



Symmetry!

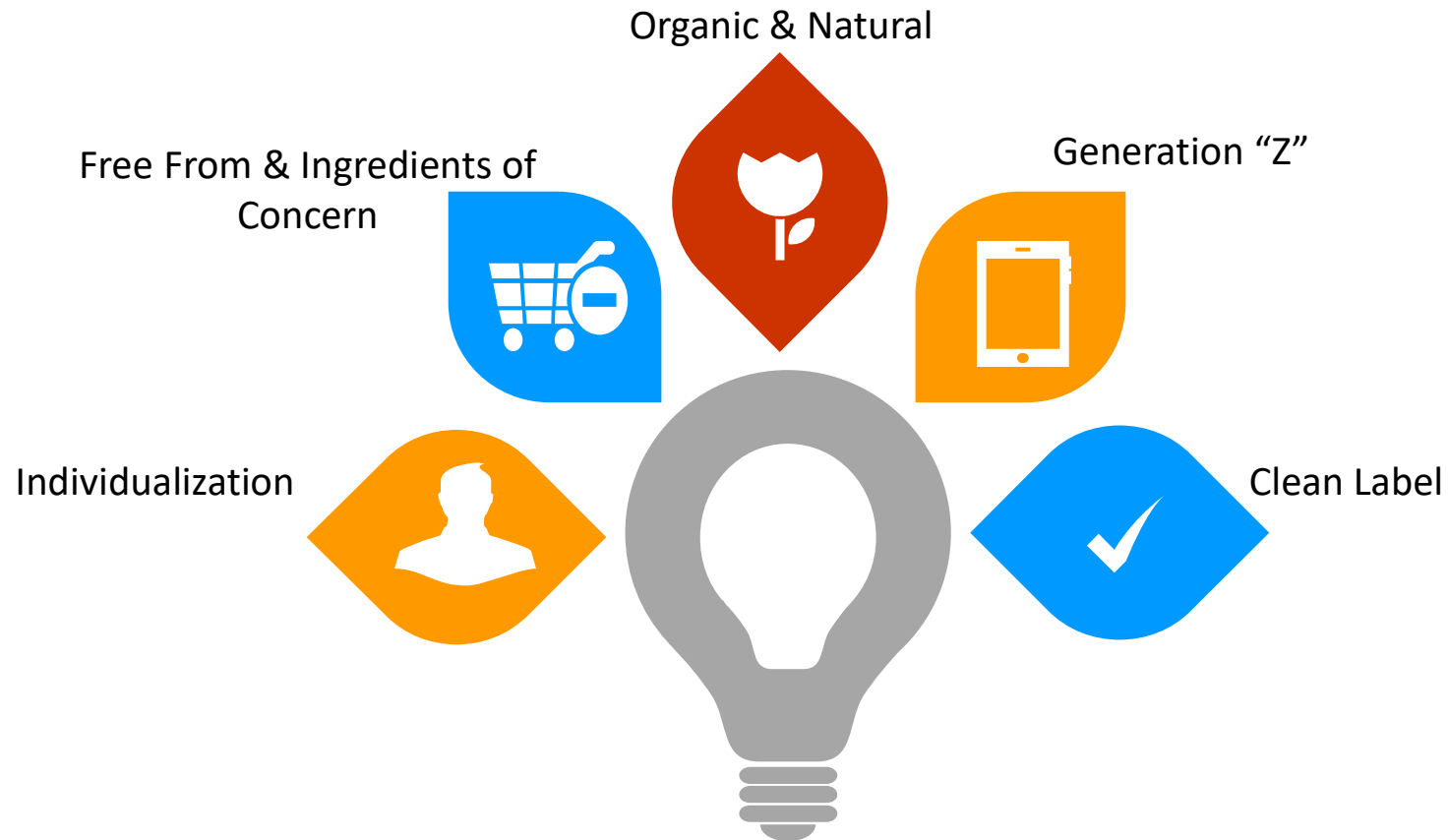
Consumer Trends in Personal Care & Nutrition and What they Mean for your Next Formulation

Examining insights pertinent to your creation & marketing of beauty products.

Mark Miller

California Society of Cosmetic Chemists – April 26, 2016

Let's focus on the following five trends....



You'll see that these trends have impacted the Personal Care & Nutrition market segments with different timing and that the effects are still being manifested.



Free-From & Ingredients of Concern

Trend(s) defined as the identification and removal from formulation of specified ingredients due to socio-ethical or regulatory concerns



Sulfate-Free



Removing Triclosan



Ingredients of Concern

Gluten Free – no longer a fad



Removing Artificial Colors & Flavors



Reducing Sugar



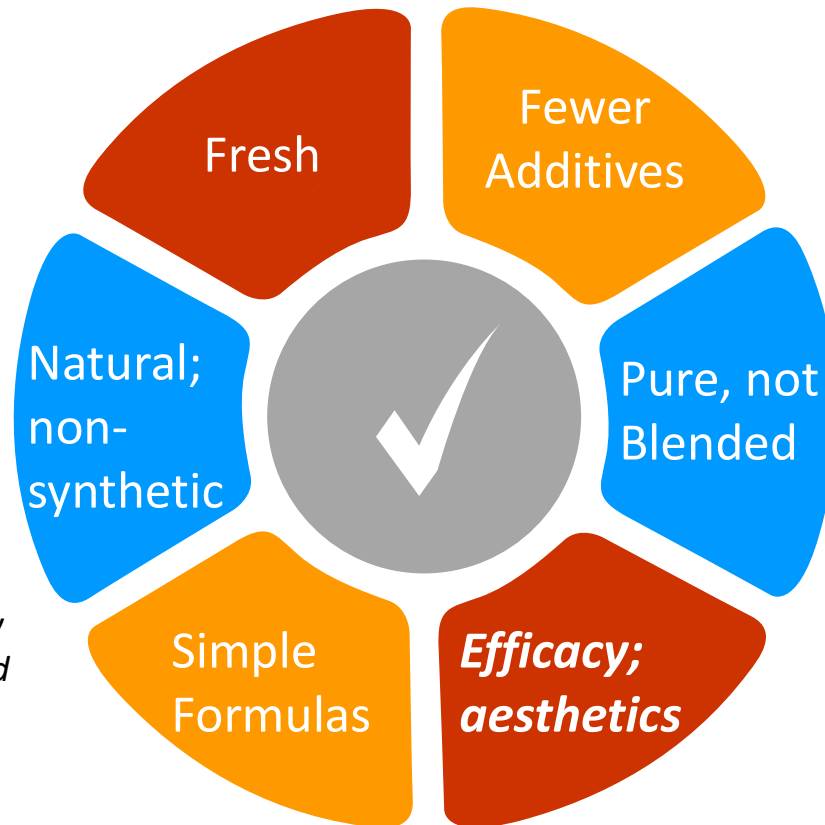
“The natural emollient market is hot and expected to grow at around 10% per year through 2019 due to the growing consumer awareness of synthetic chemicals and the desire to use natural ingredients and products.” Natural Emollients - George Deckner (February 5, 2016) – UL Prospector

“The demand for wholesome food options with fewer and simpler ingredients is causing companies to become more transparent about how their food is made.” Campbell’s Culinary TrendScape Report 2016



Clean Label

Trend defined as clear identification of natural ingredients on the product label with no inclusion of artificial ingredients or chemicals (origin in food)



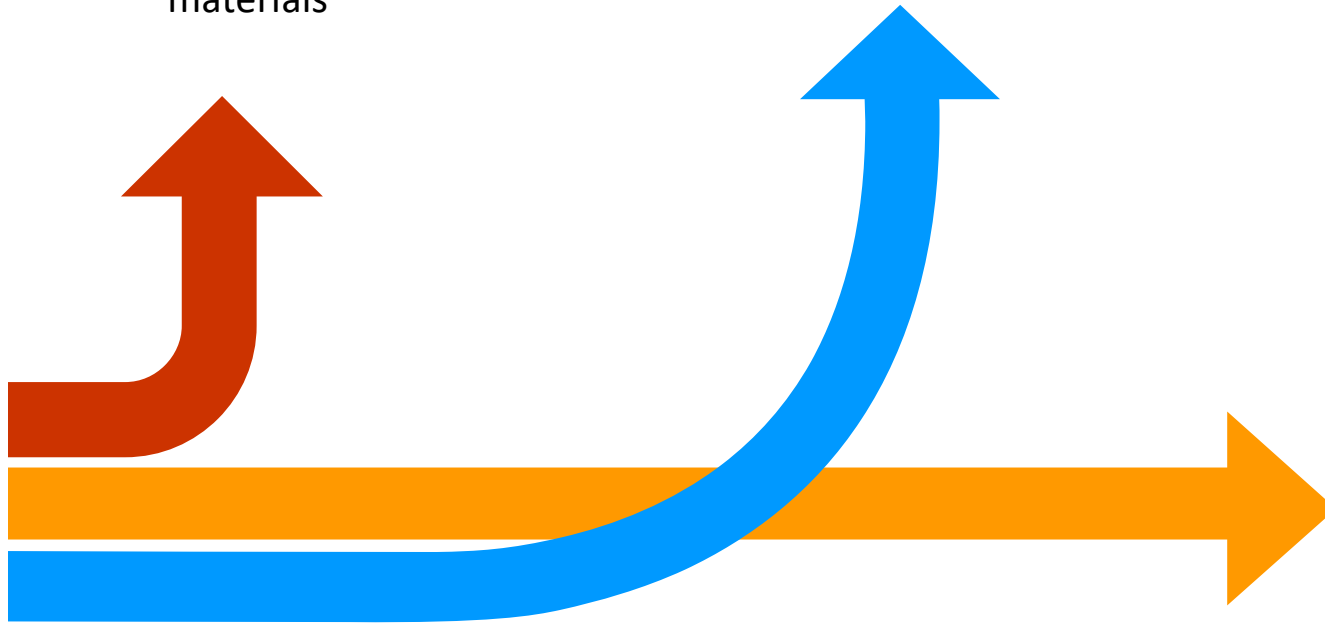
“As consumers worry increasingly about their health & wellness and the effects of potentially harmful chemicals found in everyday products, demand for natural ingredients in everything from packaged food to toiletries continues to grow.” Ten Global Consumer Trends for the Next Five Years – Gina Westbrook – Euromonitor

“Our Consumers are the boss and we hear them. If it’s the right thing to do for them, it’s the right thing to do for Mars.” Grant Reid (Mars CEO), on removing artificial colors from all of their food products (February 2016)

How do these insights converge and what do they mean for the creation of your next beauty product?

Forced Reformulation to remove synthetic materials

Simplification of formulations leveraging multifunctional, natural materials to provide efficacy (feel / texture / solvency). Alteration of approach to achieving aesthetics – i.e., eliminating complex sensory cascades in favor of fewer natural ingredients.



Full divulgation of ingredients and processing aids coupled with a more aggressive product launch cycle portends difficulties with intellectual property protection and regulatory backlogs.

A short ingredient list has been shown to significantly increase purchasing intent in the nutrition segment BUT there is no substitute for efficacy, as defined above.

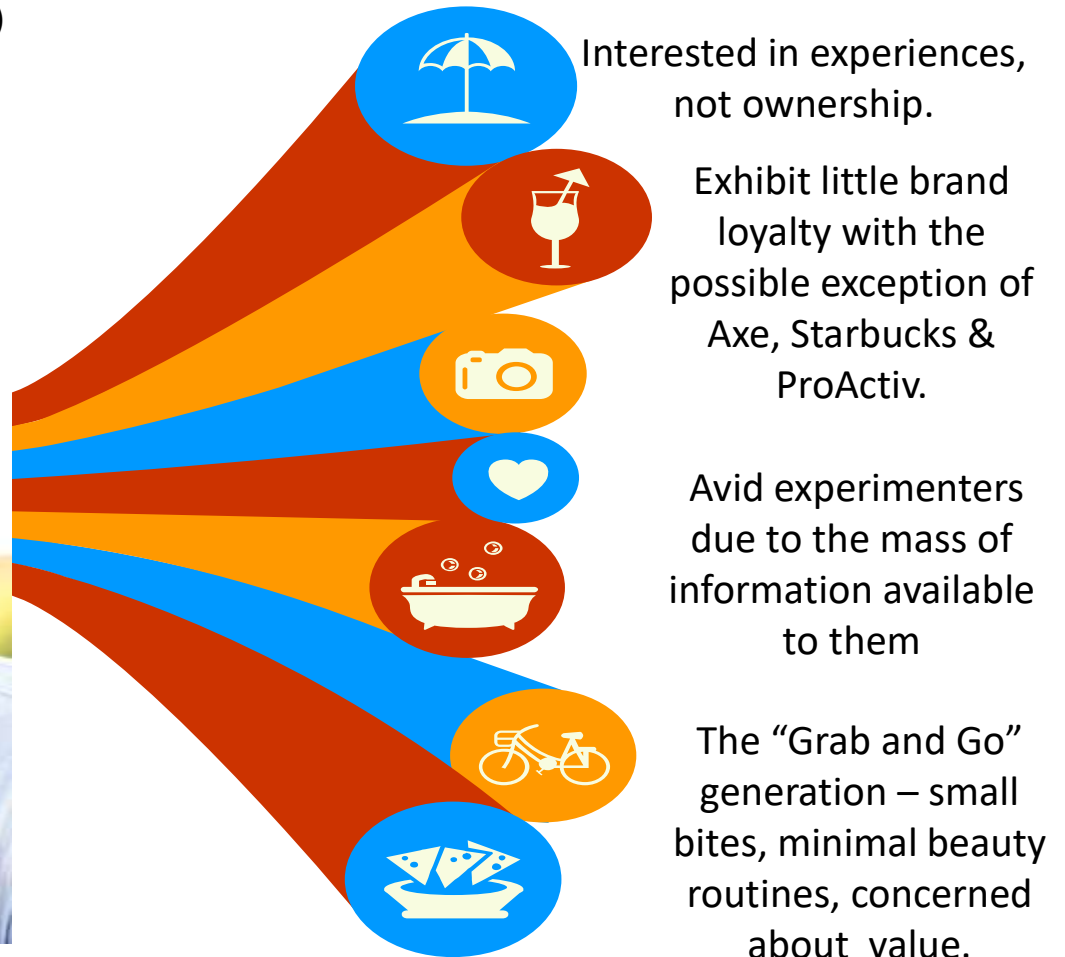


Generation “Z” – born after 1995

\$ largest consumer group in 2020 with \$44B in purchasing power! (Symrise Trend Perspectives)



Tethered to a minimum of four devices daily – shopping & sharing opinions on social media.



Living in 24/7 world defying all norms.

With these early insights on Generation “Z”, how can we deal with them? Some thoughts.....



Reposition your brand: alter your go-to-market model and product positioning to meet these new demands. For example, Kellogg has repositioned cereal to a “snack” from a breakfast food to meet this demographic.

Shorten your product lifecycle: reduce the timeline and investment to go to market to maintain the flexibility necessary to adjust the offering.

Infuse Social Media and become part of their daily experience! “21% of beauty and personal care consumers seek opinions on social media before making a purchase.” – Women’s Marketing 2015

Foster experimentation with your products at minimal purchase hurdles and seek feedback: Honest Beauty Bundle delivered to your door; Estee Lauder Mini-Bar.



Organic & Natural

Trend(s) are currently defined differently in Nutrition and Personal Care with strict standards applied to Organic certification & USDA designation vs. Natural self-definition.



Consumers desire food that is healthy, indulgent and convenient; removing artificial additives is a manifestation of this desire.

“40% of all food consumers have avoided at least one food ingredient in the past year.” –

Giract Ingredient Consultancy 2016



Consumer trend to purchase beauty & cosmetic products formulated from natural & organic ingredients. “In the US 57% of consumers purchase because they don’t contain unnecessary ingredients or chemicals.” – Mintel Trends 2025



Veggie 2.0 – driving an “explosion of interest in fresh foods” replacing processed foods and pasta with vegetables. Health conscious consumers are opting for natural foods such as fruits, meats and wholegrain carbohydrates.



Biodynamics = The New Organic - *Biodynamics* is a spiritual-ethical-ecological approach to agriculture, gardens, food production and nutrition.

“To be in the service of beauty is also to preserve the beauty of our planet.”

L’Oreal Pillars of Innovation



Individualization

Trend defined as the consumption of nutrition and/or personal care products specifically designed for the individual focused on health & wellness.



“People Power: in a new age of cautiousness....consumers no longer take marketing at face value. Individuals are taking it upon themselves to carry out their own research, make their opinions known and take a more active role in product development and promotion.” - Euromonitor



Do It Yourself Bowls of layered veggies, grain & protein; customization of meals to “make ready to eat or heat and serve meals that are fast....and portable.” This includes services designed to meet this trend, both in food and personal care.



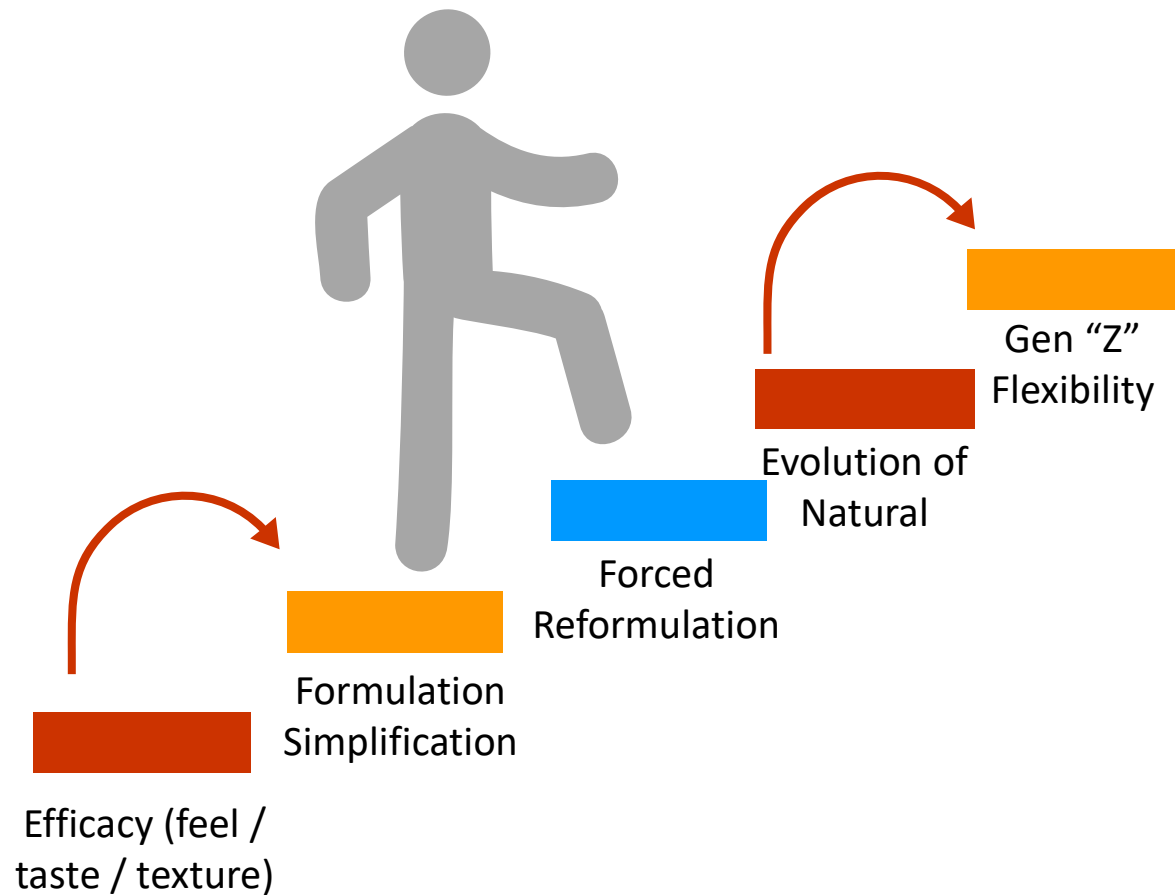
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As consumers pursue healthy lifestyle changes, Mintel reports that they “seek out products with energy-centric formulations that give them a boost”, resulting in new hair and skincare products. Similarly, in Nutrition “Super Foods” have emerged to nourish, tide me over and energize (ranked #4 Need State by the CA Almond Board when snacking).

So, by examining these five trends we find symmetry in these insights and what they mean for the creation of your next beauty product -





Thank You