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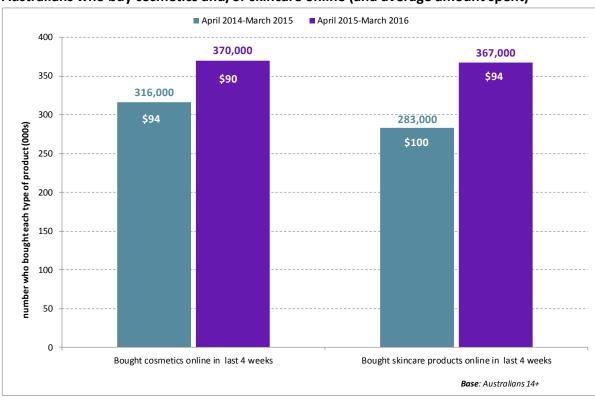
You beauty! Buying cosmetics and skincare online becoming more popular

In any given four-week period, 8 million Australians aged 14+ make at least one online purchase: that's just over 40% of the population. While cosmetics and skin-care products account for just a small portion of these online transactions, the latest figures from Roy Morgan Research reveal that both categories have made important year-on-year gains.

Between April 2014 and March 2015, 316,000 Aussies bought cosmetics and 283,000 bought skin-care products from an online retailer in an average four weeks, with 108,000 buying both. Between April 2015 and March 2016, these figures rose to 370,000 and 367,000 respectively, while the number of crossover customers increased to 120,000.

Over the same period, however, the average amount spent per customer on these products decreased in both cases: from \$94 to \$90 for cosmetics, and from \$100 to \$94 for skin care.

Australians who buy cosmetics and/or skincare online (and average amount spent)



Source: Roy Morgan Single Source (Australia), April 2014 – March 2015 (n=15,913) and April 2015–March 2016 (n=15,074).

Australian consumers are far more likely to purchase cosmetics and/or skincare online from local, rather than overseas, retailers.

As of March 2016, 179,000 people reported buying cosmetics from an Aussie online retailer only, well ahead of the 91,000 who made their purchase via an overseas website. (It should be noted that 92,000 shoppers couldn't say whether the website they bought from was Australian or international, while a further 8,000 bought makeup from both a local and an overseas website).

For skincare, the skew towards local vendors is even more pronounced: 194,000 purchased from an Australian online retailer only, more than double the number (82,000) who reported buying from an overseas retailer. Meanwhile, 85,000 couldn't say and 6,000 bought skincare items from both in an average four weeks.

Norman Morris, Industry Communications Director, Roy Morgan Research, says:

"Buying cosmetics and skincare products online is becoming more popular among Australian consumers, showing a strong year-on-year growth. Not surprisingly, the vast majority of shoppers are women. While a higher proportion of 35-49 year-olds buy these products online than women of any other age, it is a popular category across most age groups, only dropping off past the age of 65.

"Part of the appeal of purchasing skincare and make up via the internet is that it's often cheaper than shopping in bricks-and-mortar stores. However, while people who buy these products online are slightly more likely than the average Australian to agree they'll go out of their way in search of a bargain, they're much more likely to over-index when it comes to attitudes such as 'it's important to look fashionable' and 'I was born to shop' -- suggesting that the increased choice of brands and products online may have something to do with it. What's more, with an above-average proportion feeling that there are not enough hours in the day, the convenience of shopping online would definitely appeal.

"Australian skincare and cosmetics brands and retailers keen to succeed in this growing market (while remaining one step ahead of overseas competitors) need to really understand not simply the demographics of shoppers most likely to buy these products online, but also their attitudes and media consumption habits. Only Roy Morgan Single Source can provide such detailed information, and with it, the means to reach these exact consumers via the most appropriate channels."

For comments or more information about Roy Morgan Research's online retail data, please contact:

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Related research findings

View our <u>range of Online Shopper profiles</u>, including <u>People who have bought Cosmetics/Skincare Online</u>.

Compiled with data from Roy Morgan's Single Source survey (the largest of its kind in the world, with 50,000 respondents p.a), these ready-made profiles provide a broad understanding of the target audience, in terms of demographics, attitudes, activities and media usage in Australia.

About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices in each state of Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years' experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

| Sample Size | Percentage Estimate | | | |
|-------------|---------------------|------------|------------|-----------|
| | 40%-60% | 25% or 75% | 10% or 90% | 5% or 95% |
| 5,000 | ±1.4 | ±1.2 | ±0.8 | ±0.6 |
| 7,500 | ±1.1 | ±1.0 | ±0.7 | ±0.5 |
| 10,000 | ±1.0 | ±0.9 | ±0.6 | ±0.4 |
| 20,000 | ±0.7 | ±0.6 | ±0.4 | ±0.3 |
| 50,000 | ±0.4 | ±0.4 | ±0.3 | ±0.2 |