Trends to watch in Haircare

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Agenda

- About Datamonitor Consumer
- Sizing up the Haircare category
- Trends, innovations and opportunities
- The Future: Niche / emerging concepts
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
Global spending on Haircare last year was $50billion+

$50.2billion in 2013

Fastest growing categories by market value 2013–18

<table>
<thead>
<tr>
<th>Category</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hair colorants</td>
<td>4.6%</td>
</tr>
<tr>
<td>Conditioner</td>
<td>4.6%</td>
</tr>
<tr>
<td>Shampoo</td>
<td>4.5%</td>
</tr>
<tr>
<td>Perms &amp; relaxers</td>
<td>1.8%</td>
</tr>
<tr>
<td>Styling agents</td>
<td>1.2%</td>
</tr>
</tbody>
</table>
Datamonitor's TrendSights Framework: 8 Mega-trends

- Health & Wellness
- Sustainability & Ethics
- Individualism & Expression
- Smart & Connected
- Sensory & Indulgence
- Comfort & Uncertainty
- Easy & Affordable
- Evolving Landscapes
The 8 mega-trends divide into 40 sub-trends
Top 3 trends driving Haircare innovation opportunities

- **Health & Wellness**
  - Hairceuticals
  - Sun protection

- **Individualism & Expression**
  - Hair cosmetics
  - Personalized products

- **Sensory & Indulgence**
  - Food & Drink inspirations
  - Oil formulations
Top 3 trends driving Haircare innovation opportunities

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Sensory & Indulgence
- Food & Drink inspirations
- Oil formulations
Consumers express high concerns about hair health

Consumers who say they are extremely/very concerned about the following issues:

- Baldness/hair loss: 32%
- Dandruff/itchy scalp: 32%
- Thinning hair: 30%
- Lack of hair volume: 28%
- Grey hair: 26%
- Dull hair: 26%
- Split ends/dry hair: 24%
- Damage from coloring: 23%
- Frizzy hair: 23%
- Greasy hair: 23%
- Damage from heat styling: 21%
- Shaving rash: 21%
- Nits/lice: 20%
- Too much hair volume: 18%
- Dissatisfaction with natural hair color: 16%
- Hair too curly: 14%
Consumers prefer to opt for non-invasive treatments

Would you ever consider undergoing cosmetic surgery procedures to enhance your appearance?

- No, never!
- Prefer to try non-invasive treatments first

60%  25%

Source: 2014 Datamonitor Consumer Survey
Hairceuticals: Recent innovations we like

- **Strength Cure Restorative Masque** by Pureology
  - Protein, amino acid, and lipid complexes

- **Heat Activated Reconstructor Treatment** for hair by Dove
  - Cellular level treatment

- **Skincare inspired ‘hairceutical’**

- **Extra Care Hydro Collagen Shampoo** by Schwarzkopf

- **Anti-aging**

- **Specialist Hair Growth Stimulating Shampoo** by Pharmaceris H-Stimupurin
Hairceuticals: Recent innovations we like

Advanced Haircare Volume Filler range by L’Oreal

- Designed to give greater hair volume & thickening benefits - claims to give the feeling of having twice as much hair!

- Active ingredient in this range is Filloxane, targeting consumers with thin and fine hair

- L’Oreal demonstrates how brands can take approaches which have been salon-only such as the filler approach, and create an at-home treatment to address consumer concerns and maintain hair quality
Suncare within haircare is gaining traction amid growing concerns of sun damage

29%

consumers globally said they are extremely / very concerned about sun damage

Source: 2014 Datamonitor Consumer Survey
Sun protection: Recent innovations we like

**Reactive**

- Ultra Doux After-Sun Repair Hair Mask by Garnier

**Preventative**

- Taft Shine Mousse by Schwarzkopf

**Multifunctional**

- Kérastase Soleil CC Crème by L’Oreal
Innovation opportunities: Health & Wellness

- Capitalize on demand for more efficient, clinically inspired products by using relevant ingredients (e.g. lipids, peptides) while also positioning products as an effective non-invasive treatment.

- Cater to awareness of hair specific damage from sun exposure by formulating deeply moisturizing products which repair and protect.
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Consumers tend to change their looks and styles often

**38% of women**
globally say they have different make-up looks/styles depending on whether it is day or night

**40% of women**
globally say they have different make-up looks/styles depending on whether it is during the week or weekend

*Source: 2014 Datamonitor Consumer Survey*
Hair cosmetics: Recent innovations we like

- Caviar CC Cream by Alterna
- Alphabet hair cream
- Dual purpose foundation
- Perfectly Perfecting Wonder Balm by Percy & Reed
- One Prep Spray by R+Co
- Hair primer
- ‘Shellac’ technology
- Pop & Lock Crystallite Shellac by ColorWow
Hair cosmetics: Recent innovations we like

- **Bold color options**
  - Color Hair Chalk by Heme
  - Funlights Hairlights

- **Targeted at young consumers**
  - Hair Chalk by The Body Shop

- **Instant style**
Consumers seek personalized, tailored products

Around 4 in ten consumers globally say they have a more or significantly more favorable perception of customized/personalized products and claims.

Source: 2014 Datamonitor Consumer Survey
Personalized products: Recent innovations we like

- Hijab Conditioner by Sariayu
- Johnson’s Baby Soft & Shiny range by Johnson & Johnson
- Weather specific product recommendations by Pantene
Innovation opportunities: Individualism & Expression

Encourage the use of hair as a fashion accessory (as with nail color) through creating super-temporary products which are inspired by bolder shades found in color cosmetics.

Move beyond ethnicity based targeting to create new consumer groups through alternative segmentation (e.g. by religion or lifestyle).
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Consumers are keen to try new innovations

Consumers who experiment often or occasionally when buying products within the following haircare categories

- Perms & Relaxers: 37% (Experiment often), 27% (Experiment occasionally)
- Hair styling products: 39% (Experiment often), 26% (Experiment occasionally)
- Hair Colorants: 35% (Experiment often), 21% (Experiment occasionally)
- Conditioner: 37% (Experiment often), 19% (Experiment occasionally)
- Shampoo: 34% (Experiment often), 15% (Experiment occasionally)

Source: 2014 Datamonitor Consumer Survey
Food & Drink inspirations: Recent innovations we like

**Beer**
- Beer Shampoo for Oily Hair by Park Avenue

**Milk**
- Organic Mare’s Milk Shampoo by Chevalait

**Coconut water**
- Weightless Hydration Coconut Water range by Ogx
In haircare, oils are typically used for hydration.

Examples of oils used in haircare innovation, 2014:

**Seeds**
- Jojoba oil
- Sunflower seed oil
- Sesame seed oil
- Grape seed oil

**Nuts**
- Marula oil
- Argan oil
- Ojon oil
- Almond oil
- Macadamia oil
- Walnut oil

**Fruits**
- Olive oil
- Coconut oil
- Avocado oil
- Rosehip oil

**Flower, Plants, Herbs**
- Monoi oil
- Lavender oil
- Camellia oil
- Rosemary oil
- Burdock oil
- Sea buckthorn oil
Oil formulations: Recent innovations we like

Pre-styling primer

Hairdresser’s Invisible Oil primer by Bumble & Bumble

On-the-go solution

Rare Blend Tamer by Ojon
Innovation opportunities: Sensory & Indulgence

Mimick trends within the food and beverage space (e.g. superfoods) by using these ingredients to create functional external haircare applications.

Invest into new/emerging oil sources (e.g. Kukui, Sapote, and Marula oils) in order to tap into demand for exotic hair oils and better hair hydration/moisturization.
The Future: Niche / emerging concepts

Health & Wellness

Novel application systems for functional haircare products
The Future: Niche / emerging concepts

Health & Wellness

Individualism & Expression

Novel application systems for functional haircare products

More specific and complex customization processes
The Future: Niche / emerging concepts

Health & Wellness

- Novel application systems for functional haircare products

Individualism & Expression

- More specific and complex customization processes

Sensory & Indulgence

- Fragrancing the hair as the characterizing function
Ask the Analyst

If you have any questions regarding our research or would like more information on our service offering, please contact support@datamonitor.com.