



tradeswell.

HEALTH AND BEAUTY ECOMMERCE

The \$4.5 Trillion Opportunity

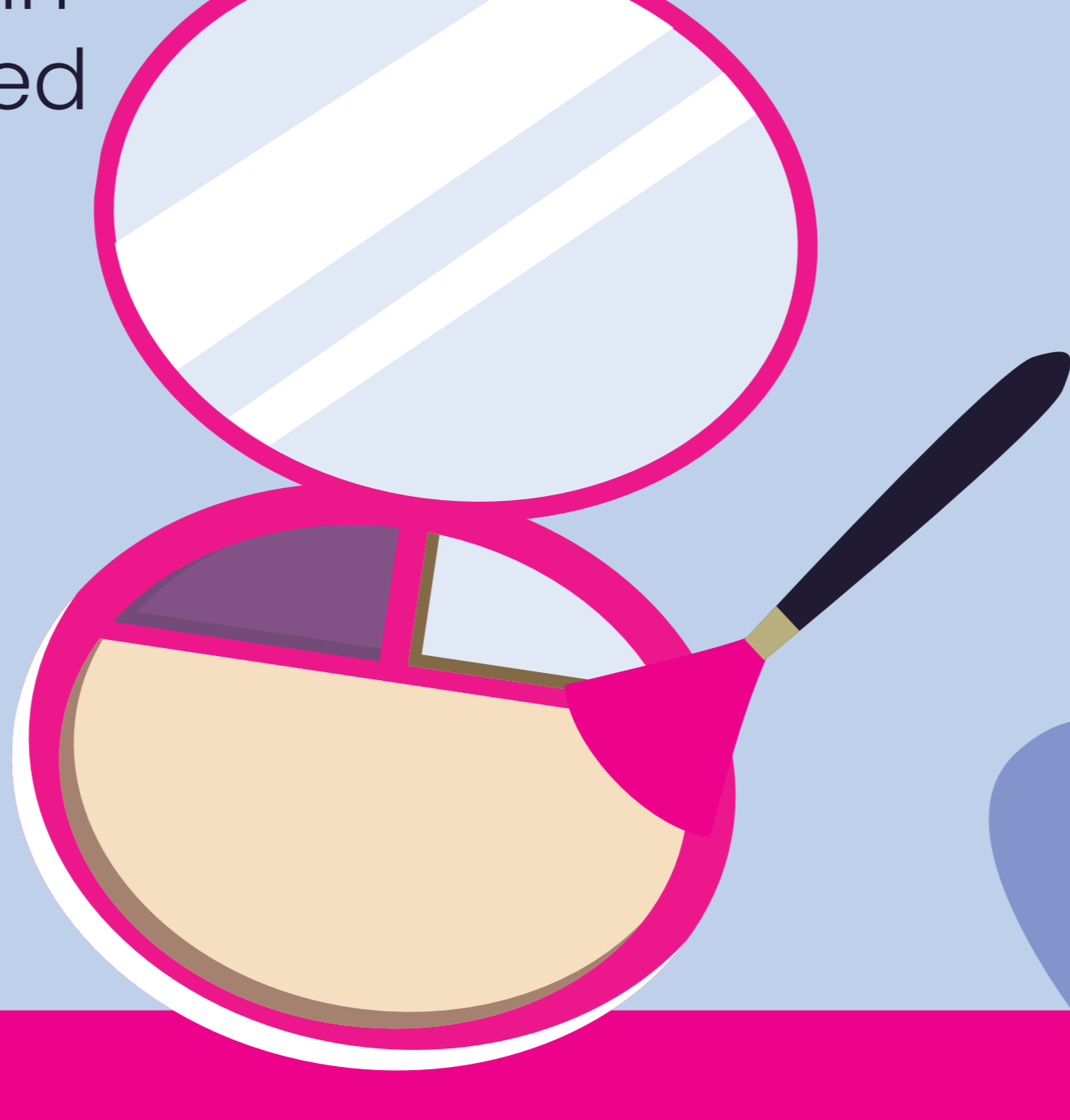
The global wellness economy is ready to expand online – in a big way



Online Sales of Prestige Beauty Grew 46% in 2020

It was a bright spot in a pandemic-affected industry that saw a 19% dip overall

Source, The NPD Group, February 2021



Overall, some categories fared better than others

Makeup sales plummeted 34%, while at-home, self-care products **skyrocketed**. But the split wasn't even across categories

HIGH DEMAND

SKINCARE

- Eye Makeup Spray/Powder
- Tinted Moisturizer
- Bronzer
- Concealer
- Face Exfoliators
- Nail Care

COSMETICS

- Body Creams/Lotions
- Cleansers
- Serums

OTHER

- Hair Treatments & Masks
- Fragrance Candles
- Devices

LOW DEMAND

SKINCARE

- Face Cream
- Face Serum
- Eye Treatment

COSMETICS

- Lip Color

OTHER

- Fragrance

Source, The NPD Group, February 2021

Ecommerce fueled the growth of top beauty & wellness brands

In many cases, ecommerce sales offset brick and mortar losses



GROWTH % OF TOTAL REVENUE

Beiersdorf	50%	??%
 ESTÉE LAUDER	60%	22%
L'ORÉAL	65%	25%
 P&G	40%	10%
SHISEIDO	55%	25%
 Unilever	61%	9%

Source, Annual fiscal reports

But hundreds of digital-native brands have now launched online

Making the 2021 competitive landscape more demanding than ever



Source, Retail Brew: 15 Fastest DTC Companies of 2020

Visits to Youth To The People's online store grew 874% in 2020

This upstart brand which fuses superfood skincare with social activism has mastered DTC sales. But it is also sold on Sephora, Amazon, Nordstrom, Free People, J.C. Penney and Walmart.

Digital marketplaces for only beauty products rise in popularity

Amazon is still #1 for reach, but Sephora, Ulta and others compete for beauty shoppers

SEPHORA

- Sales up 30% in 2020
- Carries over 300 brands
- Established loyalty programs

ULTA BEAUTY

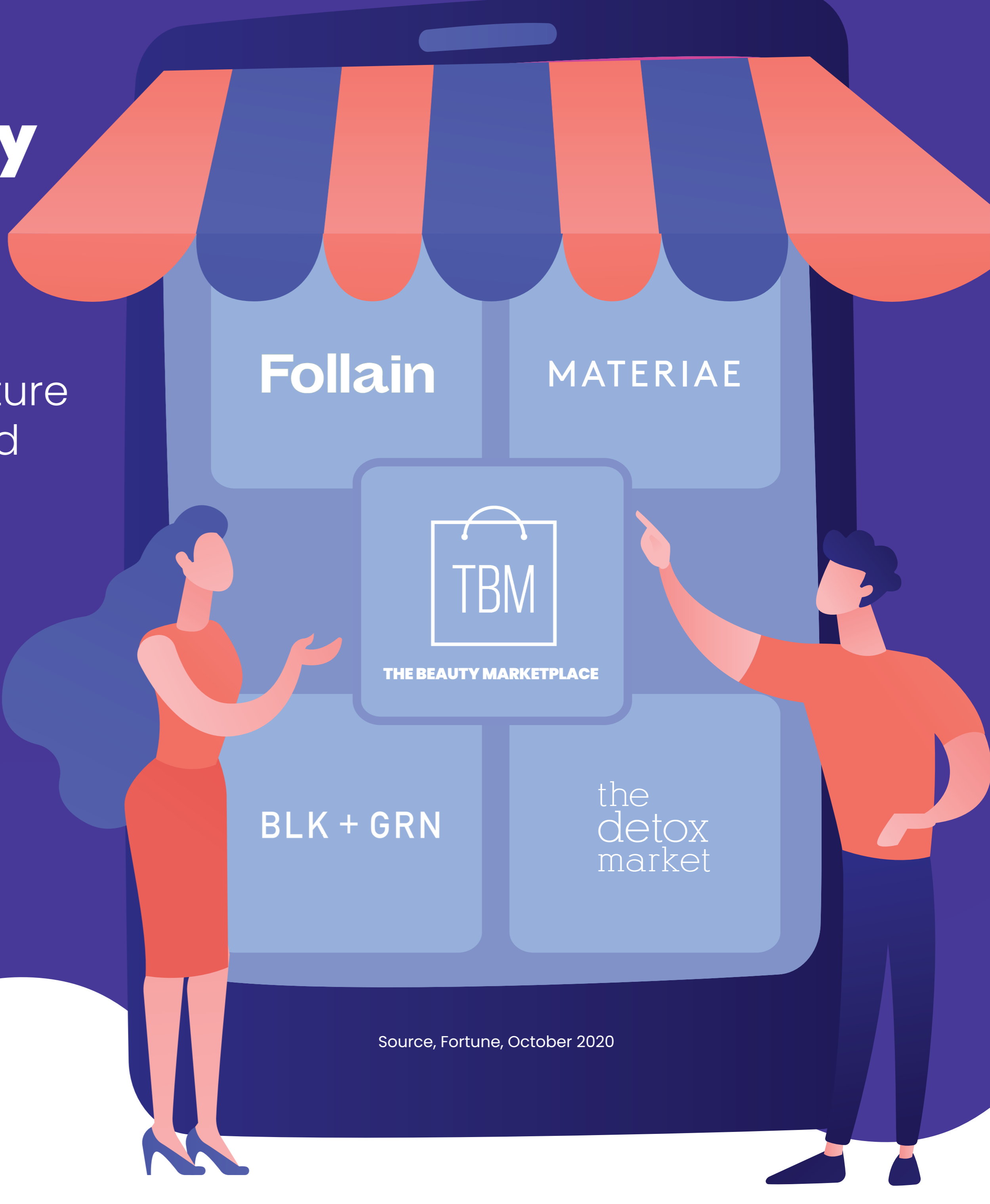
- Shares growth 21% YTD
- Opening 40 doors in 2021
- 7x gain in GLAMLab engagement

Source, Sephora, Ulta 2020 Annual Reports, Ulta news release

And niche beauty marketplaces are popping up

Curatorial platforms structure options for consumers, and add perceived value, too

"Curation gives them the story, the point of view, the cultural associations."



Source, Fortune, October 2020

Three Lasting Trends

- Consumers will continue online engagement and shopping
 - Direct-to-consumer
 - Shoppable social media
 - Marketplaces
- Digital discovery will reign, especially on mobile devices
- Health-inspired innovation is in high demand (immunity, wellness, hygiene)



Stop juggling spreadsheets and different point solutions for each marketplace.

Tradeswell enables you to view and grow your sales and profits – by SKU! – on a unified and cross-functional platform, purpose-built for ecommerce optimization.

The 200+ brands using Tradeswell see 30-50% sales growth and 15-25% net margin growth from using the platform.

Learn more today at tradeswell.com.

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