

TRENDS REPORT

# State of Retail Ecommerce Health & Personal Care Category

Month Ending October 2023

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CommercIQ

# Overall Executive Summary

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## Executive Summary: Top 3 Takeaways for October 2023

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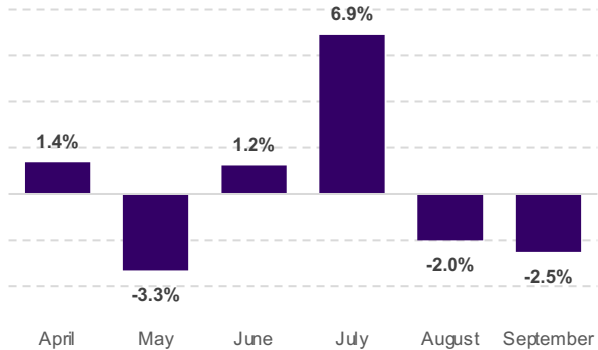
- 1 Out of Stock levels are continuing to rise month over month and have surpassed 2022 levels in September.
- 2 There is a general increase in competitiveness with a growth in ad spend and reduction in glance views.
- 3 Price Levels rising steadily along with slight increase in conversion rates. This likely explains a continued increase in ROAS despite rising CPCs over the last 3 months.

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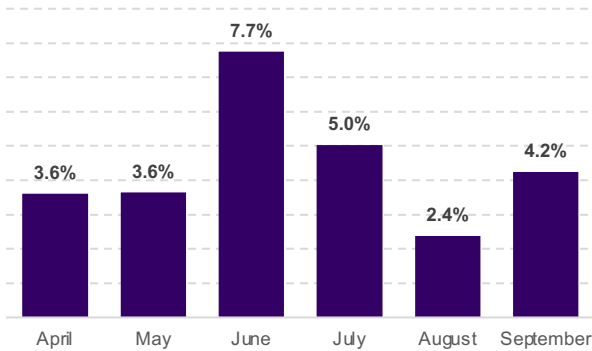
Source: Internal data from CommerceIQ's REM Platform for its users for the 18 months leading up to and including September 2023.

**Across all categories there is a much more pronounced growth in ad spend, with a slight decline in glance views. This correlates with minor growth in revenue and improvement in ROAS.**

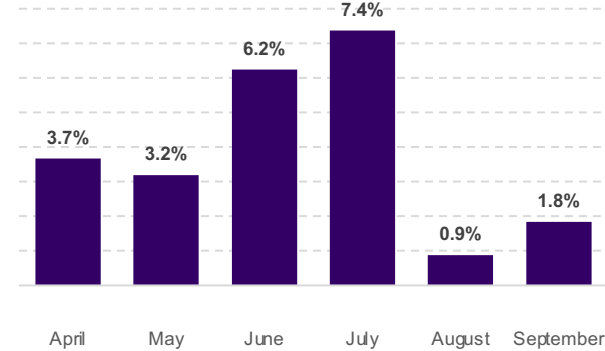
**Change in Glance Views (Overall)**  
2023 v 2022



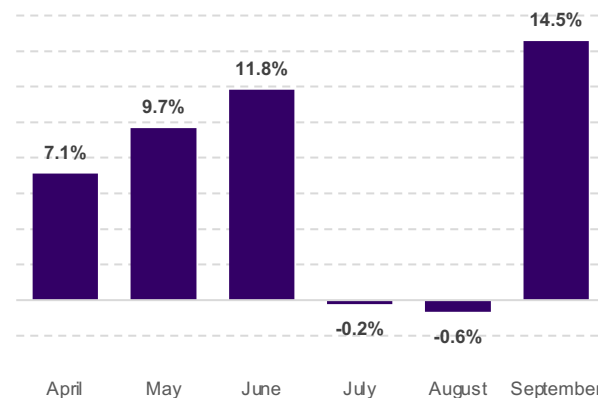
**Change in ASP (Overall)**  
2023 v 2022



**Change in OPS (Overall)**  
2023 v 2022



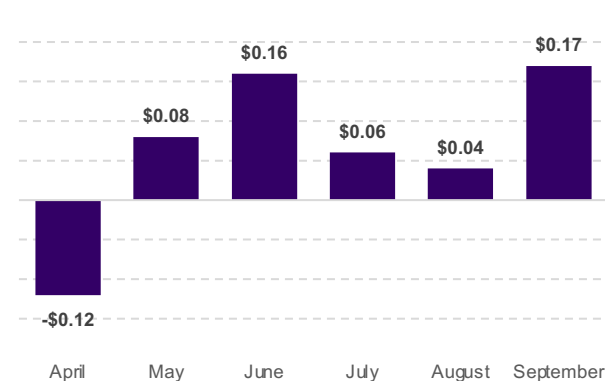
**Change in Ad Spend (Overall)**  
2023 v 2022



**Change in CPC (Overall)**  
2023 v 2022



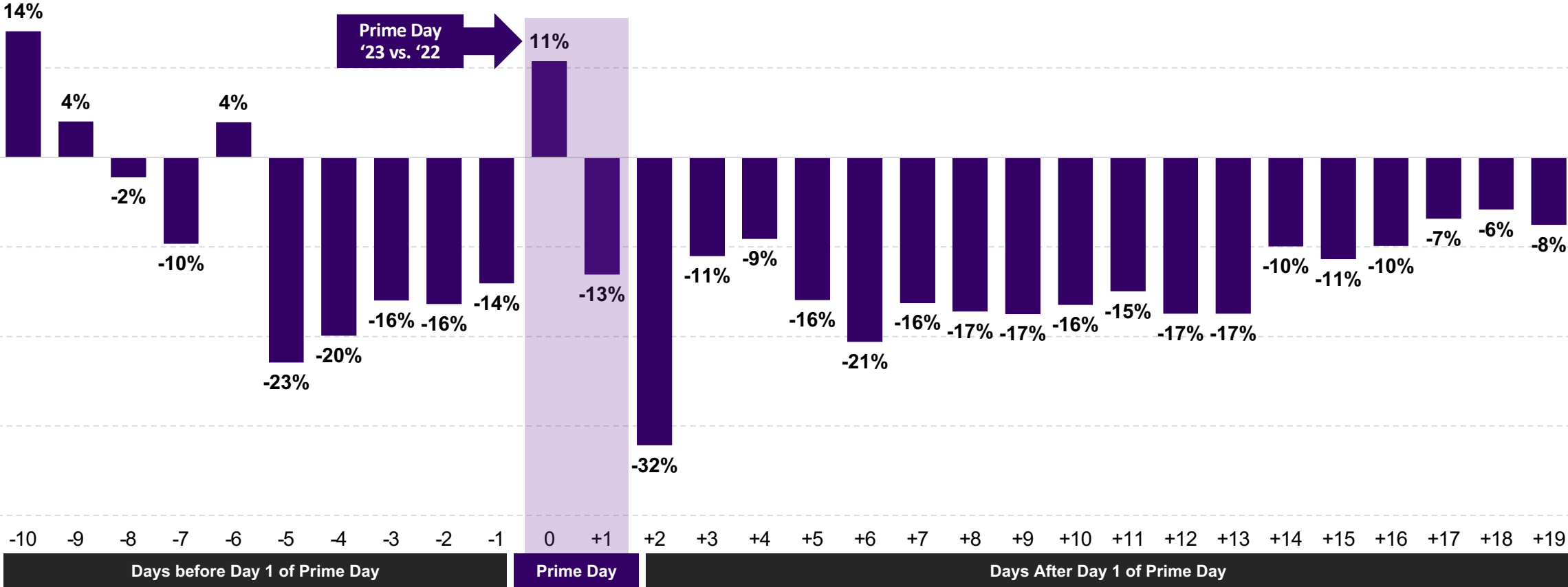
**Change in ROAS (Overall)**  
2023 v 2022



Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023.

**Despite an +11% increase in ad spend during Day 1 of Prime Day 2023, brands pulled back ad spend throughout the rest of July, resulting in relatively flat ad spend compared to July 2022.**

**Ad spend by Day in July 2023 compared to July 2022**

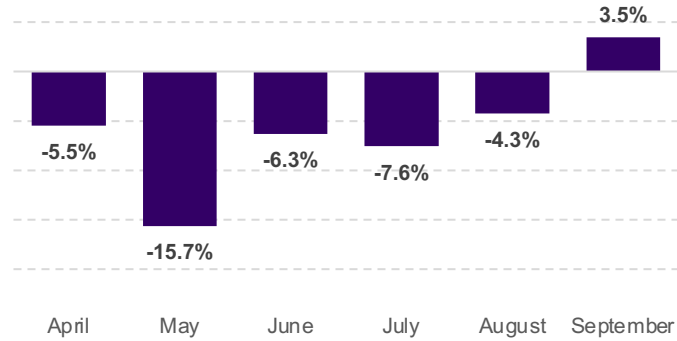


Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023.

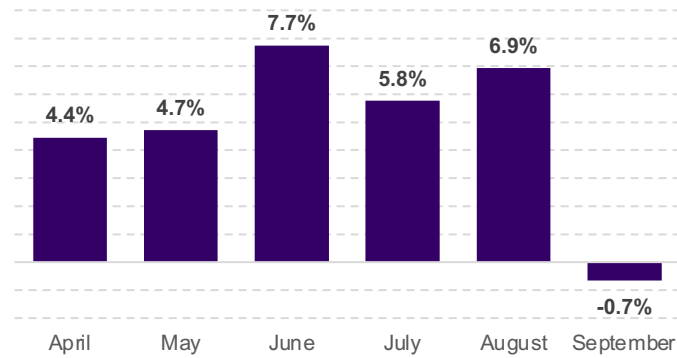
# Key Category Metrics

# Overall the Health & Personal Care category became less competitive, reflected by the decreased ad spend combined with increase glance views. This is reflected in the improved ROAS.

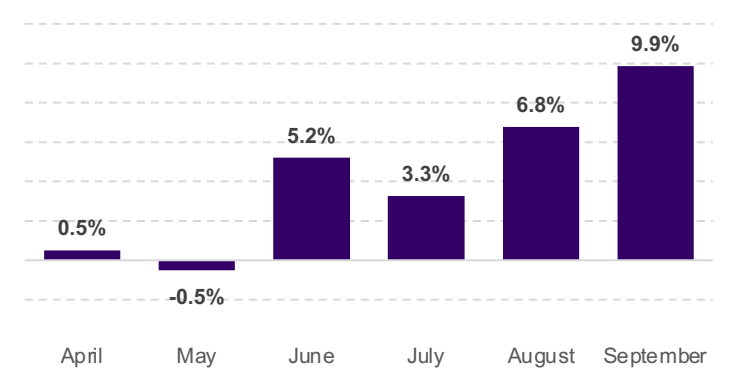
**Change in Glance Views (H&PC Category)**  
2023 v 2022



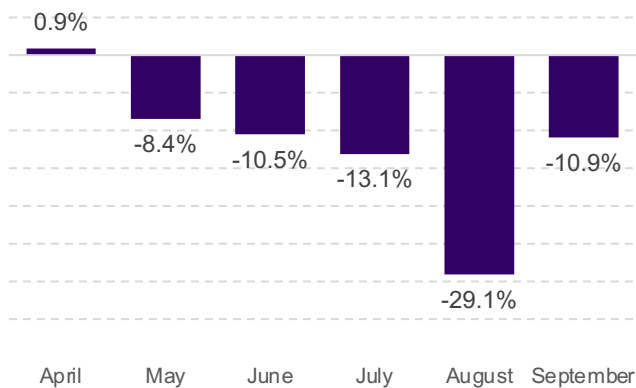
**Change in ASP (H&PC Category)**  
2023 v 2022



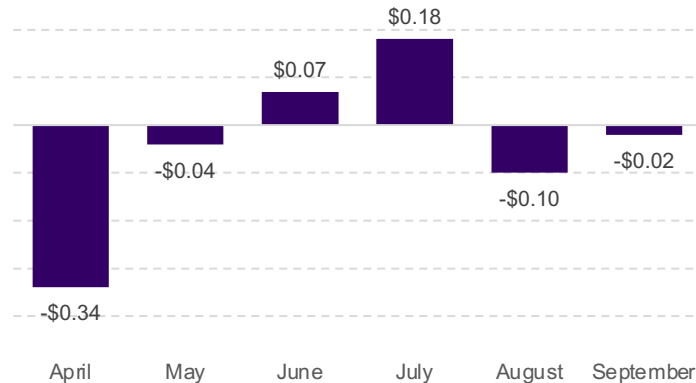
**Change in OPS (H&PC Category)**  
2023 v 2022



**Change in Ad Spend (H&PC Category)**  
2023 v 2022



**Change in CPC (H&PC Category)**  
2023 v 2022



**Change in ROAS (H&PC Category)**  
2023 v 2022



Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023.

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## Category Summary: Top 3 Takeaways for October 2023

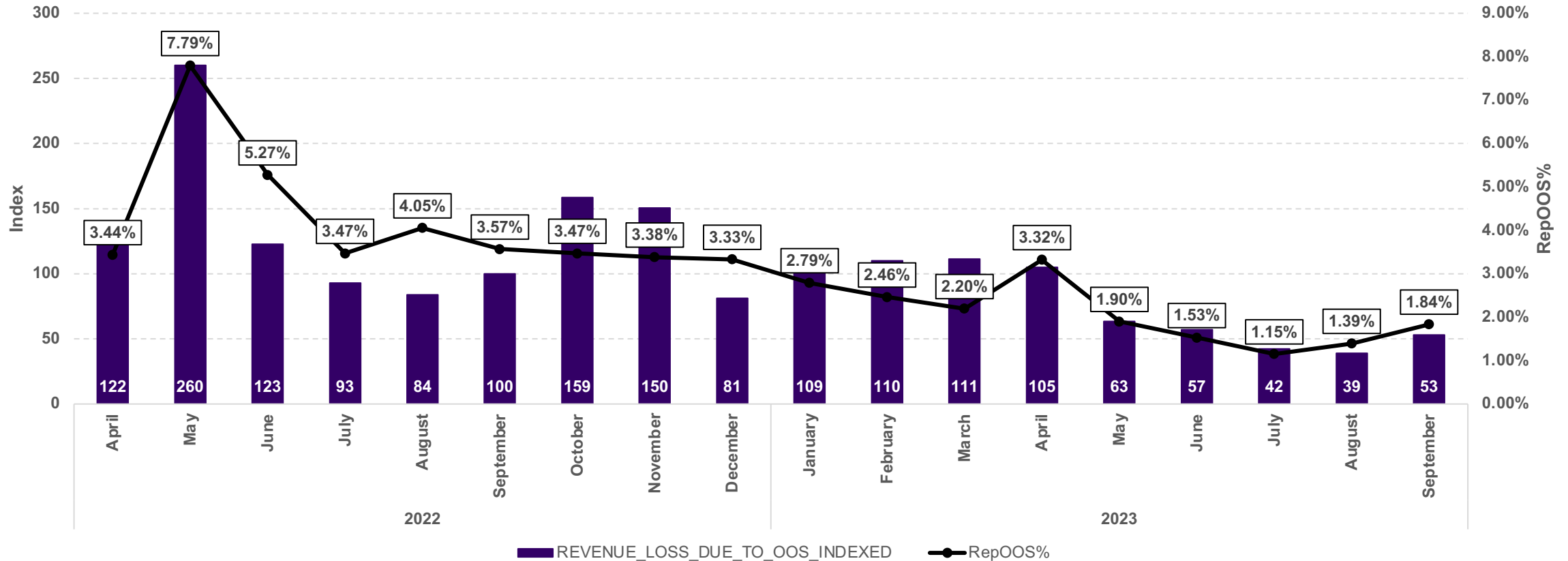
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- 1 Health & Personal Care is a decreasingly competitive category, driven by a decline in ad spend and slight increase in glance views.
- 2 These trends are inconsistent with overall retail ecommerce, where ad spend is generally increasing and glance views decreasing.
- 3 H&PC continue grow much faster year over year as compared to the overall industry (9.9% growth in H&PC ordered revenue vs. 1.8% overall ordered revenue growth in Sept '23 vs '22 )



# RepOOS% and revenue lost due to OOS is well below 2022 levels, signaling an improvement in inventory management across the Health & Personal Care category.

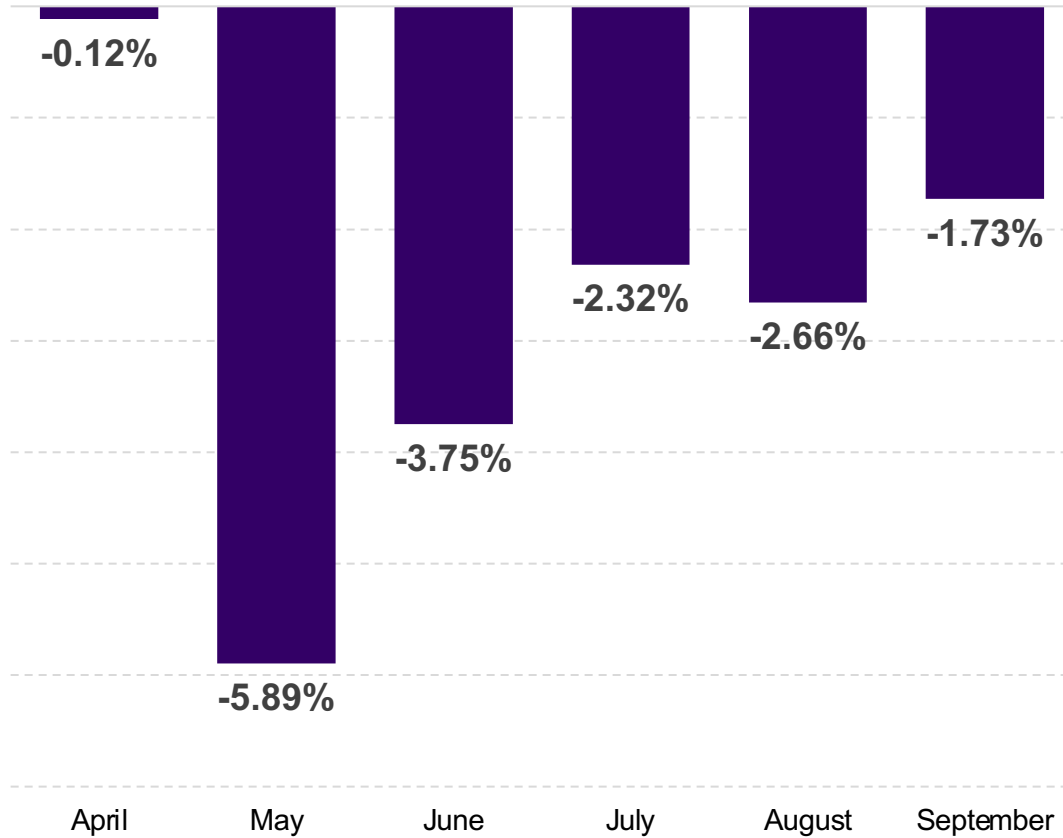
## Out of Stocks for Units and Revenue



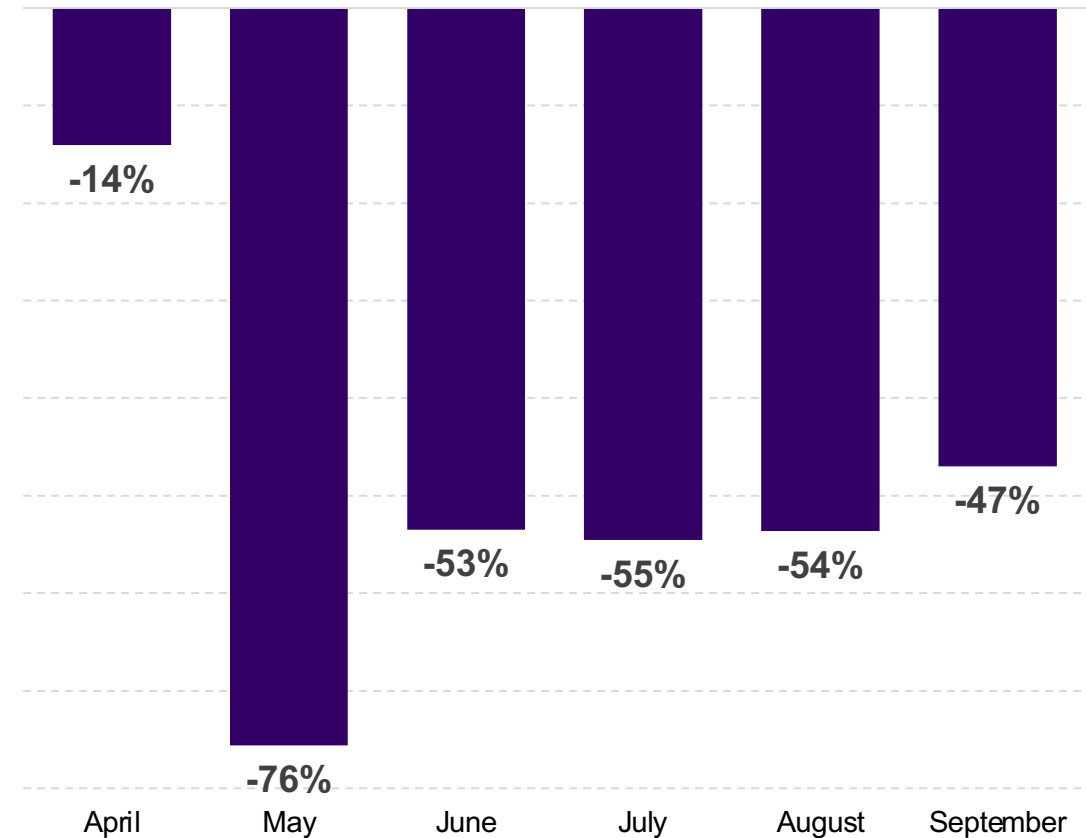
Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023. Index set to 100 for September 2022 to create simpler comparisons for September 2023.

The category saw substantial improvements with upwards of -75% reduction in revenue lost due to OOS.

Change in RepOOS% (2023 vs 2022)



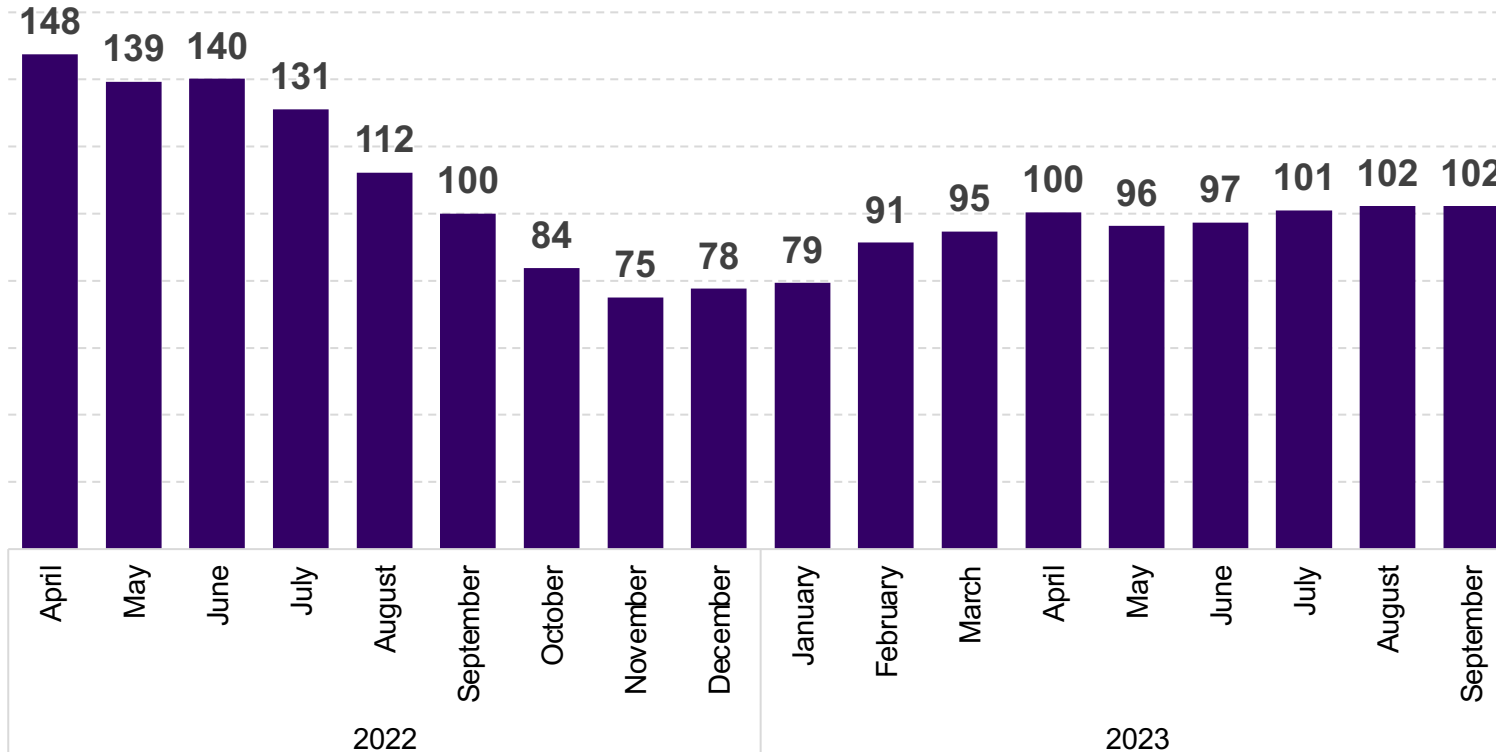
Change in Revenue Lost due to OOS (2023 vs 2022)



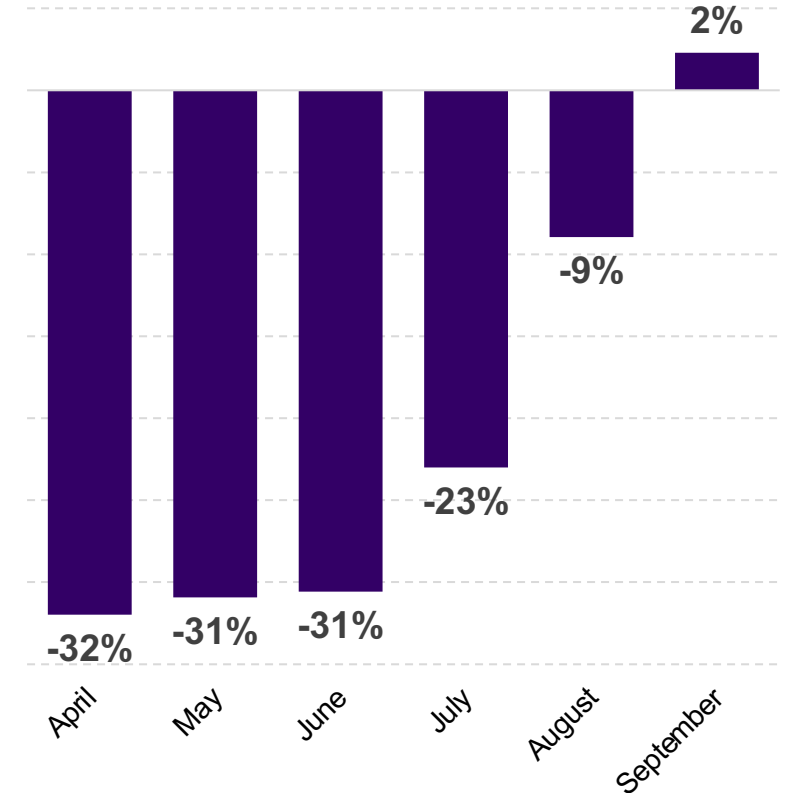
Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023. Index set to 100 for September 2022 to create simpler comparisons for September 2023.

Even though RepOOS% is below 2022, this has been achieved with reduced on hand inventory.

On Hand Inventory Index



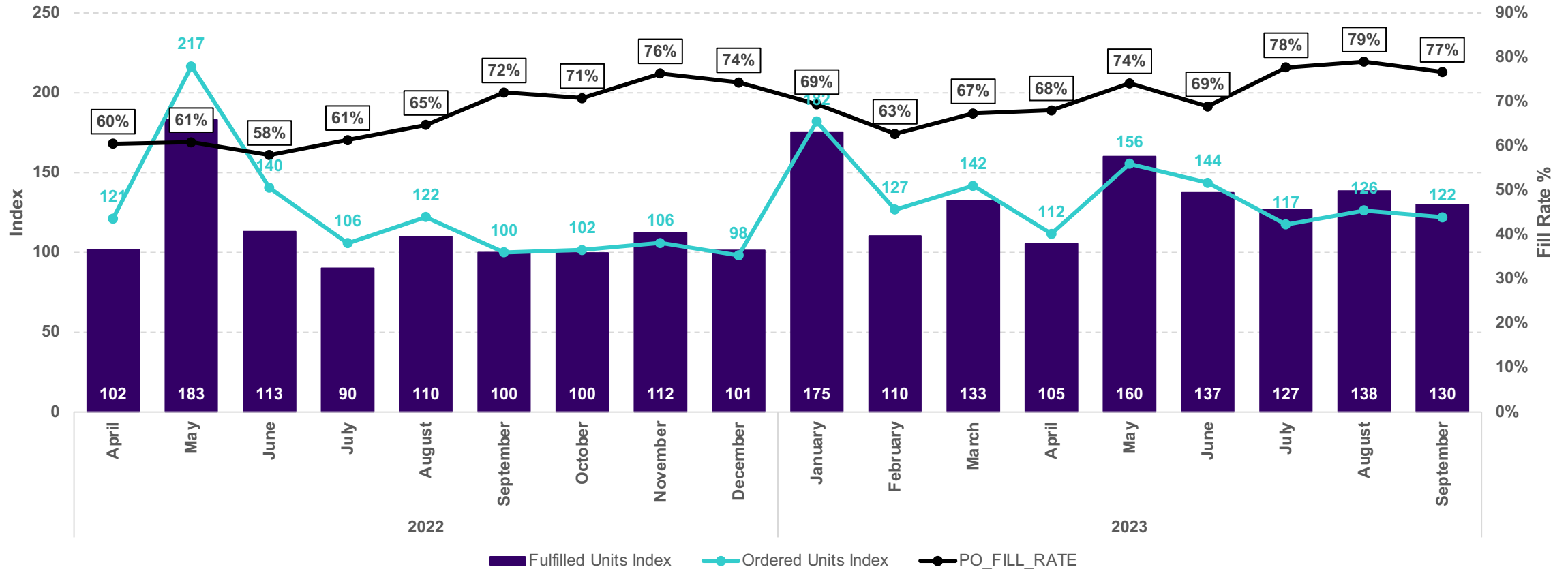
Change in On Hand Inventory (2023 vs 2022)



Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023. Index set to 100 for September 2022 to create simpler comparisons for September 2023.

# Fill Rates have started to taper off after a few months of steady increases.

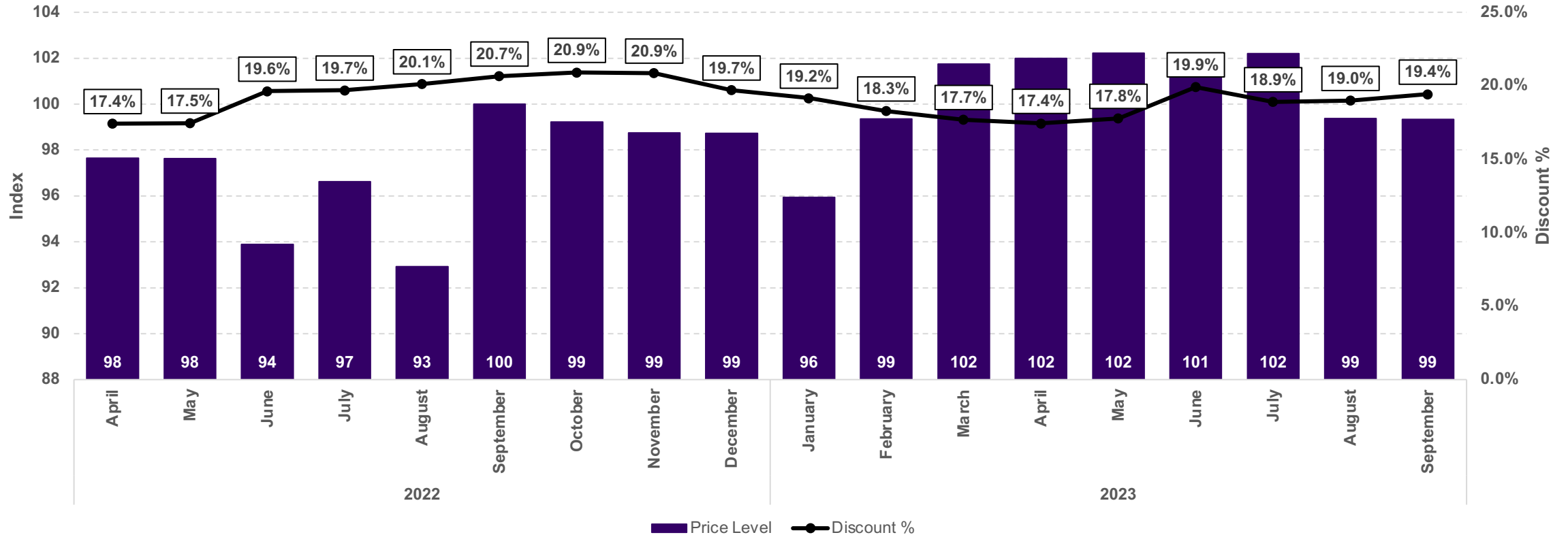
## Fill Rate % vs. Ordered Unit & Fulfilled PO Units Indices



Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023. Index set to 100 for September 2022 to create simpler comparisons for September 2023. Fulfilled PO Units Index = Ordered Unit Index X Fill Rate %

Price levels are slightly depressed, with discount levels trending up slightly over the past 3 months.

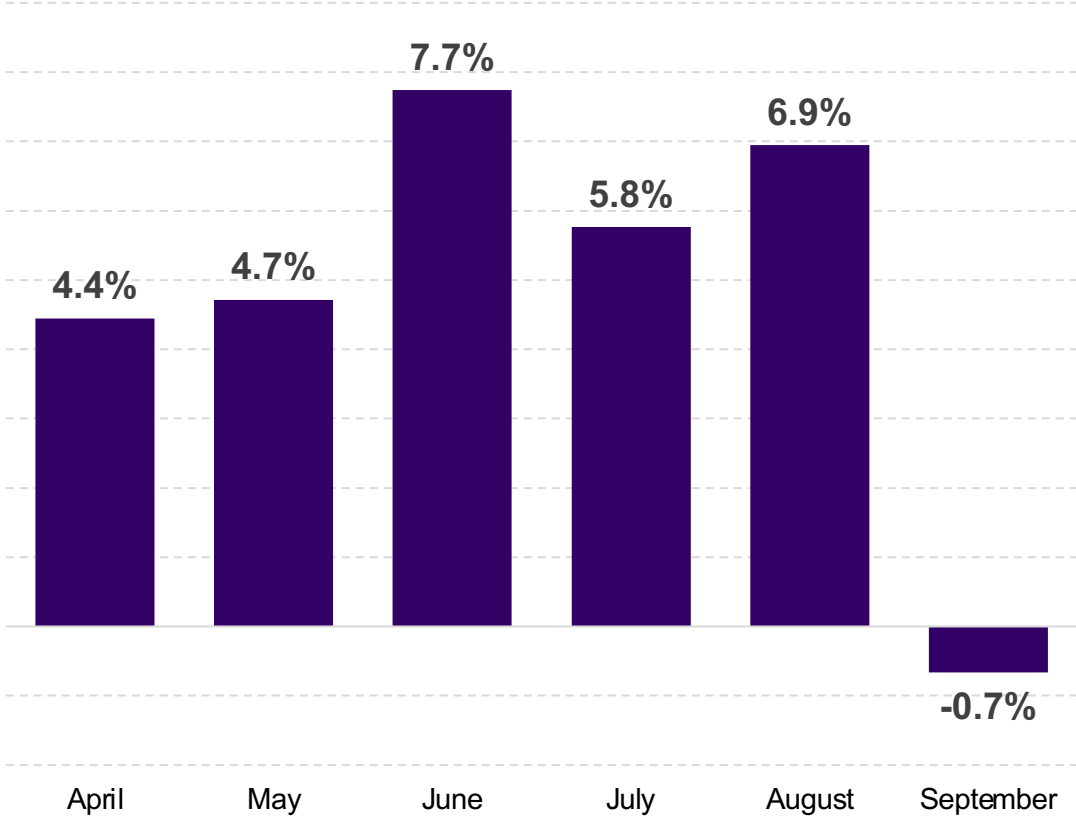
### Price Index vs. Discount Percentage



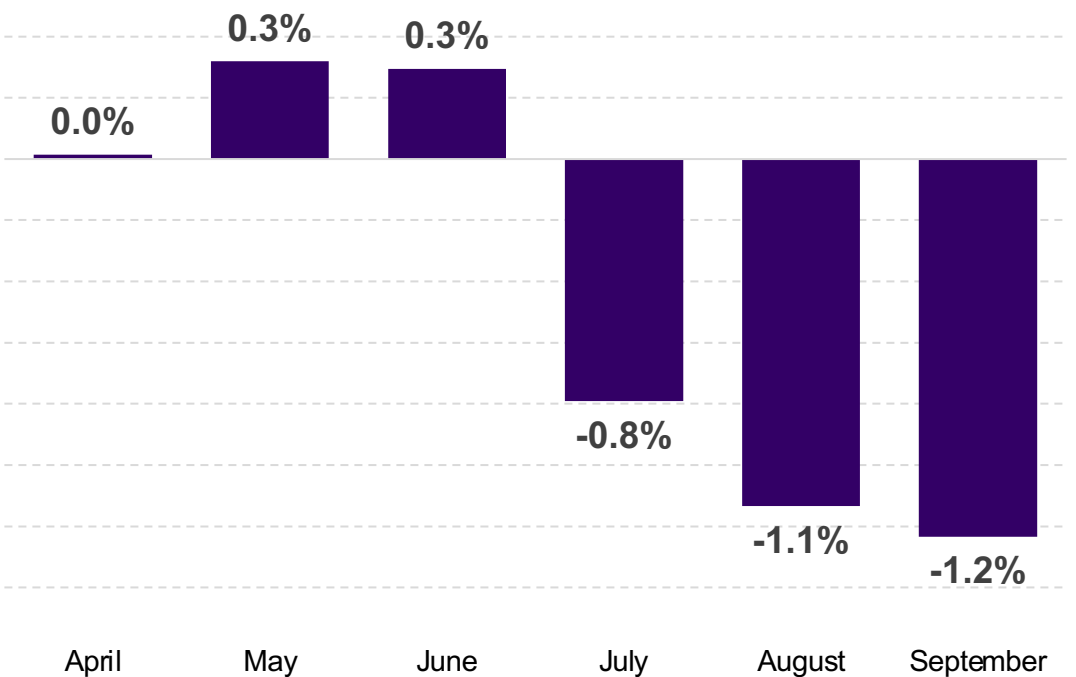
Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023. Index set to 100 for September 2022 to create simpler comparisons for September 2023.

**When comparing to 2022, price levels are rising and discount levels are falling versus last year.**

**Change in Price Level (2023 vs 2022)**



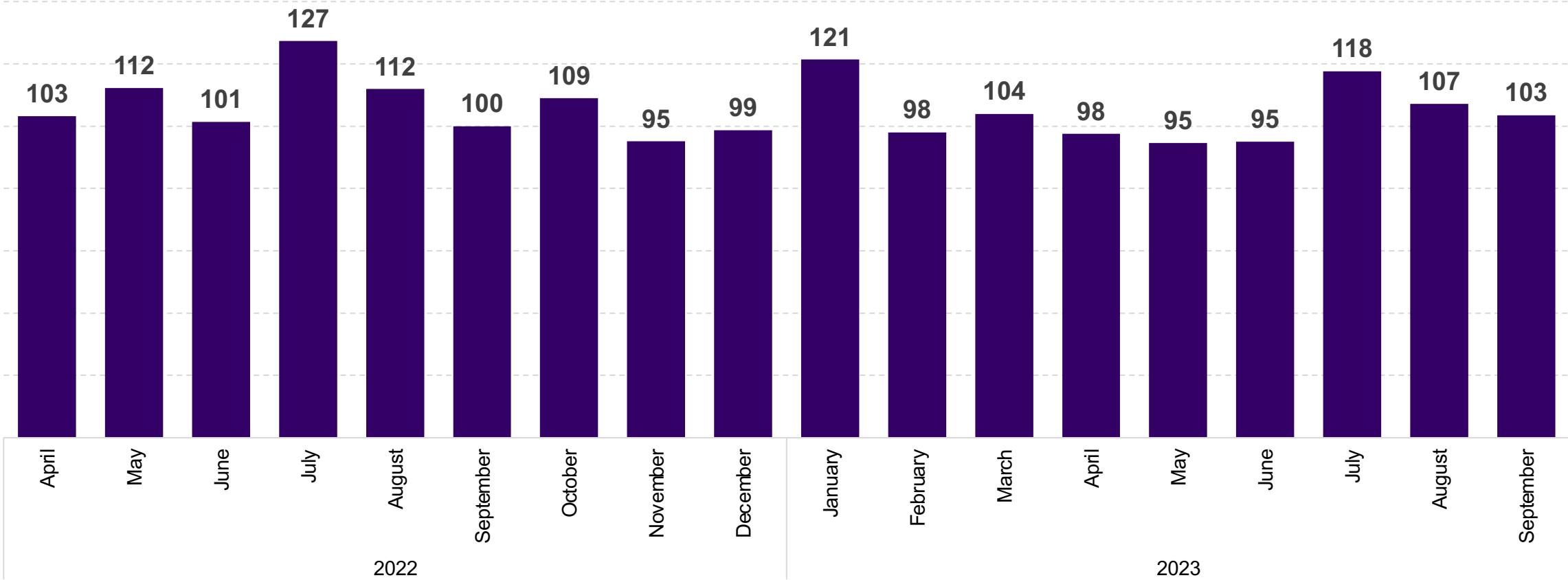
**Change in Discount % (2023 vs 2022)**



Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023. Index set to 100 for September 2022 to create simpler comparisons for September 2023.

After a spike in Glance Views during Prime Day, glance views have settled above 2022 levels.

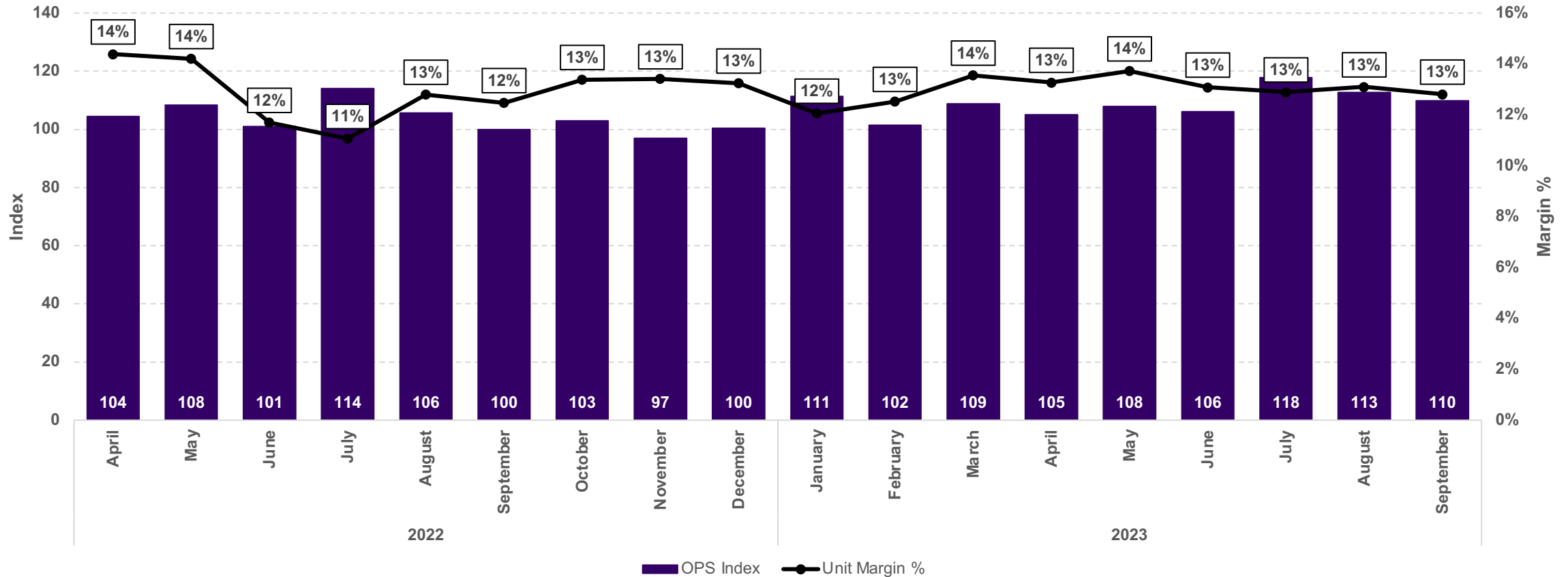
Glance Views Index



Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023. Index set to 100 for September 2022 to create simpler comparisons for September 2023.

# OPS is slightly above 2022 while and Unit Margin % are in line with 2022 levels.

## OPS Index vs. Unit Margin %

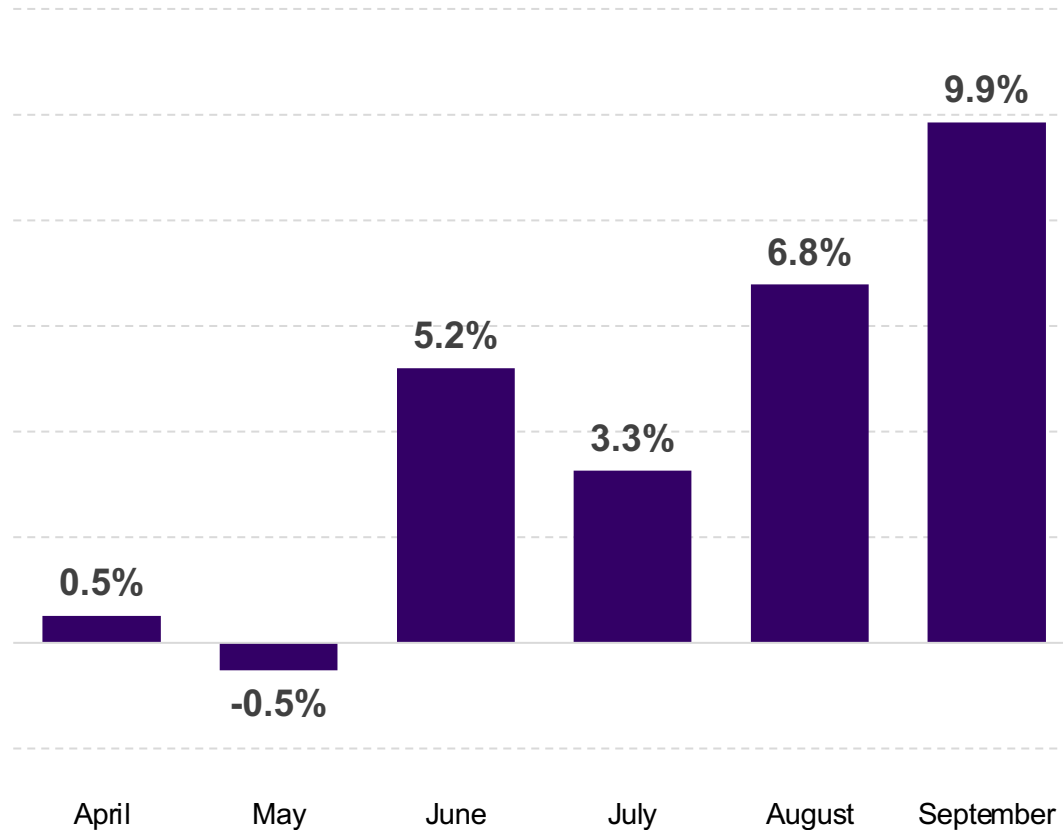


Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023. Index set to 100 for September 2022 to create simpler comparisons for September 2023.

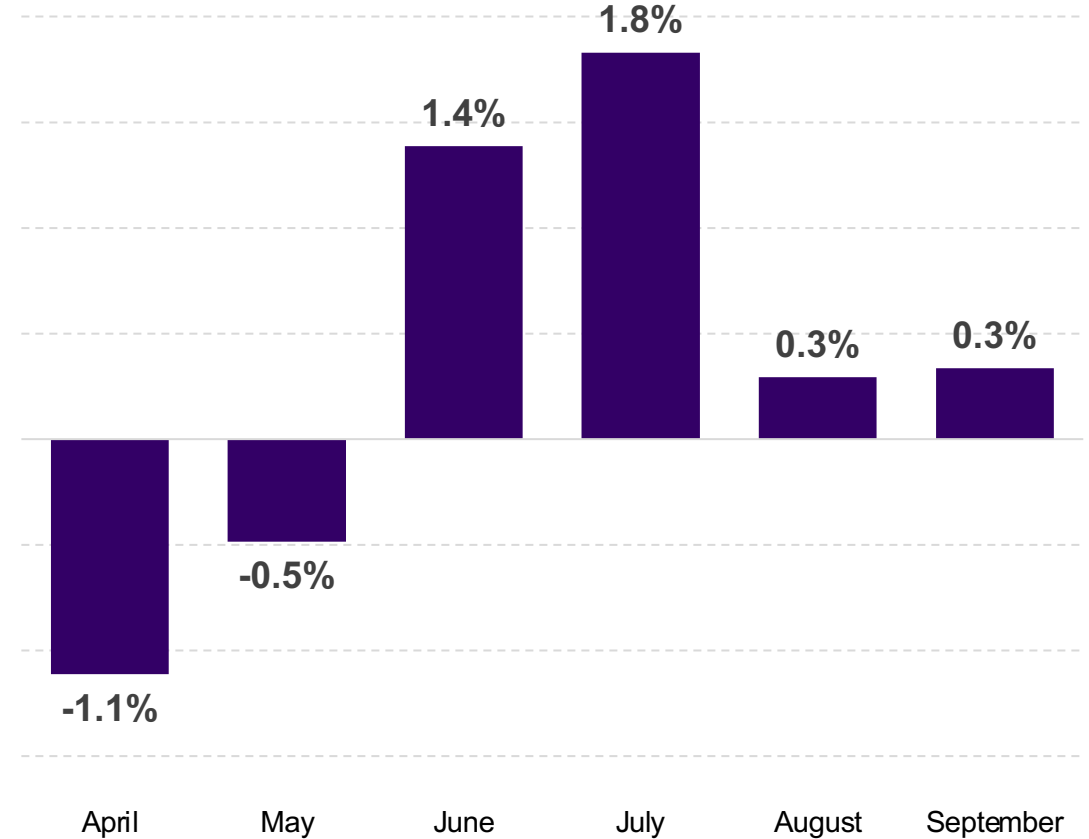


# Revenue and Unit Margins generally are up versus 2022

Change in Ordered Revenue (2023 vs 2022)



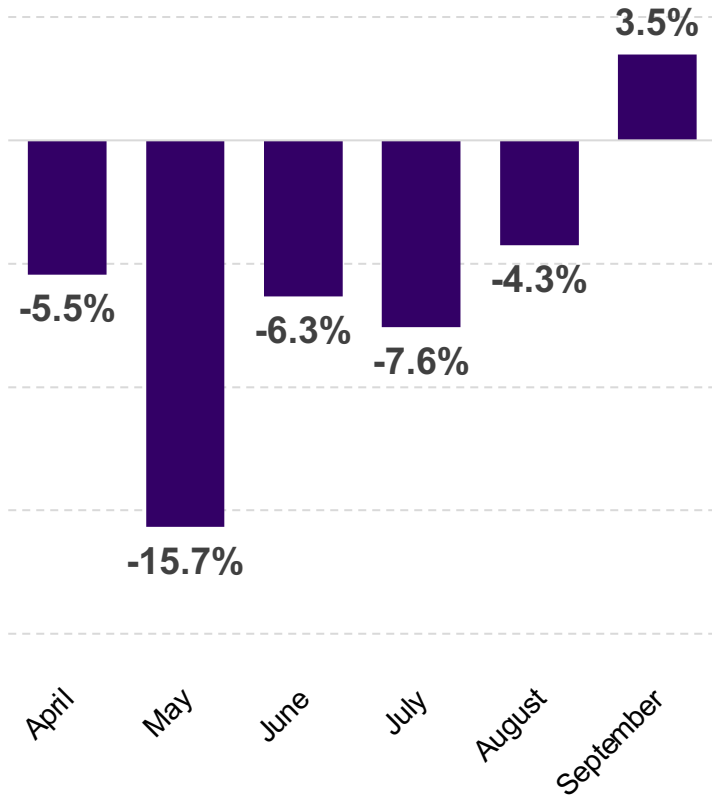
Change in Unit Margin % (2023 vs 2022)



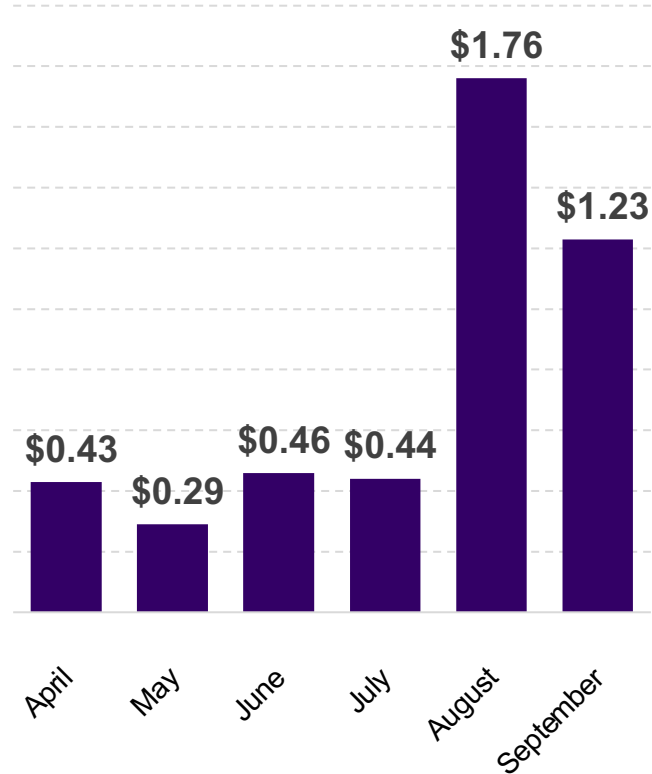
Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023. Index set to 100 for September 2022 to create simpler comparisons for September 2023.

Traffic overall has fallen along with CPCs, correlating with a general increase in ROAS signaling improved marketing tactics across the industry to more efficiently capture reduced traffic and converting it into sales.

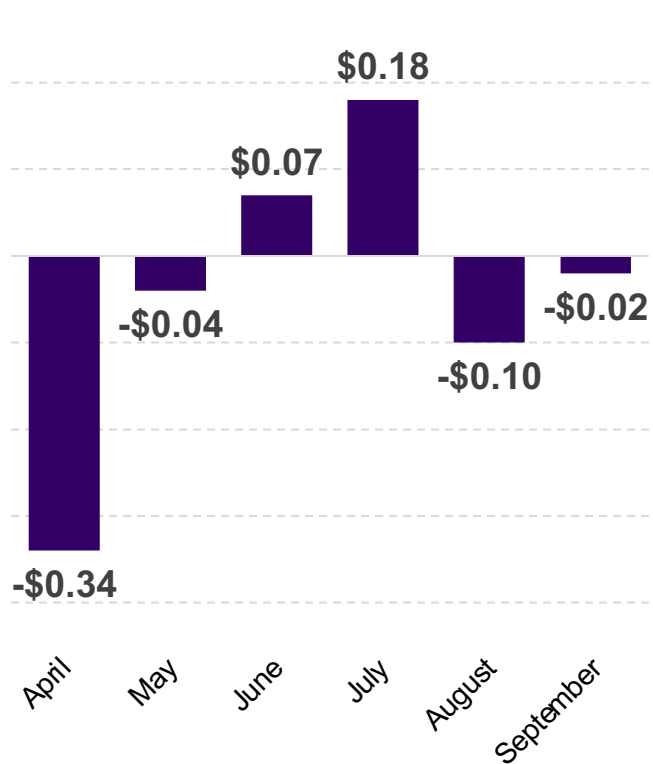
Change in Glance Views (2023 vs 2022)



Change in ROAS (2023 vs 2022)



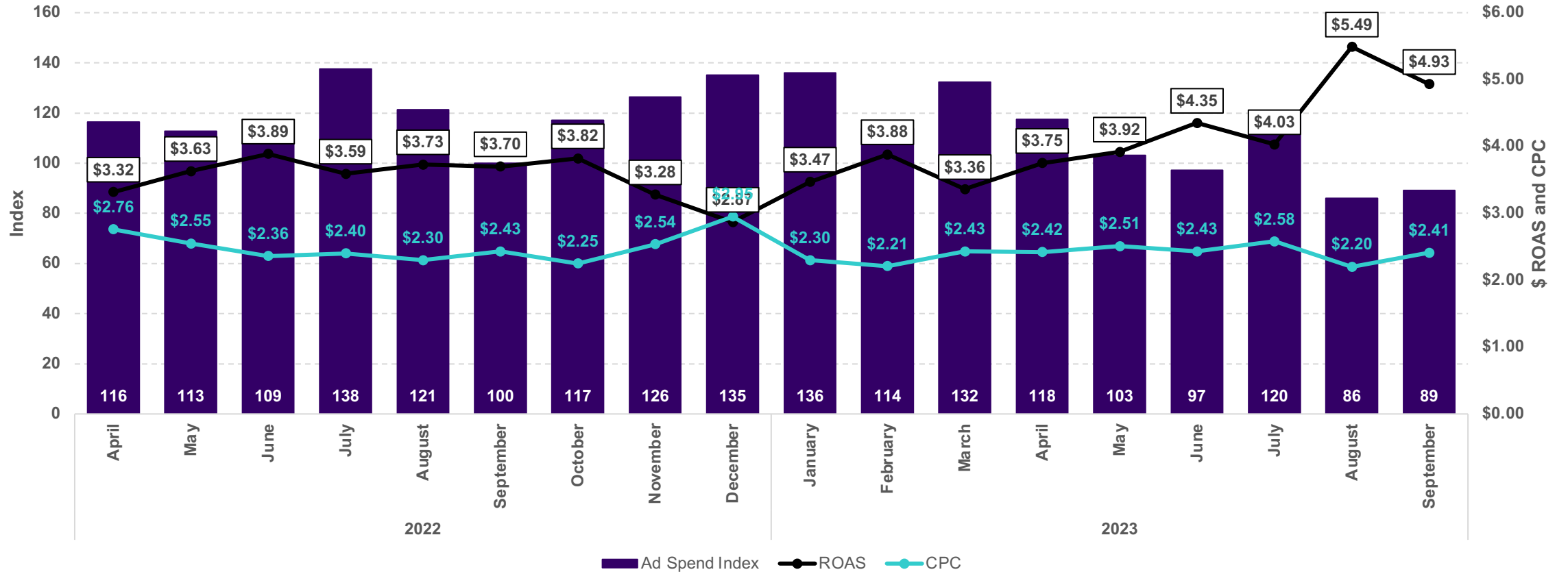
Change in CPC (2023 vs 2022)



Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023. Index set to 100 for September 2022 to create simpler comparisons for September 2023.

ROAS is improved versus 2022 while Ad Spend has fallen, showing a slight pull back across the category.

### Ad Spend Index vs. ROAS and CPC



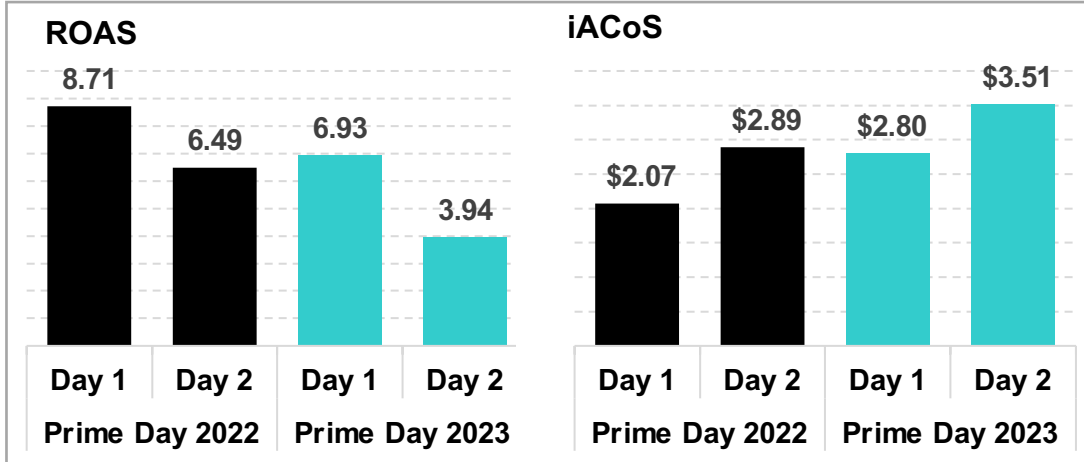
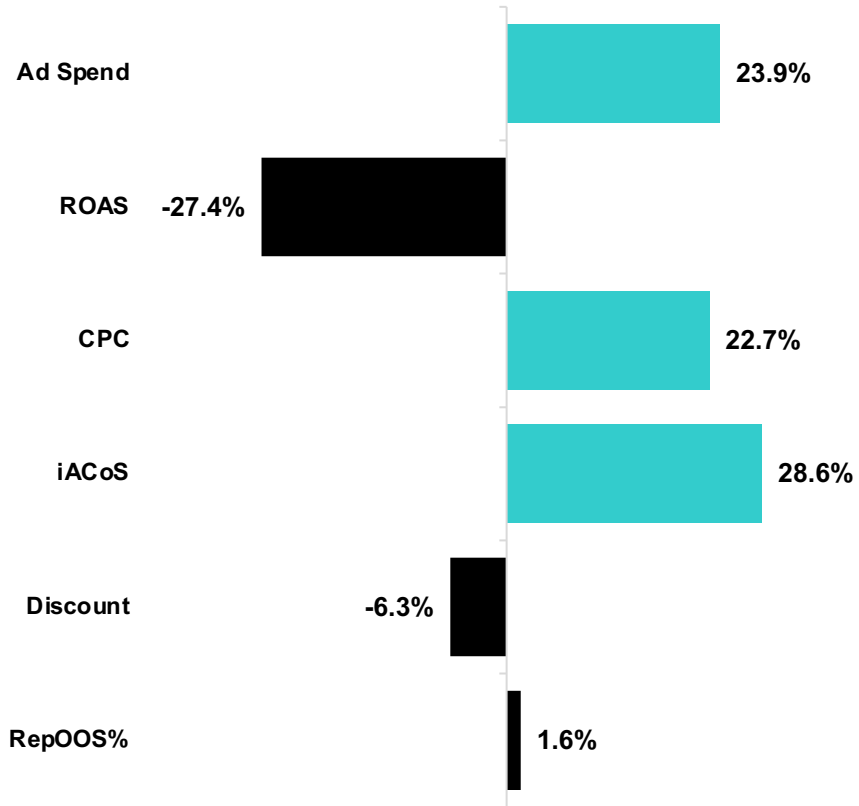
Source: Internal data in aggregate from CommerceIQ's REM Platform for its users on Amazon for the 18 months leading up to and including September 2023. Index set to 100 for September 2022 to create simpler comparisons for September 2023.

# Prime Day 2023 Summary

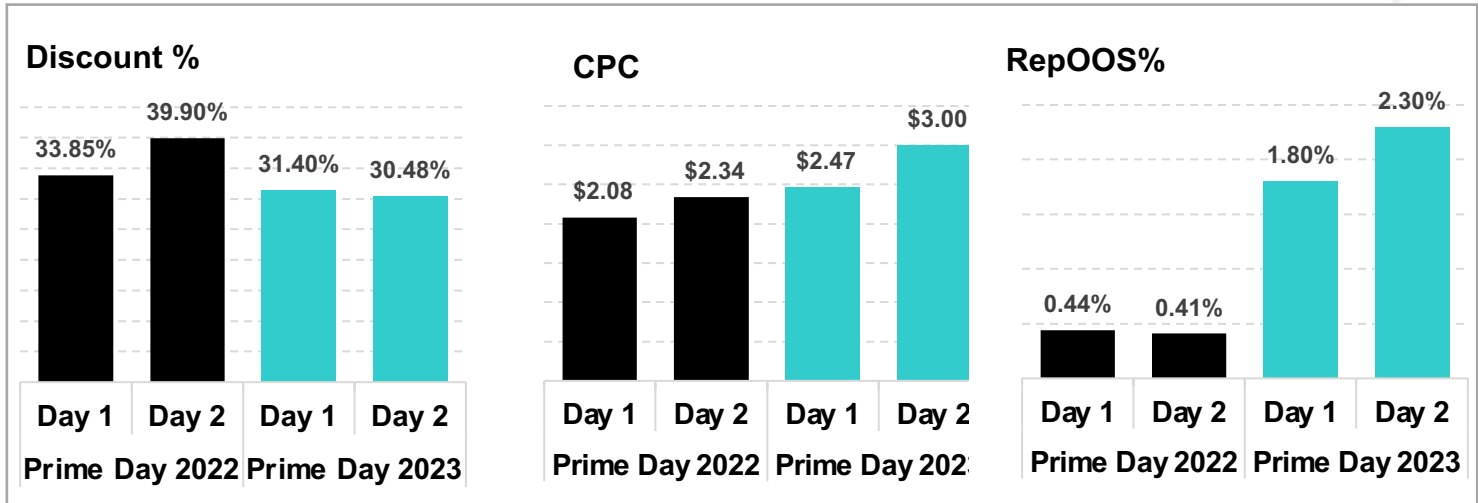
## Beauty & Personal Care Category

# Prime Day 2023 was more competitive for brands as compared to Prime Day 2022

Change in Key Metrics on Prime Day 2023 vs. Prime Day 2022



Advertising became less efficient in '23, likely due to lower discount rates, higher CPCs and higher RepOOS%



Source: Internal data from CommerceIQ's REM Platform for its users from the hours of 12:00AM PST to 11:59PM PST on July 11, 2023 and July 12, 2023 vs 12:00AM PST to 11:59PM PST on July 11, 2022 and July 12, 2022

**Beauty & Personal Care was relatively balanced between both days, with spikes in conversion towards the end of each day**

**7:00 AM PST**  
July 11 (Day 1)

Highest % of Prime Day Glance Views

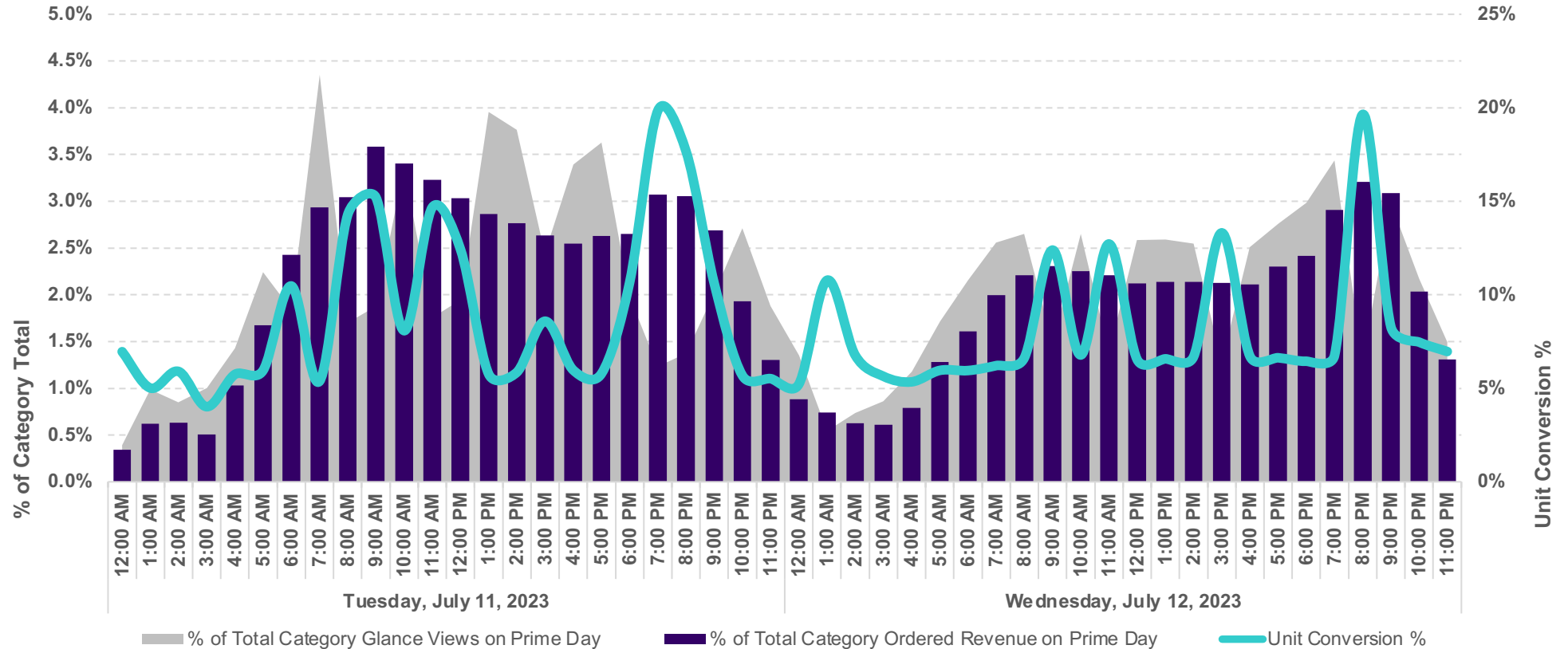
**9:00 AM PST**  
July 11 (Day 1)

Highest % of Prime Day Ordered Revenue

**7 / 8 PM PST**  
July 11 / 12

Highest Unit Conversion % Time

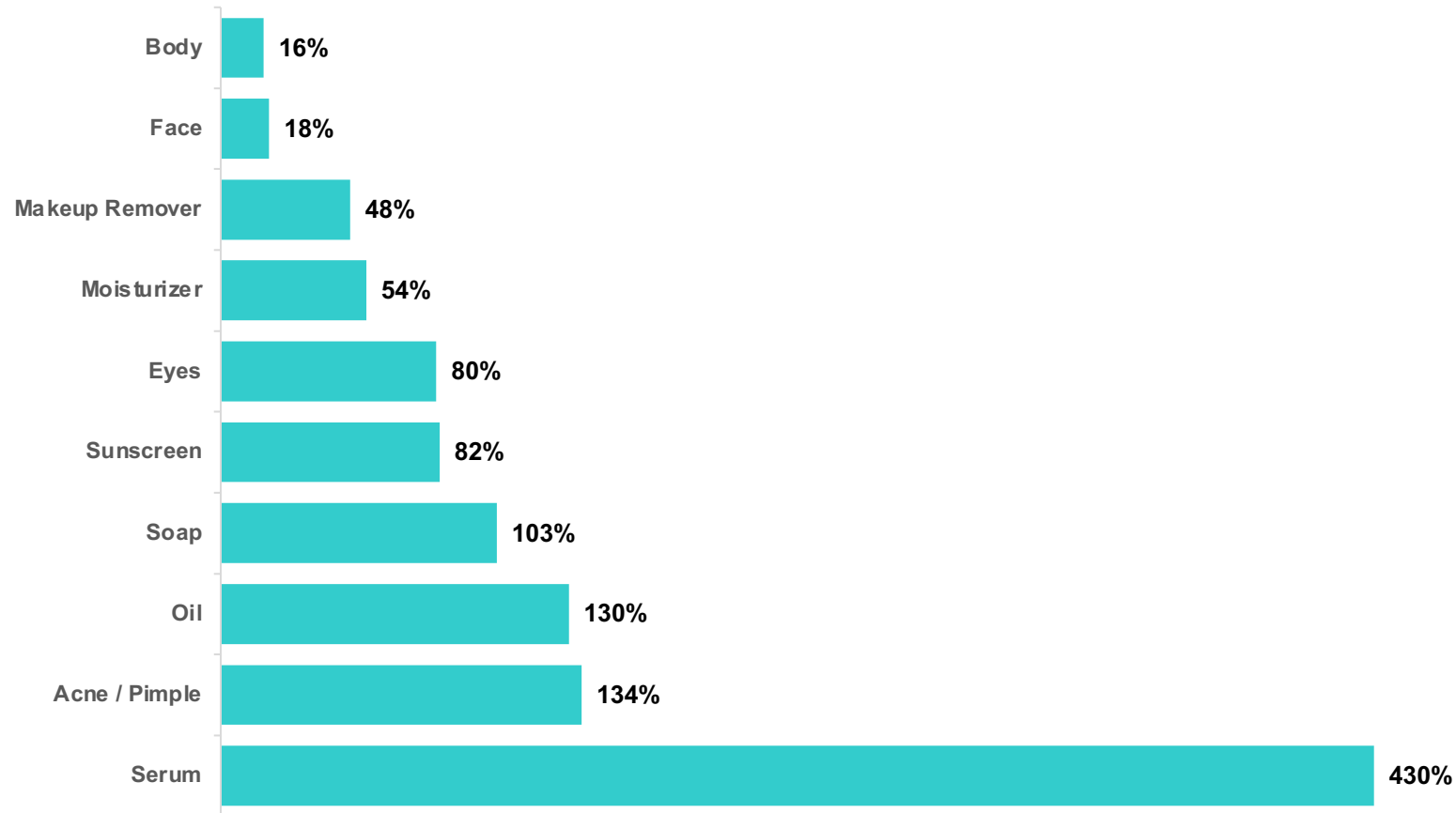
**Hourly View of Prime Day Glance Views, Ordered Revenue and Unit Conversion % for Home & Kitchen**



Source: Internal data from CommerceIQ's REM Platform for its users from the hours of 12:00AM PST to 11:59PM PST on July 11, 2023 and July 12, 2023 vs 12:00AM PST to 11:59PM PST on July 11, 2022 and July 12, 2022

# Change in Volume Share for Beauty & Personal Care: Prime Day 2023 compared to Prime Day 2022

+77%



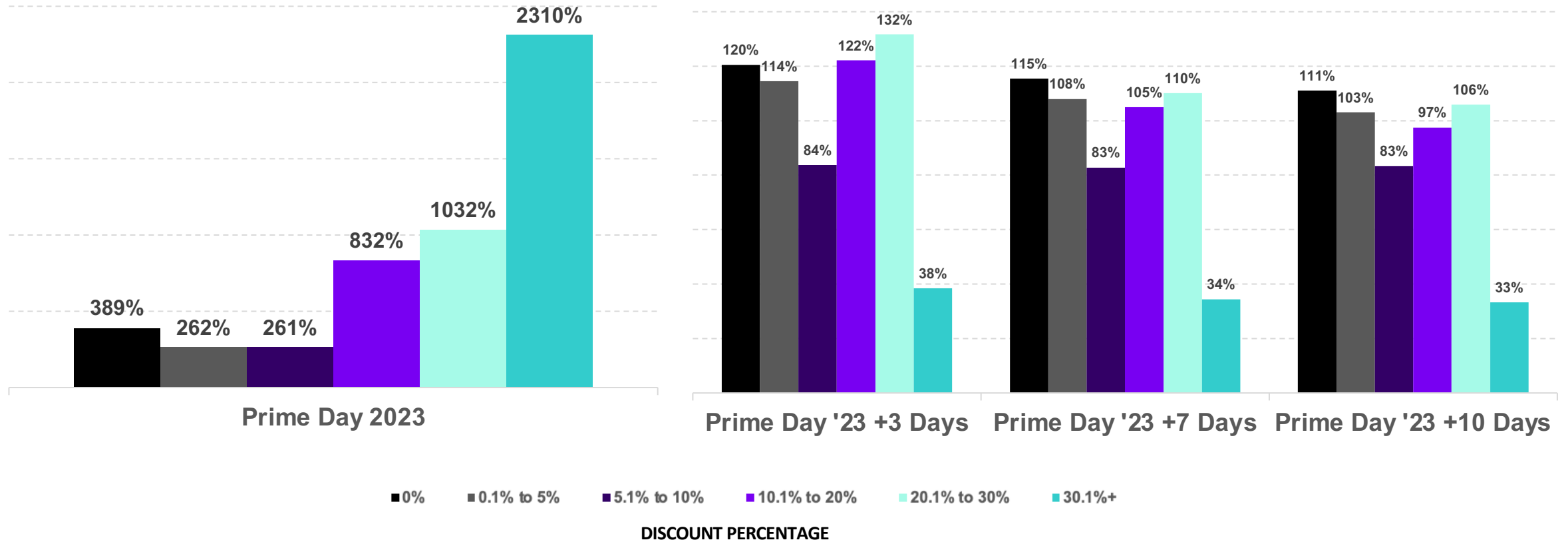
| Beauty & Personal Care<br>Biggest Rising Terms vs. Prime Day 2022 |          |
|---|----------|
| Search Term   | % Change |
| snail mucin serum   | 19825%   |
| beauty of joseon sunscreen stick                                  | 2071%    |
| skin care products preppy   | 1713%    |
| vitamin c face serum  | 1711%    |
| under eye patches for puffy eyes                                  | 1522%    |
| hero pimple patch   | 1461%    |
| make up remover wipes for face                                    | 1381%    |
| snail mucin moisturizer   | 1186%    |
| juno skin cleansing balm  | 907%     |
| acne patches for face   | 761%     |

| Beauty & Personal Care<br>Biggest Falling Terms vs. Prime Day 2022 |          |
|--|----------|
| Search Term  | % Change |
| exfoliating face wash  | -18%     |
| face massager  | -20%     |
| shower gel   | -21%     |
| facial mask  | -24%     |
| face cream   | -24%     |
| body soap  | -26%     |
| acne   | -27%     |
| vitamin c serum for face   | -40%     |
| facial skin care products  | -42%     |
| face mask skin care  | -72%     |

Source: Internal data from CommerceIQ's REM Platform for its users from the hours of 12:00AM PST to 11:59PM PST on July 11, 2023 and July 12, 2023 vs 12:00AM PST to 11:59PM PST on July 11, 2022 and July 12, 2022

Higher discounts generally correlated with a higher retention of glance views post-Prime Day, except for extreme 30%+ discounts which correlated with a substantial decline in Glance Views post-Prime Day hinting at those extreme deal seekers being out of market.

### Average Daily Glance Views as % of Average Daily Glance Views for L28 Days Prior to Prime Day 2023 in Beauty

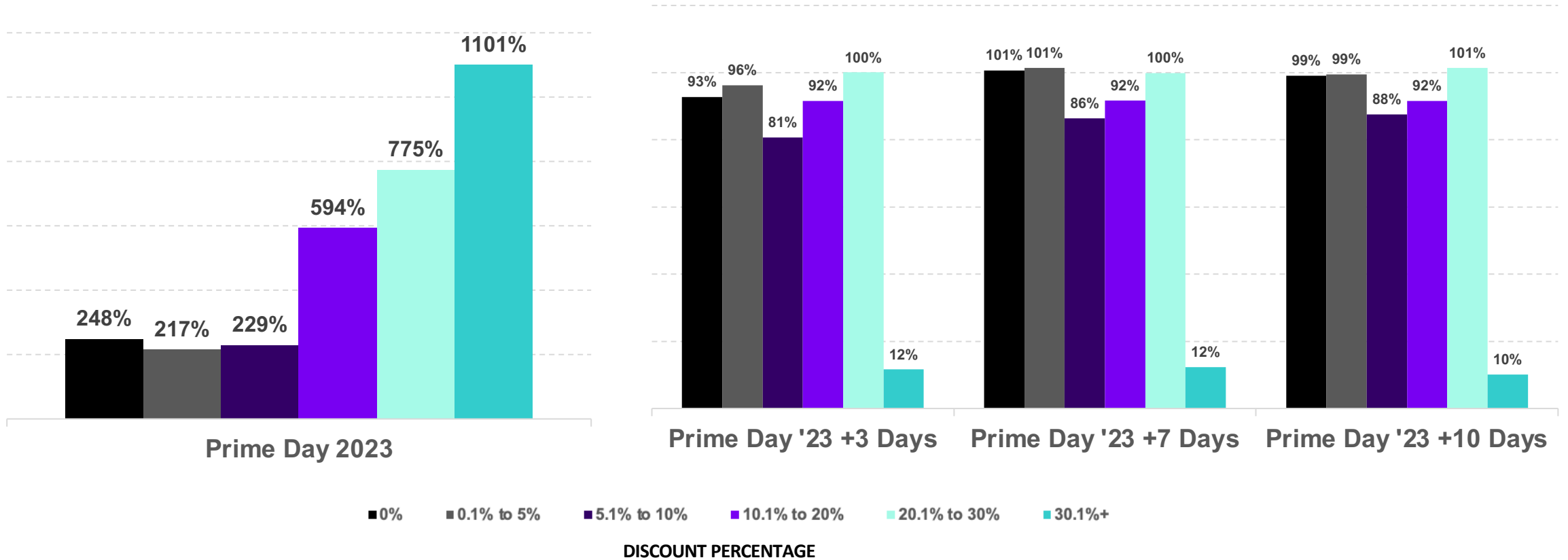


Source: Internal data from CommerceIQ's REM Platform for its users from the hours of 12:00AM PST to 11:59PM PST on July 11, 2023 and July 12, 2023 vs 12:00AM PST to 11:59PM PST on July 11, 2022 and July 12, 2022, compared to the 28 days prior average, and the daily average +3, +7 and +10 days post Prime Day.



Larger discounts correlated with higher ordered revenue on Prime Day for Beauty, but generally correlated with lower ordered revenues post Prime Day, including a steep drop off of Ordered Revenue post-Prime Day on 30%+ discounted ASINs.

Average Daily Ordered Revenue as % of Average Daily Ordered Revenue for L28 Days Prior to Prime Day 2023 in Beauty



Source: Internal data from CommerceIQ's REM Platform for its users from the hours of 12:00AM PST to 11:59PM PST on July 11, 2023 and July 12, 2023 vs 12:00AM PST to 11:59PM PST on July 11, 2022 and July 12, 2022, compared to the 28 days prior average, and the daily average +3, +7 and +10 days post Prime Day.

## Contact Us

Contact CommercetQ at <https://www.commerceiq.ai/demo/>

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