Sun-care Innovation Trends

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Agenda

- About Datamonitor Consumer
- Sizing up the sun-care category
- Growth drivers: a consumer perspective
- How can sun-care products add value?
- Potential future innovation opportunities
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About Datamonitor Consumer

**Consumer Insight**
Real insight on real consumers

**Innovation Tracking**
Uncover new trends in products and packaging

**Market Assessment**
Identify new hot spots in the marketplace

Source: Datamonitor Consumer
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Sun-care makes up 10% of global skincare market

Source: Datamonitor Market Data Assessment
Sun-care products are poised for growth in 2013-2017

Source: Datamonitor Market Data Assessment
Global value of sun-care market was $8.7bn in 2013

Global spending on sun-care products in 2013 was $8.7billion!

- **Sun protection products:** $5.6bn (64%)
- **Self-tanning products:** $1.4bn (16%)
- **After-sun products:** $1.7bn (20%)

Source: Datamonitor Market Data Assessment
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Sun damage is a key concern for many consumers

2014: Consumers who say they are highly concerned about sun damage

- I am very concerned
- I am extremely concerned

- **28%** (USA)
- **18%** (UK)
- **45%** (India)
- **42%** (Brazil)
- **31%** (New Zealand)
- **30%**
Sun protection benefits are highly sought after

### 2013: Skincare shoppers who say the following product benefits in skincare products i.e. body creams/ facial creams, are essential or high priority

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skin lightening/ brightening</td>
<td>37%</td>
</tr>
<tr>
<td>Reduction in acne and associated scars</td>
<td>43%</td>
</tr>
<tr>
<td>Anti-aging benefits</td>
<td>45%</td>
</tr>
<tr>
<td>Suitability for sensitive/ hypoallergenic skin types</td>
<td>51%</td>
</tr>
<tr>
<td>&quot;Natural&quot;/ organic ingredients</td>
<td>54%</td>
</tr>
<tr>
<td>Sun protection benefits (e.g. UV filters)</td>
<td>62%</td>
</tr>
</tbody>
</table>

Source: Datamonitor Consumer Survey 2013
Many beauty/grooming products feature UV protection

Multi-functional facial skincare and make-up products

Body care products

Hair care products

Source: Datamonitor Product Launch Analytics, Datamonitor Consumer analysis
‘Visual culture’ is driving all-year demand for sun care

At-home tanning

Daily protection

Anti-aging regimes

One Hour Rapid Sunless Mist by Norvell, USA

“one hour for a light tan, two hours for a medium tan, and three hours for a dark tan”

Garnier Sun Control Daily Moisturizer, India

UV protection, contains vitamin E and is promoted as "helps prevent skin darkening & premature ageing”

La Mer Reparative Sun Lotion, USA

UV protection, hydration and anti-aging benefits - “prevents signs of aging and repairs appearance of existing damage”

Source: Datamonitor Product Launch Analytics, Datamonitor Consumer analysis
Key factors influencing sun-care product choice

<table>
<thead>
<tr>
<th>Factor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obtaining the best value for money</td>
<td>48%</td>
</tr>
<tr>
<td>Belief that product works as advertised</td>
<td>42%</td>
</tr>
<tr>
<td>Ease of use/application</td>
<td>39%</td>
</tr>
<tr>
<td>Trust/familiarity with brand</td>
<td>38%</td>
</tr>
<tr>
<td>&quot;Natural&quot;/organic ingredients</td>
<td>31%</td>
</tr>
<tr>
<td>Obtaining the lowest possible price</td>
<td>21%</td>
</tr>
<tr>
<td>Sensory benefits (i.e. scent and sensations)</td>
<td>25%</td>
</tr>
<tr>
<td>Recommendations by others</td>
<td>21%</td>
</tr>
<tr>
<td>Brand's social/environmental reputation</td>
<td>12%</td>
</tr>
<tr>
<td></td>
<td>47%</td>
</tr>
<tr>
<td></td>
<td>37%</td>
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<td></td>
<td>33%</td>
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<td>32%</td>
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<td>27%</td>
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<td></td>
<td>24%</td>
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<td>19%</td>
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<td></td>
<td>21%</td>
</tr>
<tr>
<td></td>
<td>11%</td>
</tr>
</tbody>
</table>

Source: Datamonitor Consumer Survey 2013
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Datamonitor's TrendSights Framework: 8 Mega-trends

- Health & Wellness
- Individualism & Expression
- Easy & Affordable
- Sensory & Indulgence
- Sustainability & Ethics
- Smart & Connected
- Comfort & Uncertainty
- Evolving Landscapes

Source: Datamonitor Consumer
The 8 mega-trends divide into 40 sub-trends
Datamonitor's TrendSights Framework: 8 Mega-trends

Health & Wellness
Individualism & Expression
Easy & Affordable

Sensory & Indulgence
Sustainability & Ethics
Smart & Connected
Comfort & Uncertainty
Evolving Landscapes

Most relevant for sun-care product innovation

Right for me
Guided health
Disease management
Made for me
On-the-Go
Efficient & effective
Bargain hunting

Source: Datamonitor Consumer analysis
3 features of successful sun-care product innovation

- Protection
- Convenience
- Tailored solutions

Source: Datamonitor Consumer analysis
#1: Care and Cure, not just cosmetic

Championing protective oils as key ingredients and enriching products with anti-oxidants, vitamins and minerals can add value.

- **Clarins Paris Sun Care Oil Spray**
  - SPF 30, “high protection oil”

- **Douvall’s Argan Bronzing Oil**
  - Rich in vitamin E, antioxidant, and fatty acids

- **Supergoop Antioxidant-infused Sunscreen Day Cream**
  - Rich in anti-inflammatory olive oil polyphenols

- **Sunology sunscreen range**
  - Contains soy bean oil, a moringa oil complex and soy glyceride (derived from antioxidant)

Source: Datamonitor Product Launch Analytics, Datamonitor Consumer analysis
#2: Convenient, novel application methods

Easy-to-apply products, and packaging that facilitate usage, can be perceived to be better value for money

Neutrogena Wet Skin sunblock spray

- Can “adhere to skin that's wet from swimming or slick with sweat”
- No need to towel dry first

Coppertone tanning foaming lotion

- Spray-on foam that spreads easily on the skin
- Does not spray away in the wind when applied
- Maximizes coverage

Higasunne UV Protection powder

- Used like a face powder, absorbs sweat and excess oil on face
- Can be applied over make-up

Nivea in-shower after sun lotion

- Applied and rinsed off in the shower

Source: Datamonitor Product Launch Analytics, Datamonitor Consumer analysis
#3: Making it personal

Banana Boat sunscreen for men

Blistex Lip Balm for men with sun protection

SPF 30+ Glitter Tots Sparkle Screen

Goddess Garden Sunny Baby sun care range

Source: Datamonitor Product Launch Analytics, Datamonitor Consumer analysis
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Opportunity 1: Ingestible sun protection

- UV Protection Harmonized Water technology – neutralizes UV radiation and limits absorption

- Edible photoprotective diet supplement called phytoflORAL developed in 2013 - prevents UV light from affecting skin and inhibits the appearance of aging

- Nutricosmetic concept is gaining traction in skincare and cosmetics

- Convenience benefits are likely to outweigh initial consumer scepticism and inhibitions

Source: Datamonitor secondary research, Datamonitor Consumer analysis
Opportunity 2: ‘Smart’ sun-care products

- June – first bracelet that tracks sun exposure
- Recommends level and type of sun protection required based on acceptable exposure (calculated based on user’s skin type)
- High-tech wearable trackers can make offering more tailored
- Facilitates real-time interaction with products

Source: Datamonitor secondary research, Datamonitor Consumer analysis
Opportunity 3: Skin tone based targeting

- Jergens Natural Glow: Daily moisturizer facilitates at-home self-tanning by claiming to offer a ‘natural glow’ for various skin types.

- Biore Perfect Face Milk: Sunscreen lotion evens out skin tone and used as a make-up base.

- Bridge between suncare, skincare and make-up categories.

Source: Datamonitor Product Launch Analytics, Datamonitor Consumer analysis
Opportunity 4: Stretching the scope of sun protection

- Short-term impact of sun damage is visual and noticeable e.g. fading of tattoos
- Sun protection is not just for the face or body
- Similar to lip care products, other cosmetic products such as nail polishes can also be formulated with UV protection to minimize sun-related fading and discoloration

Source: Datamonitor Product Launch Analytics, Datamonitor Consumer analysis
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Thank you!

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