The Race to Outpace: 
The Global Natural and Organic Cosmetics Market

A presentation at:

in-cosmetics
Barcelona, 14-16 April 2015

April 15, 2015
Today’s Speakers:

Agnieszka Saintemarie  
Project Manager, Consumer Products

Nikola Matic  
Industry Manager, Chemicals & Materials Practice
Overview of Global Natural Personal Care Market
Overview of Global Natural Personal Care Market

Scope and Definitions

Trends

Competitive Landscape

Outlook

Contact Us!
Kline is a leading global management consulting and market research firm offering its clients the complete spectrum of services.

---

**MARKET RESEARCH REPORTS**

*Identify market opportunities and create action plans with the off-the-shelf reports*

**CUSTOM RESEARCH**

*Customized projects provide individual, targeted solutions within tight timeframes*

**MANAGEMENT CONSULTING**

*Individual client work to solve business issues and help implement solutions*

---

*One-way flow of people, ideas, and information. Relaying vital information to help you reach your potential.*
What Makes Us Different?

**Primary Research**

- Kline research heavily leans on a high number of in-depth interviews conducted for each report.
- Attendance at trade shows and conferences
- Local researchers in native languages
- Our interviews engage hands-on experts across all pertinent fields including:
  - Suppliers/manufacturers
  - Distributors
  - Retailers
  - Opinion leaders
  - Government agencies
  - Trade organizations

**Secondary Research**

- Primary research is supported by constant tracking of annual company reports, national statistics bureaus, trade/industrial/professional associations... New developments are diligently followed and their impact closely monitored.
Agenda

About Kline

Scope and Definitions

Overview of Global Natural Personal Care Market

Trends

Competitive Landscape

Outlook

Contact Us!
Natural Personal Care Global Series: Market Analysis and Opportunities

The report addresses such issues as:

- What is the definition of "natural"?
- How big is the market for truly natural products?
- What are the fastest growing brands, and why?
- Who are the market leaders?
- Where are the opportunities for personal care marketers?

Features: ingredient analysis and natural ratings

INCLUDES

- Global Report
- U.S. Report
- Europe Report
What does “natural” mean???
We define “natural” as all brands that are positioned as natural, and then further segment the market into truly natural vs. natural-inspired.

**NATURAL PERSONAL CARE**

- Truly natural brands/products
- Natural-inspired brands/products

- Fragrances
- Hair care products
- Makeup
- Oral care products
- Skin care products
- Other Toiletries

Excludes:
- Back-bar products
- Prescription products
- Ingestibles

All sales figures reported at the manufacturers’ level (factory/net shipments) unless otherwise noted.
We use our own proprietary system of rating!

- “Naturally positioned” brands are assessed by *analyzing the ingredients* of an assortment of products from each brand.
  - Each brand is rated on a scale of 1 to 10, with 1 being highly synthetic and 10 being completely natural or organic.

- Kline has segmented the global market based on natural ratings:
  - **Natural-inspired** - Brands rated 1 to 4.
  - **Truly natural** - Brands rated 5 to 10. These are formulated with a high proportion of ingredients that are considered natural or organic.
We use our own proprietary system of rating!

- For each brand to rate 10 comparable products (i.e. one shampoo, one day cream, etc.) are selected.

- Their labels are then analyzed ingredient by ingredient to define if each ingredient is natural or synthetic.

- Based on this analysis, a rating is calculated.
  - In addition to the raw number of synthetic / natural ingredients, presence of “undesirable” ingredients is assessed
  - Fine-tuning of the rating is also achieved through presence of ingredients from organic farming, etc.
Overview of Global Natural Personal Care Market

Trends

Competitive Landscape

Outlook

Contact Us!
$33 billion

2014

10% increase

Brazil - fastest growing market

Skin care - biggest category

© 2015 Kline & Company
Natural Personal Care Market Historical Performance

USD Million

CAGR: 11%
Makeup is the best performing product category in 2014

Makeup is best performing category

Fragrances experience slowest growth
The share of truly natural brands varies from one region to another.
“Difficult” Categories
Increased Awareness
Professional Channel
Private Label
“Difficult” Categories

Marketers accept the challenge of formulating products within “difficult” categories
Consumers are increasingly educated and read the labels
Marketers in Europe venture into professional segment
The market for private-label products flourishes
Overview of Global Natural Personal Care Market

Scope and Definitions

Trends

Competitive Landscape

Outlook

Contact Us!
- United States and Europe have the highest share of **truly natural** brands.
- We see several examples of U.S. and European brands reformulating and making their products **more natural**

Examples of Ratings of Brands profiled in our report:
U.S. market remains fragmented with many small companies present

Share of the U.S. Natural Personal Care Market by Company, 2014

- Johnson & Johnson
- Shiseido
- Estee Lauder
- The Clorox Company
- L'Occitane

All other companies account for almost three-fourths of the market.
European market is led by natural-inspired brands

Share of the European Natural Personal Care Market by Company, 2014

- Yves Rocher
- Oriflame
- L'Oreal
- L'Occitane
- Weleda
- All other

Yves Rocher and Oriflame have strong presence on the market.
Agenda

- About Kline
- Scope and Definitions
- Overview of Global Natural Personal Care Market
- Trends
- Competitive Landscape

Outlook

Contact Us!
Asia and Brazil will continue to show strongest growth. U.S. expected to show more dynamic growth than Europe

% CAGR, 2014-19

Asia | Brazil | U.S. | Europe | Rest of World
Kline is a worldwide consulting and research firm dedicated to providing the kind of insight and knowledge that helps companies find a clear path to success. The firm has served the management consulting and market research needs of organizations in the chemicals, materials, energy, life sciences, and consumer products industries for over 50 years.

For more information, visit www.KlineGroup.com.