

UK Decorative Cosmetics Market Analysis

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Once upon a
time...

Lucille Ball Co-starring in "LURED"
A HUNT STROMBERG PRODUCTION

The New Lipstick
from Hollywood

Clear Red Blue Red Rose Red

THREE SHADES FOR YOUR TYPE

correct for your coloring... correct for your costume

BLONDES BRUNETTES BRUNETTES REDHEADS

CLEAR RED No. 1 CLEAR RED No. 2 CLEAR RED No. 3 CLEAR RED No. 4
BLUE RED No. 1 BLUE RED No. 2 BLUE RED No. 3 BLUE RED No. 4
ROSE RED No. 1 ROSE RED No. 2 ROSE RED No. 3 ROSE RED No. 4

U. S. Patent
This lipstick
is a modern design
metal case... \$1.00

- ★ This new lipstick is, oh! so s-m-o-o-t-h
- ★ The color stays on until you take it off
- ★ New original formula does not dry the lips

Here's a sensational, new and utterly different lipstick that offers a flattering new fashion in lip make-up for you... Three exclusive new reds for every color type... three glamour changes for you, a shade for every costume and every mood... Clear Red, Blue Red, Rose Red. For alluring new glamour for lips and loveliness, try today this new Max Factor Hollywood Lipstick.

Color Harmony Make-Up
MAX-FACTOR BRAND MAKE-UP
FURNISHES A BEAUTIFUL LIPSTICK

Max Factor • Hollywood

cosmetics
business

MAX FACTOR creates PAN-CAKE*

make-up perfection
for the woman
who meets over
12 people a day

*Pan-Cake Make-Up...Max Factor's
Exclusive Formula...is the original*

The one and only make-up for today's busy, fashionable women who must look her best hour after hour. PAN-CAKE Make-Up gives you that inner assurance that your make-up is fastidious...no matter how critical your audience.

A world of colour



brows

effects

selfie

non-toxic

neutrals

Asian

nail design

metallics



The Rising Power of Female Consumers

- Global female population an estimated 3.6 billion in 2014 and is expected to reach 4.2 billion by 2030.
- Average disposable income amongst women is at all time high, and women are living longer than men.
- in 2013, the colour cosmetics market increased by 5.1% to reach US \$55.49bn

Table 1: Global colour cosmetics market, 2013, US\$m, year-on-year % change

Categories	2013	%+/-
Beauty & personal care	454,353.10	5.20
Colour cosmetics	55,488.20	5.10
Eye make-up	15,303.00	4.30
Facial make-up	20,209.50	4.40
Lip products	13,172.60	5.10
Nail products	6,803.10	9.20

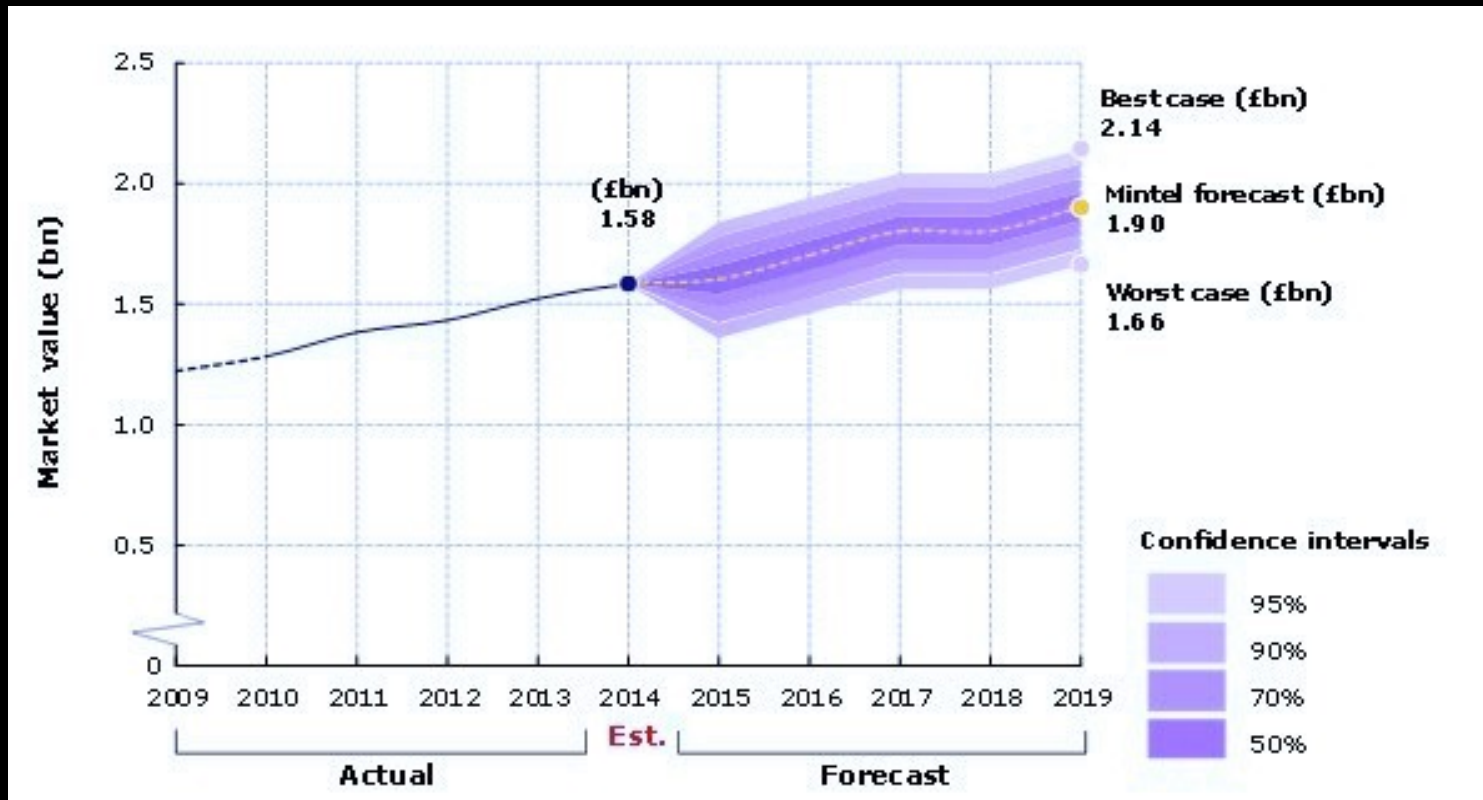
Source: Euromonitor International

UK Colour Cosmetics

The colour cosmetics market continues to see growth with 3.9% expected to be added to the market in 2014.

Charlotte Libby, Analyst, Mintel

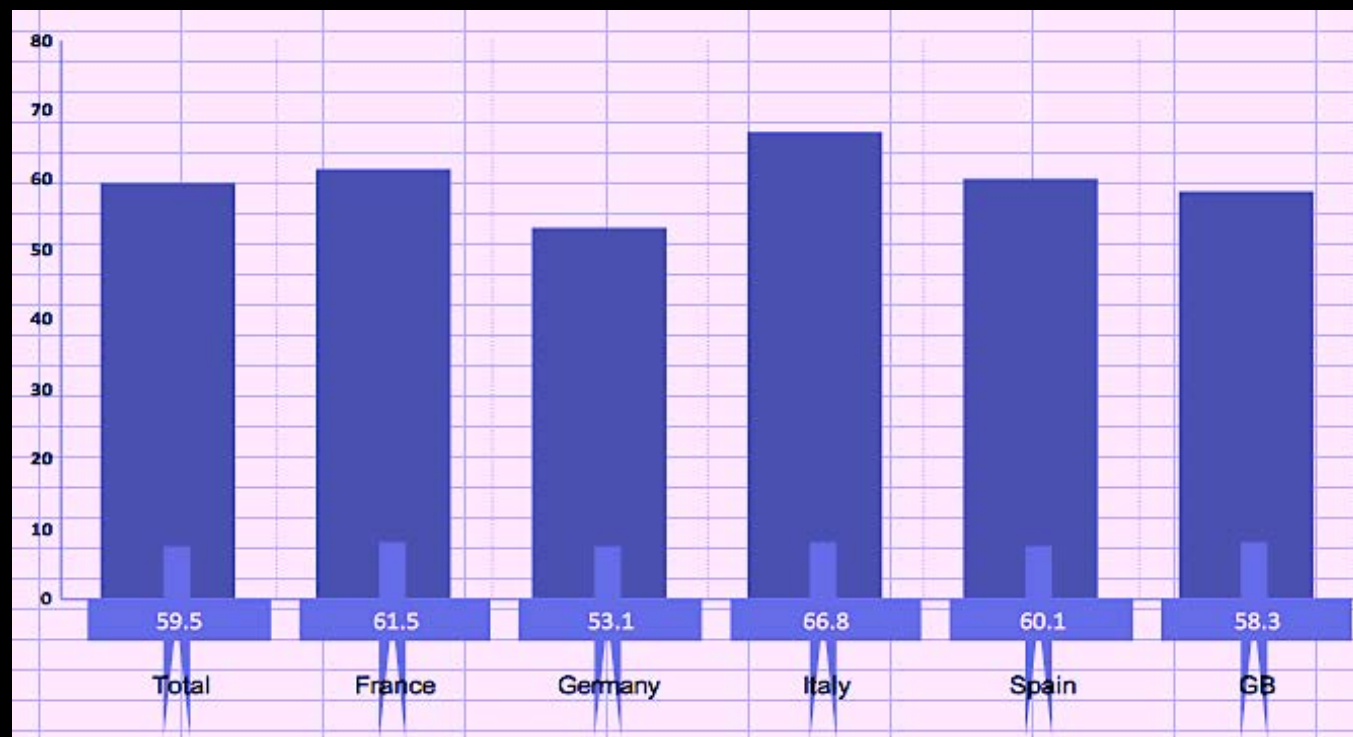
UK retail value sales of colour cosmetics, 2009-19



Source: Based on IRI/Mintel

Usage

Between June 2013 – June 2014, together with Germany, the UK has the lowest usage of colour cosmetics in Europe - compared to say 74% in Poland



Source: Kantar Worldpanel data

Motivators

UK consumers are unlike consumers in many other European countries in that more women apply make-up 'on my way to get somewhere' - 21.1% of UK women compared with just 0.4% of French women

September 2014	Total country	Total w. Europe	France	Germany	Italy	Spain	GB	Russia	Poland
Face Make-Up	35.7	36.5	30.5	35.5	36.7	40.8	40.3	29.8	38.2
Eye Make-Up	44	47	53	49	47	37	43	45	44
Lipstick	18	15	14	14	16	20	15	22	14
Getting ready for work/school	46.9	44.4	50.4	37.7	48.6	43.6	41.4	64.3	29.7
Before socialising	19.1	23.6	23.5	12.8	29.8	44	13.9	11.6	7.6
On my way to get somewhere	15	9.2	0.4	14.1	6.6	1.9	21.1	7.3	49.2
On getting up	11.1	15	15.8	27.7	5.9	6.1	17	5.7	8.2

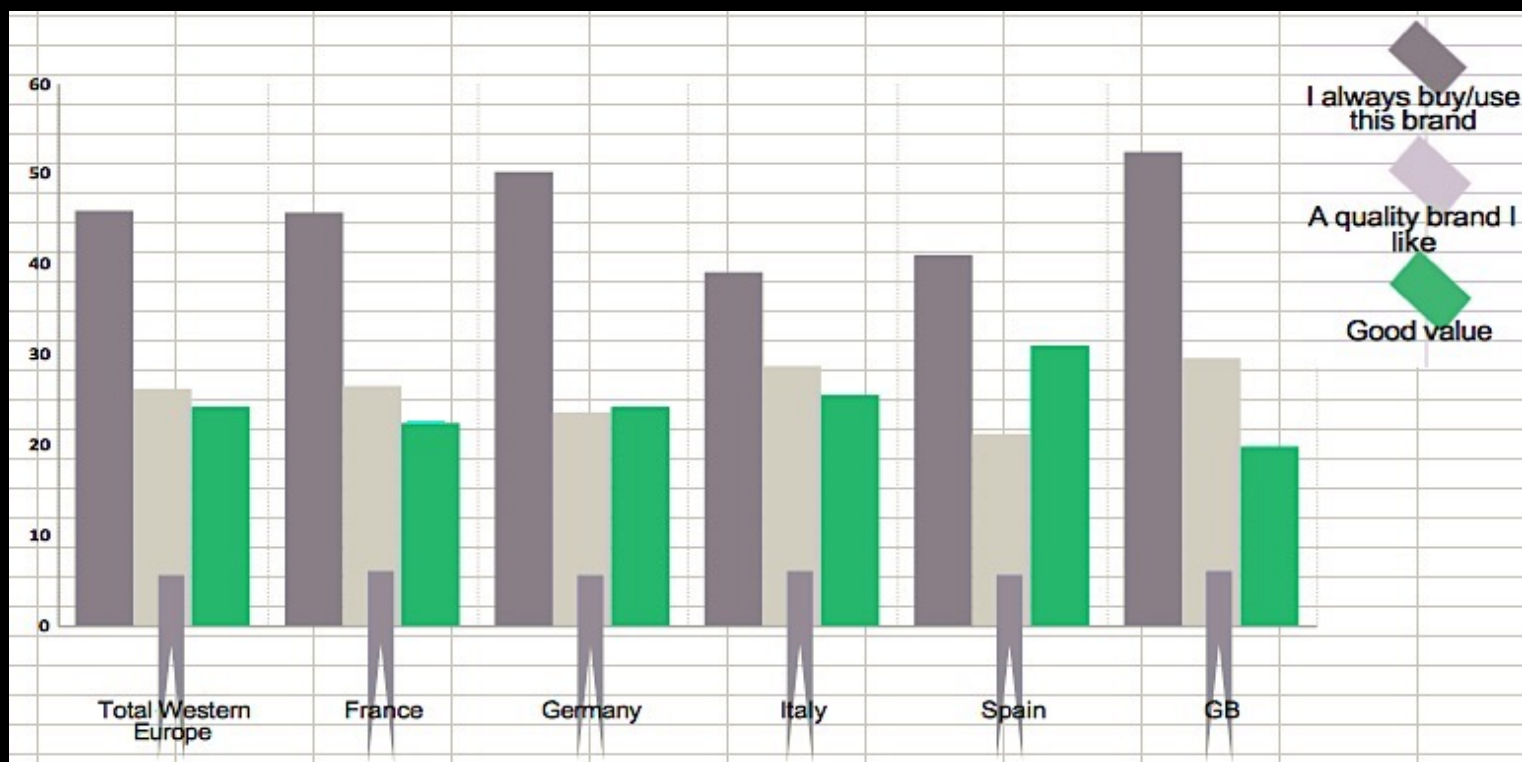
Source: Mintel



Cosmetics products with built-in features to make it easier to apply would be well received by UK consumers.

Usage

UK consumers of colour cosmetics are driven by brand loyalty more than consumers in the other Western Europe countries.



Source: Kantar Worldpanel data

TRENDS

Age-neutral

Natural

Nails and eyebrows

Virtual and bespoke

Multifunctional

The new 30

Consumers aged 55 and over Consumption of cosmetics, skincare, haircare and fragrance products, 2012-2013 (Source: Canadean)

Consumers aged 55+		Over/under	% y/y change
<i>UK</i>	<i>23.1%</i>	<i>28.5%</i>	<i>-5.4%</i>
US	25.7%	25.7%	0.0%
<i>Brazil</i>	<i>16.7%</i>	<i>15.1%</i>	<i>+1.6%</i>

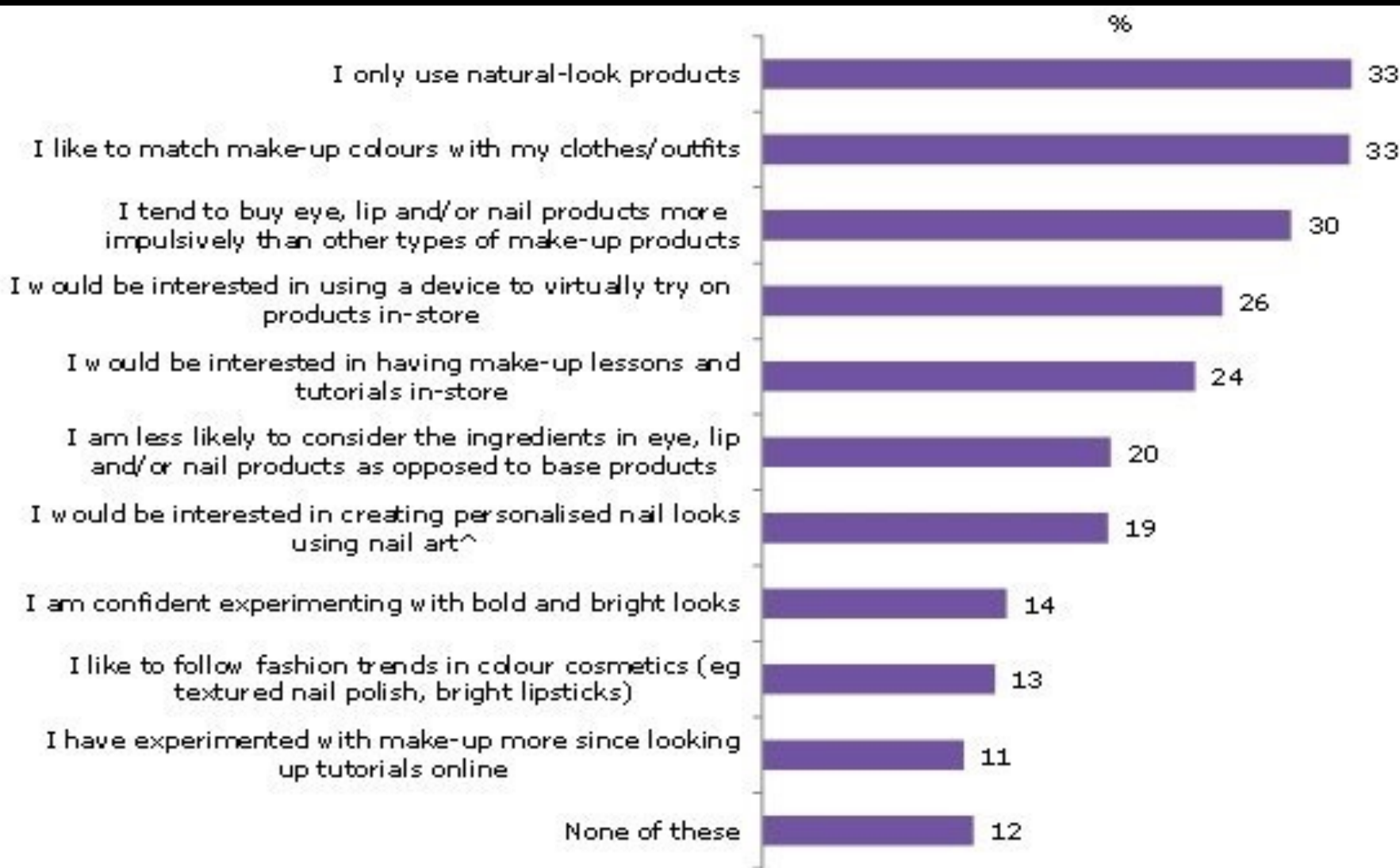
UK Women aged 45+ account for £1.9bn worth of sales in cosmetics, skin care and toiletries (Imogen Matthews Associates)

UK Colour Cosmetics – July 2014: *Harnessing the interests of mature women is essential for market growth, and brands such as NARS and E.L.F are already exploring older brand ambassadors in their promotional activities.*

Charlotte Libby, Analyst, Mintel



The no-makeup look



Luxury, nails & brows

- The first half sales of luxury cosmetics in 2014 rose by 12% to £254m, with continued innovation in the category.
- Lip products and facial make-up fared well
- Eye products took a slightly smaller share of the market compared to last year
- Brow products are doing very well, particularly the prestige market: sales shot up 52% between Jan-May 2014 to £6.5m.

Source: NPD Group

UK Colour Cosmetics – July 2014: *Fashion trends have benefited nail, eyebrow and primer products especially.*

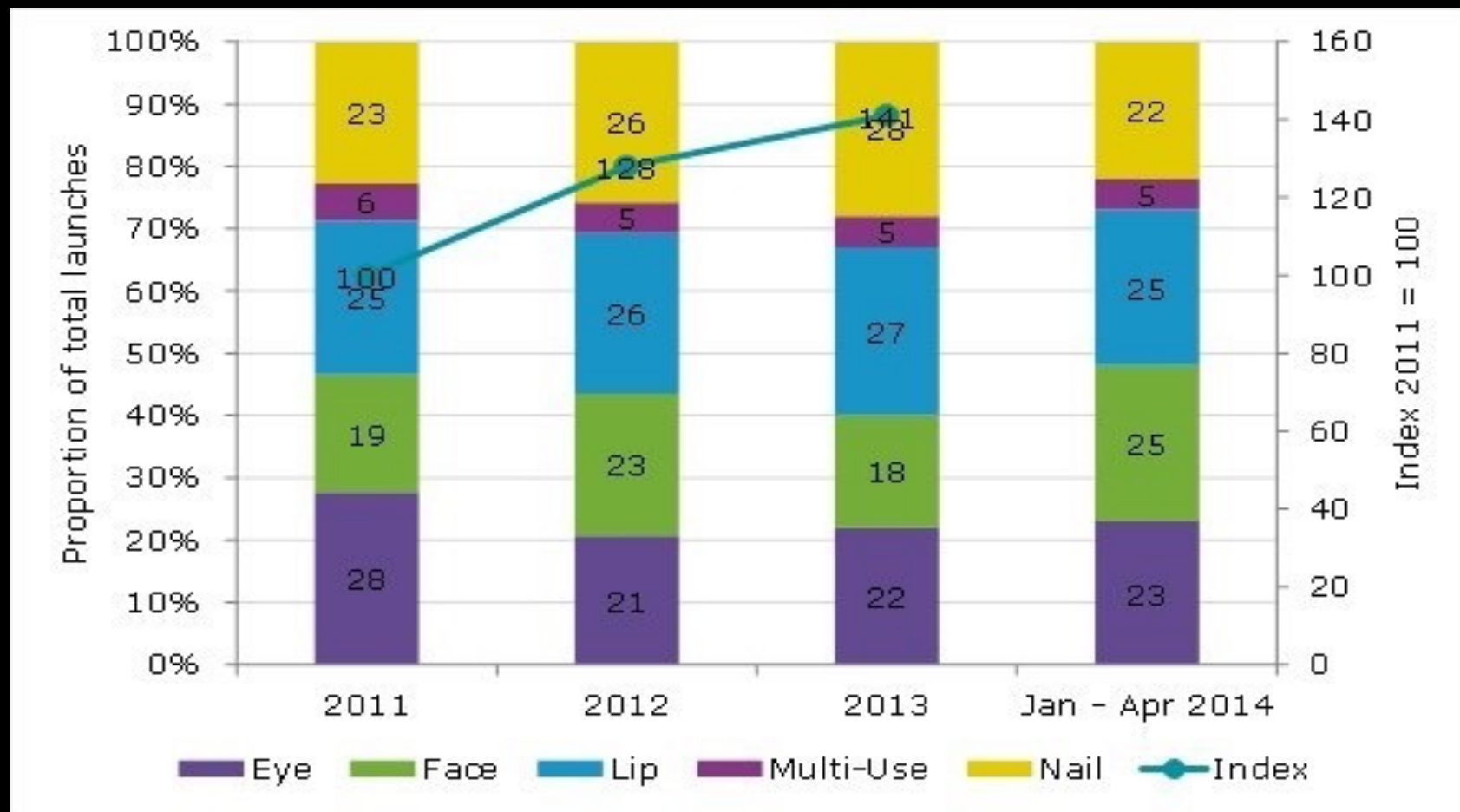
Charlotte Libby, Analyst, Mintel

The Cara effect



Nails lead innovation

New product launches in the UK colour cosmetics category,, Jan 2011-April 2014



Virtual and bespoke

Digital imaging

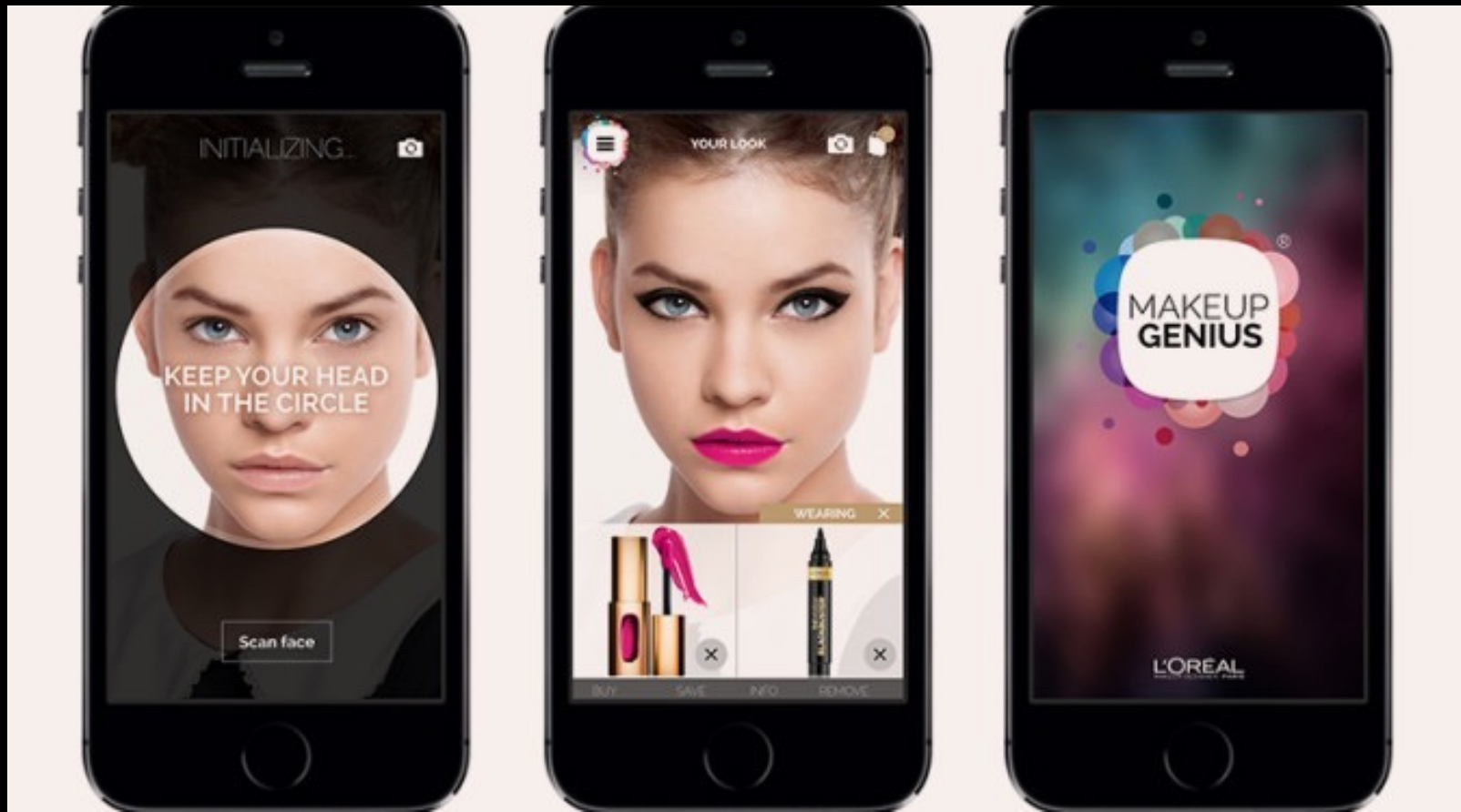
Social media

Convenience and speed

- L'Oréal's Makeup Genius app allows women to virtually 'try on' colour cosmetic products using digital imaging.
- Consumer interest in virtual testing is high with 26% of point colour users interested in devices to virtually try on products in-store.
- Virtual testing could see shoppers making less impulsive decisions and sales threatened by the reduction of colour trial and error.

Decorative Cosmetics - The future

To secure sales, it's up to brands to stay ahead of the curve, even if that does mean being bold with new product development and marketing.



Thank you

To the editors of

SPC Magazine

Cosmetics Business Markets

Pure Beauty

Cosmetics Business News

To contributors from

Mintel

Euromonitor International

Kantar Worldpanel

Soil Association Certification

Diagonal Reports

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