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# BEAUTY AND THE BEASTS

By Julie Liesse

**Much of the** recent marketing news in the health and beauty aids market has centered on disruptor brands—especially new, smaller brands—and the ramped-up role of social media. But those are only the flashy headlines.

The truth is that the health and beauty aids (HBA) market remains dominated by a handful of global megamarketers, and an even smaller number of megabrands, often stretching from one end of the industry to the other.

Meanwhile, four key product categories—and a lot of old-fashioned advertising, including TV and print magazines—make up the overwhelming majority of HBA ad spending.

“Health and beauty aids spans a broad range of products, and a number of companies like Procter & Gamble Co., L’Oréal and Unilever, who have a footprint across different categories and segments,” says Jon Swallen, chief

research officer for Kantar Media.

Kantar Media’s 10-year industry analysis shows that HBA marketers, like other consumer package goods (CPG) companies, cut spending as their customers cut purchasing during the 2007-09 recession, Swallen says.

Kantar’s data shows HBA marketing spending fell nearly 8 percent from 2008 to 2009 alone. “Fast forward into 2011. Consumer spending began to recover, and marketers began reinvesting in new products that fueled something of a marketing revival,” he says.

U.S. measured-media ad spending for the HBA market hit a high of \$11.26 billion in 2013.

“The high-water mark coincides with that consumer spending revival,” Swallen says. “But it also coincides with a period where many CPG companies were facing rising commodity and production costs as an outcome of economic

## Health and beauty ad spending, 2008-2017

U.S. measured-media ad spending. Dollars in billions.



Source: Kantar Media. U.S. measured-media spending in health and beauty categories; see p. 8. More info: [kantarmedia.com](http://kantarmedia.com).

recovery. Because of heavy competition, they weren't able to pass those cost increases on to their consumers—and in wake of the resulting profit margin pressures, they cut marketing spend in order to maintain profits."

At the same time, Swallen says, the industry—and especially industry leaders like P&G—was in the middle of a well-publicized shift from traditional media into more targeted digital channels.

"That shift enabled a lot of companies to do more with less: To help improve ROI (return on investment) and spend less money to get the same impact," he says.

Overall HBA measured-media spending has declined every year since 2013. Spending in 2017 was \$9.55 billion, down 4.4 percent from 2016.

"Now we are coming into a period where a lot of CPG companies have begun to realize that digital advertising isn't the salvation we thought it was," Swallen says. "It definitely has a role and can be used in many ways. But it's not the dollar-to-dollar substitute for expensive TV advertising that many manufacturers thought it might be."

Witness that TV and magazines still accounted for 91 percent of HBA media advertising in 2017. Although digital channels have tripled their share of spending in the past decade, they only amounted to 6 percent of measured-media advertising.

Magazines remain central to HBA marketing strategies, particularly for cosmetics, fragrances and hair care products. "There is still an orientation toward beautiful, high-end photography presented on glossy pages," Swallen says.

In 2017, magazines received nearly one-third of HBA spending. In comparison, magazines accounted for only 11 percent of total ad spending across all categories last year.

Two HBA megamarketers—P&G and L'Oréal—account for 26.5 percent of all 2017 HBA spending. Brands like L'Oréal, P&G's Olay and Gillette, and Unilever's Dove have a footprint in a variety of categories and segments.

Including those four brands, the top 25 HBA megabrands together accounted for \$3.85 billion, or 40.3 percent of all HBA spending, up from 37.6 percent in 2016. While press coverage often focuses on small disruptor brands, spending by the top 25 brands increased 2.4



**Harry's 2017 spot: "Meet the shaving company that's fixing shaving"**

percent in 2017 even as the HBA industry's overall spending fell 4.4 percent.

Although health and beauty comprises a slew of personal care product categories, HBA industry ad spending is concentrated in four huge categories—over-the-counter remedies, body care, cosmetics and fragrances, and hair care—that represent nearly 80 percent of total advertising spending.

### **Spending by category**

On its own, the over-the-counter (OTC) remedies and medicines category accounts for about one-third of HBA spending. OTC ad spending in dollars in 2017 was virtually unchanged from 10 years ago. About half OTC spending is concentrated in three product segments: cough and cold remedies, pain relievers and nutritional supplements.

Meanwhile, the glamour categories in the HBA industry—cosmetics and fragrances; hair care—together represented 28 percent of 2017 spending, compared to 34 percent in 2013.

Swallen attributes at least some of that dip to beauty marketers' shift to digital and particularly social media. Measured-media ad spending by hair care and beauty companies has fallen 30 percent over the past four years, Swallen says, as "consumers are putting more stock in social media as a source of information about these categories."

Whereas brands used to pair with celebrities in flashy ads, brands today cultivate social

media influencers who offer product tips, reviews and virtual experiences on their websites, video channels and social platforms.

“People go to social media looking for tips and ideas, and the type of curated content brands and their influencers offer is a perfect fit,” Swallen says. “These efforts, as well as other online efforts—including things like Q&As with a brand, or user-generated tips—represent more deeply connected and personal messaging, as opposed to 30-second TV ads or slick magazine ads. We have brands now across the beauty sector whose primary go-to-market strategy is social media.”

Brands need to be defter to keep pace with their new competition, Swallen says. “For many CPG companies, they face increased pressure from a more competitive landscape,” he says. “Brands today are being created in the blink of an eye. And many of these brands are more nimble because they are smaller.”

Individually, of course, these small brands can’t keep up with rivals like Dove or Gillette. “But collectively, they nibble at the heels of their much larger and more heavily funded competitors,” Swallen says.

### **A not so little shaver**

Harry’s, the online shaving-products marketer, is a perfect example, he says. Founded in early 2013, Harry’s saw an opportunity to carve out a niche that traditional razor and shaving giants Gillette and Schick (owned by Edgewell Personal Care Co.) were not occupying: a direct-to-consumer subscription model.

“Harry’s is interesting because the media strategy is the distribution strategy,” Swallen says. “And when they arrived on the scene, that e-commerce approach was unusual, unique.”

Within just four years, Harry’s yearly ad spending topped \$100 million, 90 percent of it in digital media, Kantar Media reports. “They are an example of a brand that was born and came of age very quickly—and, of course, also primarily a digital-first brand,” he says.

Together with rival Dollar Shave Club (acquired by Unilever in 2016), Harry’s has forced Gillette in particular to increase marketing and ad spending, and led both Gillette and Schick to create subscription models of their own, Swallen says.

The result of the new competition is a large increase in measured-media advertising spending in the shaving equipment and supplies segment, growing from \$363 million in 2014 to \$438 million in 2017.

Harry’s pulled in additional private-equity funding this year and reportedly is investigating ideas for brands and distribution models with the hope of shaking up other categories.

Kantar Media’s analysis shows that much of the recent growth in HBA ad spending comes from brands in the lower tier of spenders.

The analysis counts 4,923 advertisers spending money in the HBA industry, up 41 percent in the past decade.

But 84 percent of those advertisers—4,120 of those brands—spend less than \$500,000 yearly on advertising. The number of brands with more than \$5 million in ad spending has remained virtually unchanged—326 in 2017, compared to 311 a decade ago.

“When you look at the spending profile, it’s the digital-first brands that are growing their segments,” Swallen says. “If you have only \$500,000 to spend on marketing, you are not spending that money on TV or magazines; you can’t afford it. You’re using digital media.

“The growth in these small brands coincides with the growth in online ad channels, which has lowered the barriers to entry in these categories. But because they are small budgets, it takes 10 brands spending \$500,000 to have the same contribution to the category that one big brand might have.”

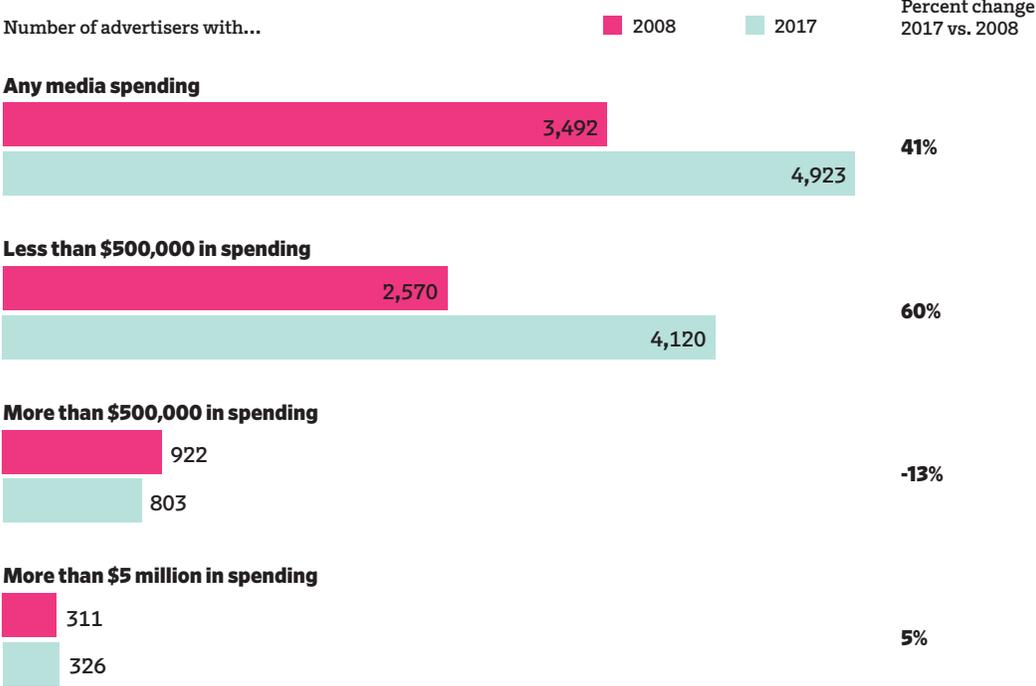
The impact of newer, smaller brands is really nothing new, especially in the beauty and cosmetics portion of the business, which has always been fragmented and trendy.

“There are big, dominant brands that have stood the test of time, like Olay, L’Oréal and the Johnson & Johnson brands,” Swallen says. “But in the cosmetics segment, because it’s very trendy and fashion-oriented, new brands come into the marketplace all the time. And again, barriers to new brands are lower than in the past.

“Consumers and especially millennials and Generation Z are looking for beauty inspiration, for makeover ideas and whatever’s hot,” he says. “Small brands can carve out little niches and as a group eat into the market share of the big dominant brands.”

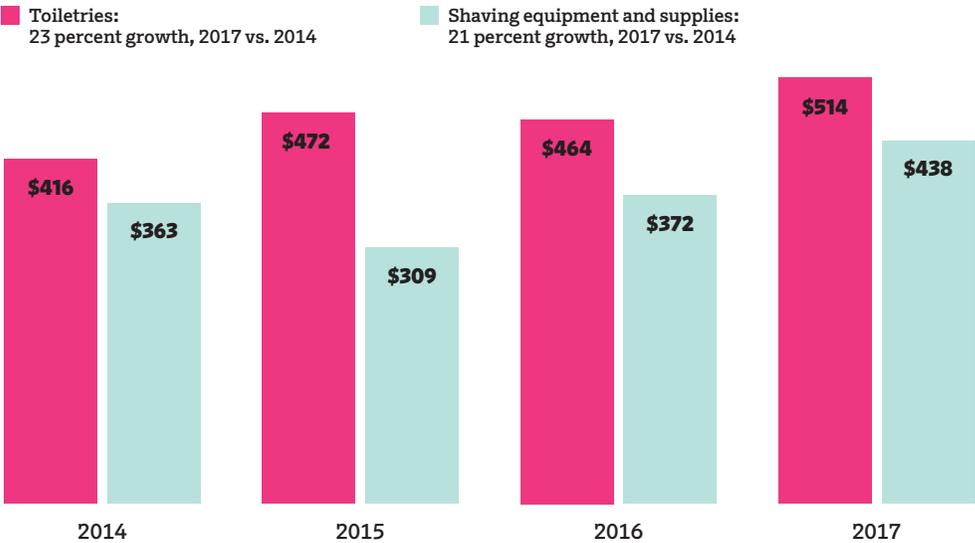
### A fragmented market

The overall number of health and beauty brands with media advertising has increased by 41 percent in the past decade. Almost all that growth came from brands with small budgets, and their spending is concentrated in digital channels.



### What's driving growth

Segment ad spending, dollars in millions. Small segments dominate health and beauty ad spending growth.



Source: Kantar Media. U.S. measured-media spending; see p. 8. More info: [kantarmedia.com](http://kantarmedia.com).

**Biggest health and beauty advertisers**

U.S. measured-media ad spending. Dollars in millions.

Rank	Marketer	2017	2016	Percent change
1	<b>Procter &amp; Gamble Co.</b>	\$1,318	\$1,227	7.4%
2	<b>L'Oréal</b>	1,216	1,236	-1.6
3	<b>Johnson &amp; Johnson</b>	695	763	-8.9
4	<b>Unilever</b>	546	602	-9.3
5	<b>GlaxoSmithKline</b>	447	467	-4.3
6	<b>Sanofi</b>	405	385	5.0
7	<b>Bayer</b>	359	436	-17.6
8	<b>Pfizer</b>	277	309	-10.5
9	<b>Genomma Lab</b>	260	308	-15.7
10	<b>Nestlé</b>	252	254	-0.6
11	<b>Coty</b>	239	362	-33.9
12	<b>Reckitt Benckiser</b>	180	189	-4.4
13	<b>Edgewell Personal Care Co.</b>	149	164	-9.2
14	<b>Colgate-Palmolive Co.</b>	127	131	-3.6
15	<b>Estée Lauder Cos.</b>	120	193	-38.1
16	<b>ADKM (Harry's)</b>	116	39	196.2
17	<b>Chanel</b>	107	100	6.8
18	<b>LVMH Moët Hennessy Louis Vuitton</b>	103	110	-6.3
19	<b>Kao Corp.</b>	103	102	0.8
20	<b>Church &amp; Dwight Co.</b>	89	95	-6.1
21	<b>Revlon</b>	81	120	-32.5
22	<b>Ideavillage Products Corp. (Finishing Touch)</b>	79	54	46.1
23	<b>Abbott Laboratories</b>	68	86	-21.7
24	<b>Iovate Health Sciences International</b>	63	73	-14.7
25	<b>Maxingvest (Beiersdorf, Nivea)</b>	51	54	-6.8
<b>Top 25 (in millions)</b>		<b>\$7,449</b>	<b>\$7,861</b>	<b>-5.2%</b>
<b>Total: health and beauty (in millions)</b>		<b>\$9,554</b>	<b>\$9,988</b>	<b>-4.4%</b>
<b>Top 25 as percent of total health and beauty</b>		<b>78.0%</b>	<b>78.7%</b>	

Source: Kantar Media. U.S. measured-media spending. Numbers rounded. Measured media includes network TV, spot TV, Spanish-language network TV, cable TV networks, syndicated TV, consumer magazines, Sunday magazines, local magazines, Spanish-language magazines, business publications, national newspapers (New York Times, USA Today, Wall Street Journal), local newspapers, Spanish-language newspapers, network radio, national spot radio, local radio, cinema, internet display, paid search, online video and mobile web. More info: [kantarmedia.com](http://kantarmedia.com).

## Most-advertised health and beauty brands

U.S. measured-media ad spending. Dollars in millions.

Brand	Marketer	2017	2016	Percent change
L'Oréal Paris	L'Oréal	\$514	\$472	8.8%
Maybelline New York	L'Oréal	293	285	2.7
Olay	Procter & Gamble Co.	273	223	22.0
Neutrogena	Johnson & Johnson	233	240	-2.9
Garnier	L'Oréal	200	216	-7.5
Dove	Unilever	180	174	3.9
Proactiv	Nestlé	179	198	-9.9
Gillette	Procter & Gamble Co.	160	147	9.2
Crest	Procter & Gamble Co.	158	180	-12.3
Pantene	Procter & Gamble Co.	140	130	7.4
Colgate	Colgate-Palmolive Co.	117	121	-3.4
Harry's	ADKM	116	39	196.2
Advil	Pfizer	110	109	0.9
Sensodyne	GlaxoSmithKline	108	101	6.6
Chanel	Chanel	107	100	6.8
Aveeno	Johnson & Johnson	106	117	-9.1
Claritin	Bayer	106	118	-10.5
Listerine	Johnson & Johnson	106	97	8.7
Always	Procter & Gamble Co.	104	57	82.3
Tylenol	Johnson & Johnson	100	89	12.1
Christian Dior	LVMH Moët Hennessy Louis Vuitton	92	81	13.1
Flonase	GlaxoSmithKline	88	122	-27.7
Aleve	Bayer	88	100	-11.5
Tresemmé	Unilever	87	103	-15.6
CoverGirl	Coty	87	138	-37.2
<b>Top 25 (in millions)</b>		<b>\$ 3,849</b>	<b>\$3,758</b>	<b>2.4%</b>
<b>Total: health and beauty (in millions)</b>		<b>\$9,554</b>	<b>\$9,988</b>	<b>-4.4%</b>
<b>Top 25 as percent of total health and beauty</b>		<b>40.3%</b>	<b>37.6%</b>	

Source: Kantar Media. U.S. measured-media spending; see p. 8. More info: [kantarmedia.com](http://kantarmedia.com).

**Biggest health and beauty advertisers by segment**

U.S. measured-media ad spending. Dollars in millions.

Segment and marketer	2017	2016	Percent change
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**Body care**

<b>Johnson &amp; Johnson</b>	\$348	\$342	1.6%
<b>Procter &amp; Gamble Co.</b>	235	210	11.6
<b>L'Oréal</b>	206	203	1.5

**Cosmetics and fragrances**

<b>L'Oréal</b>	\$654	\$680	-3.8%
<b>Coty</b>	216	325	-33.5
<b>Chanel</b>	105	97	8.2

**Feminine hygiene products**

<b>Procter &amp; Gamble Co.</b>	\$152	\$94	61.7%
<b>Edgewell Personal Care Co.</b>	41	50	-19.4
<b>Kimberly-Clark Corp.</b>	16	6	147.7

**Hair products and accessories**

<b>L'Oréal</b>	\$328	\$320	2.5%
<b>Procter &amp; Gamble Co.</b>	264	238	10.9
<b>Unilever</b>	165	220	-25.0

**Oral care**

<b>GlaxoSmithKline</b>	\$193	\$155	24.4%
<b>Procter &amp; Gamble Co.</b>	164	188	-12.7
<b>Colgate-Palmolive Co.</b>	120	122	-1.4

Segment and marketer	2017	2016	Percent change
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**OTC remedies and medicines**

<b>Bayer</b>	\$339	\$414	-18.2%
<b>Sanofi</b>	310	279	11.1
<b>Pfizer</b>	276	308	-10.3

**Personal care appliances**

<b>Procter &amp; Gamble Co.</b>	\$31	\$29	7.2%
<b>Royal Philips Electronics</b>	13	23	-40.5
<b>Dyson</b>	13	4	222.9

**Shaving equipment and supplies**

<b>Procter &amp; Gamble Co.</b>	\$142	\$145	-1.7%
<b>ADKM (Harry's)</b>	116	39	196.2
<b>Edgewell Personal Care Co.</b>	95	100	-5.1

**Toiletries**

<b>Unilever</b>	\$304	\$286	6.1%
<b>Procter &amp; Gamble Co.</b>	148	106	39.5
<b>Kao Corp.</b>	18	17	5.3

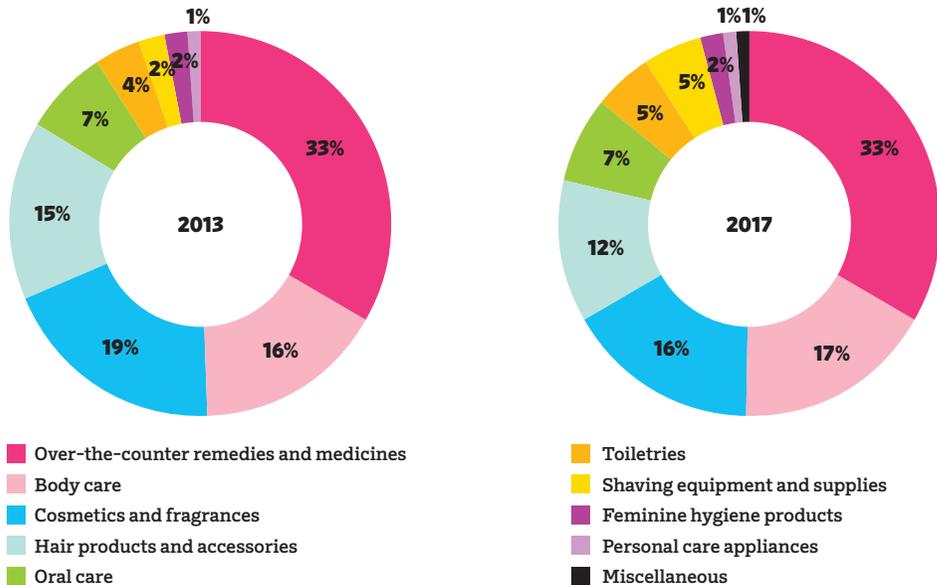
Source: Kantar Media. U.S. measured-media spending; see p. 8. More info: kantarmedia.com.

## Health and beauty ad spending by segment

U.S. measured-media ad spending, 2013-2017. Dollars in millions.

Segment	2013	2014	2015	2016	2017
Over-the-counter remedies and medicines	\$3,673	\$3,673	\$3,691	\$3,439	\$3,186
Body care	1,817	1,952	1,696	1,650	1,621
Cosmetics and fragrances	2,180	2,028	2,011	1,802	1,506
Hair products and accessories	1,730	1,575	1,406	1,230	1,166
Oral care	781	818	695	694	709
Toiletries	482	416	473	464	513
Shaving equipment and supplies	279	363	309	372	438
Feminine hygiene products	173	205	163	176	234
Personal care appliances	96	105	104	105	96
Miscellaneous	46	41	41	55	84
<b>Total: health and beauty (in millions)</b>	<b>\$11,258</b>	<b>\$11,177</b>	<b>\$10,588</b>	<b>\$9,988</b>	<b>\$9,554</b>

### Segment's share of health and beauty ad spending



Source: Kantar Media. U.S. measured-media spending; see p. 8. Numbers rounded. More info: kantarmedia.com.

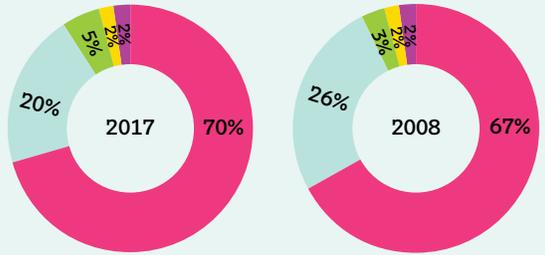
**Health and beauty ad spending by medium**

How the five most-advertised health and beauty segments divvied up U.S. measured-media ad spending by medium, 2017 and 2008. OTC remedies and medicines in 2017 put 70 percent of their ad dollars into TV.

■ TV ■ Magazine ■ Digital ■ Newspaper ■ Radio ■ Outdoor ■ Cinema

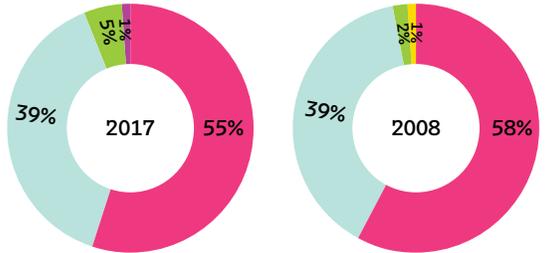
**Over-the-counter remedies and medicines**

Change in segment's total ad spending, 2017 vs. 2008: +2%



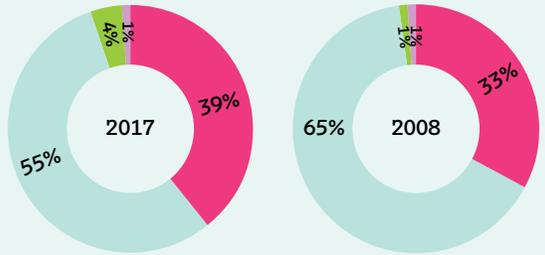
**Body care**

Change in segment's total ad spending, 2017 vs. 2008: +3%



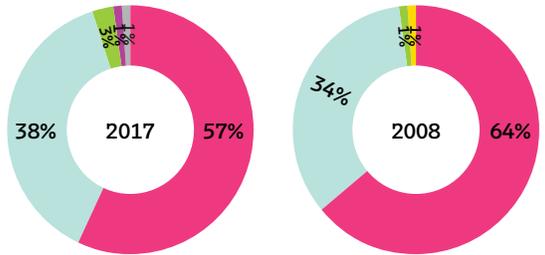
**Cosmetics and fragrances**

Change in segment's total ad spending, 2017 vs. 2008: +1%



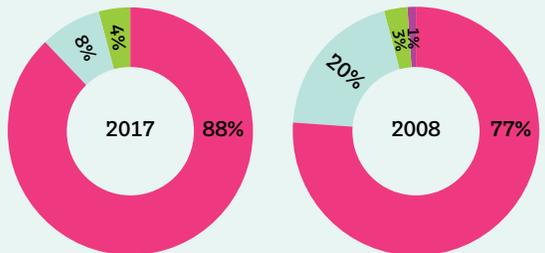
**Hair products and accessories**

Change in segment's total ad spending, 2017 vs. 2008: -7%



**Oral care**

Change in segment's total ad spending, 2017 vs. 2008: +4%



Source: Kantar Media. U.S. measured-media spending; see p. 8. Numbers rounded. More info: kantarmedia.com.



**Christian Dior:**  
Natalie Portman appearing  
as Miss Dior in a 2017  
fragrance commercial.

# AS LUXE WOULD HAVE IT

**In the beauty** and cosmetics market, what constitutes a “luxury” brand these days? And where have those brands disappeared to—in terms of their marketing footprint?

Jon Swallen, chief research officer for Kantar Media, believes the beauty market has experienced what he calls “luxification”: the availability of many brands formerly seen as luxury items on a mass scale, often with discounted prices.

“Beauty brands are trying to court and develop the next generation of customers,” Swallen says. “These are customers who love the luxury experience but don’t necessarily want the price tag. These brands and the retailers who sell the products have trained these customers to know they can have that luxury experience but not pay full price for it.”

Swallen says category experts consider these to be “luxury” brands: Chanel, Dior, Estée Lauder, Lancôme and L’Oréal Paris. It’s not simply price point that determines the tag, but a brand approach that “targets the luxury life experience,” he says.

U.S. measured-media spending for cosmetics and fragrances totaled about \$4 billion in 2017, down 30 percent from 2013. Over that period, these luxury brands’ share of that ad spending fell to 30 percent in 2017 from 49 percent in 2013, Swallen says. “They represent a shrinking share of a shrinking pie,” he says.

But it may not be a lack of marketing spending—but rather a redeployment of resources. “As the beauty market shifts its marketing dollars into social and digital efforts, often with curated content, perhaps luxury brands have been at the forefront of that shift, and have become even less reliant on traditional media than they were before,” Swallen says.

# AMAZON SEARCH BUSINESS ADS UP

**Amazon is leaving** giant footprints everywhere it ventures, from streaming video to personal digital assistants. So it's no surprise that its efforts are making waves in the paid search marketplace.

"There has been significant growth in terms of how Amazon is positioning itself as another search ecosystem that is competing directly with Google," says Eric Marcy, Kantar Media's president of search. "They are in hypergrowth mode in their ad business."

Marcy cites a Piper Jaffray report in which the investment firm projects Amazon will triple ad revenues in the next three years—based on Amazon's position as "the world's largest product search engine."

Amazon's ad revenue jumped significantly in the first half of 2018; the company said second-quarter ads alone totaled \$2.2 billion, up 132 percent over the previous year.

"Amazon is a unique shopping experience," says Marcy. "You do a product search on Amazon and see product photos, prices and reviews at your fingertips. It's easy, and it gives consumers confidence in how and what they buy."

Marcy says although Amazon's growth in ad sales does not appear to have affected Google ad sales, he notes Google has expanded the availability of its product listing ads.

Google's product listings—with photos and prices—offer searchers something more like an Amazon product listing, and definitely more than a standard Google ad's text description and website link.

Because of Amazon's soup-to-nuts selection and its increasing consumer base—it now has more than 100 million Amazon Prime members, for example—Amazon is a destination brands can't ignore.

"Increasingly, brands know they need to be

part of Amazon's search, but are asking how to optimize that investment—and how to best leverage both Google and Amazon to collectively drive sales," Marcy says.

Here's the twist: As Amazon increasingly becomes a can't-miss place for paid search efforts, marketers and brands often find themselves competing in those searches with Amazon's own products.

By launching its own brands and purchasing others (including Whole Foods Market's 365 Everyday Value, which came with the 2017 acquisition of Whole Foods), Amazon has amassed a large portfolio of products in a variety of categories.

Kantar Media's analysis shows Amazon private labels often are among the top brands in search results. Health care products offer prime examples.

In August 2017, Amazon launched its Basic Care brand, which includes a variety of OTC drug products, including pain relievers and allergy medications.

In the first two weeks of August 2018—just as fall allergy season was ready to commence—Kantar Media found that Amazon's Basic Care was the top displayed brand in Amazon.com search results for four leading allergy-related keywords, based on factors including percentage of time the brand was found in the top three positions on the first search results page, average page position and number of the brand's listings.

During the same two-week period, Kantar Media found that private-label brands Amazon Elements and Solimo, as well as the 365 Everyday Value brand, ranked eight, nine and 10 among the top 17 vitamin keywords. Marcy points out that collectively the three brands would have ranked second in search results for vitamins.

Similarly, Kantar Media’s analysis shows Amazon’s private labels at or near the top of Amazon.com search results in several other common personal care products, including baby wipes, hand soap, lotion and sunscreen. For instance, Amazon Elements baby wipes ranked first on the keyword “baby wipes,” ahead of Kimberly-Clark Corp.’s Huggies and Procter & Gamble Co.’s Pampers. Amazon’s Solimo ranked second on the terms “hand soap” and “lotion.”

Whether it’s through purchases like Whole Foods (acquired in August 2017) or online pharmacy PillPack (deal announced in June 2018), Amazon clearly is determined to offer a wide variety of its own brands within consumer package goods categories.

“They are doing what all good businesses do: Listening to their consumers and working to bring value to those customers on a daily

basis,” Marcy says, speculating that Amazon could well be positioned to “ultimately replace the drug store altogether for its shoppers.”

For Amazon’s search advertisers, the retailer’s private-label expansion “adds another competitive layer for these branded household products,” he says. “This idea of brands competing with the platform itself is unique, very different than Google. At the end of the day, it means there are fewer prime positions available, and brands will need to analyze carefully to understand how to compete most effectively. That may mean spending more dollars on specific keywords to ensure maintaining visibility.”

But at the same time, as Amazon’s user base and its search ad offerings increase, Marcy says, “There is no question Amazon is only going to grow in importance for retail brands in consumer product goods categories.”

**Amazon in 2017 launched Basic Care, a line of OTC products.**



### Amazon brands among the top 10

Ranking based on Amazon.com search results for health-related keywords.

Rank	Allergy	Vitamins	Cold and cough
1	<b>Basic Care (Amazon)</b>	Nature Made	Robitussin
2	Zyrtec	Bronson	Mucinex
3	Claritin	Nature's Bounty	Vicks
4	GoodSense	Nature's Way	Theraflu
5	Flonase	NatureWise	Delsym
6	Kirkland Signature	Garden of Life	Boiron
7	NasalCrom	Vitafusion	Genexa
8	Allegra	<b>Amazon Elements</b>	<b>Solimo (Amazon)</b>
9	Xyzal	<b>Solimo (Amazon)</b>	<b>365 Everyday Value (Amazon)</b>
10	LES Labs	<b>365 Everyday Value (Amazon)</b>	Rejuvenation Therapeutics

Source: Kantar Media data based on sponsored and organic listings displaying on Amazon.com, Aug. 1-15, 2018, for four allergy keywords, 17 vitamin keywords and three cold and cough keywords, respectively. Ranking based on analysis of a range of observed and modeled data for a given brand, including the following key performance indicators: percent of time the brand's listings are found in the top three page positions; percent of time the brand's listings are found on the first search results page up to the first 40 page positions; total number of listings and average page position for a given brand. More info: kantarmedia.com.

### Top vitamin brands by average listing position

Ranking based on Amazon.com search results for vitamin-related keywords.

Rank	Brand	Average listing position
1	<b>Amazon Elements</b>	4
2	<b>Solimo (Amazon)</b>	5
3	NatureWise	8
4	<b>365 Everyday Value (Amazon)</b>	9
5	Bronson	12
6	Nature Made	14
7	Nature's Way	14
8	Vitafusion	14
9	Nature's Bounty	15
10	Garden of Life	16

Source: Kantar Media data based on sponsored and organic listings displaying on Amazon.com, Aug. 1-15, 2018, for 17 vitamin keywords. More info: kantarmedia.com.

### Amazon brands at the top of search results

Based on searches on Amazon.com for common drug store products.

Brand	Keyword	Rank
<b>Amazon Elements</b>	baby wipes	1
<b>Solimo</b>	hand soap	2
<b>Presto!</b>	hand soap	7
<b>Solimo</b>	lotion	2
<b>Mama Bear</b>	laundry detergent	4
<b>Presto!</b>	laundry detergent	10
<b>Solimo</b>	sunscreen	6

Source: Kantar Media data based on sponsored and organic listings displaying on Amazon.com, Aug. 1-15, 2018. Ranking based on analysis of a range of observed and modeled data for a given brand, including the following key performance indicators: percent of time the brand's listings are found in the top three page positions; percent of time the brand's listings are found on the first search results page up to the first 40 page positions; total number of listings and average page position for a given brand. More info: kantarmedia.com.

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# SEARCHING THE WEB FOR ALLERGY RELIEF



**The explosion of** allergy complaints among Americans has meant big business for marketers of over-the-counter remedies—and a heavy dose of search marketing as consumers hit the internet in search of relief.

More than 50 million Americans say they suffer from some sort of allergies each year—now representing the sixth-leading cause of chronic illness in the U.S., with an annual cost in excess of \$18 billion, according to the U.S. Centers for Disease Control.

The market for over-the-counter allergy products is dominated by a few well-known names: Bayer's Claritin, GlaxoSmithKline's Flonase, Sanofi's Nasacort and Allegra, and Johnson & Johnson's Zyrtec.

Part of those brands' category dominance may be attributable to their aggressive participation in paid search. When Kantar Media studied U.S. Google desktop text ad activity on 33 top allergy-related keywords—including "allergy symptoms," "allergy medications" and

"seasonal allergy symptoms"—the big brands dominated in share of total clicks.

The top three share positions (Flonase.com, Claritin.com and Nasacort.com) combined for a whopping 46.6 percent of clicks from January through June 2018 compared to 28.8 percent for the same period in 2017.

"It's not a surprise that these brands everyone is familiar with are on top in terms of search activity," says Eric Marcy, Kantar Media's president of search. "Claritin and Nasacort have been investing more year over year to challenge Flonase, so we will see how that plays out."

What Marcy says he finds particularly interesting is the paid search activity of other brands—from outside the OTC remedy category—trying to capitalize on Americans' growing concern with and fixation on allergies.

Among the most clicked search marketers in Kantar Media's analysis of those allergy-related keywords were Mondelez International's Halls cough drops, Pfizer's Advil pain reliever

## Keywords that click

Most clicked advertisers on Google when consumers search for allergy-related keywords such as “allergy symptoms,” “allergy medications” and “seasonal allergy symptoms.”

Advertiser	Click share percentage	
	2018	2017
flonase.com	18.8%	17.8%
claritin.com	14.1	7.4
nasacort.com	13.7	3.6
allergytest.co	6.8	3.4
aafa.org	6.1	4.3
allegra.com	5.5	2.7
foodallergy.org	3.5	11.2
auvi-q.com	3.2	6.6
zyrtec.com	3.0	5.4
gethalls.com	2.8	0.3
kidswithfoodallergies.org	2.1	2.5
allergyasthmanetwork.org	2.1	0.8
xyzal.com	1.9	1.7
xolair.com	1.7	0.3
swiffer.com	1.6	0.5
advil.com	1.5	0.0
testmyallergy.com	1.2	1.9

Source: Kantar Media. More info: [kantarmedia.com](http://kantarmedia.com). Based on percentage share of U.S. Google desktop text ad clicks on 33 non-branded allergy-related keywords from January to July.

and Procter & Gamble Co.’s Swiffer cleaning products.

Halls has pushed its cough drops not just specifically as a cough and cold remedy, but something that can ease allergy symptoms as well. Advil has taken a similar tack. Meanwhile, P&G promotes Swiffer products as a way to clear a home of dust mites and allergens.

“These brands are trying to encroach on the turf of the traditional allergy medications, by finding additional uses for well-known products,” Marcy says, pointing out that combined, the three brands’ search activity represented about 6 percent of click shares from January to June 2018, up from nearly nothing during the same period in 2017.

“When you’re doing a keyword search of dust mites or allergy remedies, Swiffer and Halls are not probably the first thing you think about,” Marcy says. “But I think it’s something we will see more and more of from brands, and not just in the allergy category.”

Finally, Marcy notes that in the wake of its alleged price gouging, pharma marketer Mylan dramatically changed the search strategy for EpiPen, a popular device for emergency treatment of allergic reactions.

In the first half of 2016, EpiPen was the second-highest advertiser on the allergy keyword group, with a 10.8 percent click share.

But after the public hue and cry when Mylan raised the price of a two-pack to \$600 from \$100 in mid-2016, the company cut paid search spending to virtually nothing in the first half of 2017.

EpiPen registered no search spending during the first half of 2018.

“They have taken their lumps in terms of publicity, and certainly we’re seeing that translate into their investments in terms of search,” Marcy says. “They increased paid search spending right after they increased the price of EpiPen, but spending plummeted after the bad press hit.”

# WHAT SUPP? PILLS FOR ALL ILLS

**An increasing number** of Americans are addressing their own health and wellness concerns by using vitamins and nutritional supplements.

Nearly two-thirds of American adults say they have taken a non-prescription vitamin or mineral supplement in the past year, according to the 2018 MARS Consumer Health Study from Kantar Media.

Once upon a time, vitamins and supplements were perceived as wellness options, designed to prevent problems: Take multivitamins to stay strong, take vitamin C to boost the immune system. But today, more than one-third (36 percent) of surveyed consumers say they have taken a vitamin or supplement to treat a health condition.

Some 23 percent say they strongly agree that vitamins and supplements make a difference in long-term health, and 53 percent of respondents say they use vitamins and supplements for “overall health and wellness benefits.”

A growing percentage of users list chronic conditions—from heart health to digestive health, and conditions like lupus and fibromyalgia—as the reason they take supplements. For instance, and not surprisingly, among consumers with diagnosed osteoporosis, 63 percent say they take a supplement for bone health.

Jayne Krahn of Kantar Media’s Healthcare group says the current use of vitamins and

various supplement products reflects people’s desire to take more personal responsibility for their health and wellness.

“It’s really an extension of the trend toward patient empowerment,” says Krahn, VP-product and research operations. “It stems from a variety of factors: the conversations around the Affordable Care Act, the increased cost of seeing doctors, higher insurance co-pays, rising prescription drug costs. Consumers’ desire to take charge of their health and manage those costs is not something that’s happened overnight.

“You also see the trend extended into wearables, things like the Apple Watch and Fitbits. It’s all part of an overarching theme: If there is action people can take to impact their health in a positive way, whether taking supplements or participating in Pilates or yoga and barre studios, more and more people are open to doing it.”

Krahn notes that the vitamin and supplements category not only covers the traditional bottles of pills, but also includes juices and other drinkable supplements that provide convenient, ready-to-go options for health-conscious consumers.

To capitalize on consumer interest, marketers in 2017 spent almost \$239 million to advertise vitamins and minerals and almost \$640 million to advertise nutritional supplements, Kantar Media reports.

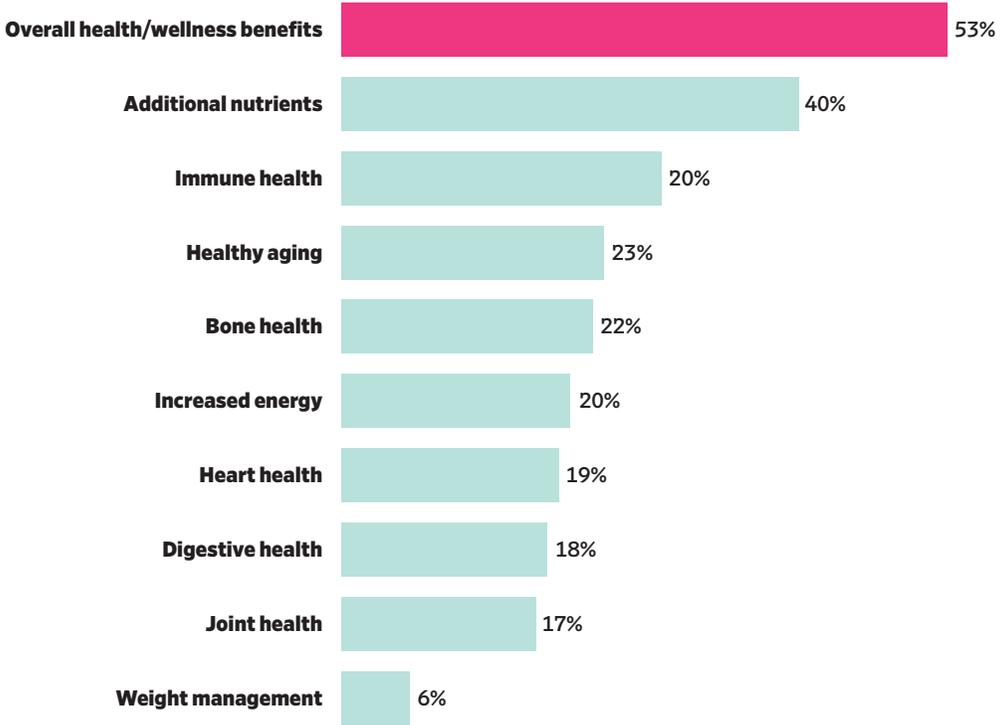
TV in 2017 accounted for 55 percent of ad spending for vitamins, minerals and nutritional supplements; magazines, 32 percent; and digital a growing share—10 percent, up from 6 percent in 2015.

Some of the interest in vitamins and supplements comes from consumers who prefer alternative or holistic approaches to standard medicine—representing 27 percent of the MARS survey respondents.

These consumers say they are more hesitant to take prescription drugs because of potential side effects. They go online for information, alternative solutions and to connect with other consumers; they say they are 35 percent more likely to value online communities and social media platforms as sources of information, and 50 percent more likely to value online blogs and vlogs.

### Why consumers take their vitamins

Top 10 reasons consumers say they take vitamins, minerals and nutritional supplements.

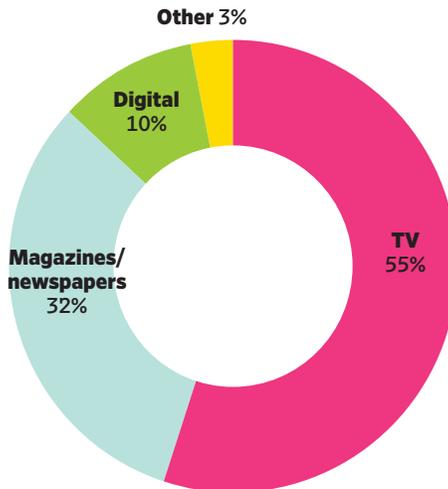


Source: Kantar Media's 2018 MARS Consumer Health Study. Responses from adults who use a type or brand of vitamin, mineral or supplement. More info: [kantarmedia.com](http://kantarmedia.com).

### Where marketers push their pills

Share of 2017 measured-media spending by medium for vitamins, minerals and nutritional supplements.

Marketers last year spent almost \$239 million to advertise vitamins and minerals and almost \$640 million to advertise nutritional supplements. TV accounted for 55 percent of spending.



Source: Kantar Media. U.S. measured-media spending; see p. 8. More info: [kantarmedia.com](http://kantarmedia.com).

# THINKING INSIDE THE BOX

**Everyone's talking about** subscription boxes. The idea, of course, is that customers sign up for regular deliveries of individually curated choices in everything from doggie treats to meal-preparation kits to clothing.

Amazon is all over subscriptions, including its Prime Book Box for Kids, as are other leading retailers like Target. And Tien Tzuo, founder of Zuora, is promoting the "Subscription Economy" in a best-selling book and on the lecture circuit.

One of the most popular product categories is beauty products. Ipsy, Allure, Boxycharm, Birchbox and Play! by Sephora are among the dozens of choices for customers interested in being surprised by a box of new cosmetics and fragrances each month.

Several factors make cosmetics and fragrances a seemingly ideal market for subscription boxes, says Jon Wood, global knowledge management director for Kantar Consulting.

First, customers have been conditioned for years by receiving sample cosmetics with purchases from in-store and online retailers. People who like to use makeup, young people in particular, often love to experiment with new colors and products, changing up their look with the seasons or to match an outfit.

In addition, Wood says, "Loyalty to products like these is declining; people are not as 'surprised and delighted' as they want to be when buying the same products over and over." The subscription box, with its luxe look and element of surprise, works to deliver on both.

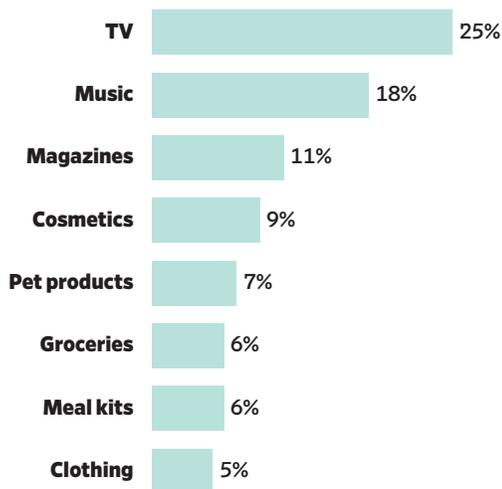
Despite the large number of competitors already marketing beauty boxes, Wood thinks there's plenty of upside.

"Men are just starting to explore this category, for instance. It exposes them to new and creative products—like caffeinated eye sticks and creams to help you look more awake," he says. "Having a small size included in a box gives them more of a license to experiment, especially if a category expert has selected it for their needs."

Surveys by Kantar's Lightspeed division show that nearly 30 percent of households

## Sign me up

What products or services do consumers subscribe to?



Source: Kantar Media. Lightspeed survey of 1,037 U.S. adults, June 2018. More info: [kantarmedia.com](http://kantarmedia.com).

already subscribe to at least three subscription services a month. As services like Netflix and Spotify make subscriptions more common for video and music content, the model transfers to other products and services.

"Subscription boxes are here to stay," Wood says. "There is a wave effect: Once you subscribe to one type of service, you're more likely to subscribe to others. As people are busier and busier, they will continue to rely more and more on this type of service and technology to help make decisions for them."

The boxes will continue to improve, he says, because aggregators and brands will have more customer data to use to curate choices.

"Customers are trending toward trusting companies more, and giving them more data—which allows the companies to better tailor recommendations and selections," he says. "Consumers want to spend less active time, and more passive time, shopping."

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