

# GLOBAL HAIRCARE TRENDS

**Understanding your consumers**

# AUSSIE IN BRAZIL



**Mintel**



# Aussie becoming popular in Brazil

## Aussie Facebook page

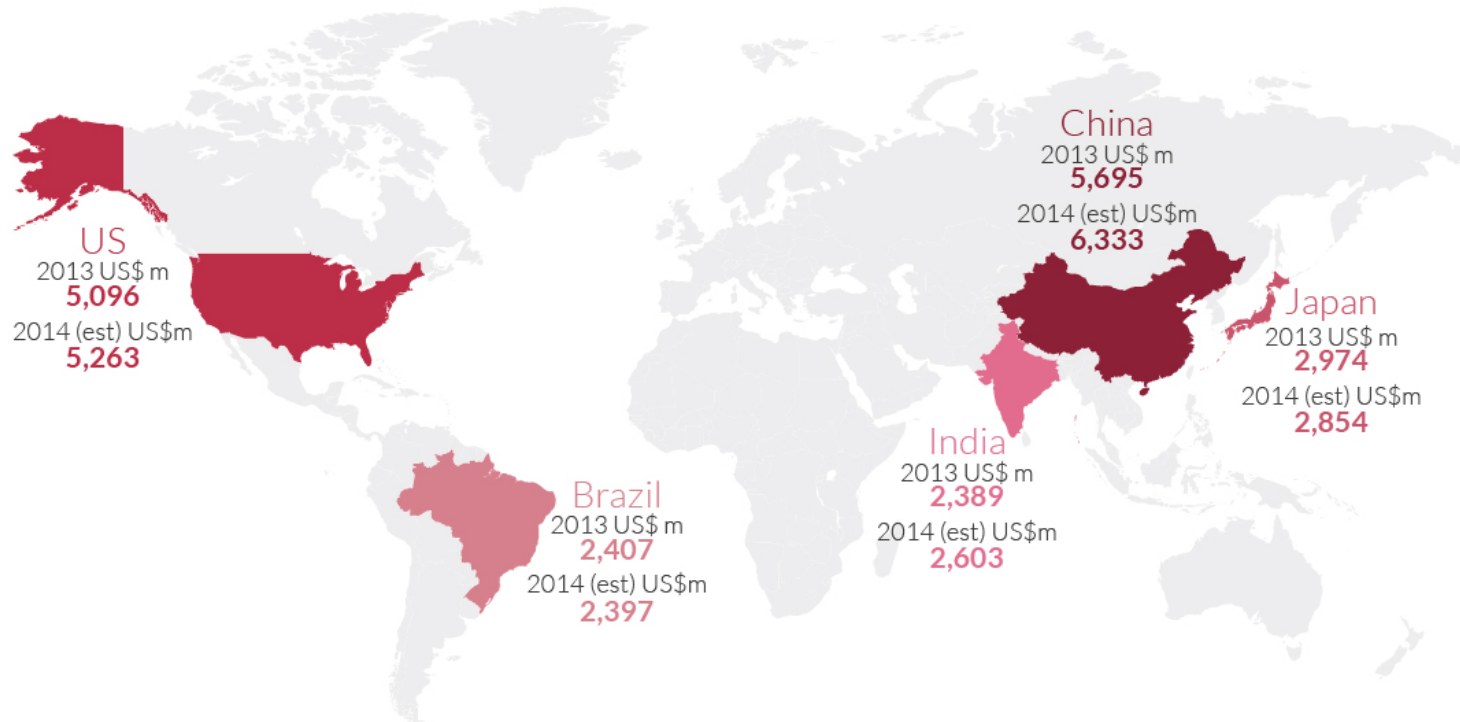
- By April 2014, Sao Paulo was the #1 most popular fan city
- 18-24 years old being the most popular age group



## Shampoo & Conditioners Market Data

Mintel values the global shampoo & conditioners market for 2014 at \$34 billion  
The biggest markets in 2014 are China followed by the US, Japan, India and Brazil

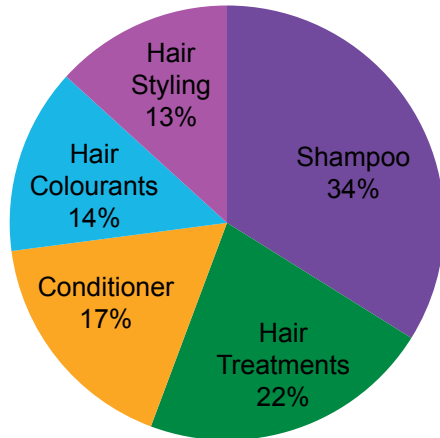
Top 5 countries for retail value sales of shampoo & conditioners, 2013-2014



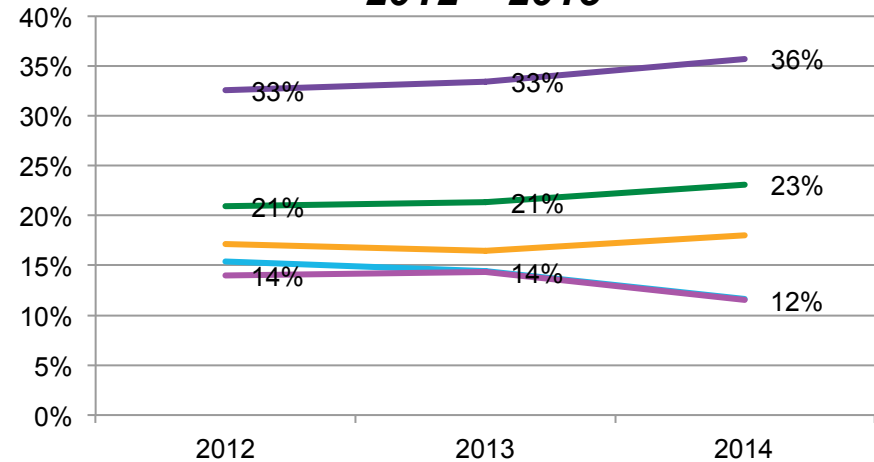
Source: ABIHPEC, Economist Intelligence Unit Ltd, Information Resources Inc, The Nielsen Company, Fuji-Keizai Group, U.S. Census Bureau/Mintel

# Shampoo leading product launches in the “Retail” hair care categories globally

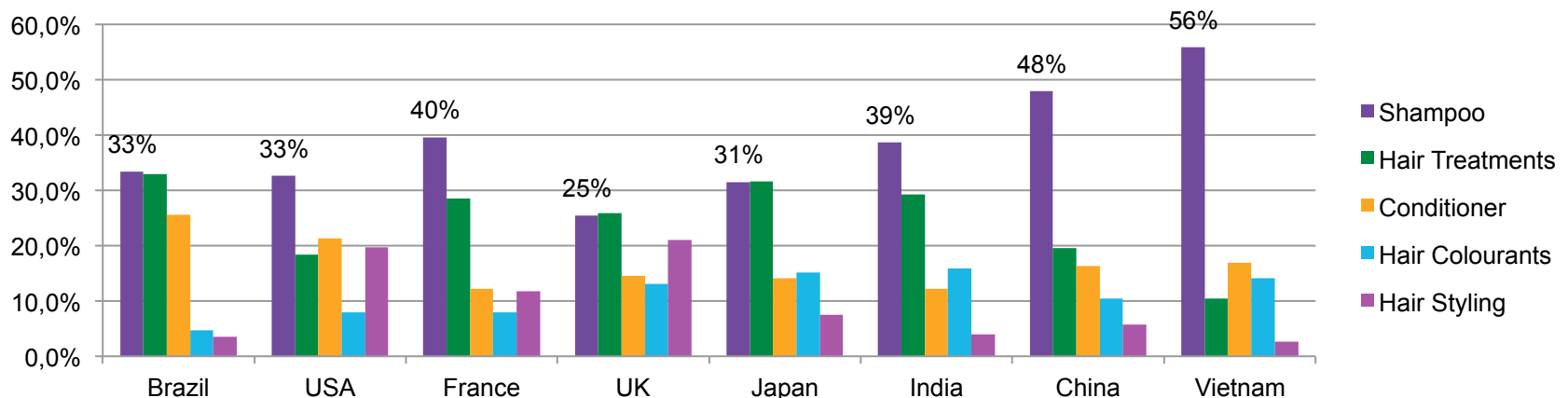
**Global Hair Care product launches - by sub-category 2014**



**Global Hair Care product launches in % 2012 – 2015**



**Country vs Category - 2014**

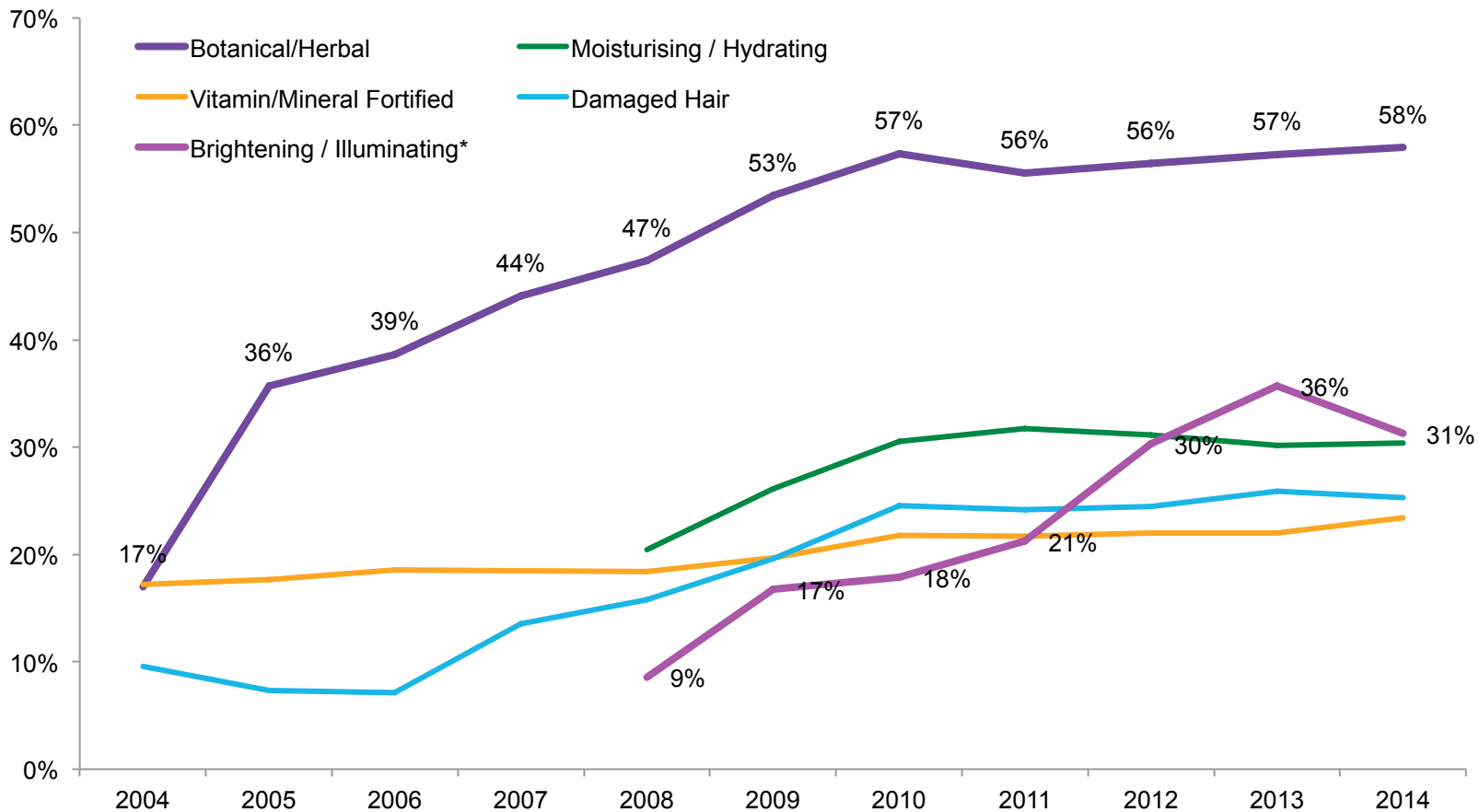


Source: Mintel GNPD



## Shampoo top claims - globally

- Botanical/Herbal is the top shampoo claim reaching 58% in 2014
- Brightening/illumination is the fastest growing claim (same for conditioners)
- Potential for vitamin fortified claims to grow



## Cleansing conditioners in Europe

- Cleansing conditioners (aka co-wash) which started in the ethnic haircare segment is becoming more mainstream and accepted by more consumers globally
  - They are not meant to replace neither shampoo nor conditioners
  - They are used in addition to existing products where consumers can alternate between a shampoo and a cleansing conditioner

Europe's Big 5 markets, interest in selected products, 2013

- Conditioners that also cleanse my hair (i.e. cleansing conditioners)
- Haircare products that allow me to wash my hair less frequently



France  
49%  
59%



Germany  
47%  
51%



Italy  
57%  
57%



Spain  
59%  
61%



UK  
60%  
60%

Base: internet users 16+ who use haircare products (France 969; Germany 961; Italy 962; Spain 956, UK 1,424)  
Source: Lightspeed GMI/ Mintel

## In 2014 - A record number of launches of cleansing conditioners

- The year 2014 saw the highest level of NPD activity in cleansing conditioners
- In the US, almost seven in 10 (69%) female haircare product users are interested in cleansing conditioners
- a high number of female consumers who believe that washing hair too frequently can damage hair



Co-wash for curly hair



Sulfate-free cleansing conditioner



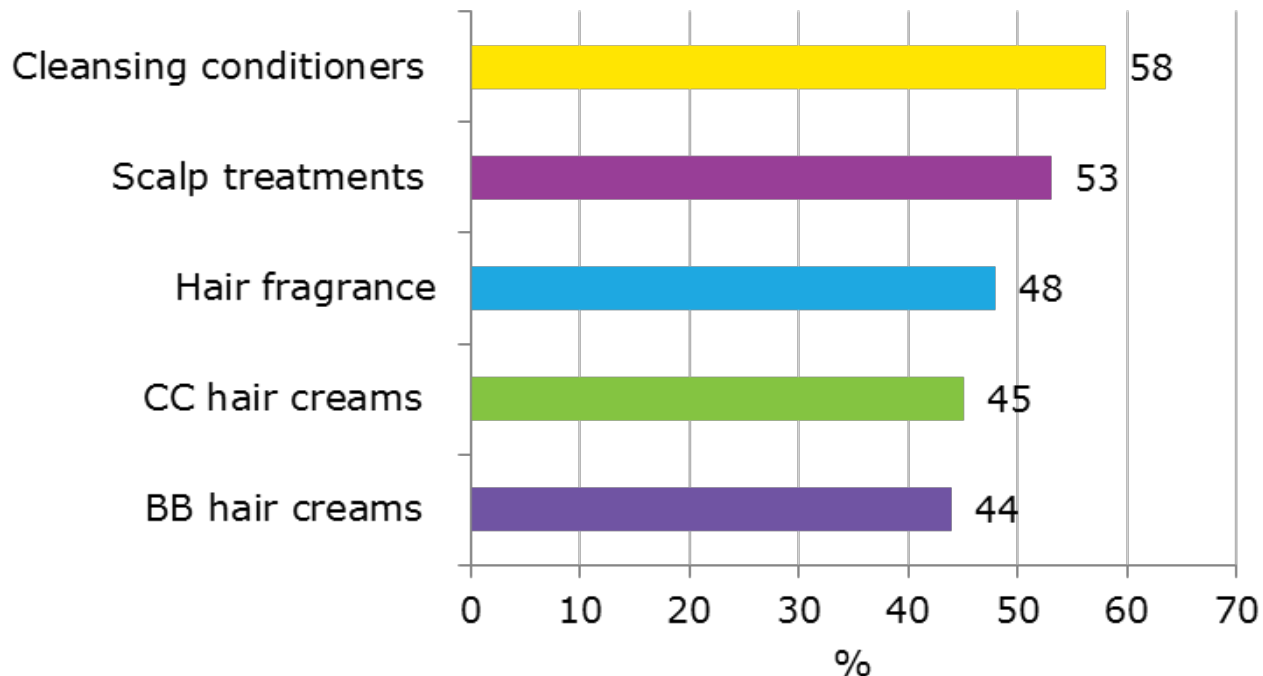
Cleansing Conditioner to rebalance the scalp



## The US Consumer: Interest in Formats

- Consistent with trends in the skincare and color cosmetics categories, multi-benefit products are also gaining traction in the haircare category. In particular, cleansing conditioners generate the highest levels of enthusiasm, with more than half (58%) of haircare users reporting interest. Frequent shampooing has received some backlash, due to the potentially stripping effects of surfactants, helping to spark interest in shampoo alternatives such as cleansing conditioners.

### *Any interest in top five new forms, 2014*



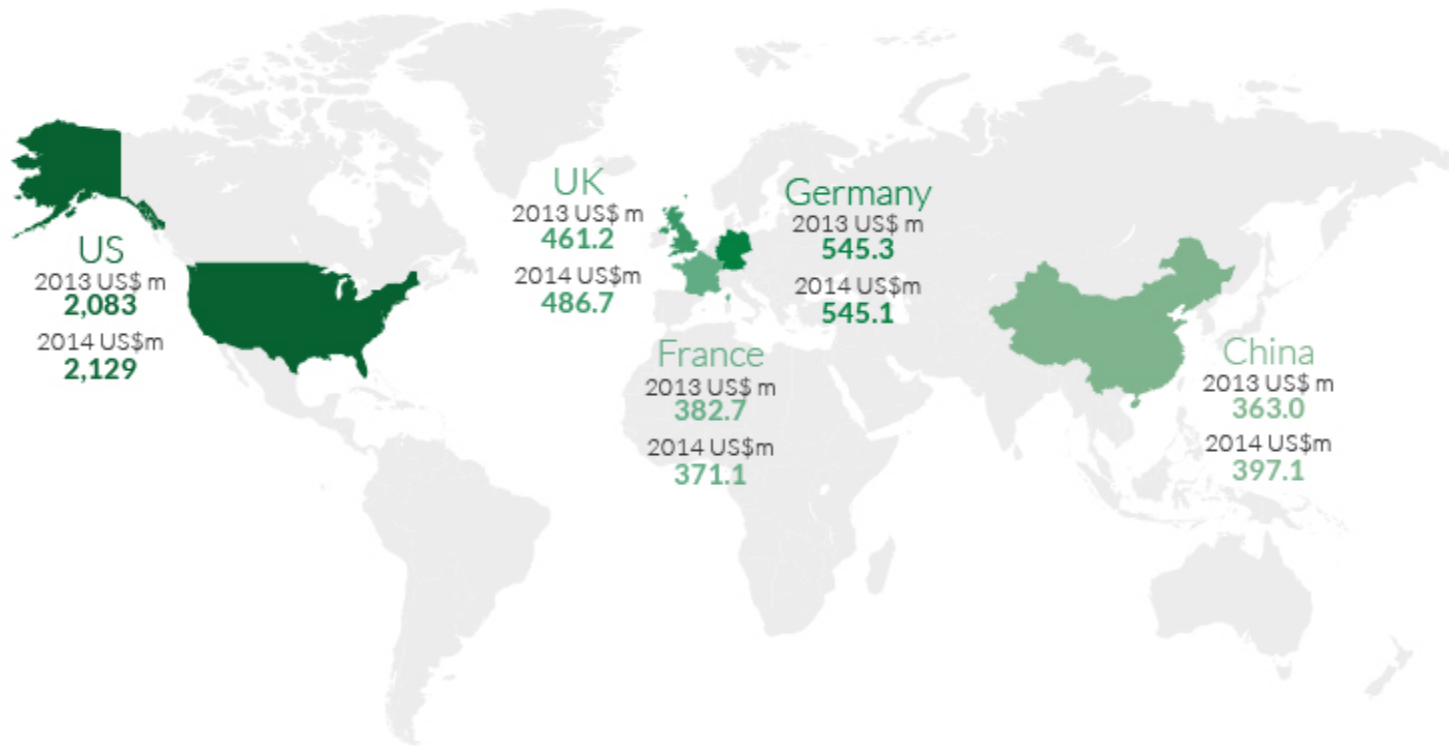
Source: Mintel

Base: 1,903 internet users aged 18+ who use haircare products

## Hair Styling Market Data

Durability is key when it comes to hair styling which explains why the top claim is long lasting with four out of 10 styling products making that claim

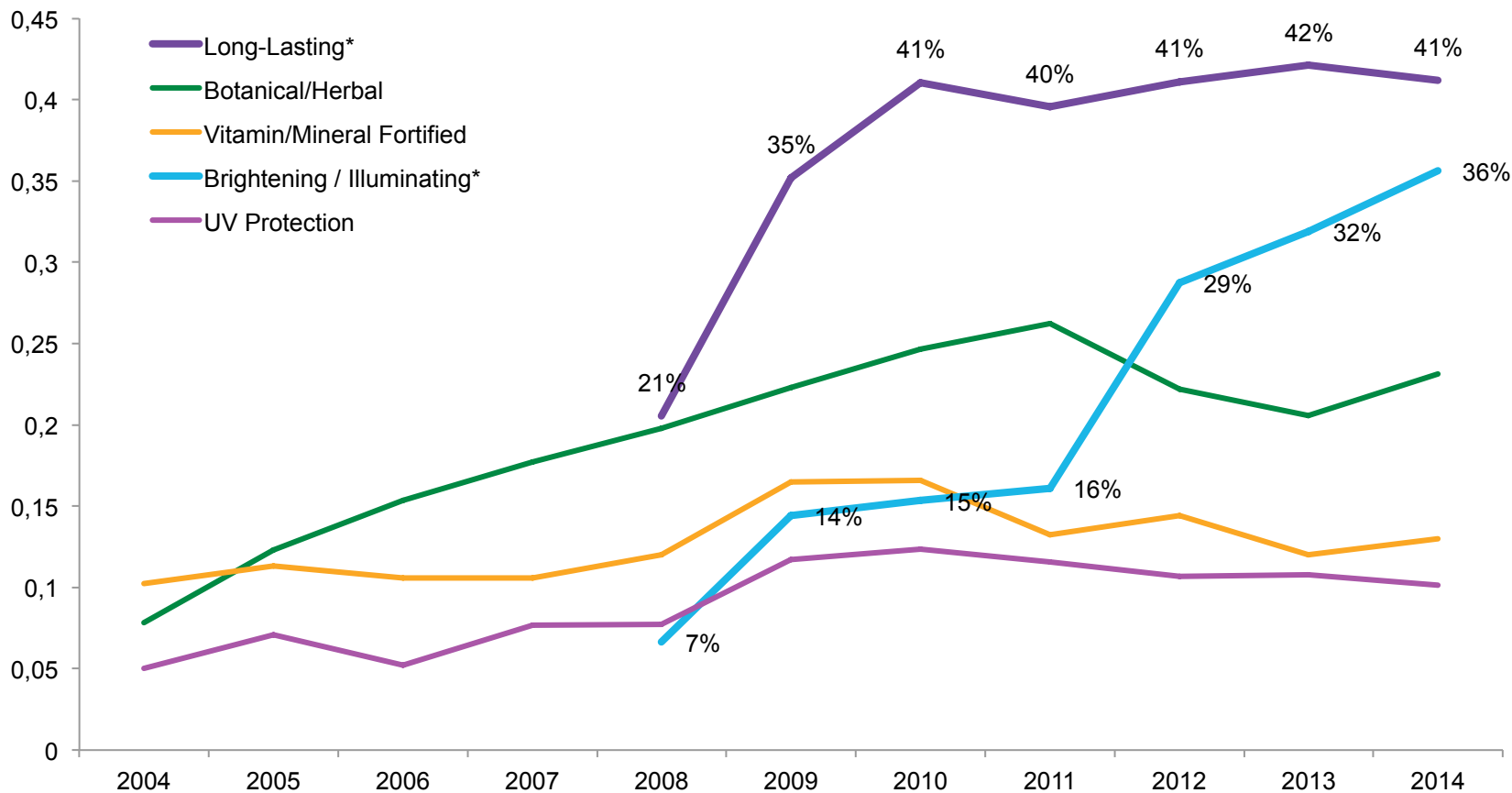
### Top 5 countries for retail value sales of hair styling products, 2013-2014



Source: Economist Intelligence Unit Ltd, Information Resources Inc, The Nielsen Company, U.S. Census Bureau/ Mintel

## Styling products top claims - globally

- Long lasting is the top styling claim reaching 41% in 2014
- Brightening/illumination is the fastest growing claim
- Botanical/Herbal slowed down

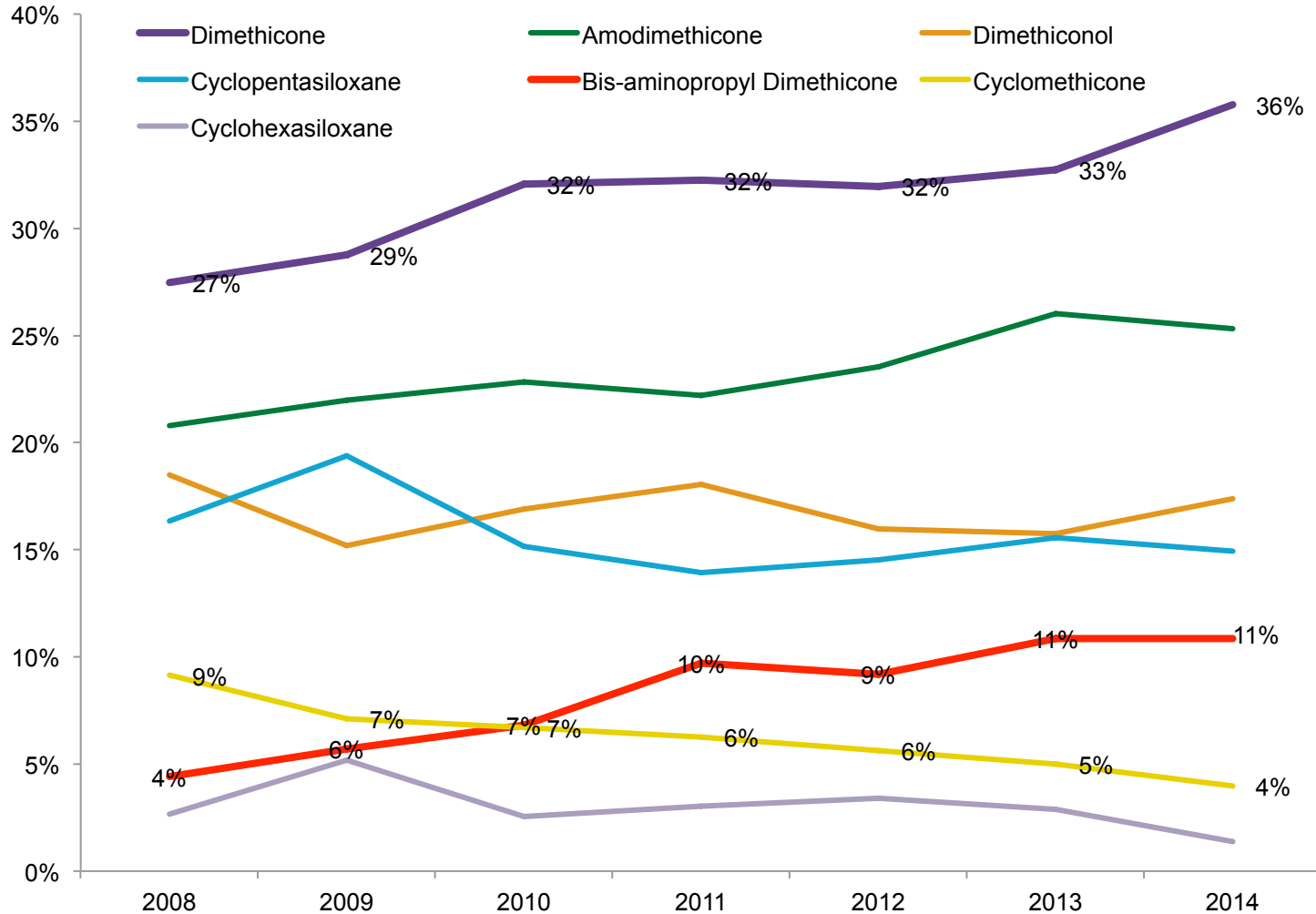


# Ingredients Landscape



# Bis-aminopropyl Dimethicone is gaining momentum – P&G effect

**Top 7 Silicones in conditioners, globally, number of containing products, 2008 – 2014**



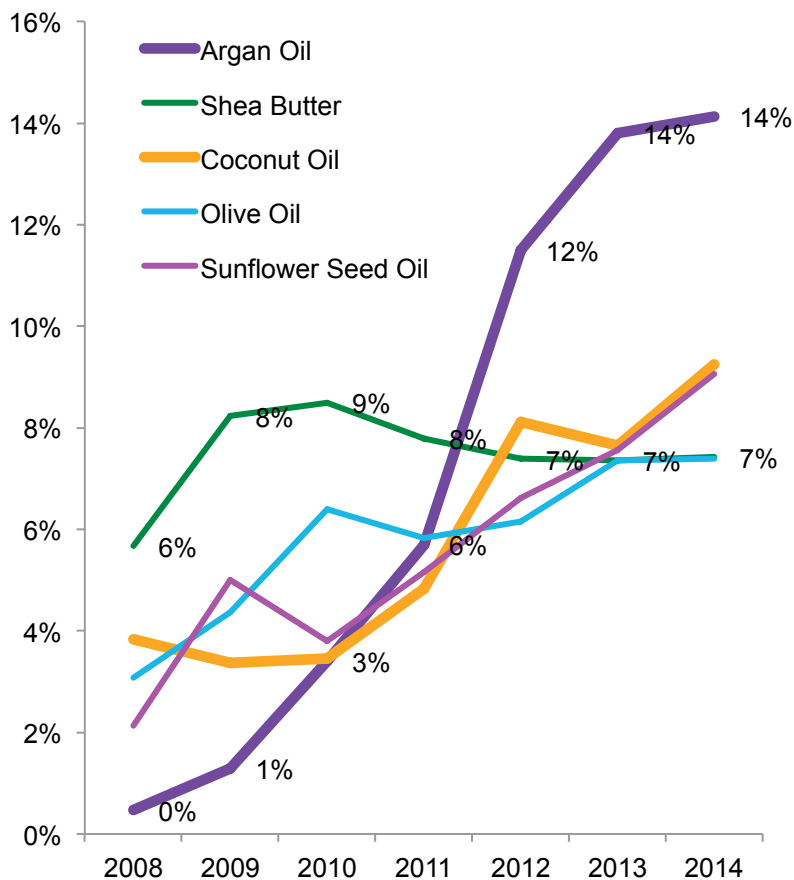
Source: Mintel GNPD



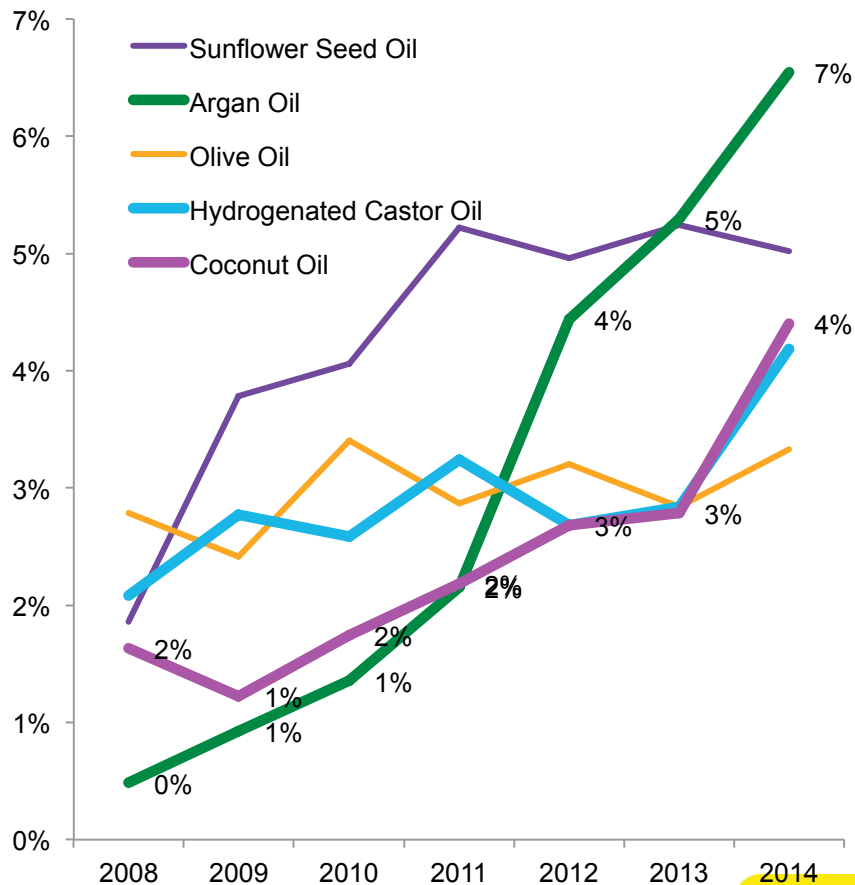
# Oils/Butters in shampoos and hair treatments

In 2014, 56% of shampoos and 54% of treatments contained an oil/butter

- Argan oil dominates both shampoos and treatments
- Coconut and Castor oil are increasing in shampoos and treatments
- Shea butter reached equilibrium in treatments



Treatments



Shampoos



# Emerging Ingredients



## Natural certified shea ester – “Shea Oil”

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- In 2013, the year launches of oils accounted for a record 15% of the treatment category, shea butter was present in just over 1% (it’s usually 7% of all treatments)
- AAK, developed a natural shea butter-based ester that combines high functionality with a lighter, non-greasy feel.
- The shea butter ester has low viscosity and high spreadability, making it a good candidate in making haircare spray-able emulsions.
- Shea butter ethyl ester (Trade name: Lipex SheaLight) made from shea butter and 100% agriculturally-derived alcohol; it contains no fossil carbon and is 100% derived from renewable sources.

Moist Diane Moist &  
Repair Oil Hair Moist  
Treatment from  
NatureLab



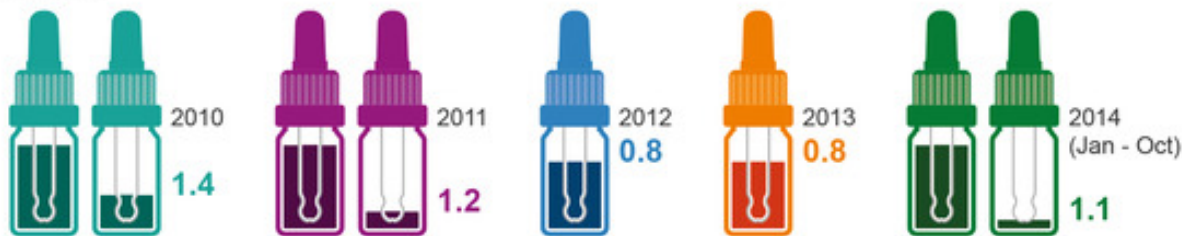


## Squalane from sugar cane

- Squalane or shark oil (C<sub>30</sub>H<sub>62</sub>) can rapidly penetrate the skin/scalp
  - Absorb without any lingering residue
  - Perfect ingredient for hair and scalp treatments
- Amyris scientists developed an industrial fermentation process to turn micro-organisms like yeast into living factories.

Global launches of hair treatments containing squalane as % of total treatment launches, Jan 2010-Oct 2014

Source: Mintel GNPD



Global launches of hair treatments containing squalane, % by top 5 countries, Jan 2010-Oct 2014

Source: Mintel GNPD

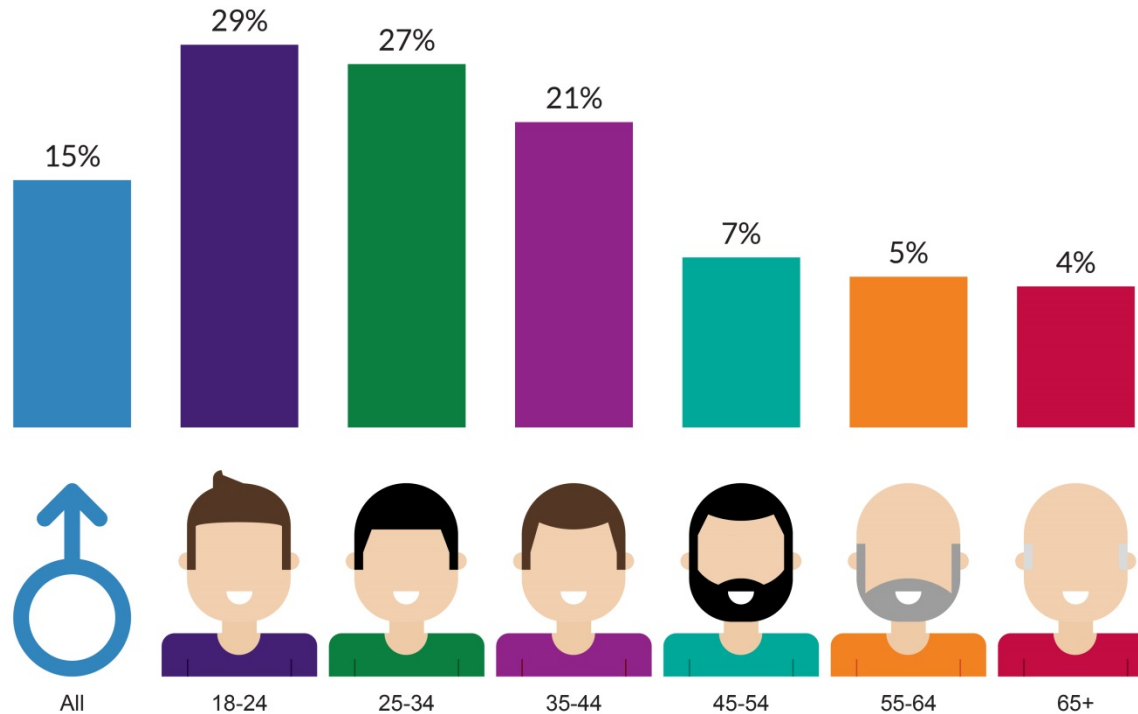


Phyto  
Rich  
Smoothing Oil

## New advances in hair-loss biotechnology

- Redensyl (Induchem) is the first haircare cosmetic active ingredient based on regenerative medicine research
- Awarded the Silver prize by the In-cosmetics Innovation Zone
- Proven clinically to give better results than one full procedure of hair transplant surgery
- Anti-hair loss treatments appeal to both men and women
- Men aged 18-24 (29%) are more likely than men aged 45-54 (7%) to use hair growth or restoration offerings

US, men's use of hair growth products, by age, October 2013



Base: 980 male internet users aged 18+  
Source: Mintel

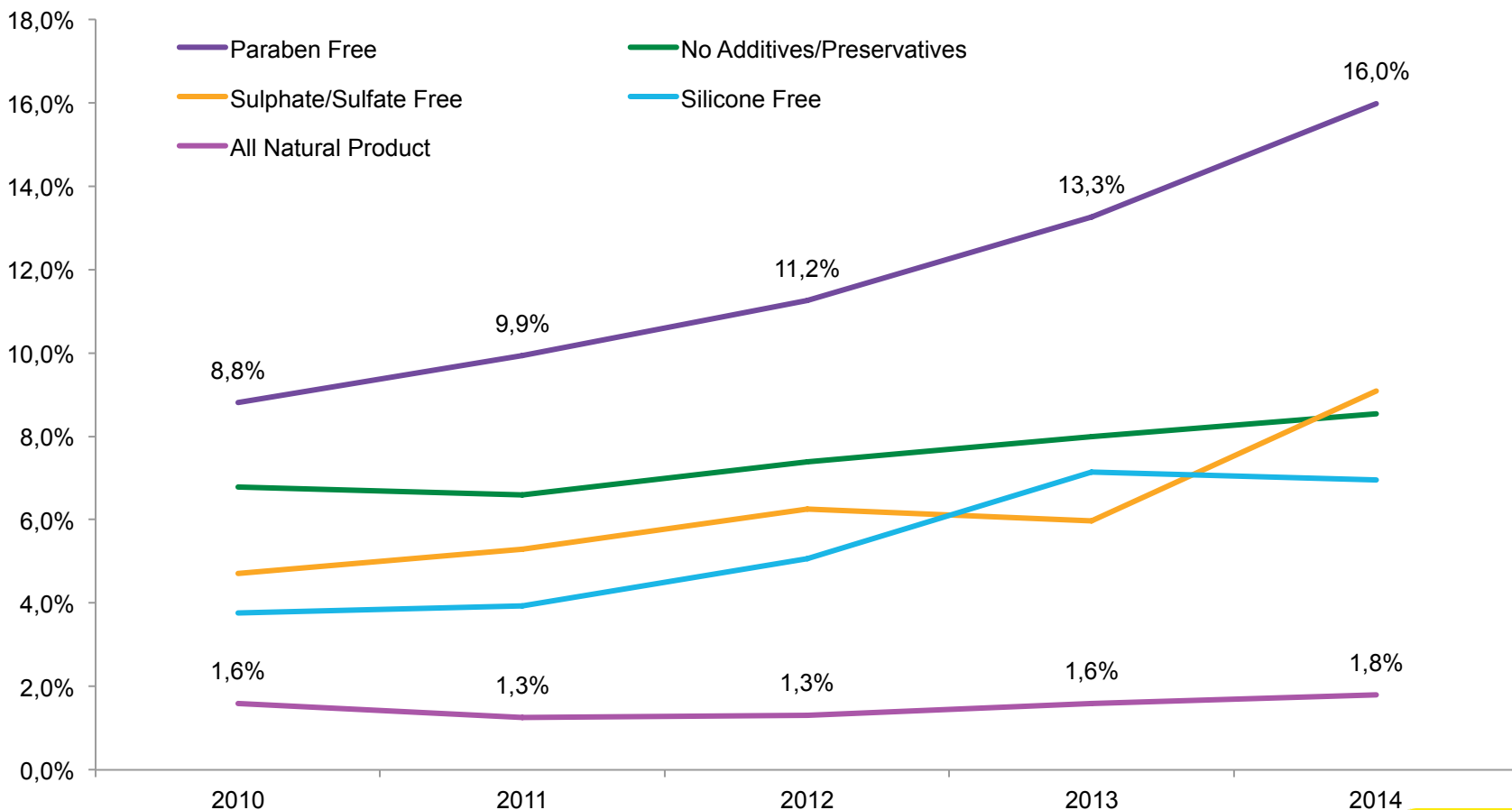


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**FREE-FROM  
FORMULATIONS**

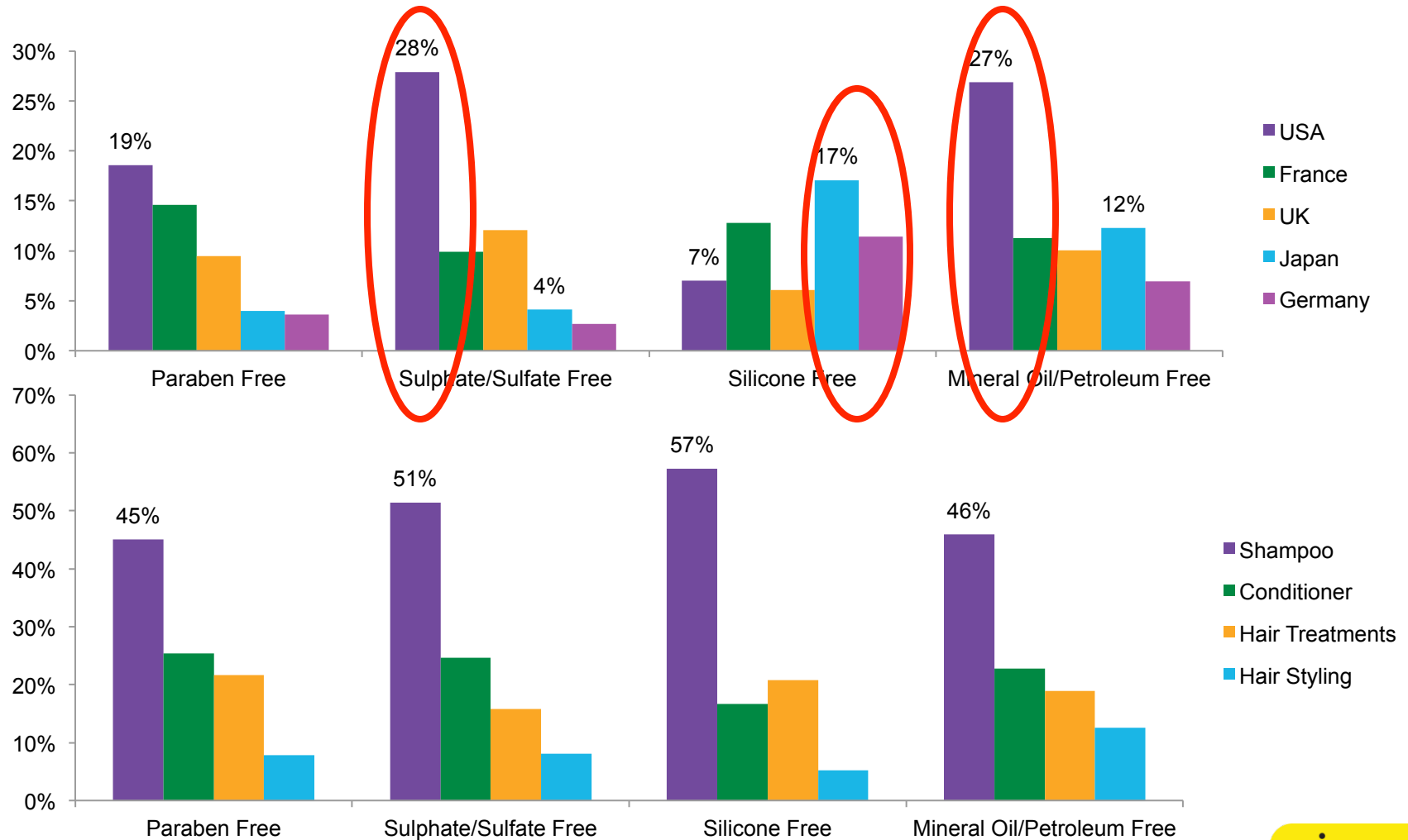
# Top shampoo, conditioner, treatments & styling products free-from claims

- Paraben-free is the top free-from claim
- Sulphate-free claim exceeded no additive/preservative claim
- All natural product is not trusted by consumers



# Percentage of free-from claims by country and Category - 2014

- US launches almost a quarter of sulfate-free and Mineral/Petroleum-free hair products
- Japan leads launches of Silicon-free hair products



## Salt-free formulations growing outside of Brazil

- Salt is used by formulators as a viscosity modifier to thicken shampoos and conditioners
  - Brazilian consumers link the presence of salt in shampoos to hair damage
- In 2010, 97% of salt free hair products were launched in Brazil, but by 2014 that ratio decreased to 82%
  - Argentina, Mexico and Colombia launching a combined 12% of global salt-free formulas
- The salt-free claim is now surfacing in conditioners and styling products
  - Conditioners represented 19% of salt-free haircare launches in 2014.



From Brazil, with 3 times more vitamins



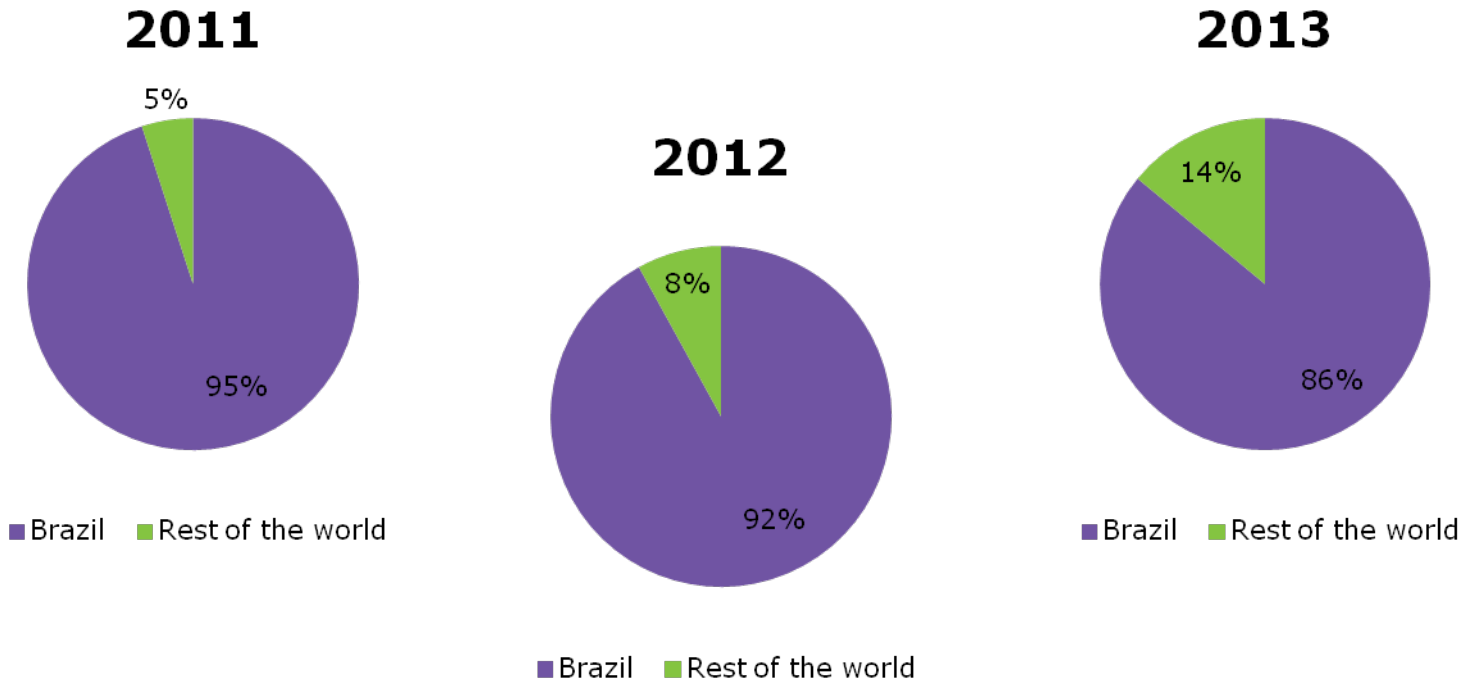
From Argentina, a moisturising conditioner



From Mexico – a repairing conditioner

# Brazilian hair care product communication is also inspiring the global market

Haircare product launches specifying 'salt-free' in product description, global: 2011–2013

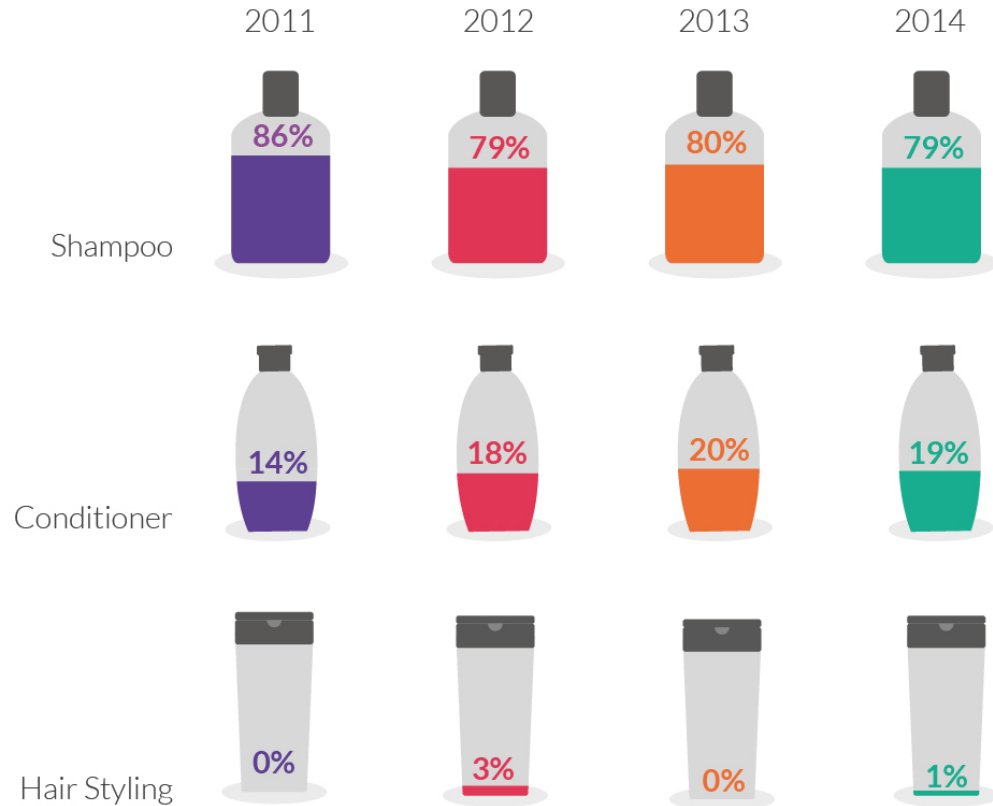


The vast majority of haircare product launches specifying the use of salt-free formulations are found in the Brazilian market but this is slowly changing. Appeal is high in Brazil due to consumer worry about salt excessively drying the hair.

## Salt-free claim moving from shampoos to the rest of haircare

- Salt-free haircare products will continue to remain relevant as long as consumers associate ocean salt water with unruly hair and hair damage.
- Salt-free shampoos and conditioners will continue to grow outside Brazil meanwhile strengthening their association with moisturising/hydrating and hair repair claims.

Global launches of salt-free shampoo, conditioners and styling products, % by sector, Jan 2011-Nov 2014



Source: Mintel GNPD



## Consumers doubt natural claims

Shampoos, conditioners, & styling products that claim to be all natural/organic have increased

- About 8% of products launched in 2014 claim to be natural or organic
- In the US, 40% of natural and organic personal care shoppers would like to see stricter regulations over natural and organic claims
  - Almost half (45%) agree that there are so many brands making natural and organic claims that they find it hard to tell which ones are truly natural

### US, FRANCE & GERMANY, CONSUMER SCEPTICISM TOWARDS NATURAL AND ORGANIC PERSONAL CARE PRODUCTS, 2013

% consumers	US	France	Germany	Italy	Spain
There are so many brands that make natural and organic claims that it's hard to tell which one is actually natural	45	33	28	23	16
Natural/organic beauty and personal products are not as natural as they claim to be	31	21	24	15	11
I think labeling something as natural or organic is just an excuse to charge more	25	21	30	14	13

Base: 1,121 internet users 18+ who buy natural and organic products (US); internet users 16+ who have not purchased natural or organic products, France(499), Germany (581), Italy (338), Spain (344)

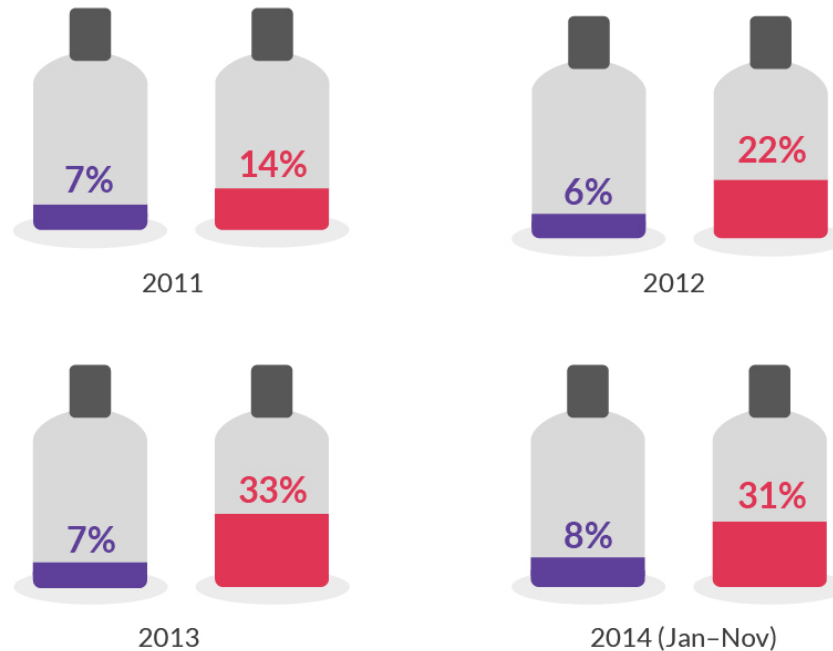
Source: Lightspeed GMI/ Mintel

## Natural certification on the rise for 2014

- Manufacturers are increasingly depending on third party certification
- It helps build consumer trust as it guarantees that products conform to some recognized standards
- 31% were certified by a third party in 2014 (mainly Ecocert, NaTrue BDIH, or USDA)
  - Up from 14% in 2011

Global launches of shampoos, conditioners & styling products, % with natural/organic claims and certified\*, Jan 2011-November 2014

- All natural/Organic as % of launches
- % of All natural/Organic Certified by a 3rd party



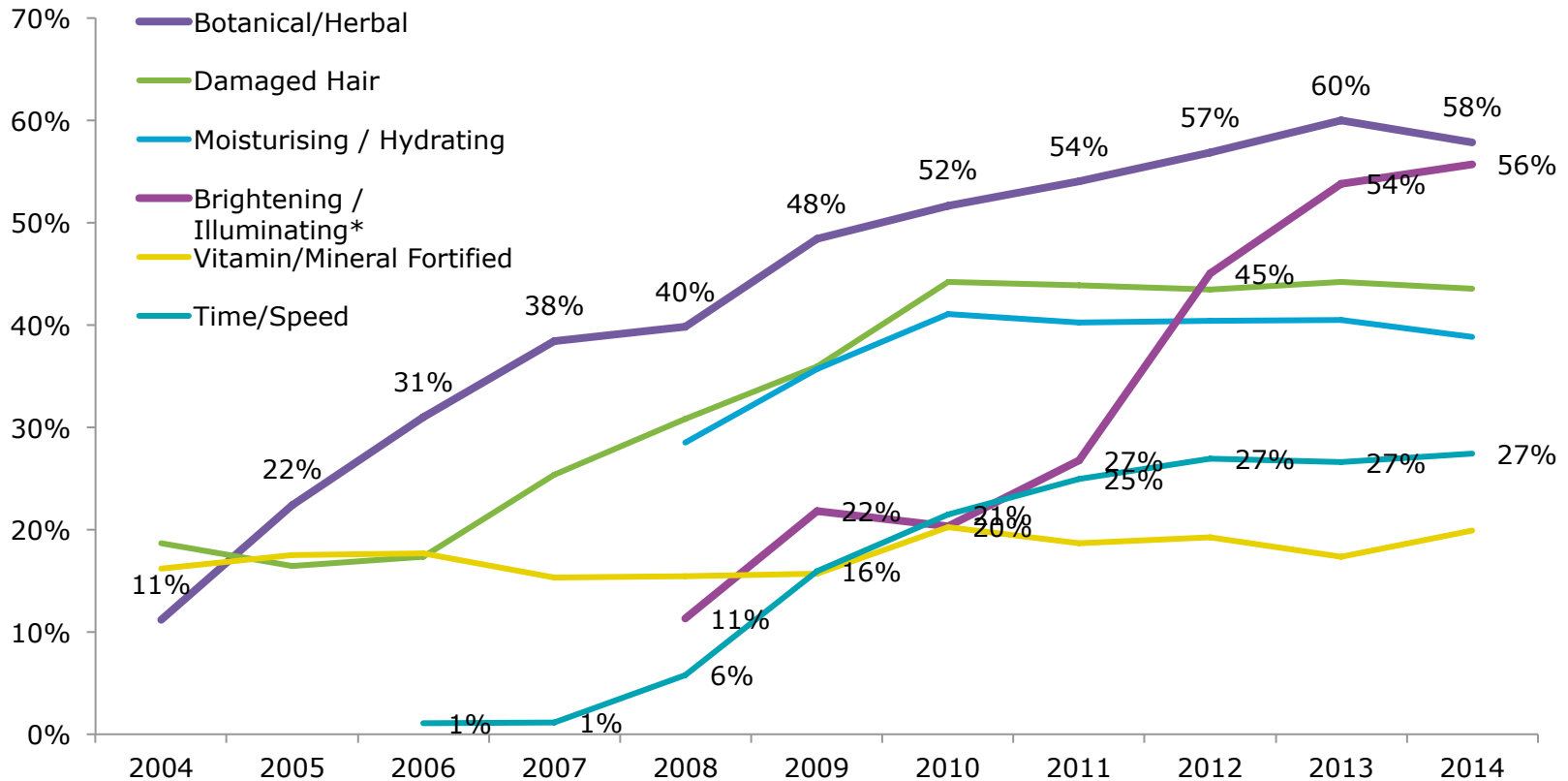
(\* ) certified by Ecocert, NaTrue, BDIH or USDA  
Source: Mintel GNPD

# HAIR TREATMENTS



## Top Treatment claims - globally

- Botanical/Herbal is the top treatment claim reaching 58% in 2014
- Brightening/illumination is the fastest growing claim
- Time/speed is essential



# TREATMENTS: Hair oils



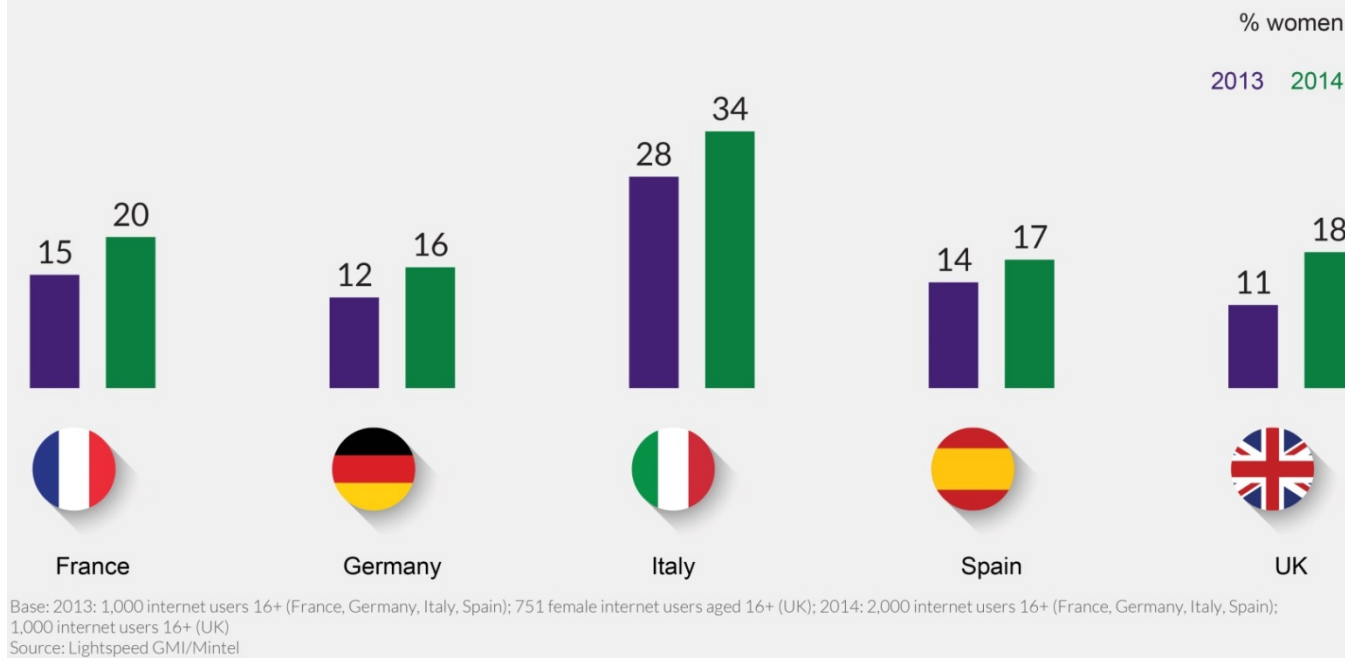
## More European consumers are using hair oils

- Italian women stand out for their attraction to hair oils
  - Usage rising from 28% in 2013 to 34% in 2014
- In the UK, usage of hair oil is largely driven by younger women.
  - Usage of hair oils rose from 11% in 2013 to 18% among women of all ages,
  - 27% for women aged 16-24

In the UK, 12% of users use them daily and 46% a few times a week

Only 5% of hair treatment users use them daily

Europe's Big 5 markets, women's use of hair oils, 2013-14



## Beyond argan oil

### Pracachi and kukui



Josh Wood Guardian Radiant Shine Hair Treatment Oil care for coloured hair, leaving it nourished and conditioned after two weeks

### Buruti oil



Aveda Dry Remedy Daily moisturising Oil features moisturising buriti oil and antioxidant pomegranate, to restore shine and control frizz and flyaways

### Macadamia oil



Melvita Repairing Macadamia Oil is designed to protect and repair dull, damaged hair

## Brazilian butters and oils – Hair treatments

### Babassu Butter



The Brazilian butter most used in hair care products

### Cupuaçu



A tropical rainforest tree related to cacao. Used in skincare applications.

### Andiroba Oil



The oil is rich in oleic, linoleic, palmitic and stearic acids, and is an effective moisturizing oil for products intended to heal dry hair and skin.



## Brazilian butters and oils – Haircare

### Murumuru Butter



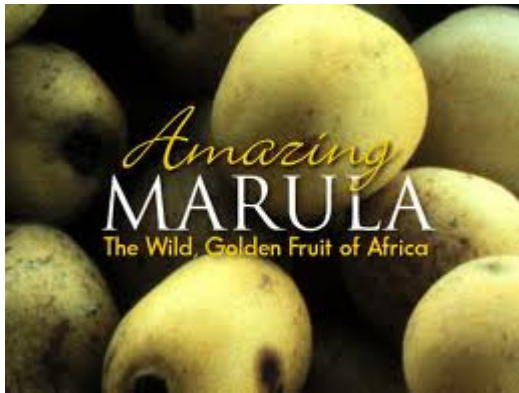
Rich in pro-vitamin A and C and Omega fatty acids 3, 6, and 9 , it contains a high level of lauric acid (an astonishing 47%) and myristic acid which provide shine

### Buriti Oil



It delivers both anti-ageing and anti-inflammatory benefits . More than three in 10 products containing buriti were launched in the US

# New African Oils To Watch



**Ximenia Oil**



**The top beauty enhancing claims for treatments containing oils are damaged hair, moisturizing/hydrating and brightening and illuminating.**

## Additional oil variations

Companies are expanding the formats of oils offered to entice consumers of all hair types to utilize their products. Dry Oil and No Oil Oil target consumers with fine hair, allowing them to use an oil product that does not weigh down the hair.

### Dry Oil with Vitamin E

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Pantene Pro- V Repair & Protect , dry oil, is said to provide 10x more damage protection, thanks to a non-sticky, non-oily and lightweight formula

### Beautifying Oil Cream

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Kerastase Elixir Ultime is a leave in treatment that is designed to nourish and soften hair without weighing it down and protect hair against external aggressors

### No Oil Oil

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Percy & Reed, No Oil Oil For Fine Hair, is a multi-tasking oil infused with violet extract to leave hair shiny and sleek while adding volume and nourishing the hair

# Ethnic Hair care

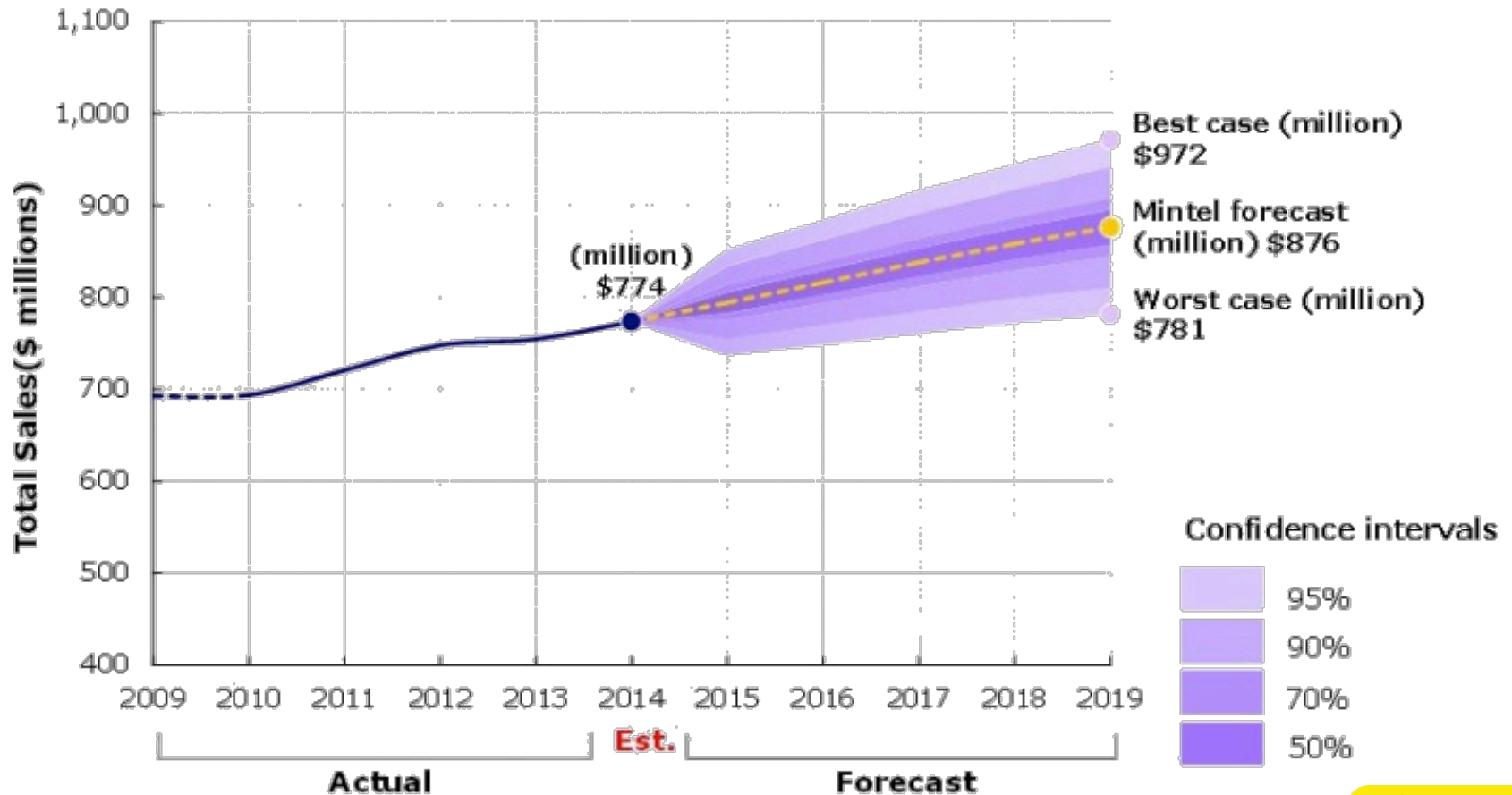


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# US ethnic haircare market worth \$774 million in 2014

The US ethnic haircare market is experiencing continuous growth, up 2.5% over 2013 and 12% since 2009. Sales are expected to grow steadily over the next five years and to reach \$876 million by 2019. This proves the attractiveness and dynamism of this

**Total US retail sales and fan chart forecast of Black haircare products, at current prices (USD), 2009-19**



Source: Mintel Reports – Black Consumers and Haircare – US, August 2014

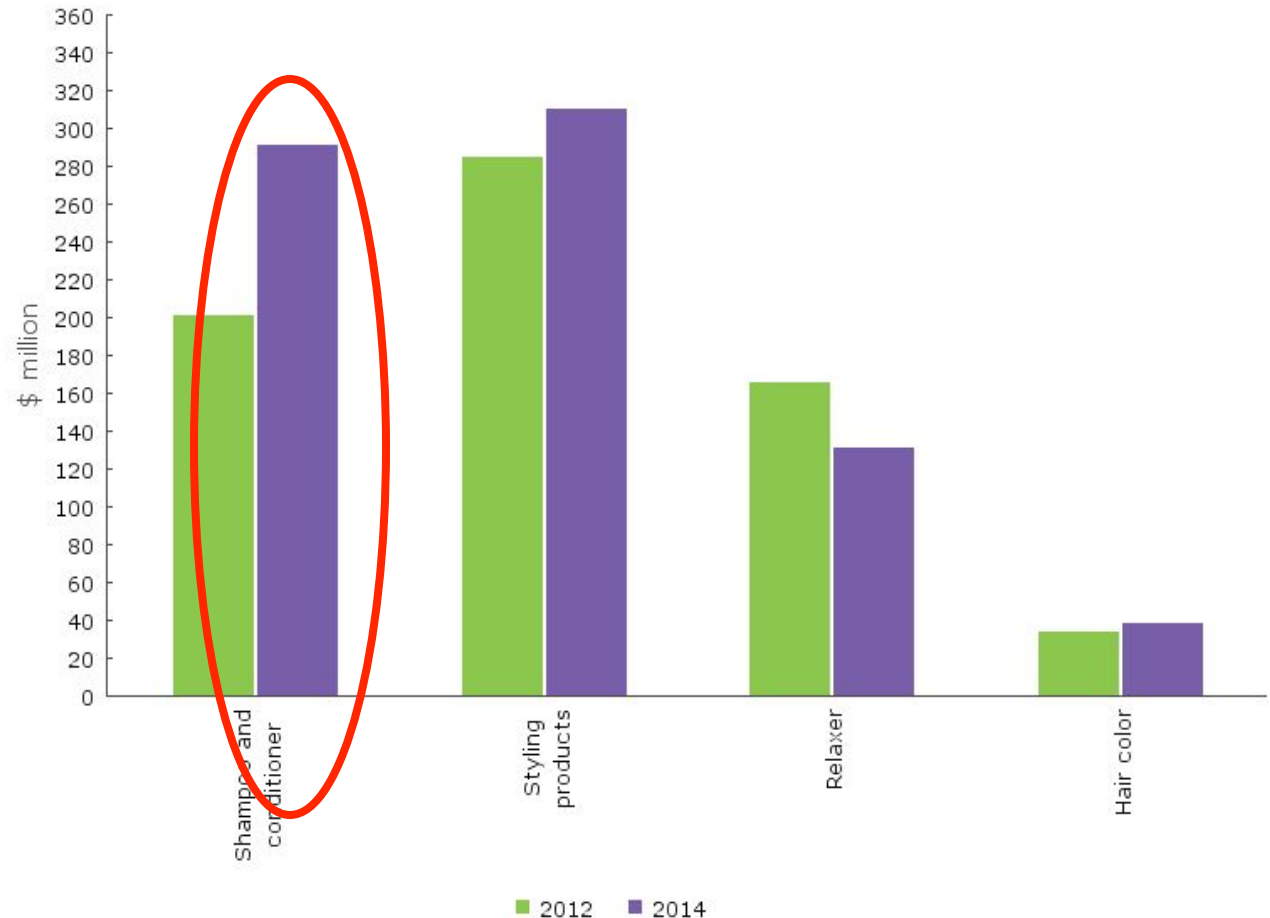
# US - Category growth fuelled by shampoo/conditioner and styling expansion

Shampoo, conditioner, styling and hair colour products have grown steadily in the US due to the trend toward natural hair.

Shampoo and conditioner sales are expected to reach \$368 million by 2019. Styling products will continue to be the segment leader with \$389 million.

In 2014, relaxer sales are estimated at \$131.8 million, a decrease of 34% since 2009, attributed to growth in natural hair style

**Total US retail sales of Black haircare market, by segment, in USD, 2012 and 2014**

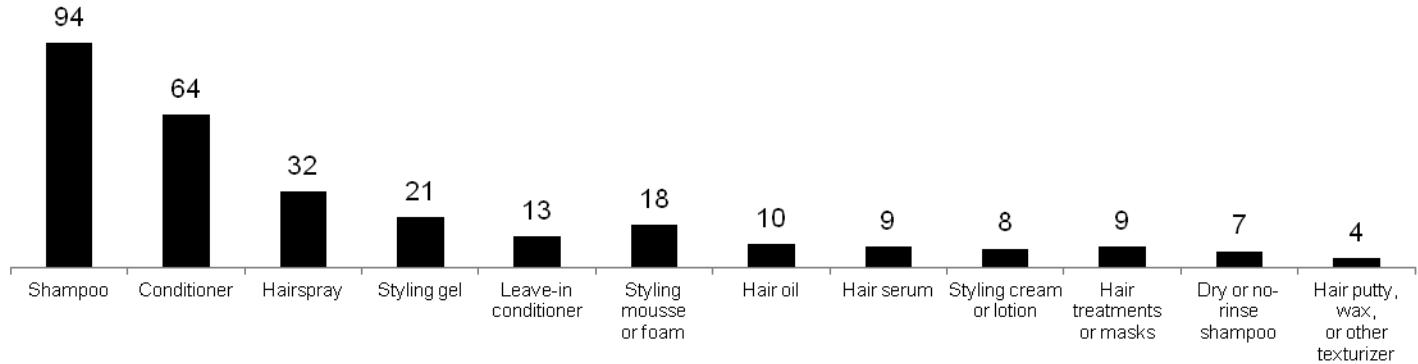


Source: Mintel Reports – Black Consumers and Haircare – US, August 2014

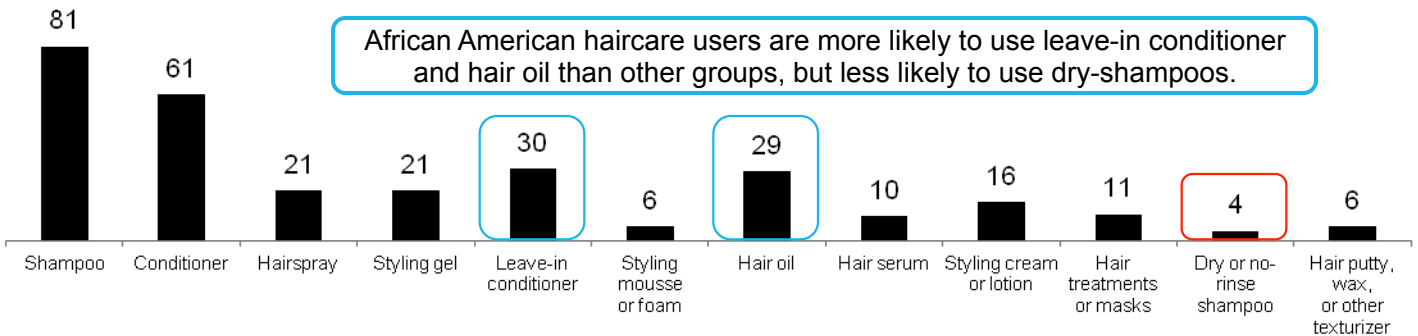
# US: product usage by race & origin

“Which of the following haircare products, if any are you currently using?” in%, US, January 2014\*

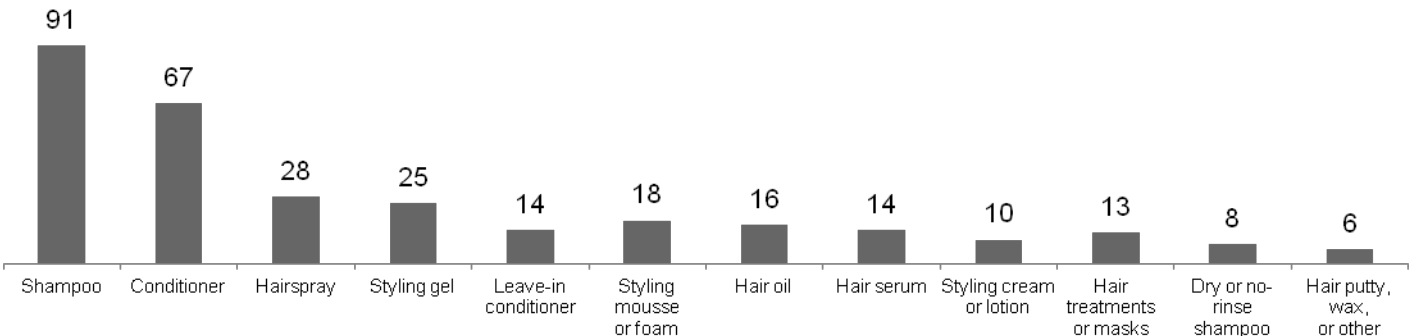
White: 1,503



African American: 313



Hispanic: 300

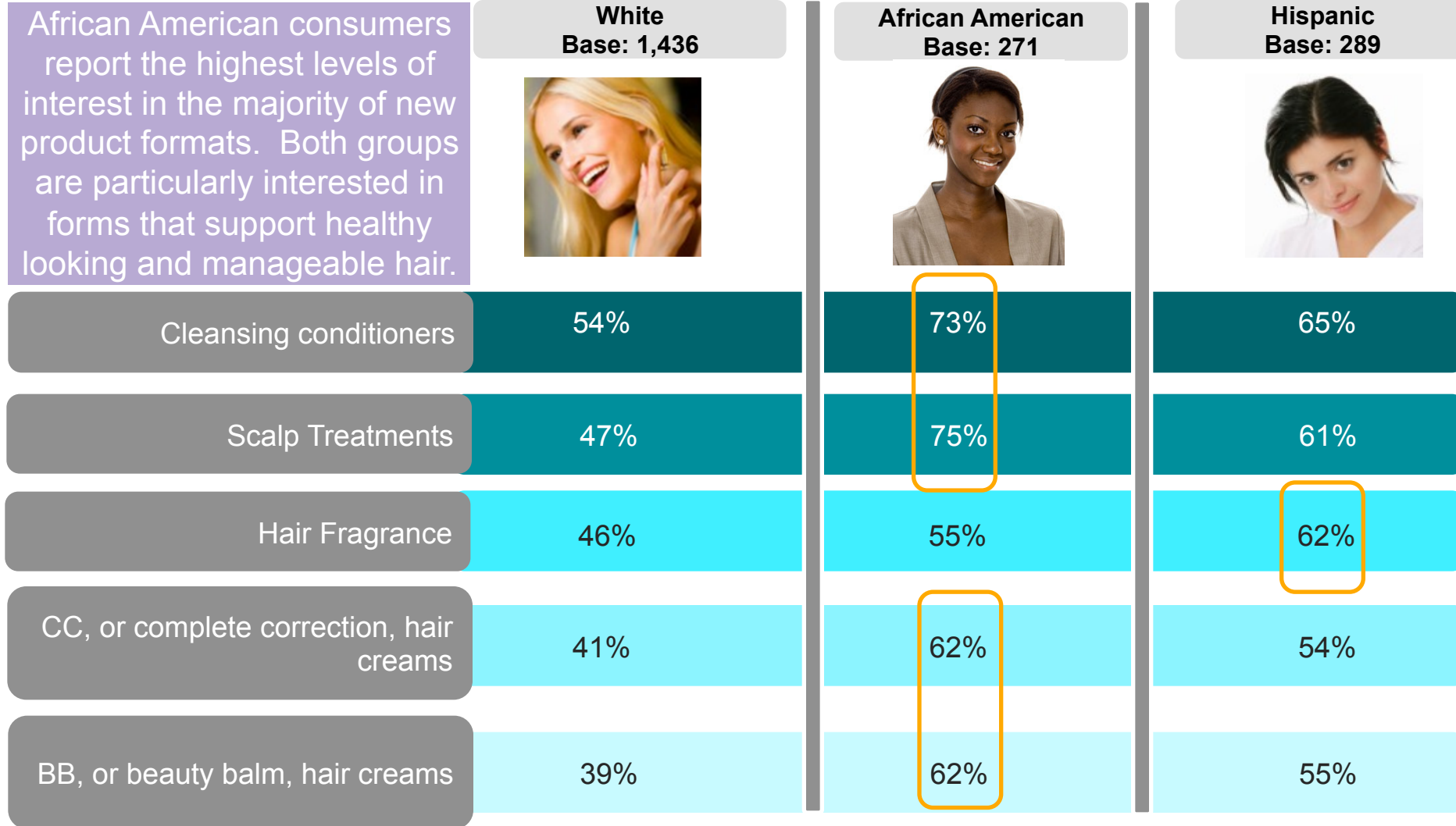


Source: Mintel Reports Shampoo, Conditioning and Hairstyling Products – US, April 2014  
 \*Base: internet users aged 18+



# Interest in new forms: Any interest, by race/Hispanic origin

“Thinking about haircare products, how interested, if at all, are you in the following forms?”, in %, US, January 2014





# US: Blacks use mainstream shampoo/conditioner but Black consumer-focused styling products

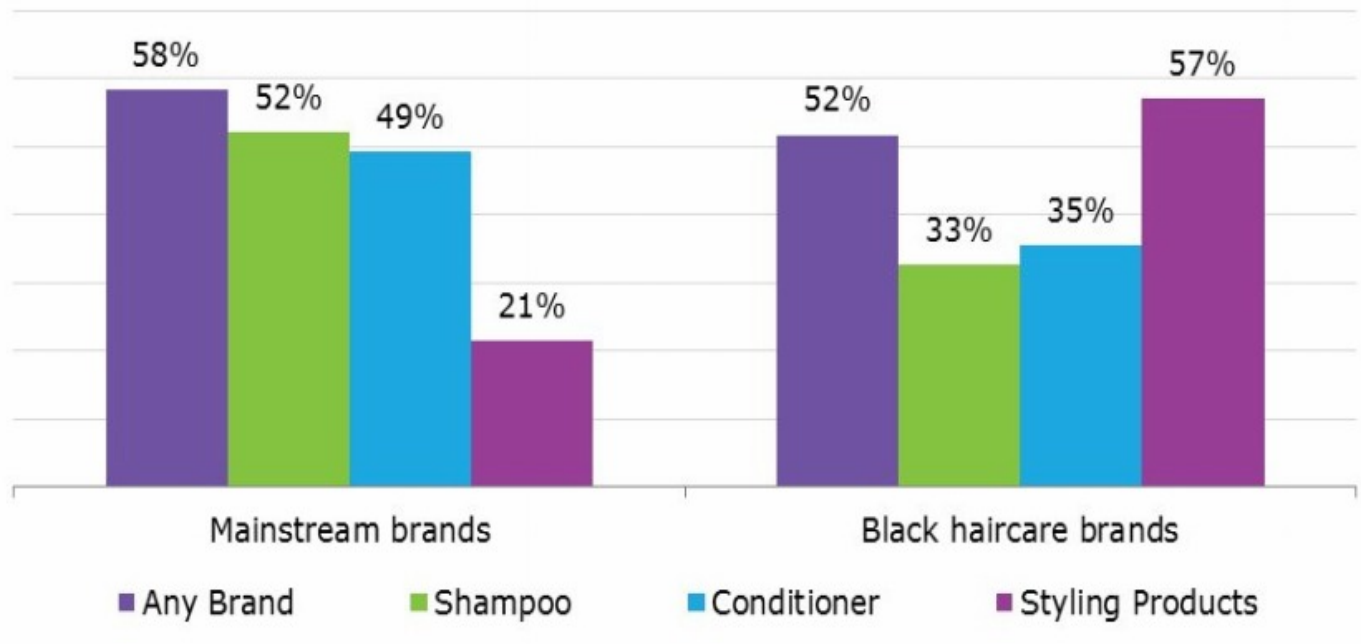
Black consumers' go-to haircare products vary based upon usage occasion.

- Half of Blacks say they prefer mainstream shampoo or conditioner brands such as Pantene, Head & Shoulders, Suave or L'Oreal.

- Nearly 60% of Blacks use styling products that are formulated for black consumers' hair.

**Mainstream versus Black haircare brand usage, by haircare product, in %, US, May 2014**

*"Which of the following are your most preferred shampoo, conditioner and styling product brands?" (possible choice of several brands)\**



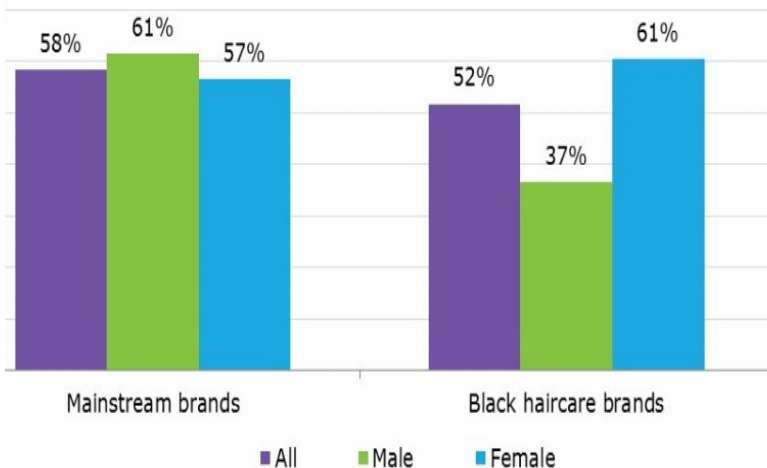
# US: 50% of Black people use products from a P&G Brand

In the US, half of black consumers use haircare products from P&G, which is three times higher than the number of black consumers using L'Oreal haircare brands.

Black women are more likely than black men to use Black haircare and L'Oreal haircare brands.

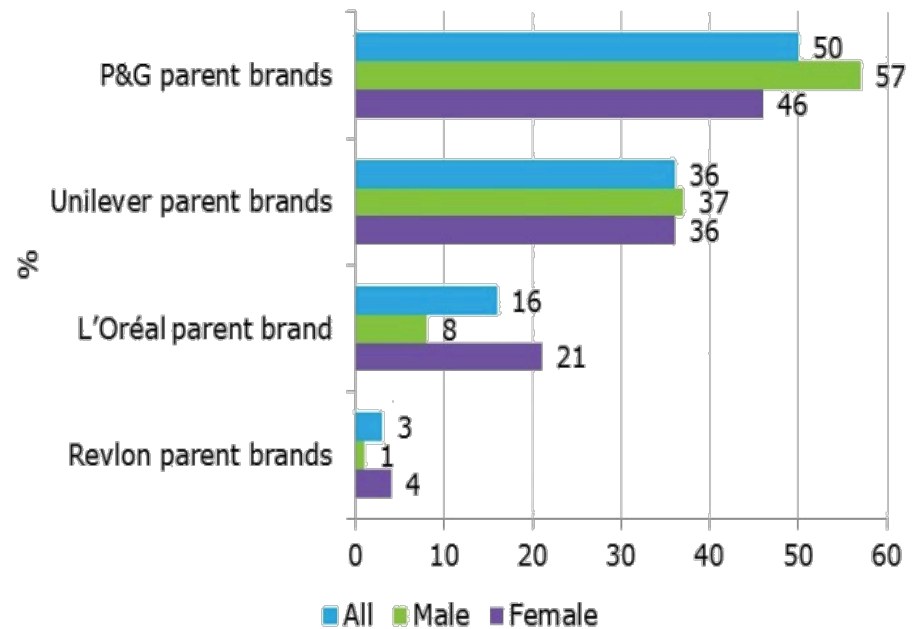
## Mainstream versus Black haircare brands use, in %, by gender, US, May 2014

“Which of the following are your most preferred shampoo, conditioner and styling product brands?”\*



## Mainstream parent company brands Blacks use, in %, by gender, US, May 2014

“Which of the following are your most preferred shampoo, conditioner and styling product brands?”\*\*



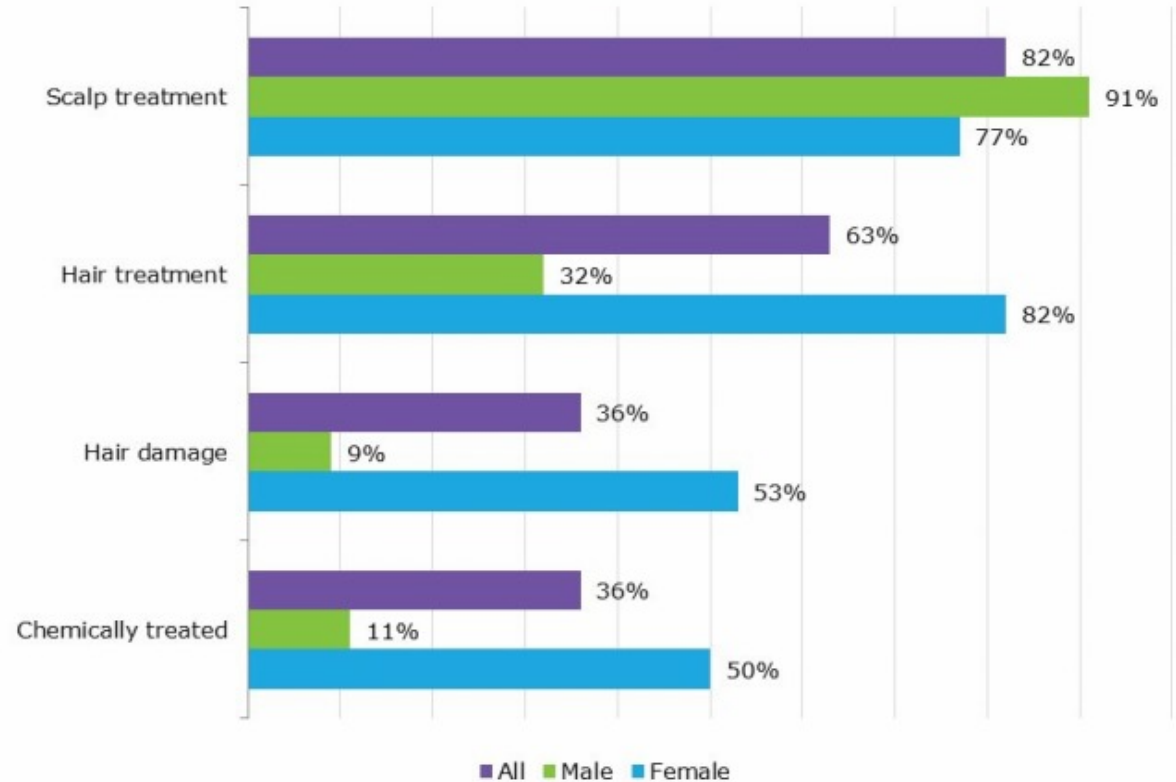
\*Base: 810 Black internet users aged 18+ who use shampoo, conditioner or styling products (possible choice of several brands)

\*\*Base: 473 Black internet users aged 18+ who use any mainstream brands of shampoo, conditioner or styling products (possible choice of several brands)

## US: 82% of Blacks are using haircare treatments to treat a scalp condition

### ***Hair/scalp condition they're treating, by gender, in %, US, May 2014***

*“Which of the following describes what you're trying to treat or accomplish when you buy haircare products, such as shampoo, conditioner and styling products?”\**



Black consumers are more likely to have eczema and therefore likely to have dandruff – especially men who buy haircare products for scalp issues (91%). However, women are more likely to seek products that treat their hair (82% compared to 32% of men), products that foster hair growth, treat damaged and over-processed hair and treats split ends.

## Improved scalp condition: Soothing properties and refining skin texture

Luster's Pink XVO Xtra Virgin Olive Oil  
Soothing Sheen Spray (France)



€8.25 / \$11.05

Designed to moisturise and condition dry hair and soothe dry and itchy scalp for healthier, shinier hair

Sheamoisture for men three butters utility  
scalp conditioner (US)



\$8.99

Moisturizes exposed scalps, giving skin a healthy sheen without the greasy feel. Nourishing butters and essential oils enhance overall smoothness and refine skin's texture.

# Healthy hair growth

## Dr. Miracle's Strengthen Daily Moisturizing Gro Oil (South Africa)



ZAR 89.95 / \$7.49 / €5.59

Leave-in treatment blended with vitamins A, D and E, avocado and aloe vera for healthy hair growth

## Phytotraxil anti-thinning hair treatment (France)



N/A

The leave-in product says to increase 80% of hair from 6 weeks of treatment

## Polyethnicity should also be in the brand's radar

With the growth of multiracial consumers, we'll see more products geared toward bi-racial consumers (eg, Mixed Chicks, Treasured Locks, Curls, Curls Unleashed, etc). One segment of Blacks that struggle finding products for their hair are bi-racial consumers – Black Hispanics, Ethiopians, Haitians, etc – whether they wear it straight (flat ironed) or naturally curly.

### Mixed Chicks



### Cara B



The problem is many mainstream brands dry out their hair, while Black brands are too heavy and weigh their hair down. There are some brands that recognize these populations are growing in the US and have developed products specifically for this demographic, as well as their babies and children. These are brands that should definitely be on marketers' watch lists for the coming years.

# The L'Oréal Professional African Salon Institute (LPASI) launches in Johannesburg

**L'ORÉAL**  
PROFESSIONAL AFRICAN SALON  
**INSTITUTE**



In February 2014, L'Oreal has launched their first hairdressing institute in Africa & South Africa bringing their knowledge and experience in haircare.

The institute aims to provide unique service offering trainings on multi-ethnic hair types





**MINTEL**

**CUSTOMISATION –  
The crave for personalised  
beauty**



## eSalon reached Europe

1. Complete a survey and get matched with an eSalon colorist
2. A software + a colorist analyses your answers and creates the perfect formula to reach your desired color
3. Your eSalon kit conveniently arrives at your door (2 colors optional)



**eSalon Social Universe**  
N.America 80%  
Europe 6.5%  
Asia 6.5%  
Africa 5%  
Australia 2%

## SHAMPOO BOMBA

Brazilian consumers customizing their shampoo

Shampoo concoction contains:

- Monovin-A is an injectable vitamin used on horses
- Bepantol contain the ingredient Dexpantenol (provitamin B5)

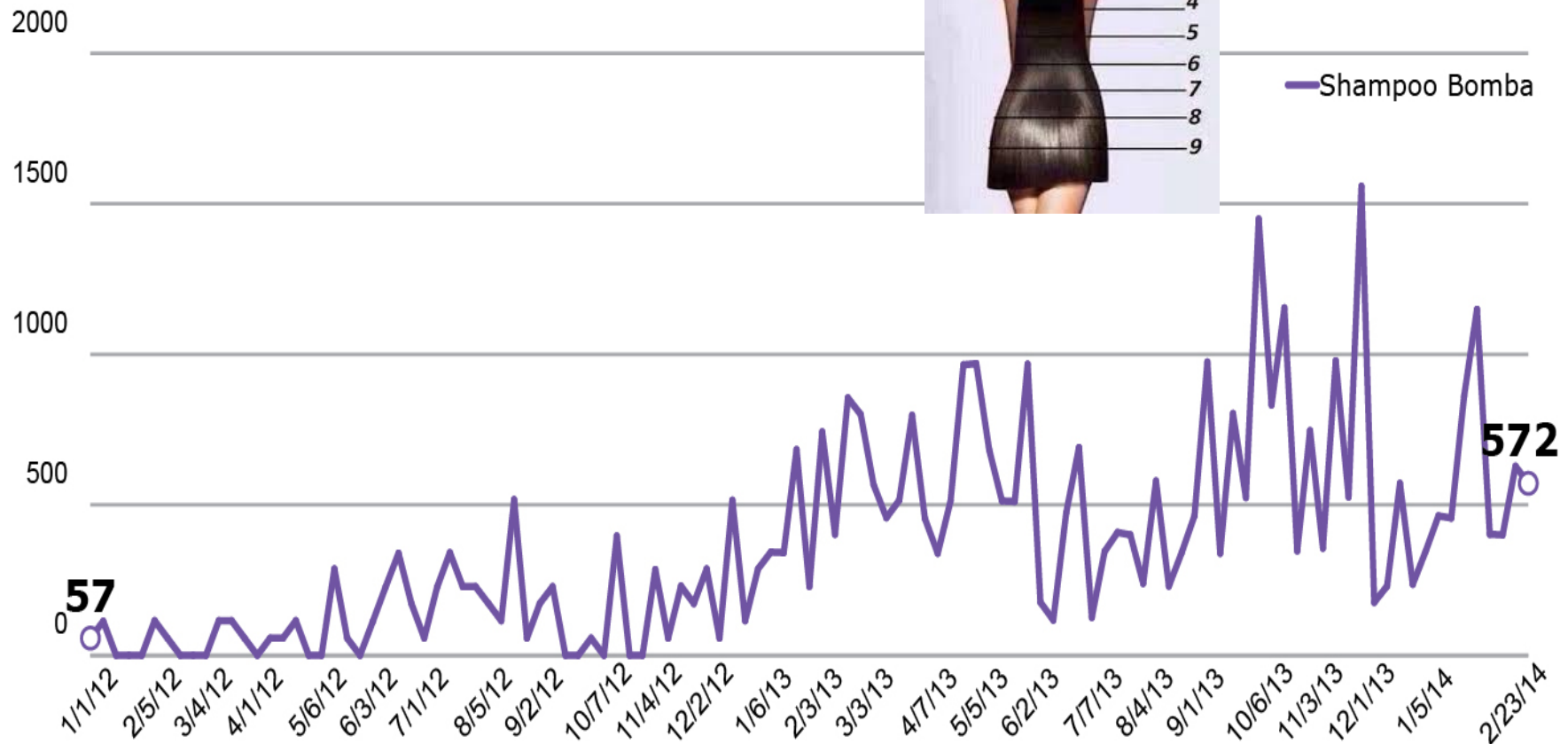


# SHAMPOO BOMBA SOCIAL UNIVERSE

The top three Do-it-Yourself tutorials on YouTube were viewed over a million times

Total social universe mention of 'shampoo bomba', Jan 2012-Feb 2014

Source: Infegy/Mintel



## Shampoo Bomba inspires new launches

### Pantene Sumer Edition - Repairing Bomb Kit



Formulated to provide intense hydration and seal the cuticles, launched in Brazil and Argentina

### L'Essenziale Nouvelle Bomb Explosão Vitaminas



Formulas provide high quantities of active ingredients, an explosion of nutrients and offer the most benefits to the hair. Brazil

# What's Next...

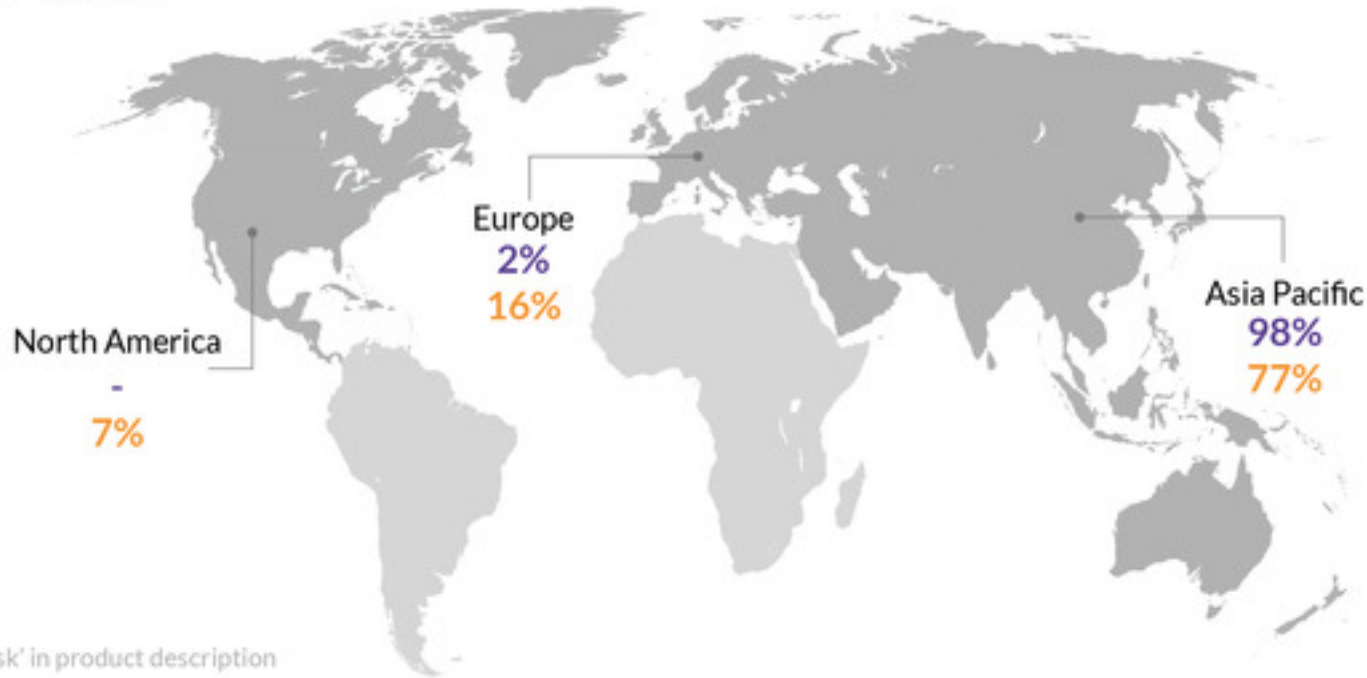
# Facial Sheet masks spreading

Global launches of sheet\* masks, % by region, 2013-14

Source: Mintel GNPD

■ 2013 ■ 2014

% launches



# Evolution of Sheet Masks



Sense of Care  
Mango Fresh Cell  
Facial Sheet Mask



Tony Molly Kiss Kiss  
Lovely Lip Patch



Shara Shara,  
Dear Mademoiselle  
Hair Cap

## WHAT'S NEXT

- While Botanical/Herbal is the top claim in shampoos, conditioners & treatments; the brightening/illumination claim is the fastest growing
- More claims based on adding shine and light with products featuring light boosting and light-reflecting technology
- The Shampoo Bomba trend will continue to inspire shampoos, conditioners and treatments alike making it one of the very few trends to start in shampoo and move into treatments
- Scalp care treatment claims resonates with consumers globally
- Cleansing conditioners will continue its growth and its acceptance by consumers



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