A review and future gazing

From the increase in opportunities for personalisation to a drive for clean label ingredients, the increase of CBD infused products to the brand stretch into wellness, we've seen some interesting trends in the personal care and beauty sector recently.

Here we explore some of these in more detail and do some future gazing to give our predictions for the sector in the coming year – and beyond.

The here and now

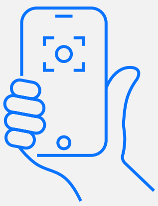
Let's make it personal

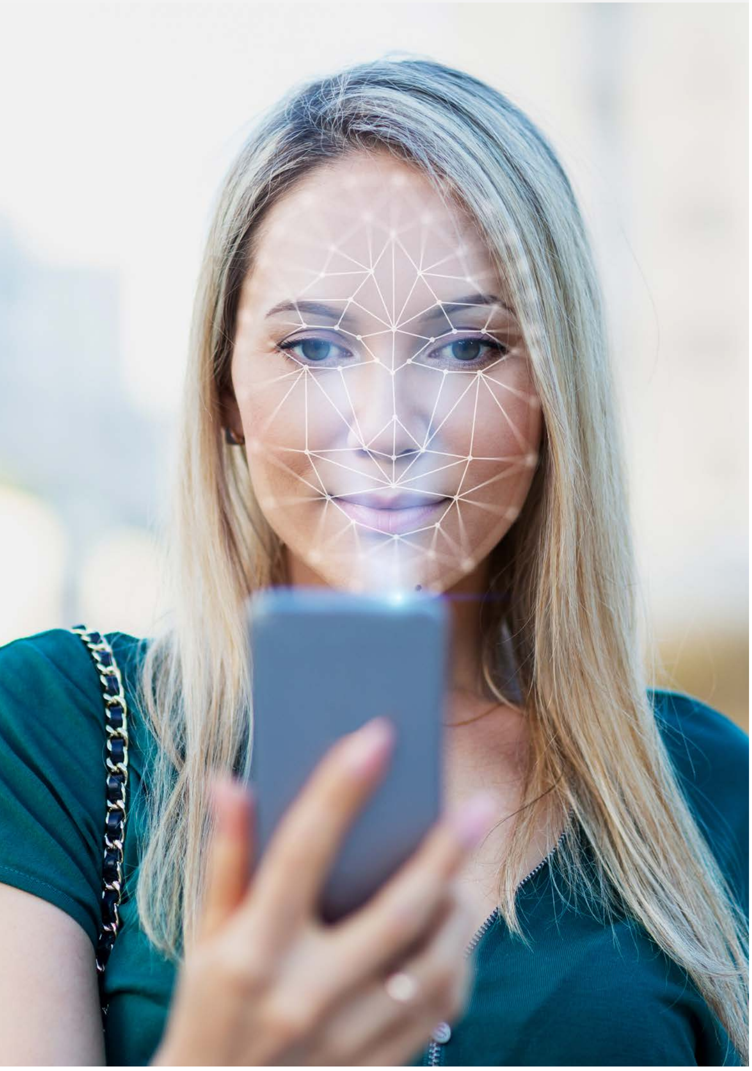
In our paper *The Future of Cosmetics and Beauty: This time it's personal* we explored the change in consumer preferences and demands towards a drive for more personalised and tailored products and experiences. We reflected on our work with some of the world's leading personal care brands and have seen how this drive for a personal experience has been – and it likely to continue - shaping the future of cosmetics and beauty.

A fundamental challenge to this trend however is how mass-market brands will innovate to deliver such a personalised experience. One approach is likely to be in the ongoing development of products backed by tangible scientific insights which can deliver stronger product claims and results building more trust, transparency and a closer bond between brand and customer.

We see devices continuing to play a major part in this personalised approach as they can get up close, into the hands of the customer and can be perfectly placed to diagnose, guide and delight the consumer directly.

> Digital devices, for example, are revolutionising the beauty regime, creating a new eco-system of products that enables an individual's physical attributes to be measured, monitored and enhanced on a continuous cycle.





Such an eco-system, we believe, will provide new benefits to consumers, distributors and professionals through the ability to better understand a person's individual needs, empower them to select the right products, and demonstrate benefits gained through acceptance and approval.

But for global brands it's important to understand how this story varies in different cultures.

In our experience, and from conducting focus groups globally, we see major differences in need which will drive the creation of tailored products to meet diverse individual factors such as age, lifestyle, climate, gender, ethnicity, geographies, and health and wellbeing.

In China, for example, we witnessed a powerful shift and acceptance towards the use of devices for various aspects of the beauty regime. Further research revealed that this was driven by a cultural aversion to touching the skin directly which is seen as unhygienic and damaging.

As a contrast, in Europe and the US we've seen that the emphasis is more on broadening customer choice, creating a 'professional grade' experience at home and providing smarter products to fit in with a customer's lifestyle. For example, Color&co allows consumers to determine a personalized hair colour formula via an online quiz, and have a live online consultation with an independent, licensed professional colourist.

The pursuit of wellness

The wellness trend has certainly had a significant impact on the sector throughout 2019; it's highlighted the interlinking and stretching of brands as the lines between health, beauty and personal care continue to blur. We like to call this 'sector fusion' and our work with clients has seen it influencing and blending food and beverage, nutrition, beauty, consumer health and even industrial agriculture.

Through our multi-sector experience we have been exploring the cross-pollination of technology across industries to address this new super-trend, looking under the microscope (often literally) at the proof behind the scientific claims, and finding the meaning and drivers behind the consumers' desires and appetite to change their lifestyle to achieve the wellness results they're aspiring to.

On the market today there are devices that monitor hydration, online shopping lists that update depending on your nutritional signs, skincare formulated to meet your daily needs, activity and climate. But what other metrics need to be considered to give a fuller picture of a healthier lifestyle?

The bit that is missing is the demonstrable efficacy: what are the tangible benefits, are they 'real' and to what extent, and how are they proven? Going one step further; if results are proven how should we expect the consumer to react to that? Is the result compelling enough to spark a true change in someone's behaviour or even lifestyle?

The Internet of Things is suggesting that everything is – or at least can be – connected. But this is leading to an increase in questions: Why is everything connected, what does it tell me, how can it help me, what am I supposed to do with the information?

And we're especially seeing that in the wellness sector.

For example, we can track our sleep but will it help us sleep better? We can be alerted to the fact we're dehydrated but it doesn't tell us what we should drink to replenish the body with the right nutrients it needs. In addition, does the information we get from tracking, monitoring and measuring tell us not only what to change but how to change it? We are seeing good examples emerging where devices are cleverly connecting aspects of our rituals to create more automated and 'thoughtful' adjustments to our environments behind the scenes to provide combined benefits – such as sleep mats which connect to our thermostats, ensuring the temperature of our bedroom is lowered to our optimal for falling asleep once the mat senses we've gone to bed such as with https://www.withings.com/uk/en/sleep

But where are the lines clear and where are they blurred between science and design and consumer perception – and does it matter? Equally, what is the level of science required for a 'real' diagnosis or to significantly change behaviour? When is data 'good enough'? And what is the driver behind tracking elements of wellness such as sleep or exercise? It's important to recognise that the level of efficacy of the diagnosis technology needs to be isolated from environmental factors for example, diagnosis of stress level can be affected by the weather or daily activities and even the traffic.

These are the sorts of questions – and challenges – we at Sagentia thrive on: and ones we're talking to our clients in the consumer, personal care and beauty sectors about. And because of this we have no doubt this is a trend that will continue to influence our sectors, innovations and developments for the coming months and years.

Read more here:
https://www.sagentia.com/insight/the-pursuit-of-wellness-striking-the-balance-between-perception-and-proof/

https://www.sagentia.com/insight/the-physiology-of-the-wellness-trend-perception-vs-reality/

The visible of transparency

The sector fusion of brands as organisations blur the lines between their traditional businesses and move into others – whether through brand extension or acquisition – can be especially seen in the importance of ingredients in the food sector being applied to the beauty industry.

Market research shows consumers now rank natural ingredients and environmental impact as more important to them than brand recognition and product descriptions. They expect personalised products from a company whose values align with their own.[2]

However, some instances of "greenwashing" – with products claiming to be natural when they haven't been – is causing an increased demand by consumers for ingredient transparency by consumers and clarity on clean labelling.

Part of the challenge – for consumers and brands – is that the definitions often seen in product claims aren't consistent. Despite its widespread use, the term "natural" is unregulated and therefore has no consistent standard across personal care.

Organic products however are heavily regulated by the National Organic Program (NOP), a regulatory program within the USDA. Yet, even here, organic is not a catch-all label with products varying from 100% organic, organic, or "made with organic ingredients"; all with different regulatory criteria to be met.

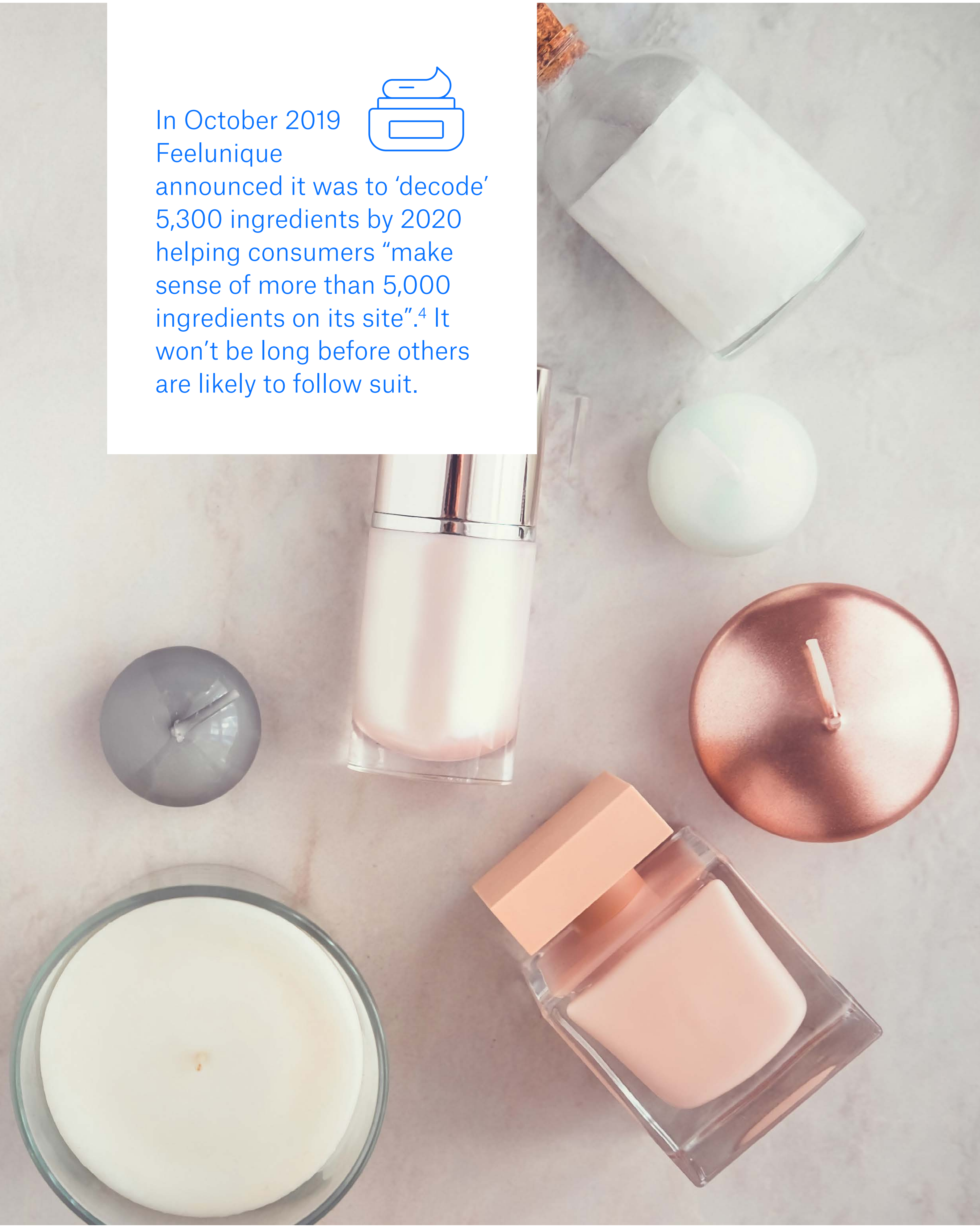
For the personal care and beauty sector this offers opportunities for increased and specialised segmentation and personalisation, as well as a new set of challenges.

Ingredient transparency apps and websites are also increasing in popularity – for brands and consumers – as an education tool to support better understanding of cosmetics ingredient labels. This is also very relevant in the nutrition and food and beverage markets. Use cases show these are helping consumers choose products based on individual concerns, tracking cosmetic expiration dates and more. Consumers are also making more demands on their favoured brands to respond to challenges of sustainability, not only with product ingredients but across the supply chain.

CB Insights identifies that: "this is a tactic we can expect to see other brands and beauty retailers take advantage of as they develop their clean beauty product assortments."[3]

It's also a trend that we predict will continue and become more influential and impactful in the coming months and years.

In October 2019 Feelunique announced it was to 'decode' 5,300 ingredients by 2020 helping consumers "make sense of more than 5,000 ingredients on its site".[4] It won't be long before others are likely to follow suit.



Future gazing

But what of the future?

We believe that the trends discussed above will continue, whether growing in popularity and becoming more mainstream, or hovering on the outskirts and remaining in the realm of the early adopters, only time will tell.

Wellness is definitely one trend that has become increasingly influential in 2019 and one that will continue into 2020 and beyond. We're already seeing the expansion of wellness into alcoholic beverages with acquisitions from the larger players and into things like cannabis and post-workout drinks. Currently, high efficacy diagnostic is only available in specialised labs with multi-million-dollar equipment but expect to see new low-cost nano-biosensors and devices that collect and analyse our blood, urine, sweat and tears, and measure the quality of our food, water, environment and overall health becoming more prevalent. These will become available to everyone, at minimal cost. An example of this model is, EverlyWell which offers more than 30 at-home testing kits from fertility to food sensitivity. The test is done at home by the consumer, results are physician-reviewed and results and insights sent to your device in days.

The importance of location will change for personal care and beauty too for example with alternative off-line wellness point of sales such as delivering products – both beauty and food and beverage – to offices. We're already seeing the rise in popularity and increasing opportunities – for exercising at home but engaging with an online community: Pellaton is one example and Mirror streams live and on-demand fitness classes in a variety of genres, like cardio, strength, yoga, Pilates and boxing.

Authenticity will become increasingly relevant for personal care and beauty brands.

A recent report from CB Insights states that: "brands will need to clearly define the type of wellness marketing they want to promote based on their desired customer base" and reference brands such as Dove which is associating itself with "inclusivity and sustainability through products, diverse spokespeople, ingredients certifications and more".

We believe that authenticity can be seen in terms of source of ingredients, environmental impact and ethos. The sourcing of ingredients is one example as consumers will increasing demand a desire to know where they are getting their products from – and across every stage of the supply change. We're already seeing challenger brands respond well to this. For example, Beauty Pie offers a monthly subscription granting consumers access to a huge collection of straight-from-the-factory skincare, make-up, body care and hair-care products without the luxury mark-up. And Content Beauty & Wellbeing have product badges such as CN for certified natural and CF for cruelty free, on products in order for customers to 'shop by ethos'. The bigger brands are likely to need to follow suit if they are to retain and win consumers.

In short, the trends we've seen throughout 2019 will continue to be influential in the future and evolve into other areas. The challenger brands which are capturing market share by delivering against a more demanding and educated consumer are leading the way and the bigger brands will need to adapt and respond in order to keep up.

Whatever the future brings, we're excited about the opportunities and continuing to work with our clients to innovate and deliver.

1. https://www.edb.gov.sg/en/news-and-resources/insights/innovation/beauty and-personal-care-goes-high-tech.html
2. https://www.aocs.org/stay-informed/inform-magazine/featured-articles/the-complexity-of-clean-label-cosmetics-february-2019
3. https://app.cbinsights.com/research/cpg-beauty-ingredients-transparecy-expert-intelligence4
4. https://www.cosmeticsbusiness.com/news/article_page/Feelunique_to_decode_5300_ingredients_by_2020/159155/cn164022

About Sagentia

Sagentia is a global science, product and technology development company. Our mission is to help companies maximize the value of their investments in R&D. We partner with clients in the medical, consumer, industrial and food & beverage sectors to help them understand the technology and market landscape, decide their future strategy, solve the complex science and technology challenges and deliver commercially successful products.

Sagentia employs over 150 scientists, engineers and market experts and is a Science Group company. Science Group provides independent advisory and leading-edge product development services focused on science and technology initiatives. It has ten offices globally, two UK-based dedicated R&D innovation centers and more than 350 employees. Other Science Group companies include OTM Consulting, Oakland Innovation, Leatherhead Food Research and TSG Consulting.

For further information visit us at:

www.sagentia.com
or email info@sagentia.com
www.sciencegroup.com

sagentia

Sagentia Ltd
Harston Mill
Harston
Cambridge
CB22 7GG
UK

Sagentia Ltd
First Floor
17 Waterloo Place
London
SW1Y 4AR
UK

Sagentia Inc
One Beacon Street
15th floor, Suite 1500
Boston
MA 02108
USA