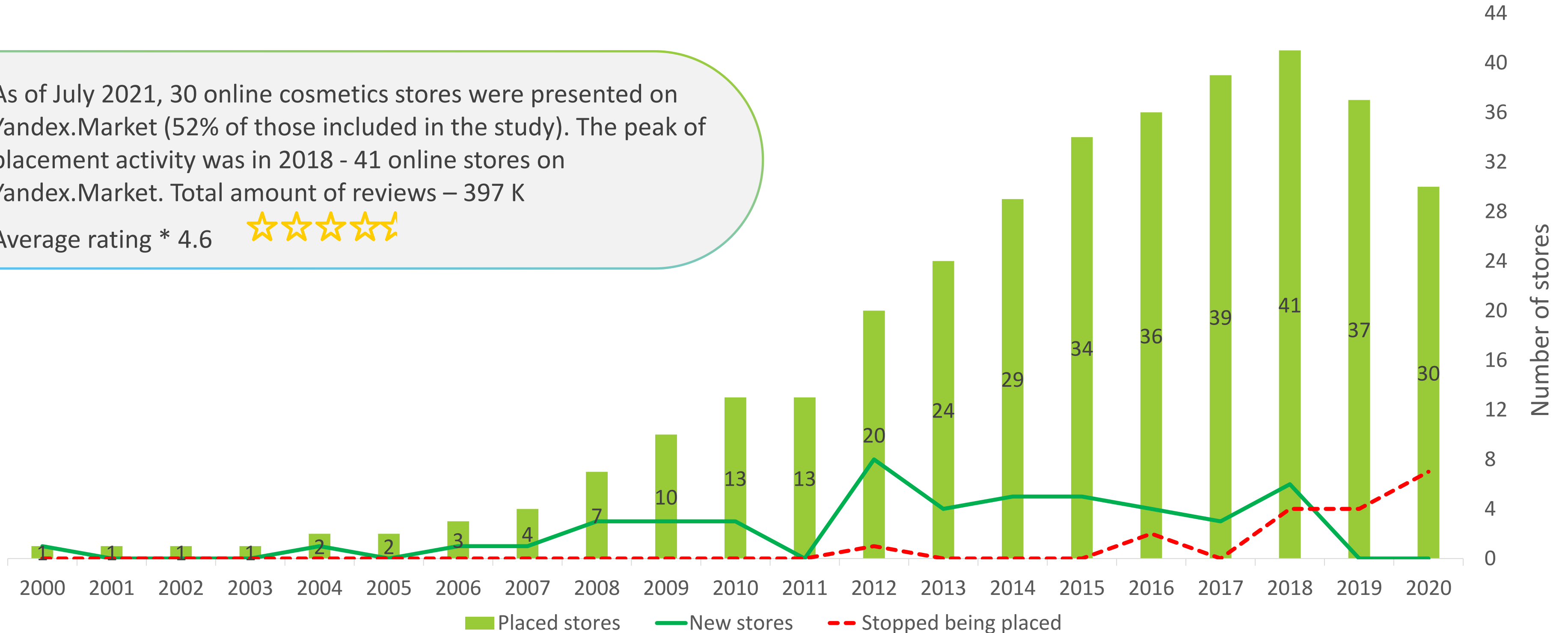
The traffic structure of the cosmetics online stores segment is close to the average values for the entire eCommerce market, except for the 3 times bigger share of the display ads transitions (10% vs. 3% on average) and a slightly increased share of the «organic».

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.

Representation on Yandex.Market

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 

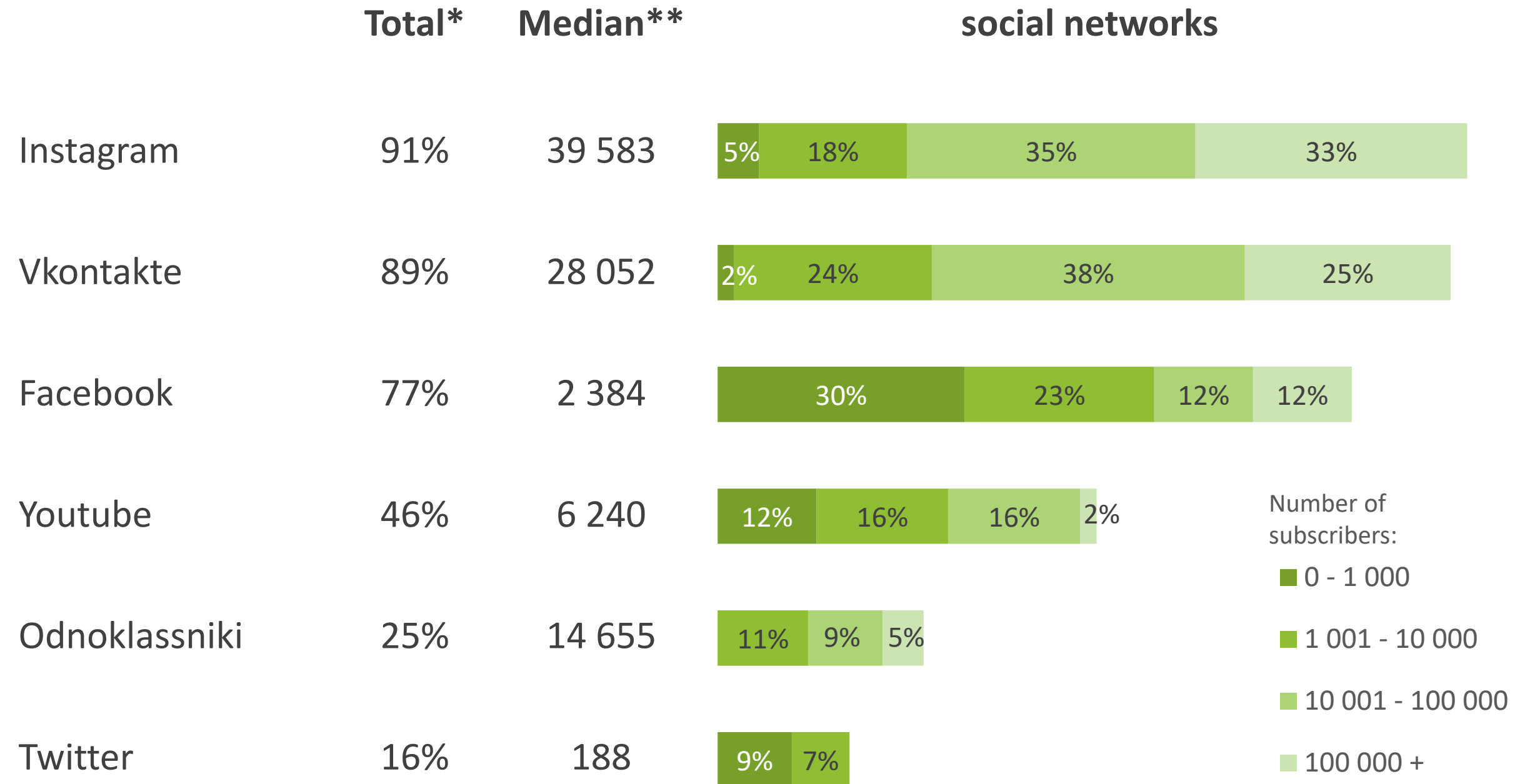


* Average rating for all reviews on Yandex.Market for July 2021
The data is calculated for 58 online cosmetics stores that were in the TOP 1000 participants in June 2021)

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.

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



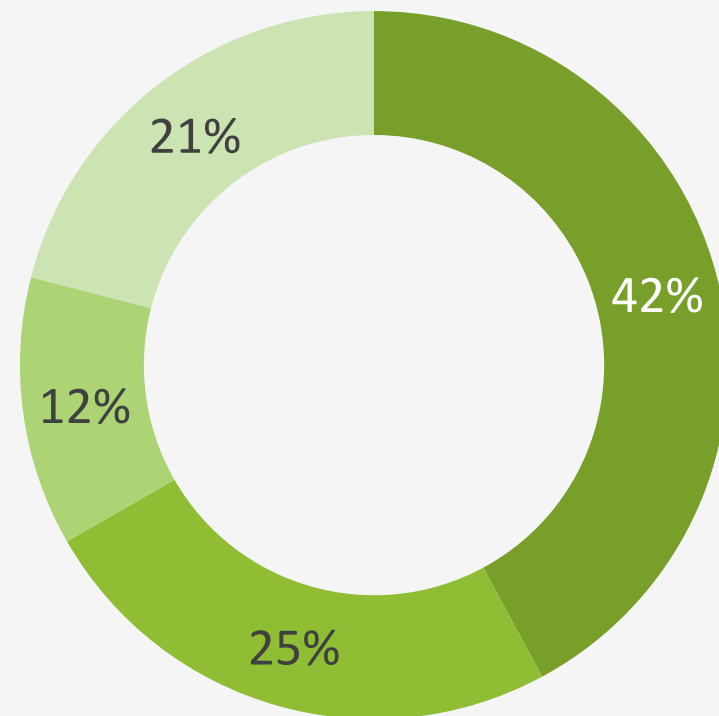
* The percentage of online stores using the respective social network

** Median number of subscribers using the respective social network

The image features two brushes with light-colored bristles and dark handles, positioned diagonally against a dark background. A large, soft-focus cloud of brown powder is visible in the upper left. A thin green circle highlights the word "Technology" in white, sans-serif font, which is centered over the brush on the left.

Technology

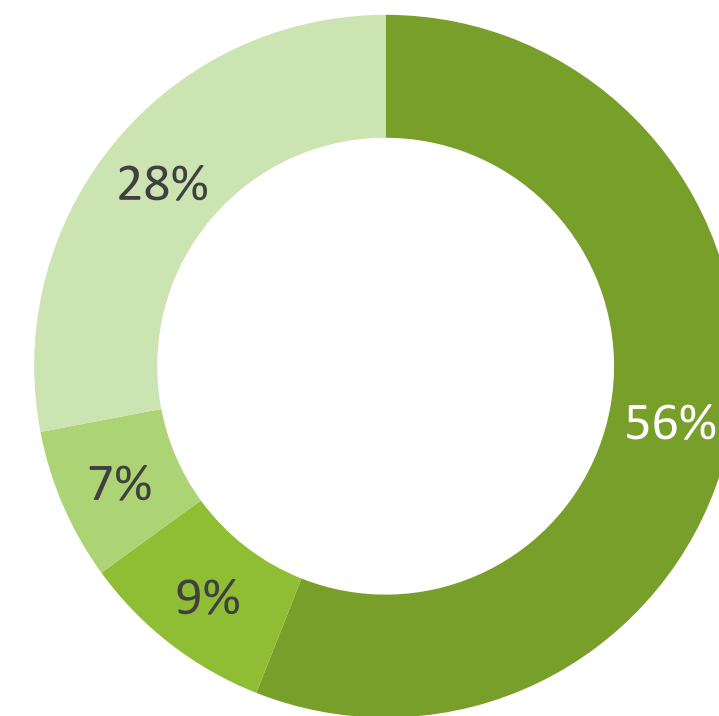
CMS



- In-house development
- 1C-Bitrix
- Magento
- Other CMS

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.

Email

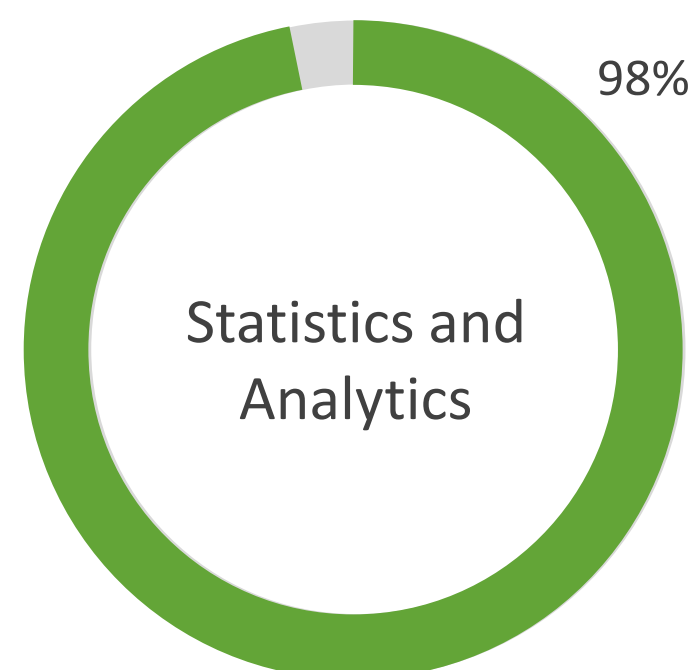


- No newsletters
- In-house development
- Mindbox
- Third-party services

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%).

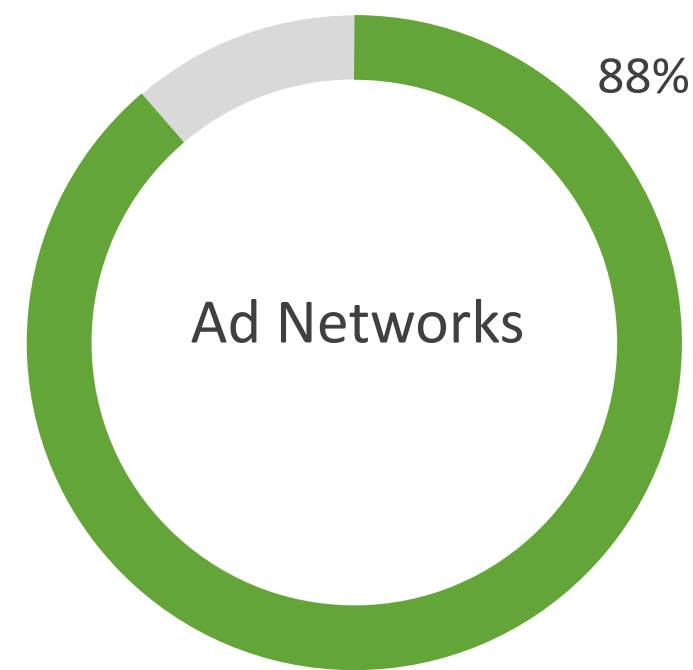
Marketing Services

The share of online stores, using marketing services



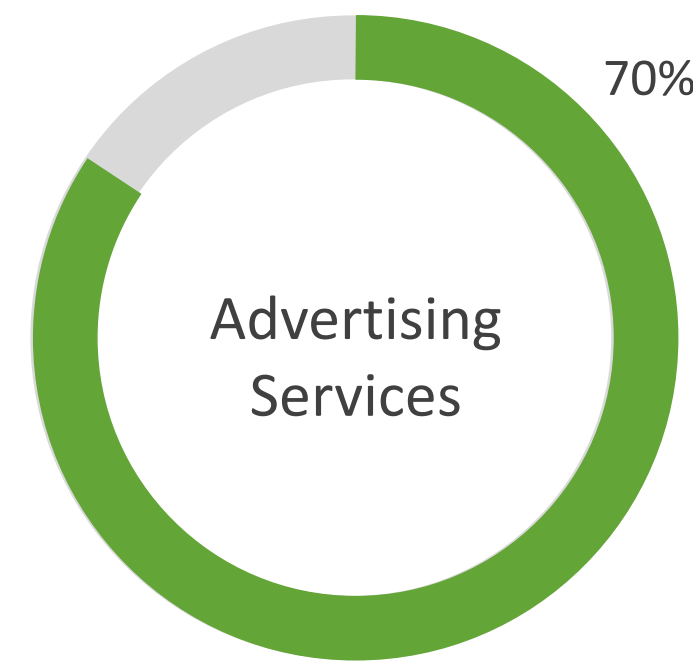
Yandex.Metrics, Google Analytics, calltracking systems, other services that track traffic and customers behavior on the website.

🏆 Yandex.Metrika – 93%
Google Analytics – 93%



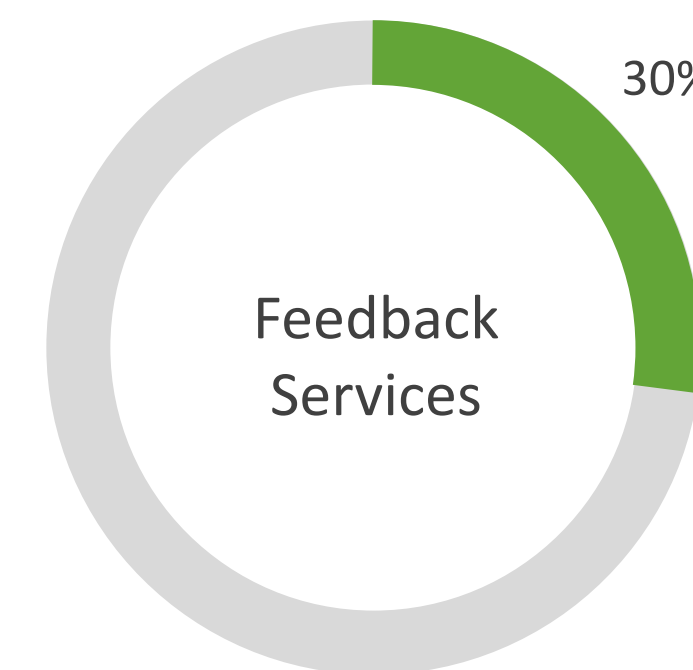
Networks for placing ads on pages of other ad network participants.

🏆 DoubleClick (Google Display&Video 360) - 84%



Advertising management and personalization services.

🏆 Facebook Custom Audiences – 56%



Online and email communication, callback services.

🏆 JivoSite – 14%



News

News in Russia 2020

- February [iHerb](#) is opening its warehouse in Russia
- April «[Obuv Rossii](#)» 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

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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


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Full version of the Report

- ✓ TOP10 by the number of **orders**
- ✓ TOP-10 by the **revenue**
- ✓ TOP10 by the number of website visitors **visitors** number (plus dynamics)
- ✓ Conversation rates in **TOP10**
- ✓ **Technologies** in TOP-10 (CMS, e-mail, marketing services)
- ✓ **Mobile traffic** share in TOP-10
- ✓ **Mobile apps** review
- ✓ **Promotion channels** share in TOP10 traffic
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DATA insight

New segment reports on the horizon:

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

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