

FRAGRANCE AND PERSONAL CARE

43pc of high-income earners purchase beauty products online: report

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Nearly half of affluent respondents prefer purchasing personal care items online. Image credit: 2 Visions

By ZACH JAMES

The latest findings from South Carolina-based business consultancy 2 Visions showcase shifting consumer behaviors within the fragrance and beauty market.

Online shopping is increasingly gaining a foothold in the overall personal care space, luxury included, as high-earners look for convenience rather than in-store experiences, according to the [2024 Personal Care & Beauty Ecommerce Market Research Report](#). At the same time, generational gaps are forming in interest in beauty products, as younger audiences continually look to other avenues to invest time and capital into.

"The landscape of ecommerce is rapidly evolving, driven by a new generation of consumers who demand efficiency and speed," said Yates Jarvis, principal consultant and founder of 2 Visions, in a statement.

"Our latest report sheds light on these changes, highlighting the critical need for brands to adapt to these faster service expectations without compromising on quality or experience."

The publication, produced in collaboration with ecommerce platform Nosto, surveyed a group of 2,259 American consumers from different generations including Gen Z, millennials, Gen X and baby boomers from February to April 2024. Participants were evenly split from different regions of the U.S., with answers provided by people of varying affluence, from the average American household to HNWI's defined as those earning more than \$100,000 annually.

Hybrid loyalty

Ecommerce platforms are driving beauty sales among affluent earners, according to the findings.

More than half 55.5 percent of HNWI's prefer a hybrid approach to shopping for personal care products. The report's authors note that this behavior suggests that the group values "convenience and experience equally."



Younger audiences purchase in-store more often than their older counterparts. Image credit: Kearney/Luxasia

Despite this, 43 percent of high-earners buy their beauty items online, leading all fiscal demographics, perhaps meaning that saving time ranks higher than the in-person luxury retail experience; showcased with two-thirds of the demographic preferring same-day delivery over sale prices. This tendency is likely driven by a pursuit of quality, which 61 percent of HNWIs perceive to be better found on digital sales platforms.

Online beauty players are gaining loyalty from affluent individuals due to their wide range of available products, often trumping what can be found in-store. Above all else, the majority of affluent individuals, 55.5 percent, are stated to have a preference for a diverse variety of goods, with the large selection being essential to draw the clientele in a factor digital storefronts are far more easily able to accommodate.

Consumer loyalty ([see story](#)) has been a major sticking point for retail businesses post-pandemic, as many brands struggle to regain revenues from bricks-and-mortar sales.



Physical barriers are also getting in the way of beauty purchases. Image credit: Sephora

One of the elements pushing affluent consumers to the digital space is the relative difficulty of accessing personal care products, as the group reported the highest rate of hardship in finding in-person retail spots of any financial bracket surveyed. Just over 11 percent of the high earners reported not having a viable beauty storefront within a half-hour of their home, further pushing the clientele to shop online and seek out more tailored options, per the report's authors.

"The findings of this study emphasize how important it is for ecommerce brands within this sector to leverage on-site personalization in adapting to new customer demands," said Mallory Tartaglione, marketing manager of North America at Nosto, in a statement.

"This vertical has experienced significant growth in recent years, and it is unsurprising to see many consumers now reporting concern over product variety, for instance," Ms. Tartaglione said. "Fortunately, this is something personalization software can help remedy enabling online brands to fine-tune shoppers' product discovery journeys by surfacing relevant items based on their affinities, past purchases, and more."

Generational gap

While HNWIs, particularly those of older generations, have zero qualms in regularly shopping for personal care products, younger consumers sport the opposite view.

Among the Gen Z audience surveyed, only 80.5 percent of respondents reported purchasing a beauty product since 2022. If

representative of the entire crowd, only roughly one-fifth of the generation with the most disposable income is choosing to spend their cash in the beauty market.



According to the report, younger audiences are less likely to engage in the beauty business. Image credit: Christian Louboutin

This figure should be a major point of concern for luxury maisons, as the personal care segment, specifically fragrance, is how Gen Z consumers are entering the luxury space ([see story](#)).

Spotlighting another major difference between core luxury consumers and the Gen Z crowd, a majority 52.7 percent of younger consumers prefer shopping in-store, contrasting with the trend toward hybrid and online options. This lines up with recent findings that retail experiences are drawing shoppers back to malls ([see story](#)).

At the same time, affluent and Gen Z consumers agree on one thing: rewarding oneself ([see story](#)) is just as important as giving back to others. The younger base and HNWI's opted for an equal share of gifting or personally treating themselves with beauty products, to the tune of 44.8 and 59 percent, respectively, between the demographics.

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