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CPG Sales Set for More Online Growth

The sector should hit \$16 bil. by 2012, a 25% increase

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- eMarketer Staff

Online sales of consumer packaged goods are projected to rise from \$12 billion to \$16 billion by 2012, a 25 percent increase.

"We think the segment will grow at above-average rates and then settle in to be a small part of the overall market," said the New England Consulting Group's Gary Stibel.

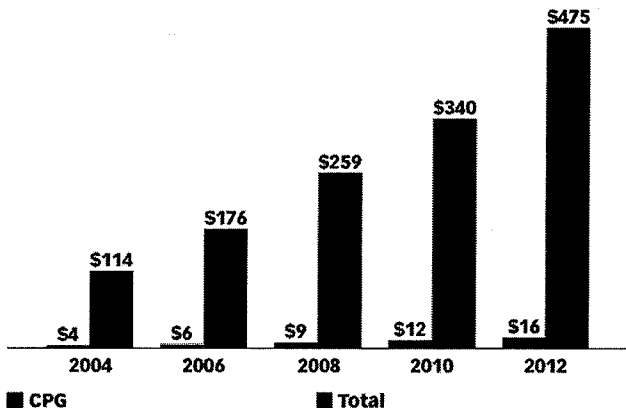
Pet products, food and beverage, over-the-counter medicines and personal care items are leading the online charge in CPG. After years of limited online activity, these categories grew at faster rates last year than all other e-commerce segments, according to Forrester Research and Barclays Capital's "Internet Data Book." Growth in online pet products was 20 percent, and the food/beverage and OTC medicines/personal care sectors grew 18 percent each. These areas outperformed established online categories such as apparel, auto parts and consumer electronics.

Forrester and Barclays project 2013 growth rates of 10-14 percent for the key categories of pets, food/beverage and personal care.

In 2009, those categories were growing by 18-20 percent.

Eventually, online CPG could represent as much as 3 percent or more of total category sales, Greg Murtagh, CEO of retail online media company Triad Digital Media, told eMarketer. "This might not seem like much, but if you're a multinational CPG company with \$20, \$50 or \$80 billion in total sales, it's huge volume."

US CPG E-Commerce and Total B2C E-Commerce Sales, 2004-2012 (billions)



Source: Nielsen as cited in company blog, September 3, 2009

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