



# IRI Pulse Report Personal Care

Welcome to the Pulse Q3 2013 edition for personal care. We hope you find it useful. Please do not hesitate to contact us if you have any questions or comments at [EU.Marketing@IRIworldwide.com](mailto:EU.Marketing@IRIworldwide.com).

Q3 2013

[IRIworldwide.eu](http://IRIworldwide.eu)



**IRi**

Growth delivered.

## About the Report

- This Personal Care report is one of 10 super category reports designed to show high-level comparison and analysis for retail markets across major countries in Europe.
- This report contains data gathered from around Europe. The market was split into the following categories: deodorants, haircare, hair dye, body care, insect repellent, oral care, body cleansing, facial care, sun care, sanitary products, feminine hygiene, cosmetics, fragrances and shaving/hair removal.
- The report highlights key metrics such as total sales figures, market trends, category shares, and winners and losers for Europe and for individual countries.
- The data has been sourced from IRI retail databases and Eurostat, the statistical branch of administration for the European Commission.
- The countries included in the report are: France, Germany, Italy, Netherlands, Spain and the United Kingdom (U.K.).
- The market channels used for each country in this report are as follows:

Country	Channels used
UK	Hypermarkets, supermarkets, drug stores and impulse outlets
ES	Hypermarkets, supermarkets, hard discounters, drug stores, including the Canary Islands
DE	Hypermarkets, supermarkets, hard discounters and drug stores
NL	Hypermarkets, supermarkets, hard discounters and drug stores
IT	Hypermarkets, supermarkets, small self-service, hard discounters and drug stores
FR	Hypermarkets and supermarkets

- For analytical purposes, the data sourced from available retail databases has been consolidated to provide consistent results. However, for some countries it has not been possible to source data pertaining to certain categories. When this has occurred, it has been documented in the Notes section found at the end of the report.

## On the Radar

The year ending Q3 2013 was the worst period for personal care since we began to publish the Pulse Report. This department is always affected more by the choices shoppers have to make to deal with their budget. However, some categories are not affected as badly as others: relevant innovations with good support can still generate growth.

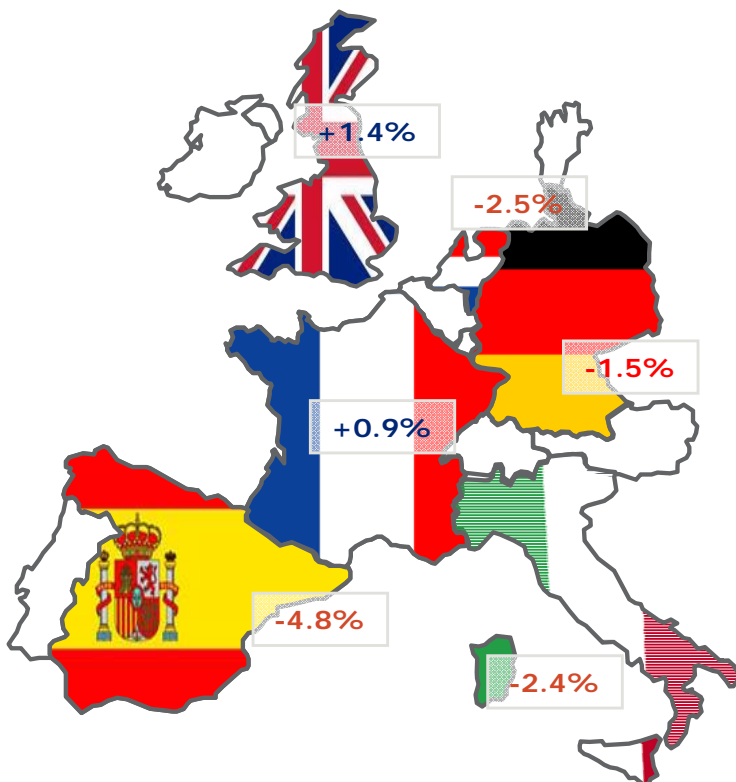
### ECONOMIC FIGURES INFLUENCING CONSUMER BEHAVIOR

	POPULATION IN MILLIONS		UNEMPLOYMENT (%)		AVERAGE 12 MONTH INFLATION RATES		GDP IN MILLIONS (€)	
	Jan. 2012	Jan. 2013	Sep. 2013	Average 2012	Sep. 2013	Average 2012	2012	2013 (Estimate)
France	65.3	65.6	11.1	10.2	+1.2	+2.5	2 032 297	2 059 358
Germany	80.3	80.5	5.2	5.5	+1.8	+2.4	2 644 200	2 694 499
Italy	59.3	59.6	12.5	10.7	+1.8	+3.5	1 565 916	1 568 388
Netherlands	16.7	16.8	7.0	5.3	+3.1	+2.8	600 638	604 459
Spain	46.8	46.7	26.6	25.0	+2.3	+2.3	1 049 525	1 051 076
United Kingdom	63.4	63.8	7.5	7.9	+2.7	+3.7	1 901 001	1 854 920

Source: Eurostat, September 2013

# GLOBAL TRENDS

## TOTAL PERSONAL CARE VALUE SALES AND % CHANGE VS. PRIOR YEAR

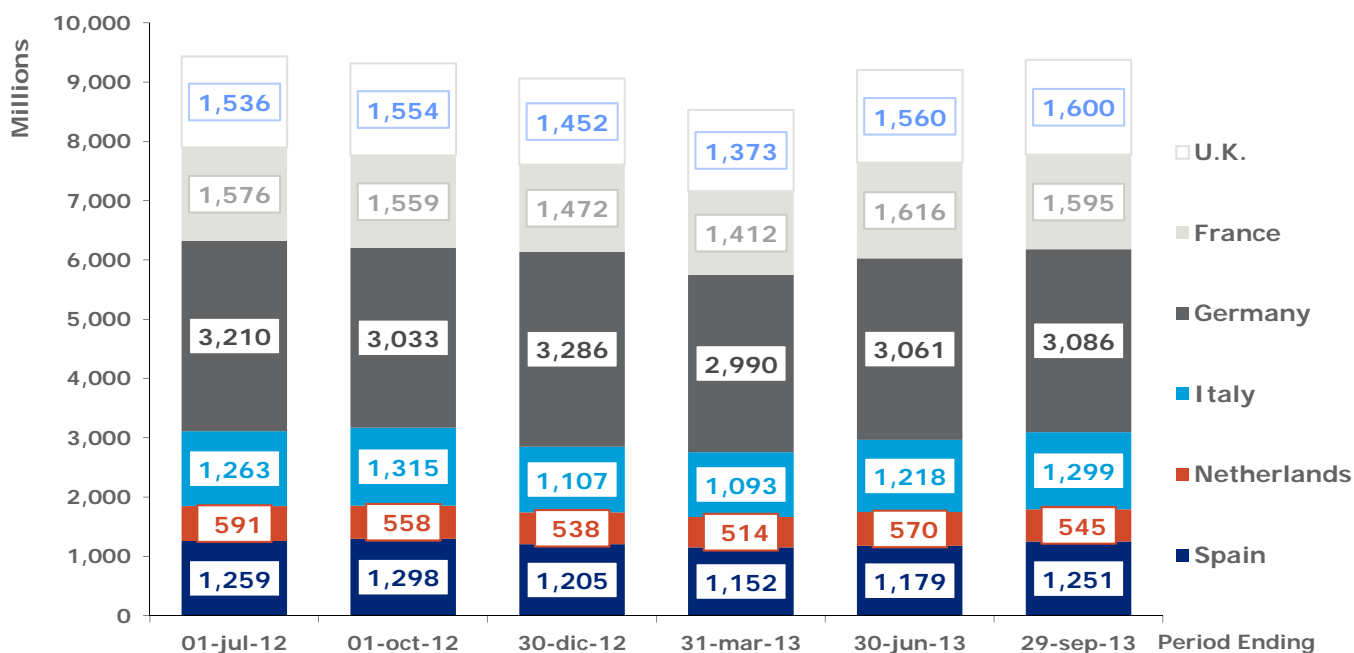


VALUE SALES IN MILLIONS (€)	
Total EU	36 173
DE	12 423
FR	6 094
UK	5 985*
IT	4 787
ES	4 717
NL	2 167

\*based on an exchange rate of €1.150 to the pound

**TOTAL EUROPE -1.3%**

## TOTAL PERSONAL CARE VALUE SALES FOR THE LAST SIX QUARTERS

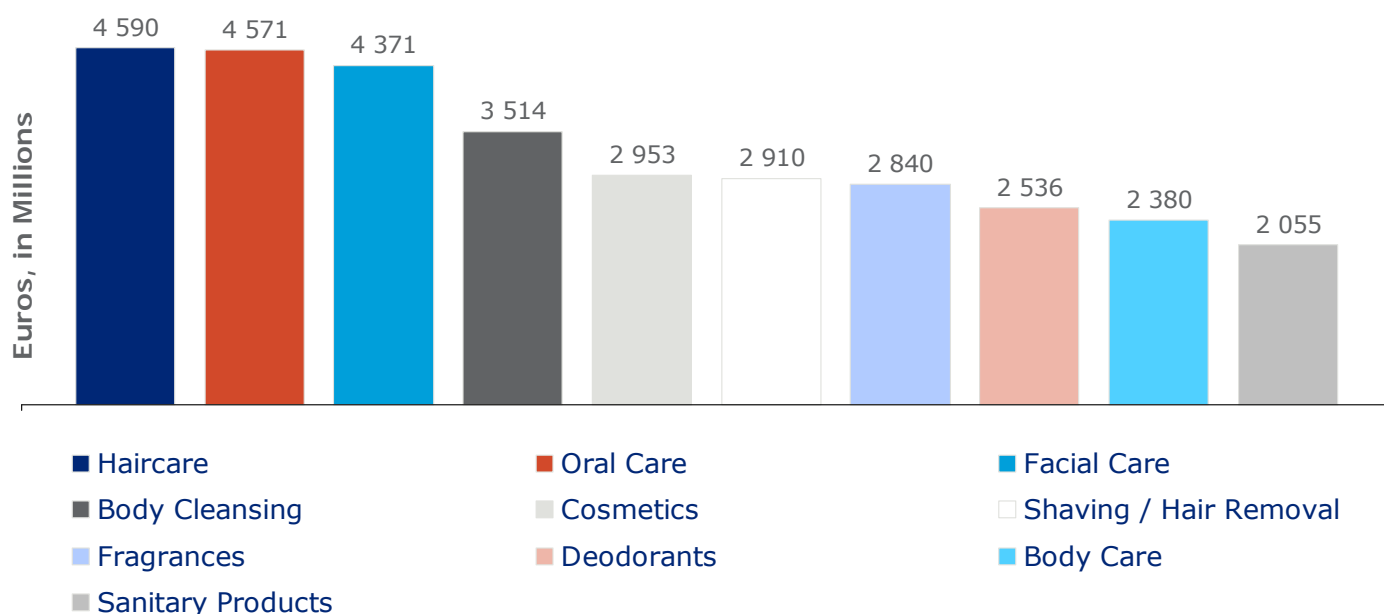


Source: IRI retail databases; Period ending 29 September 2013



# Europe

## CATEGORY SHARE OF VALUE IN THE LAST YEAR



SHARE OF VALUE IN THE YEAR	
Hair Care	12.70%
Oral Care	12.13%
Facial care	12.05%
Body Cleansing	9.82%
Shaving / Hair Removal	8.42%
Fragrances	8.42%
Cosmetics	8.10%
Deodorants	7.10%
Body Care	6.31%
Sanitary Products	5.75%
Hair Dye	3.79%
Feminine Hygiene	2.70%
Sun care	2.47%
Insect Repellent	0.25%

## KEY TRENDS

- With a -1.3% value decrease, MAT Q3 is the worst period for personal care since this report began 3 years ago.
- Personal care is clearly underperforming in Europe compared to FMCG because shoppers still have to make choices about how they spend their money.
- The situation is better in France and the U.K. In France, this was due to many performing innovations, an efficient April promotional event and good weather. In the U.K., this was due to good innovations in some categories and good weather.
- The situation is harder in Germany, Spain, Italy and the Netherlands due to specialised trade difficulties in Germany and Italy and a decrease in consumption in Spain and the Netherlands.

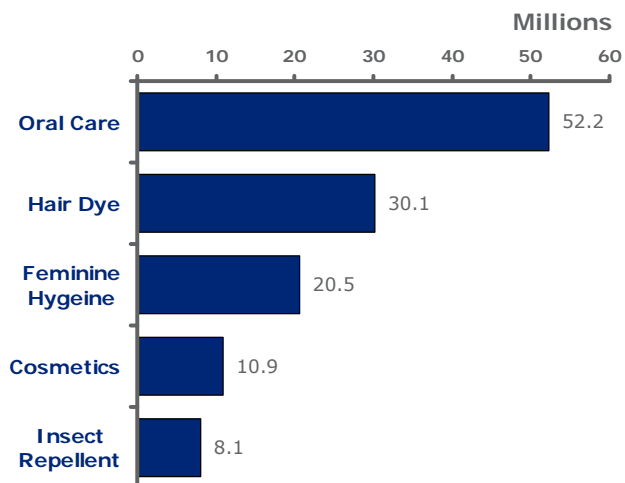
Europe includes: France, Germany, Italy, Netherlands, Spain and United Kingdom

Source: IRI retail databases; Period ending 29 September 2013

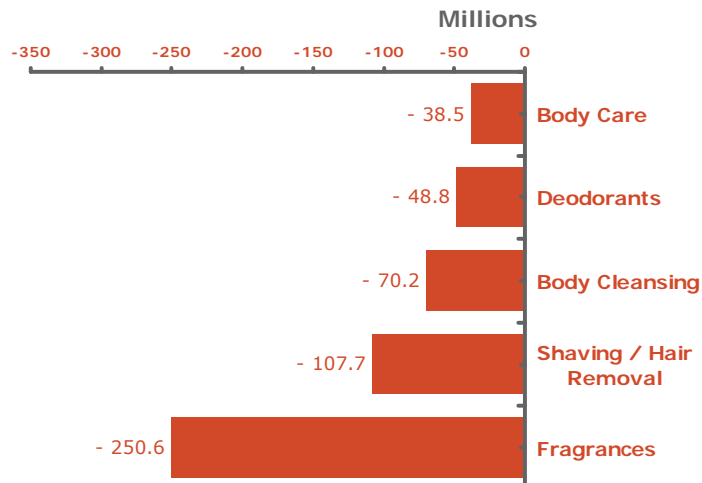


# Europe

## TOP WINNERS: VALUE SALES CHANGE VS. YR. AGO (€)

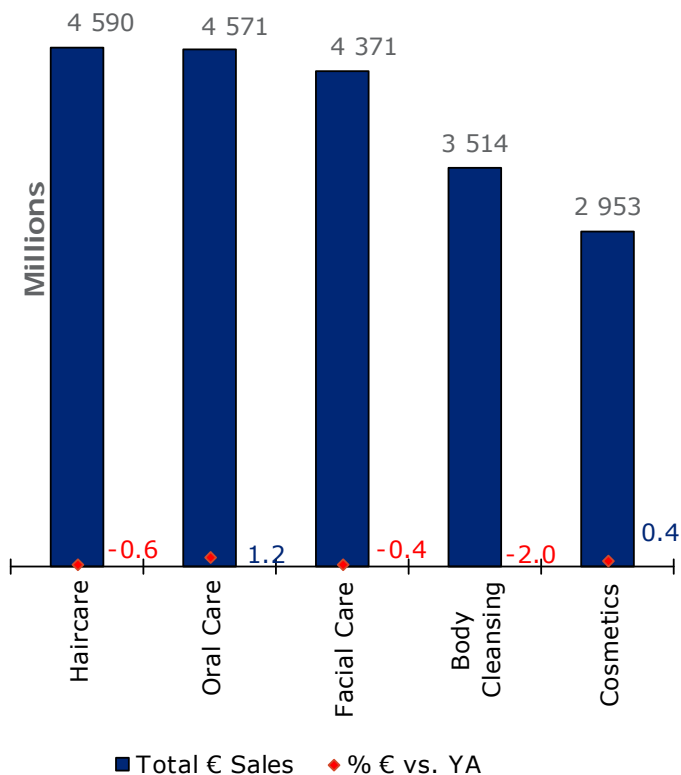


## TOP LOSERS: VALUE SALES CHANGE VS. YR. AGO (€)



## TOP 5 CATEGORIES: EVOLUTION

Value sales (€) and % change vs. year ago



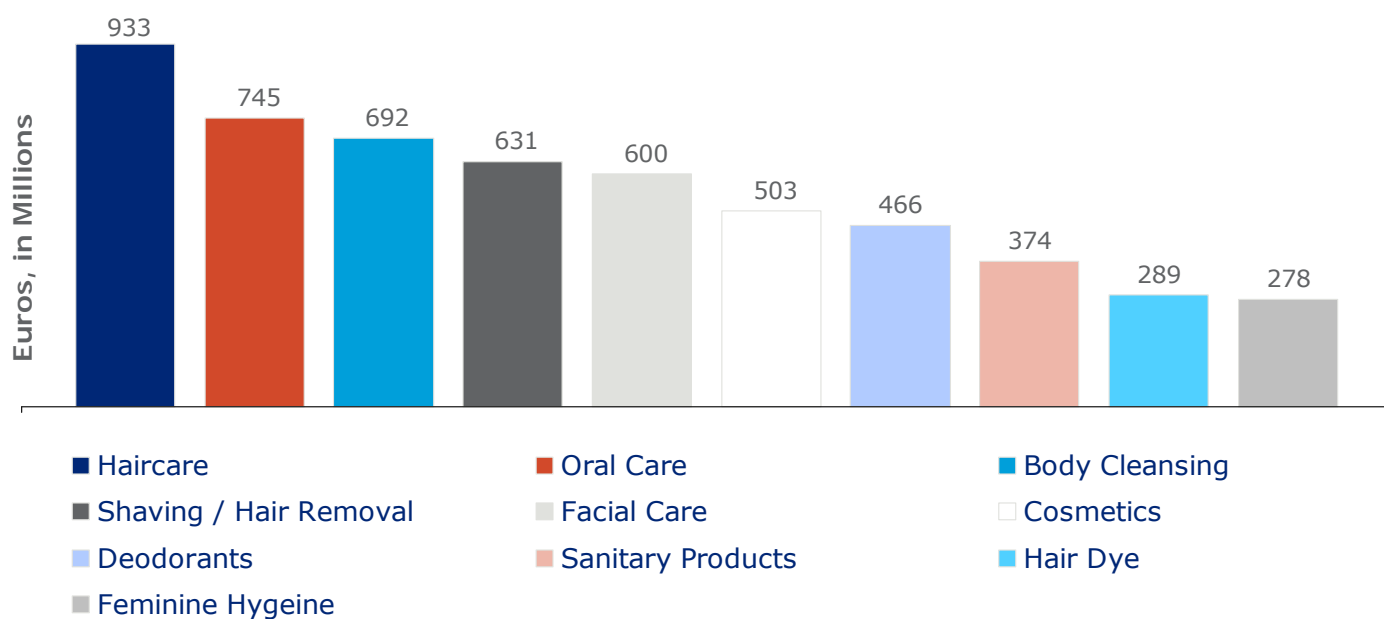
## CATEGORY INSIGHTS

- Even if the global picture is quite dark for personal care in Europe, some categories are still performing.
- Oral care kept its number one position in terms of growth contribution, far beyond the other categories.
- Hair dye contribution was also important and demonstrates that crisis can be positive for some categories.
- On the other hand, fragrances are struggling, especially in Germany and Spain, because of lack of innovation and shopper downtrading.

Europe includes: France, Germany, Italy, Netherlands, Spain and United Kingdom

Source: IRI retail databases; Period ending 29 September 2013

### CATEGORY VALUE SALES IN THE LAST YEAR



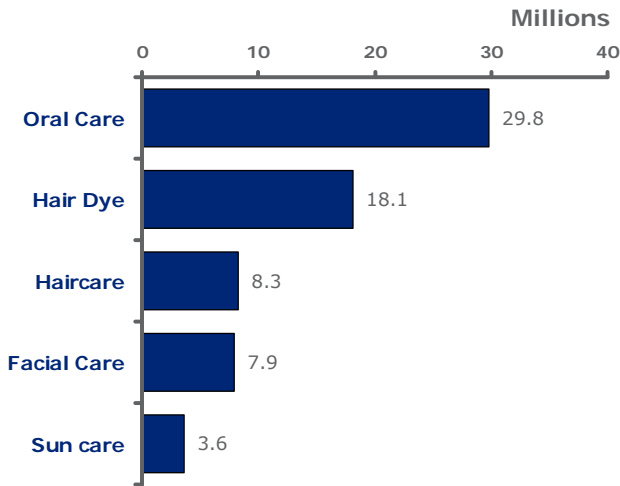
SHARE OF VALUE IN THE YEAR	
Haircare	15.31%
Oral Care	12.22%
Body Cleansing	11.36%
Shaving / Hair Removal	10.35%
Facial care	9.85%
Cosmetics	8.26%
Deodorants	7.65%
Sanitary Products	6.13%
Hair Dye	4.73%
Feminine Hygiene	4.55%
Body Care	4.03%
Fragrances	3.38%
Sun care	2.01%
Insect Repellent	0.17%

### KEY TRENDS

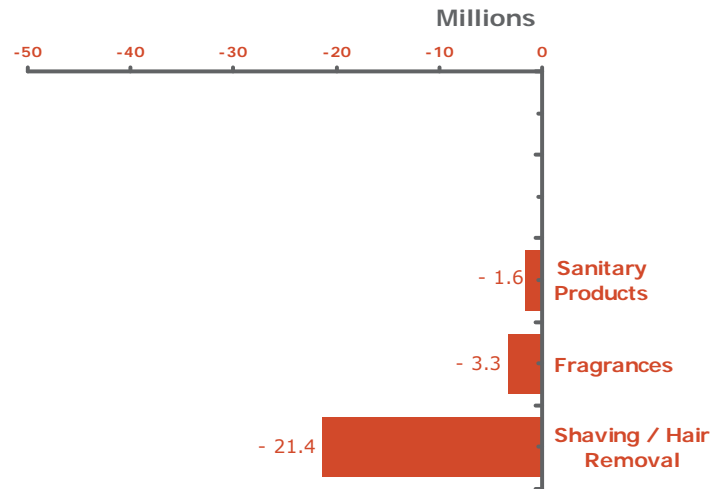
- On the Q3 MAT, the situation is slightly positive for personal care in France. However, personal care is behind comparing to global FMCG. Turnover increased (+0.9%), but volumes are flat.
- Promotion continued to be a major lever of growth with around 75% of contribution to gains.
- Prices decreased in France because of a "price war" between retailers. So, if turnover is still developing, it is thanks to a valorization of shoppers' purchases. Despite the importance of promotion, innovations and the decrease of private label led to a valorization.
- The situation is positive for personal care, particularly thanks to April (beauty events), July and September (good weather).

Source: IRI retail databases; Period ending 29 September 2013

### TOP WINNERS: VALUE SALES CHANGE VS. YR. AGO (€)

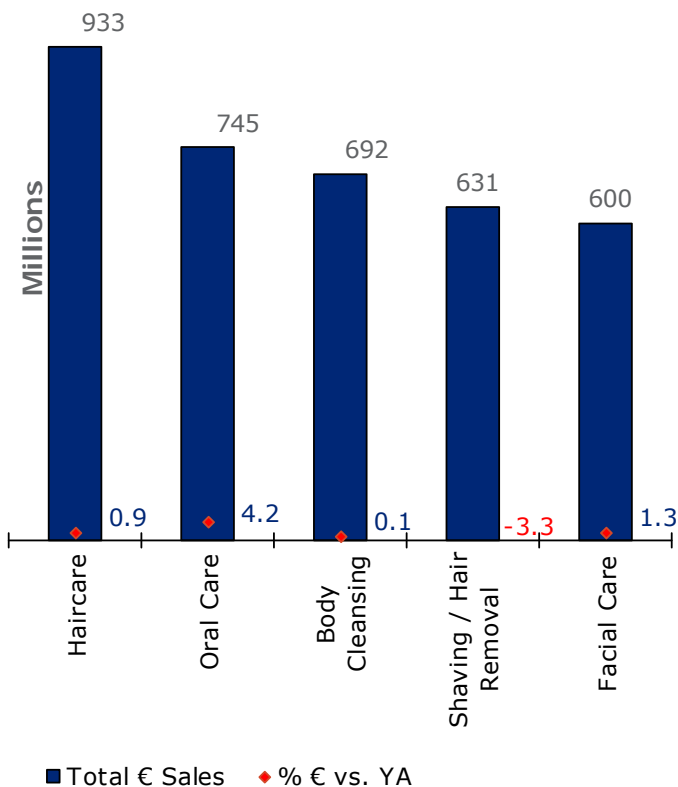


### TOP LOSERS: VALUE SALES CHANGE VS. YR. AGO (€)



### TOP 5 CATEGORIES: EVOLUTION

Value sales (€) and % change vs. year ago



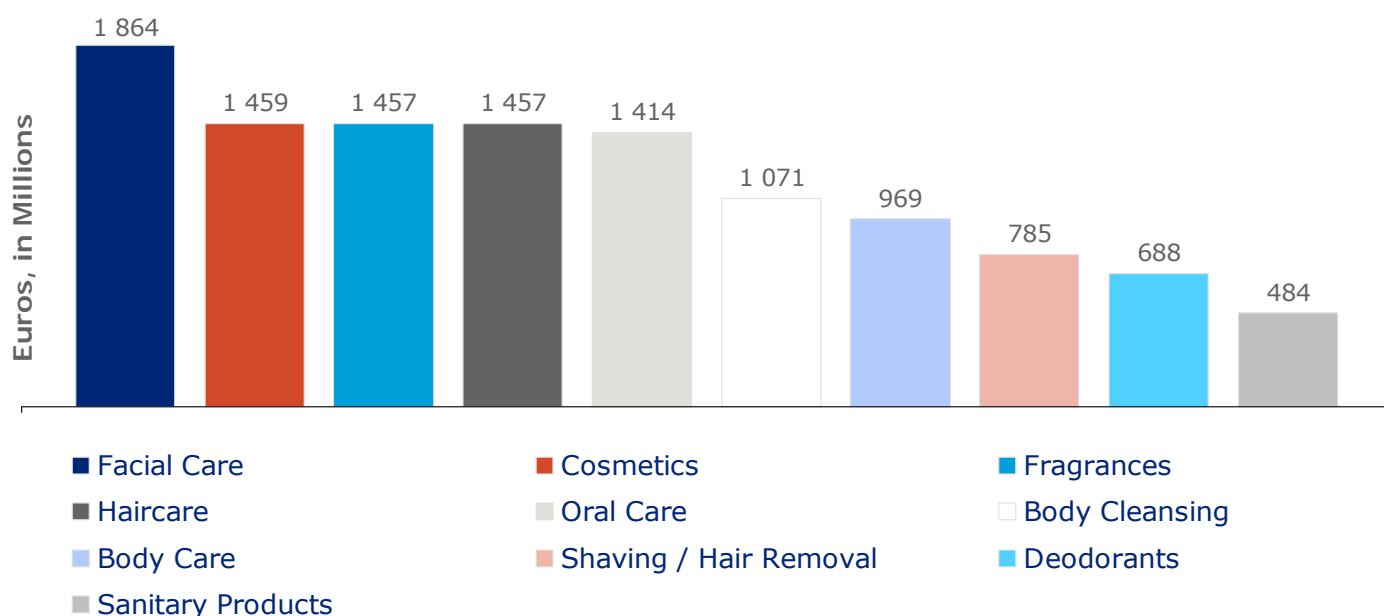
### CATEGORY INSIGHTS

- Oral care is the top contributor to growth with a very positive evolution (+4.2%). Toothpaste is particularly dynamic with the launch of Elmex and Oral B. Signal is also contributing a lot thanks to its range "White Now".
- Hair dye is also positive thanks to very powerful innovations from all payers. Relevant innovations and crisis are the ingredients of the recovering growth for this category—shoppers can do at home what they previously did in a hair dressing salon.
- Hair care is growing through shampoo and conditioners, due to oil innovations.
- On the contrary, shaving is still on a bad trend. This consumer trend is linked to the "three days beard" effect.

Source: IRI retail databases; Period ending 29 September 2013



## CATEGORY VALUE SALES IN THE LAST YEAR



SHARE OF VALUE IN THE YEAR	
Facial Care	15.01%
Cosmetics	11.74%
Fragrances	11.73%
Hair Care	11.73%
Oral Care	11.38%
Body Cleansing	8.62%
Body Care	7.80%
Shaving / Hair Removal	6.32%
Deodorants	5.54%
Sanitary Products	3.90%
Hair Dye	2.70%
Sun Care	1.74%
Feminine Hygiene	1.53%
Insect Repellent	0.28%

## KEY TRENDS

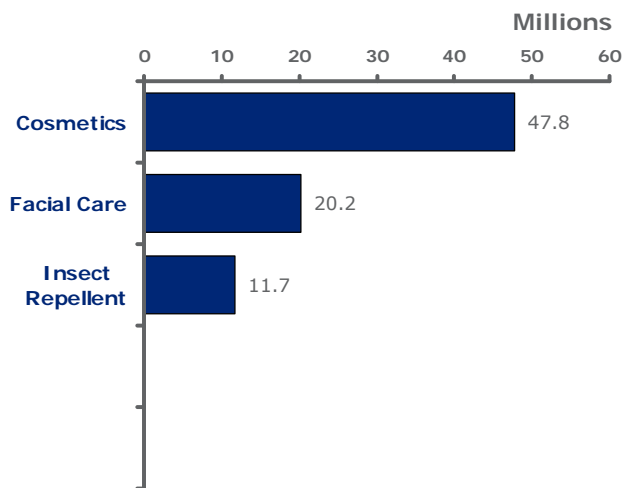
- The personal care market in Germany is slightly decreasing. This is mainly due to losses of the specialized trade, such as drug stores and perfumeries.
- Drug stores, the most important channel, lost sales in total across categories due to the Schlecker insolvency. However, the biggest share of the Schlecker turnover can be absorbed by other drug store chains.
- The food retail sector also benefited from the Schlecker exit. Especially for discount stores, the expansion of the cosmetics product range and new merchandising concepts paid off and contributed to growth, e.g. in facial care.
- Overall, about 25% of personal care sales were made in food retailing, including discount stores. Thus this channel has a bigger share of sales than perfumeries or department stores.

Source: IRI retail databases; Period ending 29 September 2013

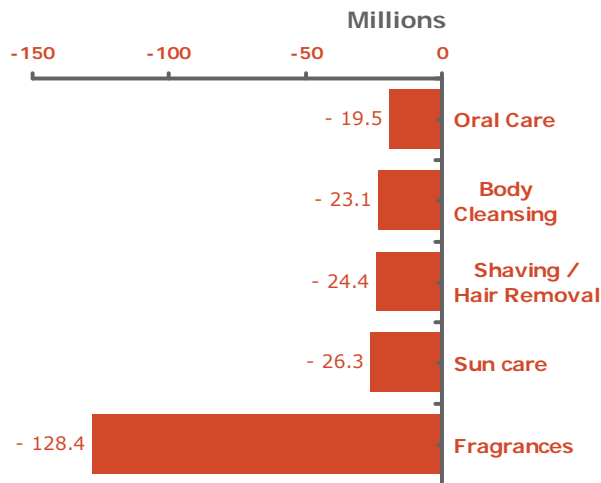


# Germany

## TOP WINNERS: VALUE SALES CHANGE VS. YR. AGO (€)

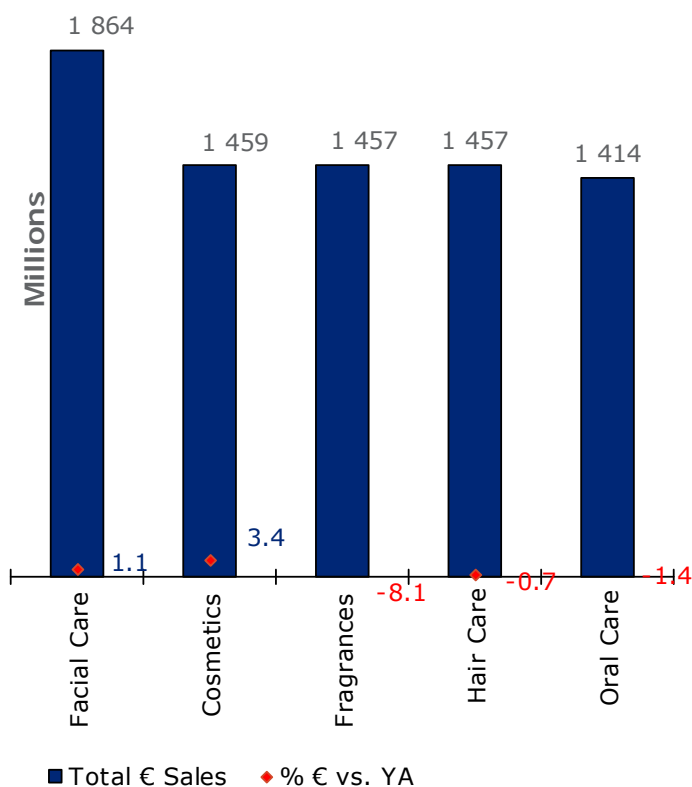


## TOP LOSERS: VALUE SALES CHANGE VS. YR. AGO (€)



## TOP 5 CATEGORIES: EVOLUTION

Value sales (€) and % change vs. year ago

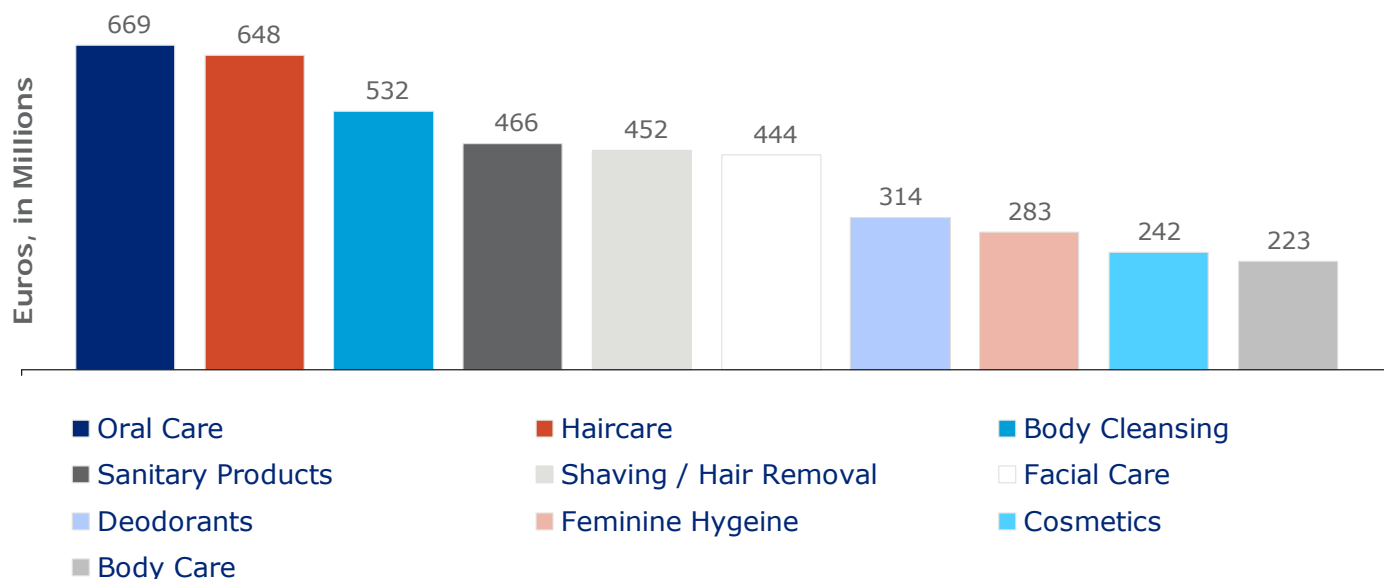


## CATEGORY INSIGHTS

- Cosmetics is the only category with a significant increase in sales.
- Fragrances lost at comparably high levels, due to missing launch effects of some of the top brands.
- In most of the categories, the share of promotion driven sales increased. This increasing promotion turnover contributes to the negative development of prices in this market, e.g. in oral care, deodorants or facial care.
- The turnover of private label products increased in most categories, except, for example, in the oral care segment. Private labels mostly grew in product groups where the overall market declined, such as hair care.
- Facial care, the largest product group, consists of about one-fifth private label products. These showed only slight growth.
- Sun care still lost in value due to the massive sun care growth of the prior year coming from the Schlecker sellout.

Source: IRI retail databases; Period ending 29 September 2013

## CATEGORY VALUE SALES IN THE LAST YEAR



SHARE OF VALUE IN THE YEAR	
Oral Care	14.17%
Haircare	13.75%
Body Cleansing	11.28%
Sanitary Products	9.87%
Shaving / Hair Removal	9.58%
Facial Care	9.40%
Deodorants	6.65%
Feminine Hygiene	6.00%
Cosmetics	5.13%
Body Care	4.72%
Hair Dye	3.66%
Fragrances	2.64%
Sun care	2.19%
Insect Repellent	0.96%

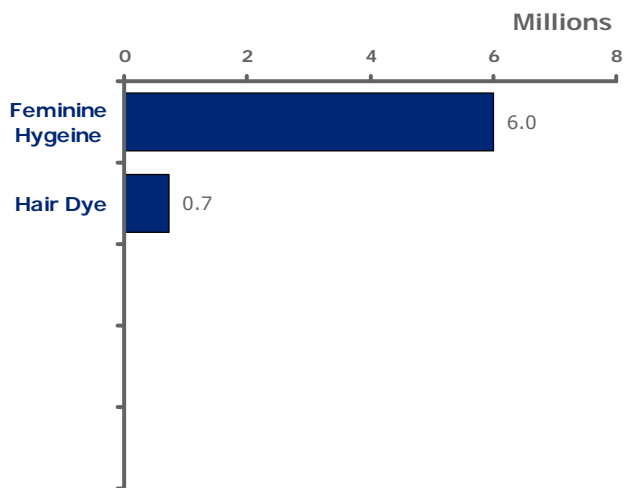
### KEY TRENDS

- The weakness of the modern channel hypermarket and supermarket has been going on for several months. On the positive side is the performance of drug stores. Good performance in drug stores failed to compensate for the decline of hypermarkets and supermarkets.
- Promotional pressure is still rising and price cuts are deeper, and now we have an effect on sales value.
- In drug stores, the level of promotional activity was lower than other channels, but it is increasing.
- Personal care was still negative in the discount channel. The weight of discount on total personal care is 4.5% lower than home and food categories.

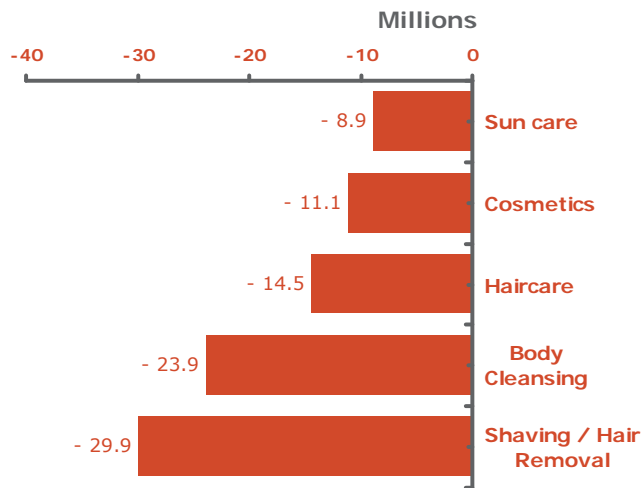
Source: IRI retail databases; Period ending 29 September 2013



**TOP WINNERS: VALUE SALES CHANGE VS. YR. AGO (€)**

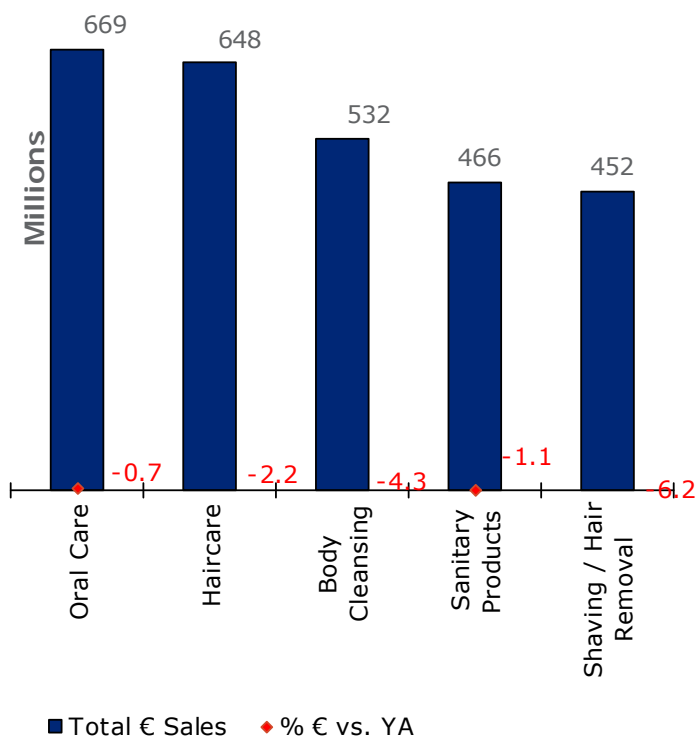


**TOP LOSERS: VALUE SALES CHANGE VS. YR. AGO (€)**



**TOP 5 CATEGORIES: EVOLUTION**

Value sales (€) and % change vs. year ago



**CATEGORY INSIGHTS**

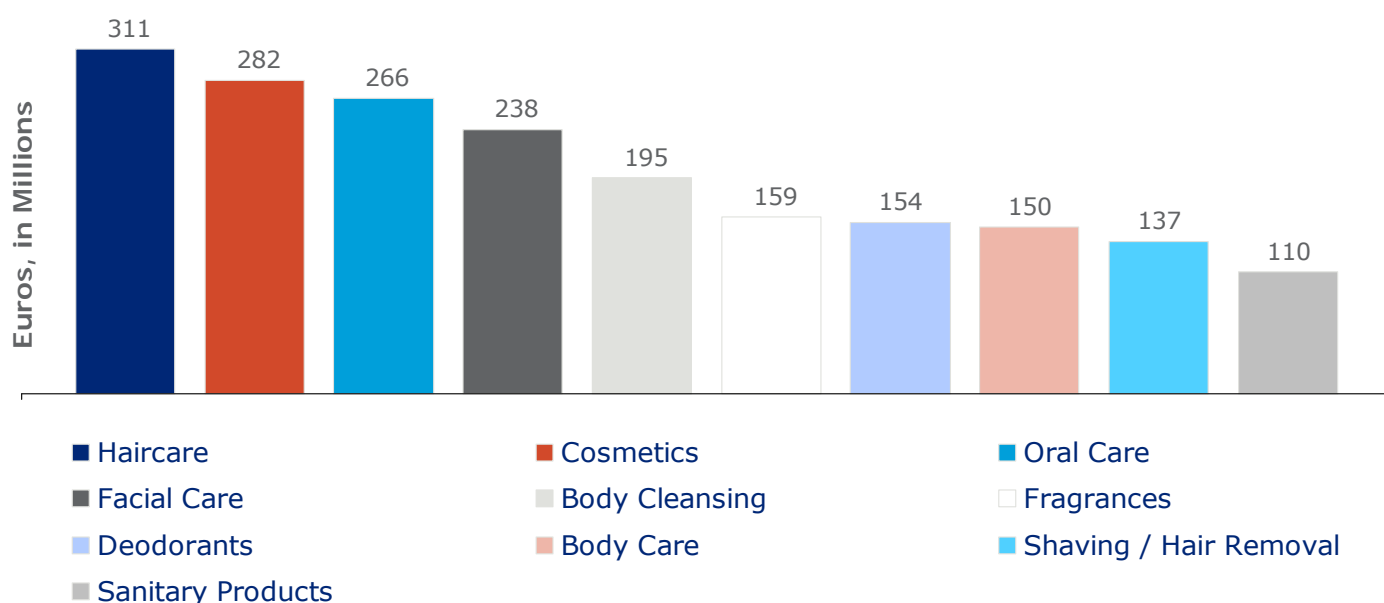
- The negative performance of sun care is almost completely due to the bad summer season and also some brands increasing prices.
- Shaving blades increased their negative performance, even though promotional pressure and price cuts were at the same level as 2012.
- Hair care, as in the previous quarter, showed a negative trend, even though promotional pressure in shampoo and colorants was higher than 2012. Number of references are increasing on all hair care categories either in hypermarket and supermarket and in drugstore channel.
- In the top 20 best selling categories by value, incontinence diapers was the only category with a positive performance.
- Cosmetics in drug stores are losing weight, but remain the top category by turnover. In the cosmetics segment, eyes and face performed well, while hand and lips were negative.

Source: IRI retail databases; Period ending 29 September 2013



# Netherlands

## CATEGORY VALUE SALES IN THE LAST YEAR



SHARE OF VALUE IN THE YEAR	
Hair Care	14.35%
Cosmetics	13.02%
Oral Care	12.29%
Facial Care	10.97%
Body Cleansing	8.99%
Fragrances	7.35%
Deodorants	7.12%
Body care	6.93%
Shaving / Hair Removal	6.32%
Sanitary Products	5.08%
Hair Dye	3.36%
Sun care	2.96%
Feminine Hygiene	0.69%
Insect Repellent	0.57%

### KEY TRENDS

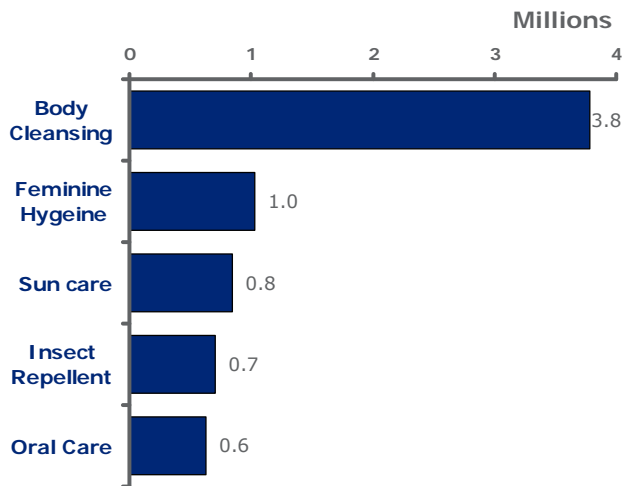
- We saw the first signs of recovery in the Dutch economy, however, the unemployment rate is still slightly increasing.
- Non-food categories are declining more rapidly than the rest of the market due to higher levels of promotion and less innovation.
- Mouthwash in drug stores drives this growth.
- Hair care is under pressure in all subcategories, except for two-in-one shampoo and conditioner.

Source: IRI retail databases; Period ending 29 September 2013

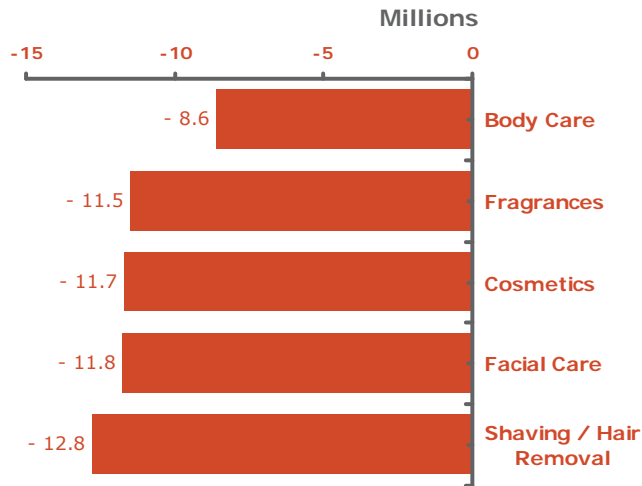


# Netherlands

## TOP WINNERS: VALUE SALES CHANGE VS. YR. AGO (€)

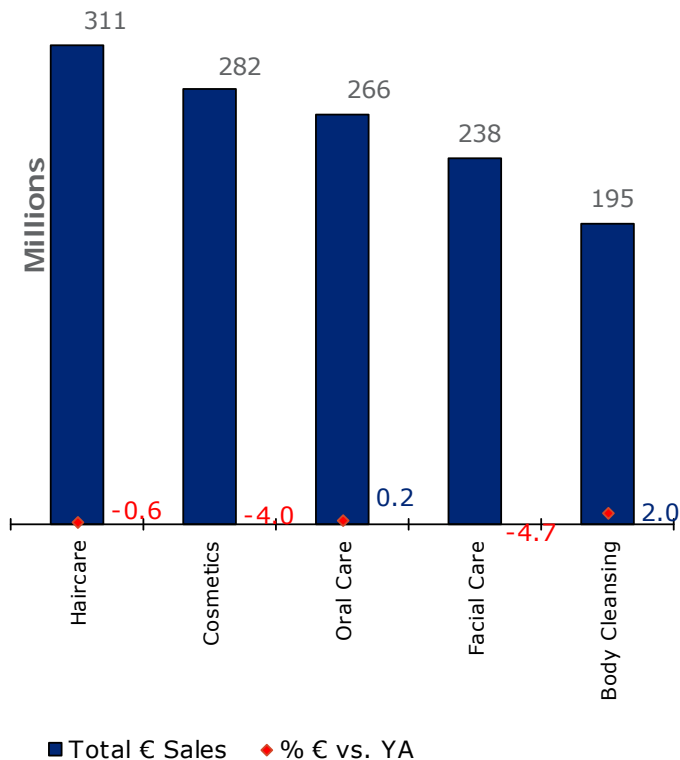


## TOP LOSERS: VALUE SALES CHANGE VS. YR. AGO (€)



## TOP 5 CATEGORIES: EVOLUTION

Value sales (€) and % change vs. year ago



## CATEGORY INSIGHTS

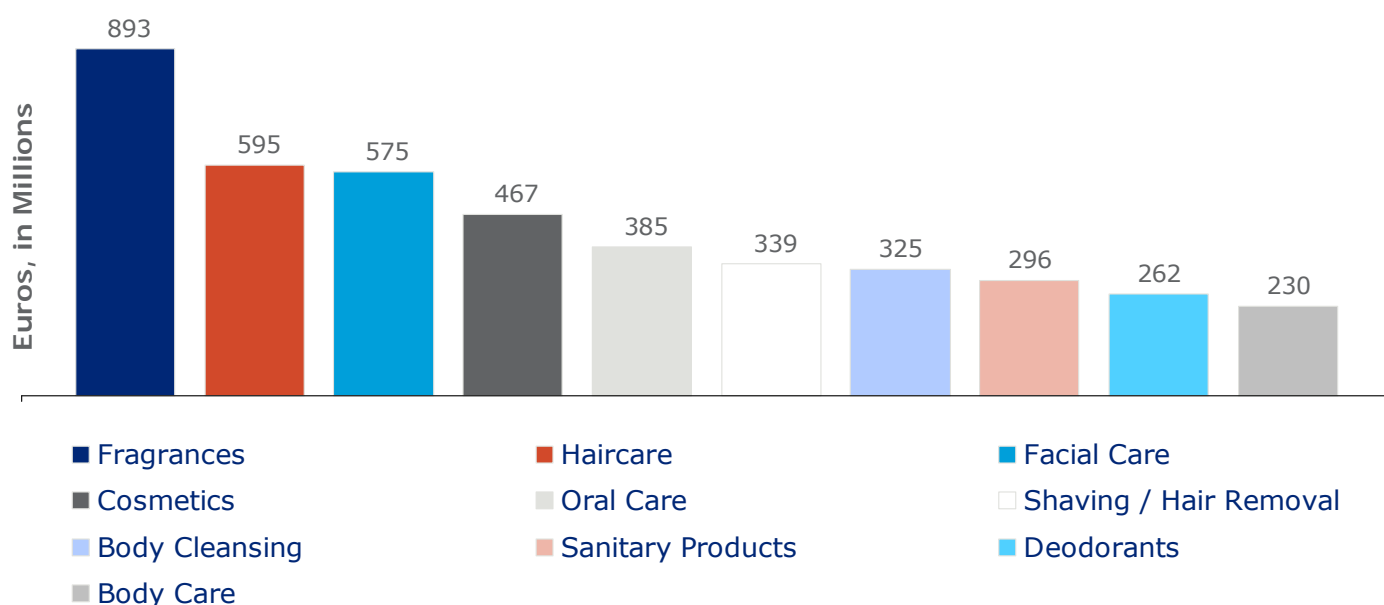
- Nivea is the only national brand that grew within body cleansing, mainly due to their new product developments (NPD). Feminine hygiene grew due to liners and the incontinence segment, whereas tampons lost significantly.
- Within facial care, Olaz lost up to 13% of their value sales.
- The trend in cosmetics was switching to private label. This happened especially in the eye cosmetics segment. All major cosmetics brands are under pressure.
- Oral care is stable, but this is the result of an increase in promotional pressure.

Source: IRI retail databases; Period ending 29 September 2013



# Spain

## CATEGORY VALUE SALES IN THE LAST YEAR



SHARE OF VALUE IN THE YEAR	
Fragrances	18.65%
Haircare	12.43%
Facial Care	12.02%
Cosmetics	9.75%
Oral Care	8.04%
Shaving / Hair Removal	7.07%
Body Cleansing	6.79%
Sanitary Products	6.18%
Deodorants	5.48%
Body Care	4.81%
Hair Dye	3.90%
Sun care	3.18%
Feminine Hygiene	1.62%
Insect Repellent	0.08%

### KEY TRENDS

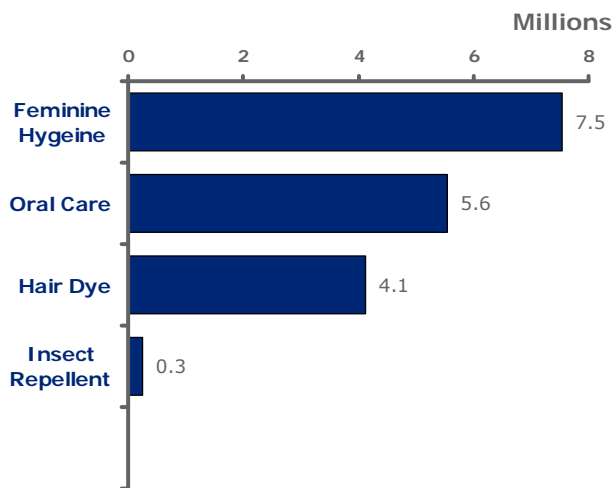
- Personal care sales decrease in Spain by -4.8%, which was more negative than in Q2, and it's the worst evolution among the analysed countries.
- FMCG increased by 0.3%, but personal care is one of the sections with a poor evolution, after baby and dairy products.
- Prices in personal care are almost flat (-0.8%), but consumption is decreasing.
- Despite this situation, there are small markets where manufacturers manage to grow, such as feminine hygiene or oral care.

Source: IRI retail databases; Period ending 29 September 2013

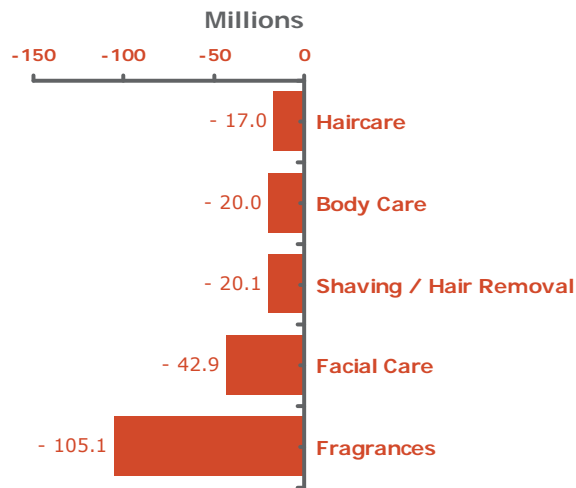


# Spain

## TOP WINNERS: VALUE SALES CHANGE VS. YR. AGO (€)

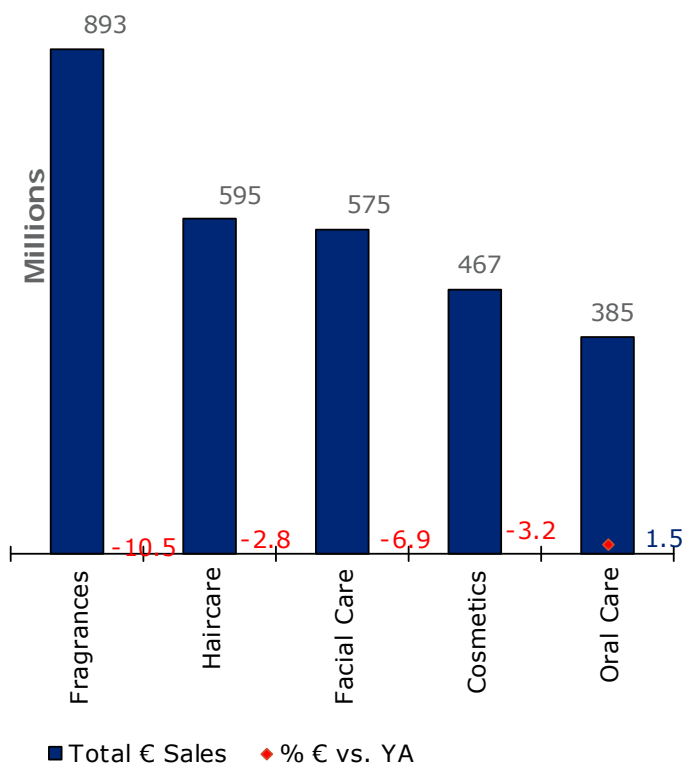


## TOP LOSERS: VALUE SALES CHANGE VS. YR. AGO (€)



## TOP 5 CATEGORIES: EVOLUTION

Value sales (€) and % change vs. year ago



## CATEGORY INSIGHTS

- Feminine hygiene is a small category, but increased its sales significantly thanks to a very big TV campaign done by the category leader.
- Oral care products are growing too, thanks to more awareness about oral care, as well as a way to avoid dentist expenses. Furthermore, oral care is a small category in Spain compared to the rest of the analysed countries, so it has growth opportunities.
- There was very poor performance in fragrances, the core category. The value of this market is decreasing very fast due to a sales transfer from prestige fragrances to mass market ones. There has also been success among "me too" brands, which copy the fragrance of top brands for half the price.

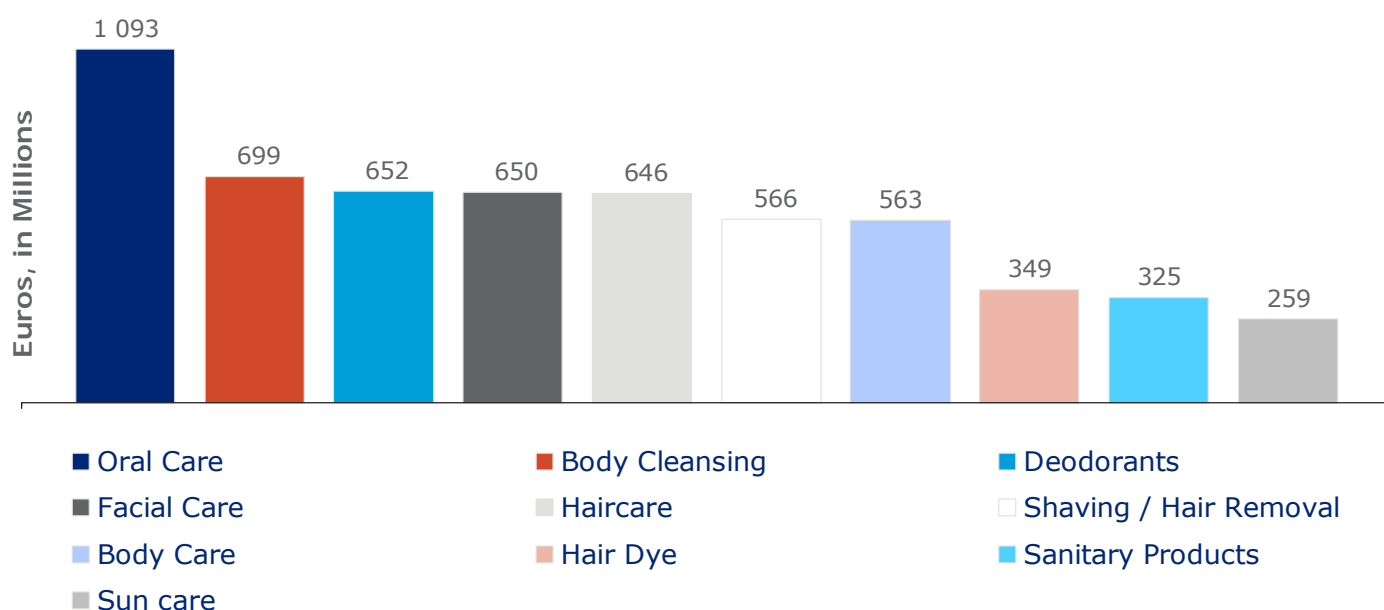
Source: IRI retail databases; Period ending 29 September 2013





## United Kingdom

### CATEGORY VALUE SALES IN THE LAST YEAR



SHARE OF VALUE IN THE YEAR	
Oral Care	18.27%
Body Cleansing	11.67%
Deodorants	10.89%
Facial Care	10.86%
Hair care	10.79%
Shaving / Hair Removal	9.46%
Body Care	9.41%
Hair Dye	5.84%
Sanitary Products	5.44%
Sun care	4.33%
Feminine Hygiene	2.47%
Insect Repellent	0.58%

### KEY TRENDS

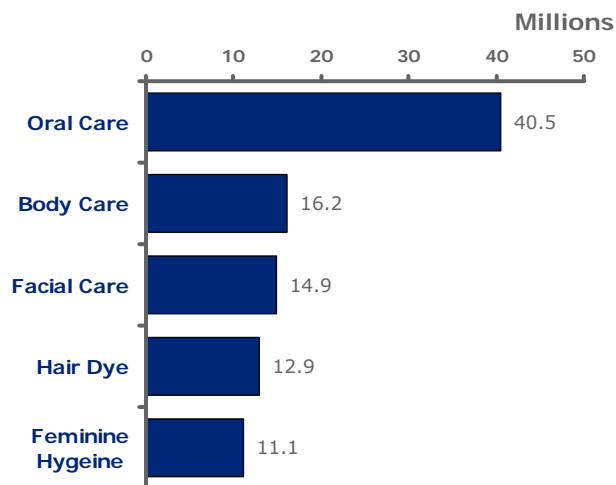
- Personal care sales have been suffering as some consumers are forced to make choices about how they allocate their available cash.
- However, at the end of June and in July, the sun came out in the UK, which brought a very welcome boost to several personal care categories, especially sun care.
- August and September, though, trended back into volume decline, and in the final four weeks, total value sales were close to 2% down on the previous year.
- Overall in the quarter, sun care volume grew by 7.6% and value by 0.9% as promotions drove prices down. The deodorant/body spray category grew the most in value, by almost 3%, recording sales of £146m.

Source: IRI retail databases; Period ending 29 September 2013

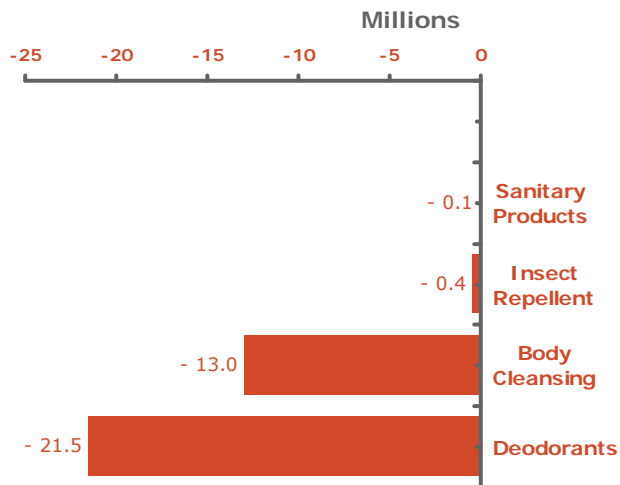


# United Kingdom

## TOP WINNERS: VALUE SALES CHANGE VS. YR. AGO (€)

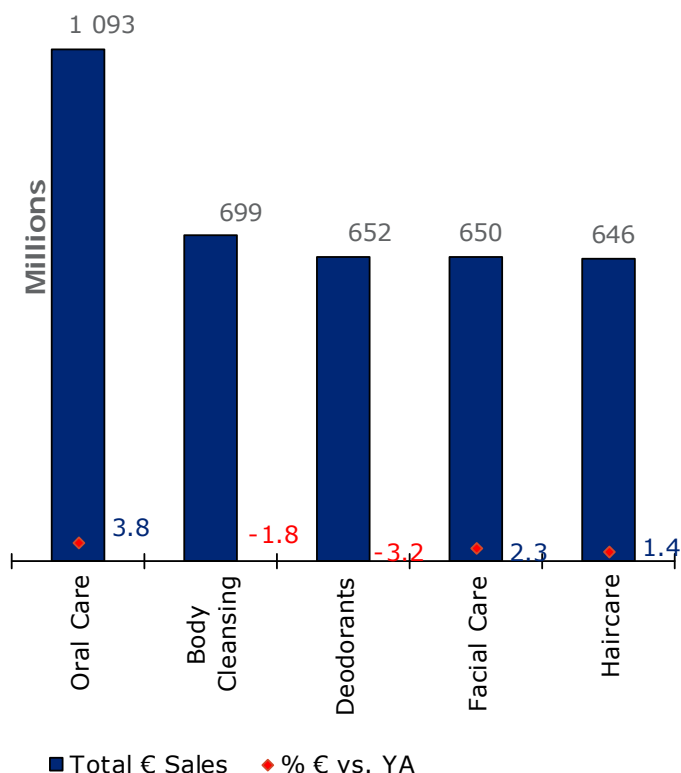


## TOP LOSERS: VALUE SALES CHANGE VS. YR. AGO (€)



## TOP 5 CATEGORIES: EVOLUTION

Value sales (€) and % change vs. year ago



## CATEGORY INSIGHTS

- Volume sales were down year-on-year for all major segments, except for skin care (including sun) and deodorant/body spray.
- The hand and body category was boosted substantially by new product launches.
- Increased sales of alcohol-free mouthwash helped value sales to increase.
- Shampoo and conditioner continued to increase in price as promotions gave less generous discounts. This is transferring into additional value sales.
- Topline promotion trends are flattening out after years of growth, but haven't yet started to decline as they have in the food sector. However, one of the main drivers of the decline in promotions in food is private label, and as private label is much weaker in non-food, this could explain the difference.
- Long-term, this sector will struggle as the consumer recession continues.

Source: IRI retail databases; Period ending 29 September 2013

# Final Notes

---

## Notes on Category Definitions for Countries

Due to the diverse products found in individual countries across this market, it was necessary to consolidate the available data into the categories in this report. In some cases, it wasn't always possible to align products across all six countries, hence the need to highlight any anomalies in the report. Those exceptions are listed below.

### Facial Care

- The France data in this report includes wet wipes for this category, while the other countries do not.
- The France data in this report does not include lip balm whereas the other countries do.

### Feminine Hygiene

- The Netherlands data in this report does not include intimate hygiene products, which are included in body care

### Cosmetics

- The U.K. data in this report does not include this category.

### Fragrance

- The U.K. data in this report does not include this category.

# Resources

---

To gain insight into opportunities across specific categories, segments, channels or retailers, contact your IRI client service representative regarding custom analyses leveraging the following resources:

- **IRI InfoScan Census®** is a syndicated retail tracking service that enables manufacturers and retailers to acquire industry insights used to make better business decisions. IRI InfoScan Census utilizes the data that IRI collects from grocery, drug, and mass merchandise retailers to provide the most comprehensive and accurate syndicated data offering in the FMCG sector. With access to accurate, granular detail by category, geography, measure, and time period, clients have the tools needed to develop marketing and sales strategies based on product performance, distribution, and promotion responsiveness. All data about alcohol comes from **IRI InfoScan Census®**.
- **IRI Consulting** provides strategic insights and advice leveraging a variety of data sources, predictive analytics, enabling technologies, and business analyses to help FMCG manufacturers and retailers address significant sales and marketing issues effectively.

## FOR MORE INFORMATION

Please contact Emily Mayer, Business Unit Director, France, IRI at [Emily.Mayer@IRIworldwide.com](mailto:Emily.Mayer@IRIworldwide.com) or +33 (0)130 06 26 56 with questions or comments about this report.

**About IRI.** IRI is a leader in delivering powerful market and shopper information, predictive analysis and the foresight that leads to action. We go beyond the data to ignite extraordinary growth for our clients in the CPG, retail and over-the-counter healthcare industries by pinpointing what matters and illuminating how it can impact their businesses across sales and marketing. Move your business forward at [IRIworldwide.eu](http://IRIworldwide.eu)

Arlington Square, Downshire Way, Bracknell, Berkshire RG12 1WA, Tel +44 (0) 1344 746000

Copyright © 2013 Information Resources, Inc. (IRI). All rights reserved. IRI, the IRI logo and the names of IRI products and services referenced herein are either trademarks or registered trademarks of IRI. All other trademarks are the property of their respective owners.