

October 2013

In the Eye of the Beholder: Digital Behaviors of Beauty Shoppers



thinkinsights
Google

WHAT WE WANTED TO KNOW

How do **beauty consumers** use **digital** in their shopping process?

WHAT WE FOUND



Many beauty shoppers are undecided

Nearly half don't know which brand they will buy when they start shopping, and search exclusively on non-branded terms during research



They are constantly researching across screens

Shoppers read reviews (40%) and research general product information (38%) while on-the-go



Beauty shoppers take action after watching beauty videos

41% looked for more information on products and 38% visited stores that sell beauty products



Replenishment and promotions drive beauty purchases



58%

Buy to **replace** a product they ran out of



36%

Buy to take advantage of **promotion**



27%

Buy to **try a new product**



Few consumers say they will try a new product because an **in-store rep gives a recommendation** (9%)



Price, quality and brand are most influential to beauty purchase decisions



77%

Price



75%

Quality



59%

Brand



Affluent women are highly likely to **care about price**



Beauty shoppers **go online** to get product information and to compare prices



67%

Read product specs



65%

Check prices



51%

Read reviews



41%

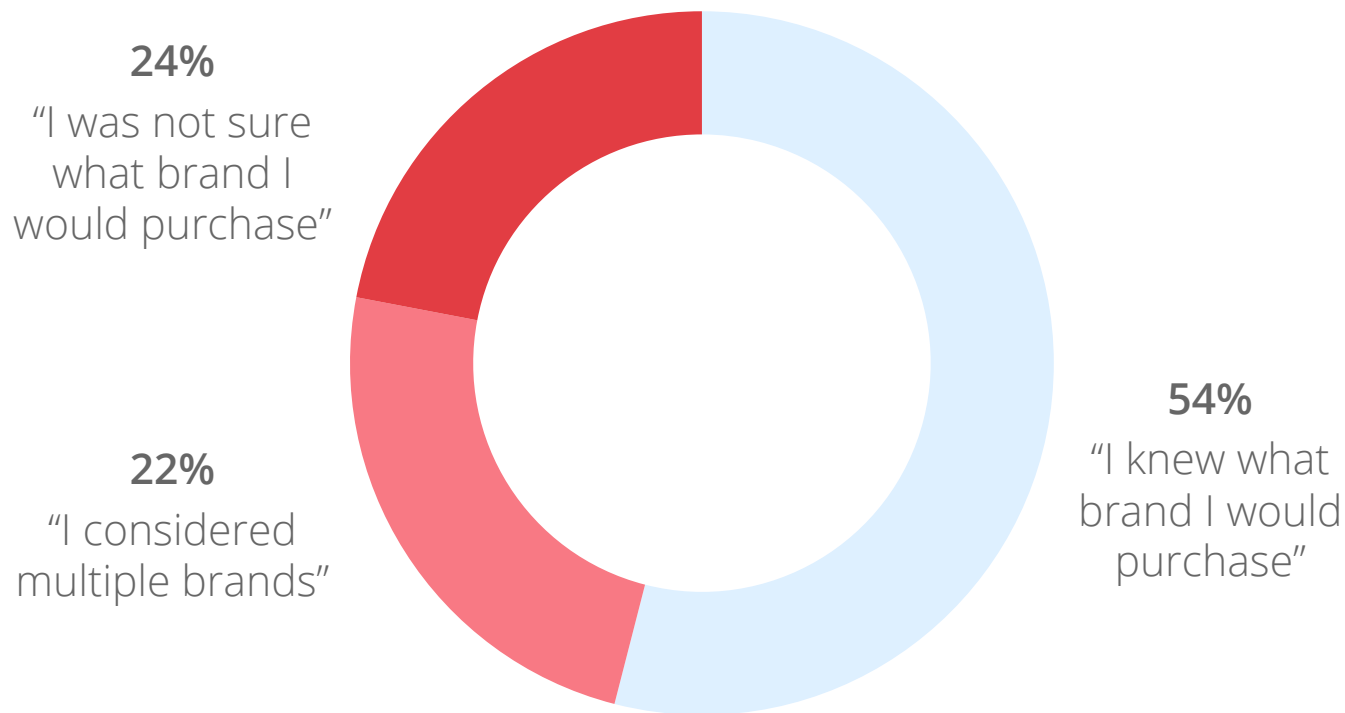
Learn more after seeing an ad



Beauty purchasers say that **brand websites** help them decide on a brand (15%) more than magazines do (9%)



Almost half of beauty shoppers don't know which **brand** they will buy when they start shopping





Online search helps beauty shoppers **discover brands** to consider

➤ Undecided shoppers search exclusively on **non-branded terms** (49%) when they begin their research

➤ And of shoppers who start their search with non-branded terms, **46% end by searching on brand terms**

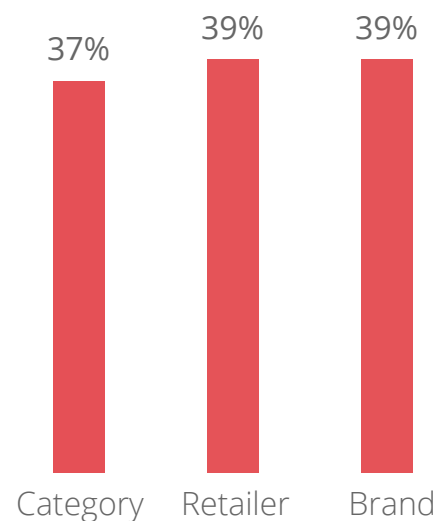
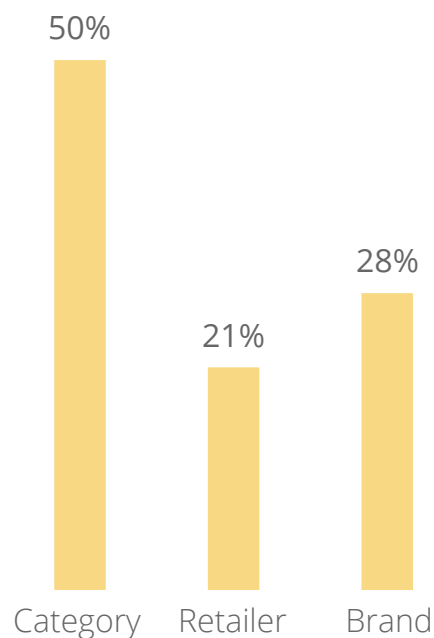




Category terms play an important role throughout the research process

Queries during research

Final query before purchase





Beauty shoppers rely on **paid search ads** while they research



53%

of beauty researchers click on paid search ads



78%

of clicks on paid search ads from non-branded keywords come from shoppers who have never visited the brand's site before

Marketers relying solely on organic search miss almost

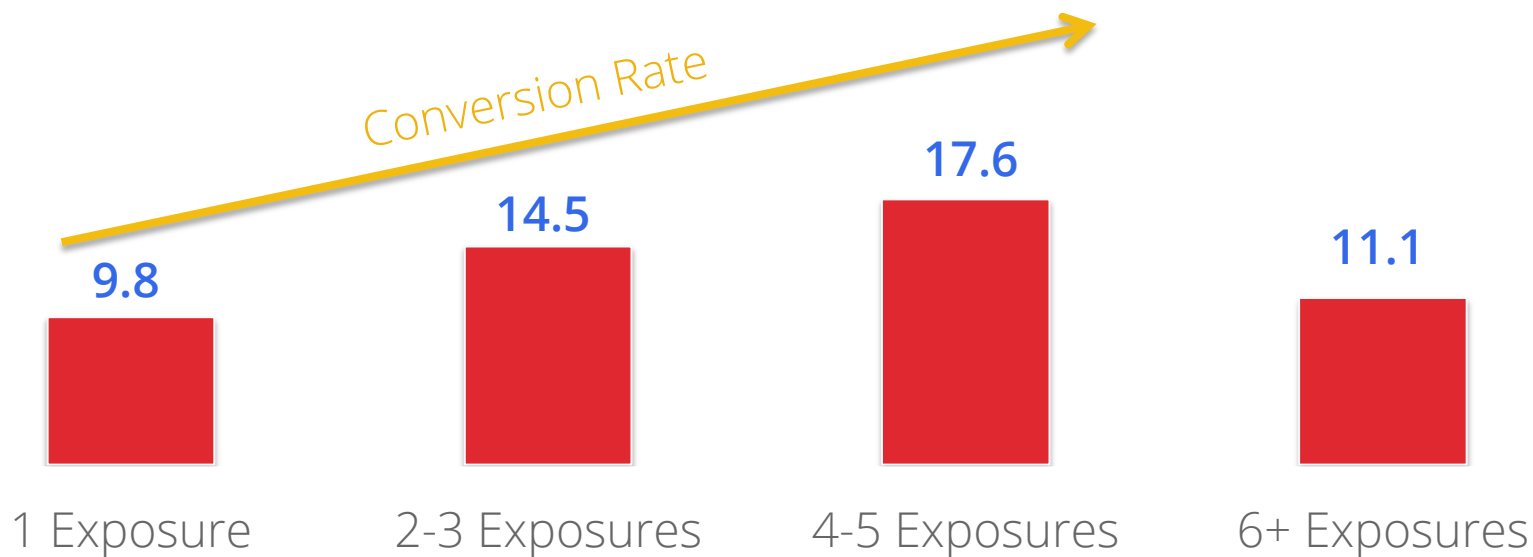
2 IN 5

shoppers who make a purchase



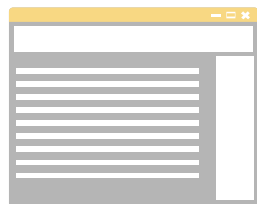
Exposures to multiple non-branded paid search ads **drive conversions by new customers** (up to 5 exposures)

■ LIFT IN CONVERSION RATE VERSUS NO PAID EXPOSURE





They visit **multiple beauty websites** before making a decision



1 Site
36%



2-4 Sites
38%

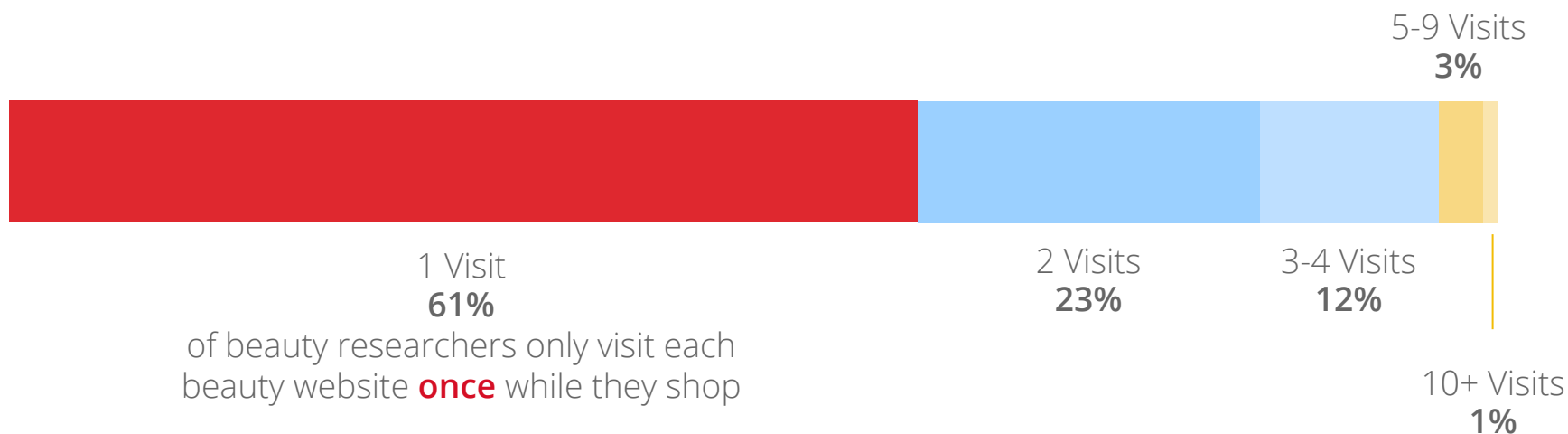


5+ Sites
43%



But there is only one chance to make a **first impression**

NUMBER OF VISITS TO CONSIDERED BRANDS
AMONG ONLINE CONVERTERS





Online shoppers take **more time to decide**



Online



Offline

Beauty purchasers who research and purchase online have a **longer purchase cycle** (86% up to two weeks) than those who research and purchase offline (84% less than one week), and **purchase cycle lengthens as basket size increases**.

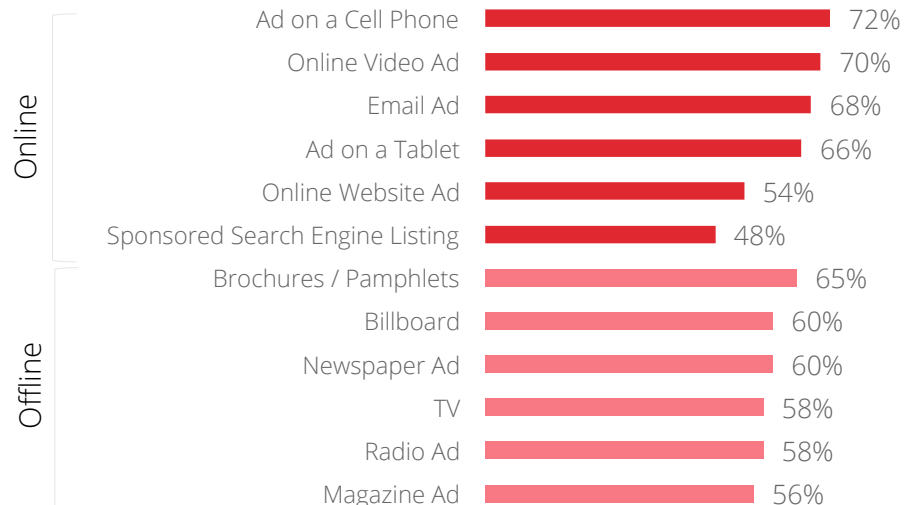


Digital ads across all formats help beauty shoppers research and fuel online purchases



Shoppers identify most online ads as more helpful in their beauty research process than traditional advertising

USEFULNESS OF BEAUTY ADVERTISEMENT TYPES



1 in 2 beauty purchasers who were exposed to an online ad later made the purchase online



1 in 4 beauty shoppers **make purchases online**



76%
In Store



24%
Online

Fragrance and makeup purchasers are most likely to buy online

People who are **trying a new beauty product** are more likely to purchase online (40%) vs. offline (24%)



Free shipping, speed and convenience move beauty shoppers to buy online



39%
Free Shipping



37%
Speed



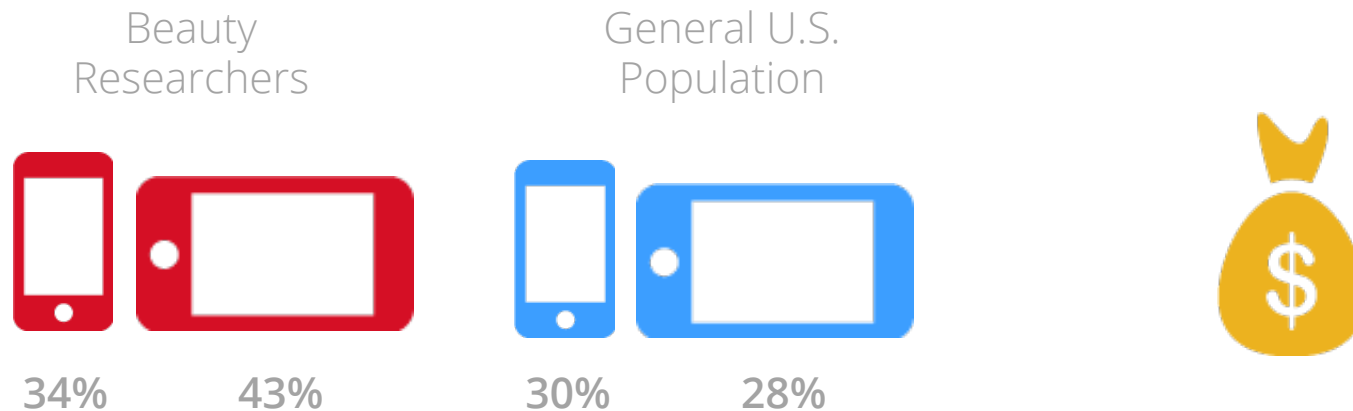
35%
Convenience



1 in 5 say they do so to avoid salespeople



Beauty shoppers **use mobile devices** as research tools

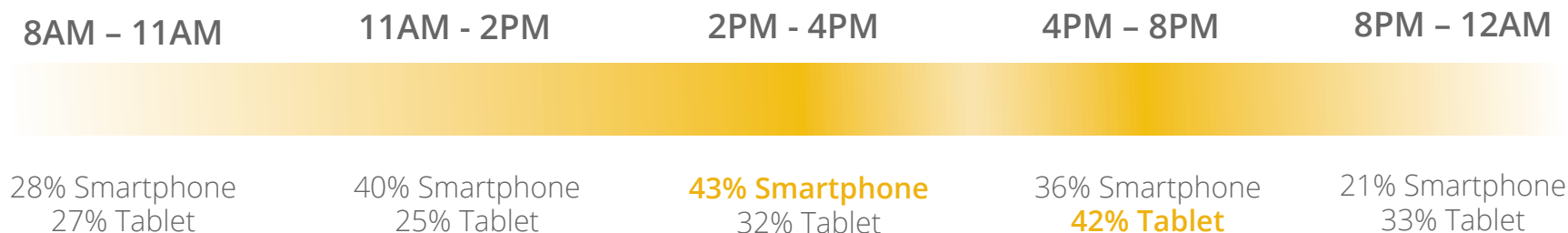


Beauty researchers tend to use smartphones (34%) and tablets (43%) **to research their beauty purchases**, and they're more likely to do so when compared to the general U.S. population (30% and 28% respectively)

Millennials and affluents (HHI \$100K+) are more likely to research on mobile



Beauty shoppers research across smartphones and tablets **throughout the day**



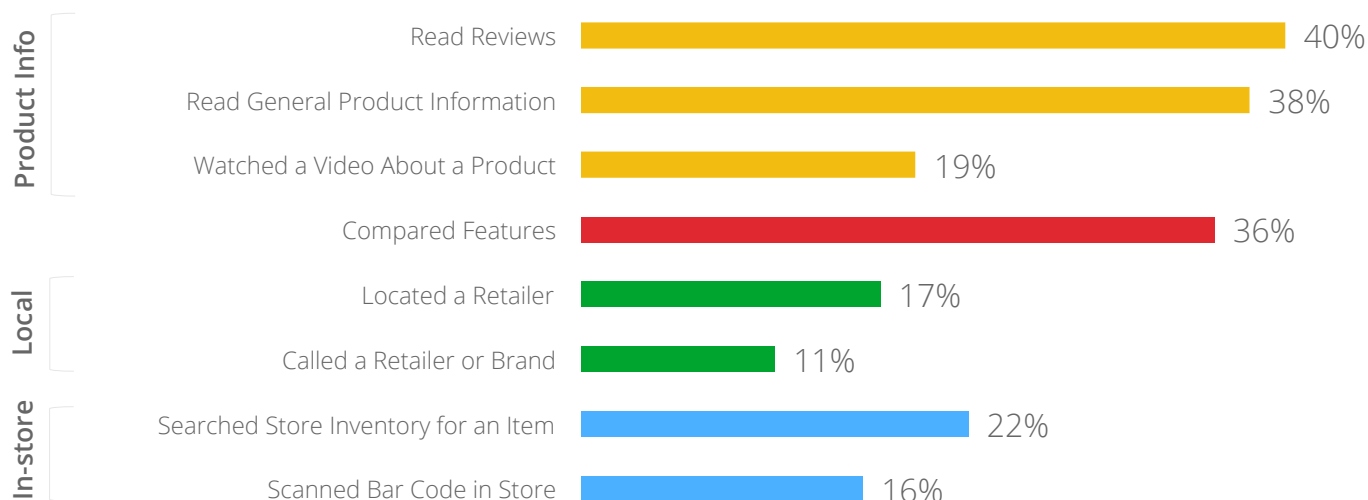
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Activity **peaks at different times**
for smartphone and tablet



They're primarily looking for product information **while on the go**

HOW MOBILE DEVICES ARE USED WHILE SHOPPING FOR BEAUTY PRODUCTS





Search is the #1 source for beauty researchers on their smartphones

SEARCH ENGINES HELPED
RESEARCHERS ON MOBILE DEVICES TO:



59%
Get general
information



30%
Compare
prices



21%
Discover
brands

Source: Google/Millward Brown Digital Beauty Study, July 2013

M1. Which of the following online source(s) did you access on these mobile device(s)? N=279

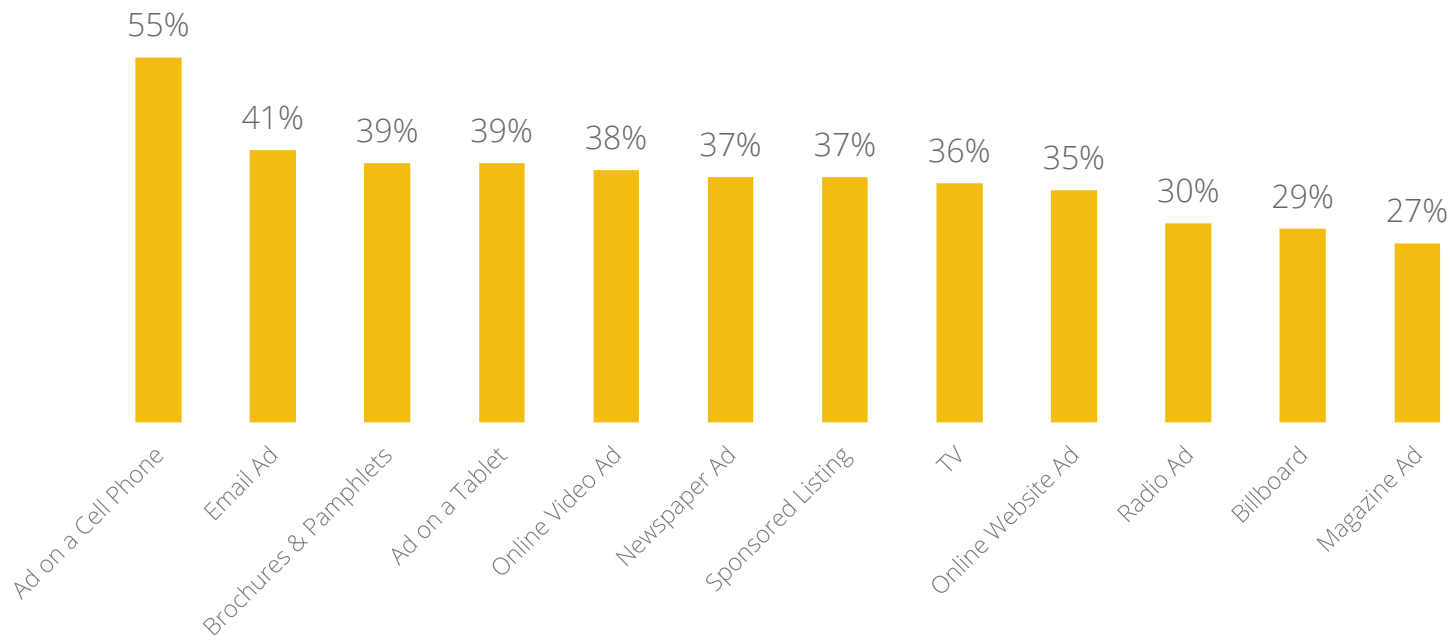
M4. How did each of the following source(s) help you while you shopped for beauty products on your mobile device(s) (e.g., mobile phone and/or tablet)? ^Search engines n=217



Mobile ads **drive shoppers to take action**, more than other formats

55% of beauty purchasers who are exposed to a mobile ad **will search for more information about the brand within 24 hours** (compared to 36% of those exposed to TV ad)

LOOKED UP ADVERTISER WITHIN 24 HOURS





Beauty purchases on mobile are driven by **impulse** and **convenience**



66%
It was a good
deal



48%
On the go



37%
Out of stock
in-store



20%
Occupied
computer



Beauty shoppers turn to **online video** to research their beauty purchase

To find more info



55%

of beauty shoppers
that watched a video
did so to gain
general information

Even on the go

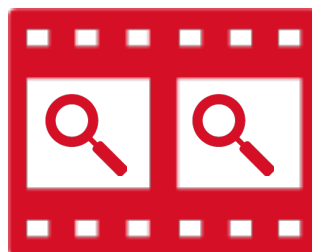


64%

of mobile and tablet
researchers use
video while shopping
for beauty products

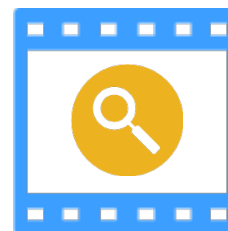


Most beauty shoppers **discover videos through search**



+1 IN 4

discover videos through
searching



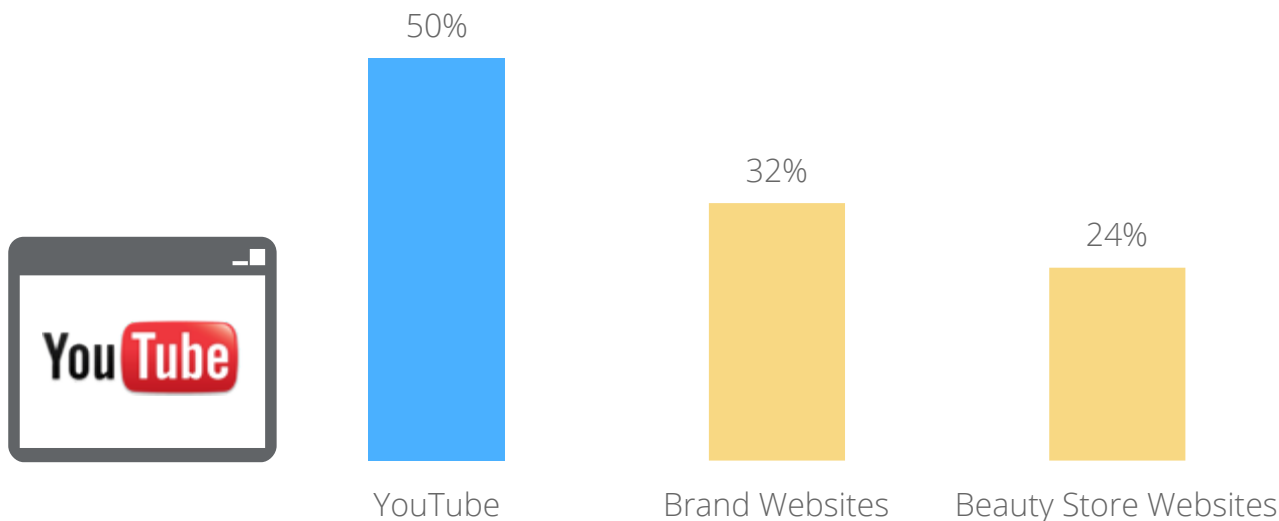
3 IN 5

of beauty shopper
sessions on YouTube
contain at least one search



A majority of **shoppers visit YouTube** to watch beauty product videos

WEBSITES VISITED TO WATCH VIDEOS ABOUT BEAUTY PRODUCTS



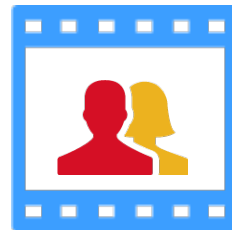


Shoppers seek **specific product information and how-to advice** most often



48%

Product feature
videos



37%

How-to videos



37%

Customer
testimonials and
reviews



But they **aren't only** watching beauty videos

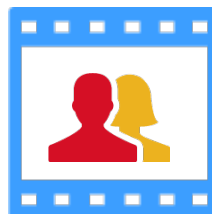
TOP 5 VIDEO CATEGORIES FOR BEAUTY SHOPPERS:

52%

of beauty researchers
watched at least one
non-beauty-related
video on YouTube



1. Music 24%



2. Entertainment 24%

3. People 21%

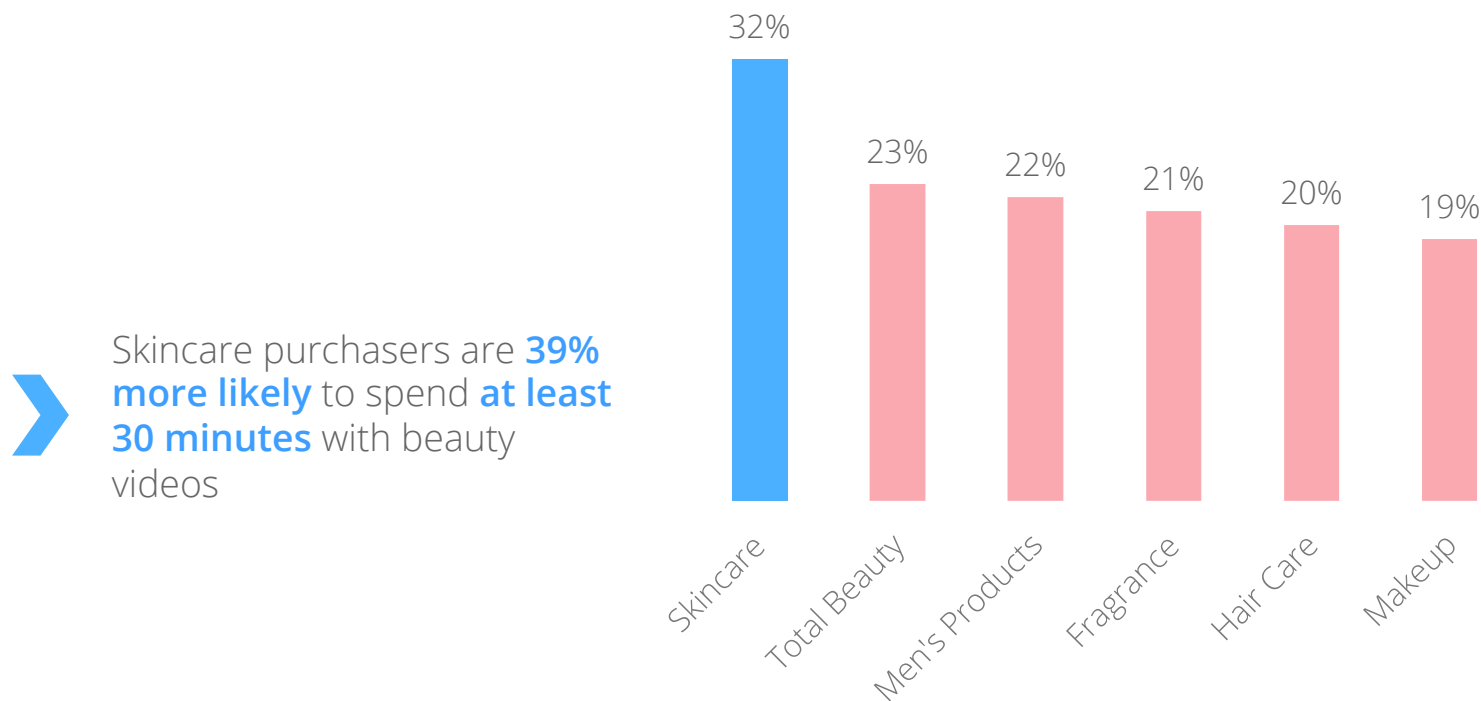
4. Comedy 16%

5. Film 15%



Skincare shoppers tend to spend the longest time with beauty videos compared to other beauty shoppers

PERCENT OF BEAUTY VIDEO VIEWERS SPENDING
AT LEAST 30 MINUTES WITH ONLINE VIDEO



Skincare purchasers are **39% more likely** to spend **at least 30 minutes** with beauty videos



What **action** do they take next?



Additional Research

41% find more information on products

24% use mobile device to find information



Store Visit

38% visit a store that sells beauty products

30% searched a store's inventory/availability for specific products



Talking/Sharing

36% talked to family/friends about beauty products

22% shared an online video about beauty products

WHAT THIS MEANS FOR MARKETERS



Get in front of beauty shoppers early in their research process

Build awareness through targeted display and non-branded search to be there with the right message, in the right place, at the right time

Cover a wide range of category and brand terms, because beauty shoppers are creative about how (and how often) they search — the majority (82%) of converters searched 3+ times, and the largest segment of converters searched over 10 times



Help as they research and shop on mobile

Create and maintain an easy-to-use, optimized mobile experience that provides shoppers with as much information as possible to ensure purchases, either in-store or on-the-go



Reach engaged beauty shoppers with video

Consider off-category buys in music, entertainment, people, comedy and film to help drive additional discovery of your videos.

Don't assume your customers know your video is there; promote your content and channel to capture attention.

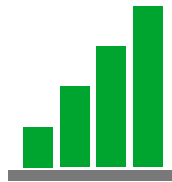
Make it easy for viewers to shop or buy from your videos with specific calls to action or annotations.

WHAT WE DID

Millward Brown Digital and Google partnered to conduct an online survey using panelists who researched or shopped on beauty websites within the past 6 months. Surveys were fielded between July 1-16, 2013 (n=1435). We ran clickstream purchase analysis for Q1 and Q2, 2013 (aggregated)



We **tracked** consumers' online shopping activity to understand shopping and searching patterns



We **analyzed** the behavior of beauty purchasers, tracking their behavior backward from the point of purchase



We **surveyed** beauty shoppers to understand their shopping behavior