Trends To Watch In Anti-Aging

Presented by: Daniel Bone, Consumer Insight Director
Agenda

Datamonitor Consumer

Framing Anti-Aging

Asia’s Aging Population

Anti-Aging Potential vs. Challenges

What Consumers Want and Products Delivering it
About Datamonitor Consumer

Consumer and innovation experts

**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

**Strategic Leadership**
Understand what shapes tomorrow
About Datamonitor Consumer

Consumer research country coverage
Framing Anti-Aging

The anti-aging opportunity: never too late, or too soon, to start

CURATIVE

• Halt, heal and reverse damage
• Rectify the aging they see and feel
• Using powerhouse anti-agers

PREVENTATIVE

• Fear of aging afflicting younger consumers
• Protecting and preserving skin
• Lighter formulas/less heavy duty ingredients

Source: Datamonitor analysis
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People across age cohorts want to look good and preserve their looks: a universal desire.

**Importance attached to looking after one’s skin**

- **Very important**
  - 18-24: 37%
  - 35-34: 41%
  - 35-49: 42%
  - 50-64: 41%
  - 65+: 42%

- **Important**
  - 18-24: 34%
  - 35-34: 32%
  - 35-49: 32%
  - 50-64: 31%
  - 65+: 28%

Good skincare is equally important across ages.

**Prioritization of anti-aging benefits in skincare**

- **Essential**
  - 18-24: 20%
  - 25-34: 28%
  - 35-44: 34%
  - 45-54: 35%
  - 55-64: 36%
  - 65+: 34%

- **High priority**
  - 18-24: 8%
  - 25-34: 12%
  - 35-44: 16%
  - 45-54: 20%
  - 55-64: 18%
  - 65+: 14%

Anti-aging focus peaks at 45-54 years old.

Source: Datamonitor Consumer Surveys, 2011, 2013
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Shiseido Ibuki targets 25-35 year olds, which is a trigger point for change…

- Builds skin’s inner resistance by reinforcing the skin’s protective lipid barrier
- Corrects the appearance of unevenness such as visible pores, breakouts/blemish marks and skin roughness
- One of 14 ‘Beauty Breakthroughs’ for 2013

There are even examples of anti-agers targeting teens

Source: Datamonitor analysis
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Anti-agers are influenced by a broad range of drivers and inhibitors.

Drivers:
- Aging population
- Youthful appearance
- Emerging markets
- Seeking newness
- More active ingredients
- Focus on efficacy
- Defies seasonality
- Deficient sleep
- Deficient diets
- Rising pollution
- Sun exposure
- Stress

Inhibitors:
- Uncertainty/scepticism
- Impatient about results
- Smoking reduction
- Too much choice
- Arduous/too much effort
- Making wrong choices

Genetics

It is not only age that is causing the skin to look older.

Source: Datamonitor analysis
Framing Anti-Aging
Product portfolios must account for wide ranging concerns

PROBLEMS
- Discoloration
- Wrinkles
- Fine lines
- Pores
- Fullness
- Blemishes
- Dryness
- Sagging
- Thinning
- Greying

SOLUTIONS
- Brighten/lighten
- Prevent (sun)
- Smooth
- Regenerate
- Minimize/reduce
- Density
- Conceal
- Firm
- Elasticize
- Prime
- Hydrate
- Strengthen

A catch-all term for problem solving products
There is not one single ingredient that addresses each of these
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Creates an opportunity for highly efficacious products targeting specific concerns

Concern about the following skincare issues? (Selected issues shown)

- Greasy skin: 57%
- Skin dryness: 70%
- Wrinkles and appearance of fine lines: 61%
- Skin tone (e.g. lightening or pigmentation): 55%
- Skin brightness and radiance: 60%

Source: Datamonitor Consumer Survey, 2011
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Yet many consumers are eager to simplify their beauty regimes = too exacting

Minimizing the number of products used in your health & beauty regime

Source: Datamonitor Consumer Survey, 2013
Framing Anti-Aging
Consumers love simplicity = intuitive products

Source: Datamonitor Consumer Survey, 2013

give the beauty industry a score of 7 or more out of 10 for the efforts made to simplify product choice
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Asia’s Aging Population

Plenty of opportunity for products and services which slow the aging process

In 2012, just under 800 million people were aged 60 or over.

By 2050, this number will reach two billion.

As aging is unavoidable, demand for anti-agers is bound to expand

Source: UN Population Division
Asia’s Aging Population

Skin care regimes are being extended for ever longer periods across Asia.

Percentage of population aged 60 +

- **Australia**: 20% in 2012, 29% in 2050
- **China**: 13% in 2012, 34% in 2050
- **India**: 8% in 2012, 19% in 2050
- **Indonesia**: 9% in 2012, 25% in 2050
- **Japan**: 32% in 2012, 41% in 2050
- **Singapore**: 15% in 2012, 38% in 2050
- **S. Korea**: 17% in 2012, 39% in 2050

Living longer = millions of potential new consumers with aging skin

Source: UN Population Division; Datamonitor analysis
Asia’s Aging Population

‘Positive aging’ or ‘effortless aging’: more people embracing their later years

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I like being the age I am…

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Strongly Agree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24</td>
<td>33%</td>
<td>32%</td>
</tr>
<tr>
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</tr>
<tr>
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<td>25%</td>
<td>29%</td>
</tr>
</tbody>
</table>

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I intend to embrace aging and all that comes with it…

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<tr>
<td>18-34</td>
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<td>67%</td>
</tr>
<tr>
<td>55+</td>
<td>75%</td>
</tr>
<tr>
<td>Total</td>
<td>65%</td>
</tr>
</tbody>
</table>

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Want to simply look very good for our age by being fit, strong and radiant

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Source: Datamonitor Consumer Survey, 2011, Havas
Asia’s Aging Population

Yes to Blueberries Age Refresh represents “approachable & positive anti-aging”

- High antioxidant superfruit
- Each product also contains two other key ingredients
- Wanted to come out with a positive aging message
- The name Age Refresh takes the "anti" out of aging
- Approachable, fun and easy to understand ingredients

Source: Datamonitor analysis
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Anti-Aging Potential vs. Challenges

What Consumers Want and Products Delivering it
Anti-Aging Potential vs. Challenges

Only a small minority of consumers deem anti-aging as essential in skincare

To what extent do you prioritise the following benefits associated with skincare products? Anti-aging

Source: Datamonitor Consumer Survey, 2013
Anti-Aging Potential vs. Challenges

What is claimed is not necessarily top-of-mind for the majority.

Nearly as many consumers globally say that anti-aging claims such as "high in antioxidants" and "supports collagen growth" have a low impact on their beauty product choices as those saying it has a high impact.

Source: Datamonitor Consumer Survey, 2011
Anti-Aging Potential vs. Challenges

Considerable opportunity exists to grow consumer occasions/usage

How much of a concern is the following issue relating to skincare for you?

- Wrinkles and fine lines:
  - Not concerned: 28%
  - Concerned and not addressing: 34%
  - Concerned and addressing: 35%

- Premature aging caused by sun exposure:
  - Not concerned: 26%
  - Concerned and not addressing: 35%
  - Concerned and addressing: 40%

- Skin brightness and radiance:
  - Not concerned: 26%
  - Concerned and not addressing: 34%
  - Concerned and addressing: 40%

Source: Datamonitor Consumer Survey, 2011
Anti-Aging Potential vs. Challenges

Considerable opportunity exists to grow consumer occasions/usage

How much of a concern is the following issue relating to haircare for you?

- **Thinning hair**
  - Not concerned: 24%
  - Concerned and not addressing: 31%
  - Concerned and addressing: 46%

- **Greying hair**
  - Not concerned: 24%
  - Concerned and not addressing: 28%
  - Concerned and addressing: 48%

Source: Datamonitor Consumer Survey, 2011
Anti-Aging Potential vs. Challenges

Anti-aging claims remain inhibited by cynicism and ambivalence

General performance claims made by beauty brands:
- Trustworthy: 40%
- Neither: 33%
- Untrustworthy: 28%

"Anti-aging" claims made by beauty brands:
- Trustworthy: 31%
- Neither: 31%
- Untrustworthy: 37%

Older consumers are more skeptical of the efficacy of anti-agers.

Source: Datamonitor Consumer Survey, 2013
Anti-Aging Potential vs. Challenges

Claims making it stressful to figure out what is real and what is exaggerated?

Source: Datamonitor Consumer Survey, 2013

Give the beauty industry a score of 5 OR LESS out of 10 for the efforts it makes to ensuring that product claims are truthful.
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What Consumers Want and Products Delivering it
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Packaging is the billboard for the brand, and should convey an enticing story BUT…

Consumers saying information on beauty product labels is easy to understand

- Australia: 24%
- China: 55%
- India: 61%
- South Korea: 19%

Consumers rarely understand the technology behind the brand

- Indonesia: 62%
- Japan: 16%
- Singapore: 37%
- Global: 36%

Source: Datamonitor Consumer Survey, 2013
What Consumers Want and Products Delivering it

But the market is influenced by a “want-it-now” mentality

Percentage of consumers whose opinion of a health and beauty product would improve if results were achieved quickly

Source: Datamonitor Consumer Survey, 2013
What Consumers Want and Products Delivering it

The marketing checklist for all beauty brands – anti-agers or otherwise…

**Order of influence (high-to-low) on different beauty purchases**

**Skincare**
- Value for money
- Ease of application
- Brand trust/familiarity
- Belief in the efficacy
- Natural ingredients
- Lowest price

**Make-up**
- Value for money
- Ease of application
- Brand trust/familiarity
- Belief in the efficacy
- Natural ingredients
- Lowest price

**Haircare**
- Value for money
- Belief in the efficacy
- Brand trust/familiarity
- Ease of application
- Natural ingredients
- Lowest price

**Strong demand for affordable anti-aging. But value does mean low prices**

Source: Datamonitor Consumer Survey, 2013
What Consumers Want and Products Delivering it

Multi-functionality (and the implied simplicity)

How appealing are the following health and beauty concepts to you? (15 concepts)

A single product that offers multiple beauty benefits

5.

Smarter products that provide more than one benefit – hence the attraction of BB creams

Source: Datamonitor Consumer Survey, 2013
What Consumers Want and Products Delivering it

M3K Beauty: affordably combining five key ingredients critical to anti-aging

- US based M3K face cream treats and correct multiple skin issues simultaneously
- Dr Oz favorites: Matrixyl 3000, DMAE, Hyaluronic Acid, L-Carnosine, Alpha Lipoic Acid, Vit A,C,E all have discreet roles
- Embraced by Hollywood, including the Oscars and Grammy Awards
- Anti-aging with a softer side: the "uncorporate corporation" donates 10% of all profits to people in need

Source: Datamonitor analysis
What Consumers Want and Products Delivering it

Technologically efficacious solutions

How appealing are the following health and beauty concepts to you? (15 concepts)

4. Products with tech. advanced and clinically developed ingredients

5. A single product that offers multiple beauty benefits

Source: Datamonitor Consumer Survey, 2013
What Consumers Want and Products Delivering it

MitoQ "Next generation CoQ" = world's most potent antioxidant

- NZ/British scientists exploring a cure for liver damage accidentally created an anti-ager
- 1,000 times stronger than CoQ by attaching a positive charge
- Floods cells with antioxidants, can penetrate mitochondrial membranes
- Positioned as serious and contemporary without being intimidating. Expect more of this
What Consumers Want and Products Delivering it

Matches a leading prescription ingredient: Even Better Clinical Dark Spot Corrector

- Targets hyperpigmentation and became Clinique's top-selling SKU within a year
- Developed for the Asian consumer in mind, but has been a global success
- TV campaign behind the China launch helped grow brand sales more than 30%
- Attracting people from mass to prestige
- Co-marketed with the equivalent named make-up line = “power couple”

Source: Datamonitor analysis
What Consumers Want and Products Delivering it

The preventative aging benefits of SPF

How appealing are the following health and beauty concepts to you? (15 concepts)

3. Sun protection benefits in skincare/make-up

5. A single product that offers multiple beauty benefits

4. Products with tech. advanced and clinically developed ingredients

Source: Datamonitor Consumer Survey, 2013
What Consumers Want and Products Delivering it

Plantscription: comparable to prescription retinoic acid treatments

2011: first time Origins pitted a plant versus a prescription

Customers wanted anti-aging, but in a natural, healthy way, not through procedures/injections

Isolates the most potent elements of each ingredient

Every jar contains 300,000 raspberry plant stem cells

Regenerative properties to increase firmness, smooth fine lines, and provide radiance

Contributing to Estée Lauder’s strong growth in skincare since launch

Source: Datamonitor analysis
What Consumers Want and Products Delivering it

Consumers want to reduce the risk of making the wrong choice

How appealing are the following health and beauty concepts to you? (15 concepts)

5. A single product that offers multiple beauty benefits

3. Sun protection benefits in skincare/make-up

4. Products with tech. advanced and clinically developed ingredients

2. The ability to try products before you buy

Source: Datamonitor Consumer Survey, 2013
What Consumers Want and Products Delivering it

Diagnostics in-store is an expensive, but shows measurable effectiveness.

IOMA owns the technology involved in “macroscopic measurement analysis.”

The route to personalized beauty becoming normalized.

Youth Booster anti-ager features a micro chip on the cap to assess skin’s hydration.

The future: measure what we need and how we are performing: efficacious credibility.

Talk of patents and breakthrough research is standard stuff in skincare.

Technology creates excitement and anticipation at the beauty counter.

Source: Datamonitor analysis; IOMA
What Consumers Want and Products Delivering it

The “healthy halo” of natural is pronounced

How appealing are the following health and beauty concepts to you? (15 concepts)

1. Products using active “natural” or botanical ingredients
2. The ability to try products before you buy
3. Sun protection benefits in skincare/make-up
4. Products with tech. advanced and clinically developed ingredients
5. A single product that offers multiple beauty benefits

Source: Datamonitor Consumer Survey, 2013
What Consumers Want and Products Delivering it

Yves Rocher Anti-Age Global: a "world first" in botanical beauty

- A day cream, night cream and eye cream
- Containing "4th Generation Plant Source Cells" from the Echinacea plant
- 100,000 concentrated Plant Source Cells
- Applicator glides easily across the skin turning eye cream application into an enjoyable ritual

Source: Datamonitor analysis; Pack-Track
What Consumers Want and Products Delivering it
Meeting demand for a combination of proven performance and sensory appeal

Highly influential in improving one’s opinion of a health and beauty product...

- **Product results match up to the claims made on-pack**: 56%
- **Product feels nice (on your skin, hair etc.)**: 64%

Source: Datamonitor Consumer Survey, 2013
Summary

Anti-aging is catch-all term for good skincare management...at any age. There is still much untapped opportunity.

Consumer pull and industry push: consumer expectations and formulation breakthroughs drive market direction.

More emphasis on the feeling to differentiate from the effect. Supports the notion of looking on the outside how you feel on the inside.

Source: Datamonitor analysis
Thank You!

askcm@datamonitor.com

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