

## Positive development of the Dutch cosmetics market through growth online sales

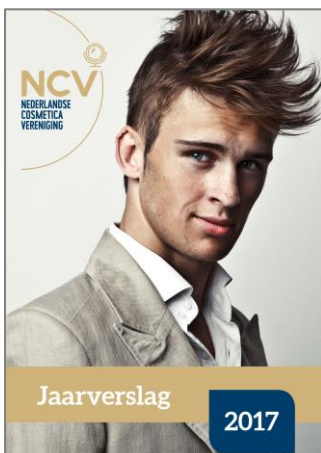
The overall cosmetics market shows a positive development of 1.5-2% in 2017, with total consumer spending amounts to more than 2.6 billion euros. The growth is mainly driven by online purchases.

The so-called 'health and beauty industry', including the cosmetics industry, is one of the top 5 branches with the largest online spendings and is growing strongly. The growth of online sales is in absolute terms higher than growth in the drugstore and perfumery, with about 44 million euros of growth. The growth of e-commerce ensures a positive development in various market segments. Online purchases make up 4.4% of the total purchases of cosmetics. At the moment more than 10% of the fragrances are bought online, with the selective fragrances (perfumery) growing faster.

The turnover of cosmetics is under pressure. The promotional pressure has increased even further. There are more and 'deeper' promotions (for example 1 + 1) and sometimes promotions on entire market segments (all shampoos or deodorants), which is why value has flown from the market. In total 39.2% (33.5% in 2016) is sold by promotions in personal care.

An important theme in daily life for the consumer is health. Here cosmetics plays an important role, with products that contribute to hygiene, care and well-being. The most important buyers of personal care products are 'empty nesters' (older families without children), on average they spend the most on cosmetics. The 50+ buyers are becoming increasingly important. This group has more time but also more to spend, they buy regular and relatively expensive cosmetic products and are loyal to brands. It is expected that the importance of 50+ buyers between now and 2030 will continue to grow.

The NCV has positive expectations for the year 2018. The outlook for the Dutch economy is positive. Consumer confidence is growing. Willingness to buy is high; people are prepared to spend money on quality, added value and niche products. Retailers must be available 24/7 in order not to leave a consumer's moment of purchase unused. The physical store and online must demonstrably reinforce each other. Promotional pressure, particularly in the traditional channel, is expected to remain high. As a result, other possibilities are being sought to add value and many innovations can be expected.



*Using data collected by both Nielsen and GfK the NCV creates, as accurate as possible, an overview of the consumer turnover and trends of personal care products. Nielsen has measured the sale of cosmetics in approximately 98% of the regular supermarket, drugstore and perfumery channels accessible to consumers in the Netherlands. The graphs and tables summarize the way turnover has developed in 2017 in the various market segments. All turnover figures are displayed on consumer price level and include VAT. The Annual Report of the Dutch Cosmetics Association (NCV) can be downloaded for free.*

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