Trends to watch in Skin Whitening

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Agenda

1. About Datamonitor Consumer
2. Demand for skin whitening
3. Top 3 trends and product innovations
4. Summary
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
Perceptions of skin whitening around the world

“Make me beautiful”
– Esther Honig
June 2014

Source: Esterhonig.com, Buzzfeed
Perceptions of skin whitening around the world

“Make me beautiful”
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Source: Esterhonig.com, Buzzfeed
Half of Asian consumers consider skin whitening benefits to be key feature of skincare products

Datamonitor Consumer Survey 2013: To what extent do you prioritise skin lightening/whitening benefits associated with skincare products?

<table>
<thead>
<tr>
<th>Region</th>
<th>Not a priority/low priority</th>
<th>Medium priority</th>
<th>High priority/essential</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>48%</td>
<td>28%</td>
<td>24%</td>
</tr>
<tr>
<td>Western Europe</td>
<td>49%</td>
<td>30%</td>
<td>22%</td>
</tr>
<tr>
<td>Asia</td>
<td>20%</td>
<td>29%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Legend:
- Not a priority/low priority
- Medium priority
- High priority/essential
Around 1 in 5 consumers in Asian countries say they use skin whitening products daily/almost every day

Datamonitor Consumer Survey 2014: How often do you use skin lightening products? “Daily/Almost every day”

- India: 20%
- Malaysia: 20%
- Indonesia: 19%
- China: 18%
- Singapore: 15%
- South Korea: 13%
Why are skin whitening creams so popular?

- Confidence boost
- Cultural perceptions of dark skin tones denoting lower social class
- Me-too effect, aspirational mind set to mimic West
- White, “fair” skin associated with a youthful look
Skin-tone-based advertising is a very sensitive subject

Equality campaigners say they are “shocked and quite disturbed” that a high street shop is “promoting a throwback to the racial hierarchies of colonialism and segregation”.

Source: facebook.com/darkisbeautiful
However, less than a third of women globally consider skin whitening claims to be trustworthy.

Datamonitor Consumer Survey 2013: How trustworthy do you consider the following to be?

- **General performance claims made by beauty products**
  - Trustworthy: 42%
  - Neither: 31%
  - Untrustworthy: 27%

- **“Skin whitening” claims made by beauty brands**
  - Trustworthy: 29%
  - Neither: 35%
  - Untrustworthy: 36%
Is skin whitening just for the Eastern markets?

Inter-regional influence

231 million international migrants in the world today!

Source: OECD, Oct 2013
Marketing and positioning is vital for success

Don’t get it wrong!

Banner advertising ElishaCoy’s “Always Nuddy CC cream” displayed at a department store in New Koreatown Plaza in Queens, New York - July 2014

Source: styleite.com
Skin whitening creams already address many of the top skincare concerns worrying consumers worldwide

Datamonitor Consumer Survey 2014: How concerned do you feel about the following skincare issues? “Extremely/very concerned”

- Looking old: 35%
- Dry or flaky skin: 34%
- Dark circles under eyes: 33%
- Facial wrinkles: 33%
- Sun damage: 31%
- Neck/chest wrinkles: 29%
- Hand wrinkles: 29%
- Blocked pores: 28%
- Sensitive skin: 27%
- Oily skin: 26%
- Sunburn: 26%
- Scars: 26%
- Moles: 25%
- 21% for both Scars and Moles
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 to watch in skin whitening innovation

- Individualism & Expression
- Health & Wellness
- Easy & Affordable
Market for anti-aging products is bound to increase

- In 2012, just under 800 million people were aged 60 or over.
- By 2050, this number will reach two billion.

Source: UN Population data
**Health & Wellness: Innovation trends**

### Sun protection

**L’Oreal – UV perfect sunscreen**

- Positioned as ‘dark spot reducer’

**Neutrogena Visibly Even – foaming cleanser**

- "Naturally brightens skin"
- Claims to reduce excessive pigmentation and dark spots

- "Instant white" variant is SPF50+ UVB and UVA PA++++

- Packaging states it protects up to 12 hours providing brightening and instant glowing skin
Health & Wellness: Innovation trends

Formulation inspired from nature

Leelan – Turritopsis Nutricola (immortal jellyfish) Collagen Toner

Anti-aging benefits + moisturizer + UV protection

Vitamin-rich anti-aging treatment

Bandi Professional - C-White Emulsion with Vitamin C

Marketed as an “intensive de-pigmenting and anti-aging treatment with Vitamin C”
Easy & Affordable: Innovation trends

In-shower whitening

Nivea – Whitening in-shower skin conditioner

- Whitening variety of in-shower body lotion
- Recommended for daily use
- Quickly absorbed by wet skin

Whitening soaps

Emami Fair and Handsome – Instant Fairness face wash

- Targets urban middle class male consumers
- Contain a patented peptide that claims to remove dirt and excessive oils for a “clean, visibly brighter look”
Easy & Affordable: Innovation trends

Whiten while you sleep

Hanroy – Silky chocolate whitening sleeping mask

Multi-benefit: whitening, moisturizing, anti-wrinkle, detox, pore cleansing, and anti-acne

Contains truffle extract for anti-bacterial effects and inflammation reduction

Whitening drink

Kitsui – Whitenin BB drink

“ultimate anti-oxidant, anti-aging and skin brightening & lightening supplement in one”

Contains vitamin C and mixberries for brightening and tightening effects for uneven skin tones
Easy & Affordable: Innovation trends

Emphasis is on whitening

BB creams in the West emphasize skin brightening, radiance

Pond’s – Flawless white BB+ Whitening expert BB Cream

L'Oreal Paris – Skin perfection 5-in-1 BB cream
“evens and brightens skin tone, targets the appearance of dark spots”

Jergens – BB Body Perfecting skin cream
“minimizes the appearance of imperfections, brightens and illuminates”
### Individualism & Expression: Innovation trends

<table>
<thead>
<tr>
<th>Product</th>
<th>Area</th>
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<tbody>
<tr>
<td><strong>Beautypea</strong> – Whitening neck cream</td>
<td>Neck</td>
</tr>
<tr>
<td><strong>Dove</strong> – Underarm dark mark eraser</td>
<td>Underarms</td>
</tr>
<tr>
<td><strong>Dr Morita</strong> – Whitening crystal eye patches</td>
<td>Eyes</td>
</tr>
<tr>
<td><strong>ActiveWhite</strong> – Pink Nipple whitening soap</td>
<td>Intimate areas</td>
</tr>
</tbody>
</table>
Individualism & Expression: Innovation trends

Unusual benefits e.g. energizing

Pond's Men - Energy Charge “White Boost” gel moisturizer
Contains coffee bean extract for energizing benefits

Male-targeted, multifunctional

Nivea Men – “Extra whitening” serum
Claims to combat skin darkening and formulation of new dark spots for “10x whitening effect”
Summary: Top trends driving skin whitening innovation

- Anti-aging, dark spot correction, vitamin-rich, disease management
- Convenience, novel usage formats, multi-functional
- Body-part-specific, targeted for certain consumer groups and lifestyles
Ask the Analyst
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