

You Can Bet On Better For You

By IRI Client Growth Associate Claudia Khannah.

Health and wellness is a hot topic for consumers today as more Australians proactively engage with trends that reflect their increasingly health-conscious lifestyles. Brands have gone beyond calling out the benefits of their products' natural origins and are now linking to other benefits such as therapeutic properties or the ethical standpoints. The beauty category is strongly influenced by these better-for-you trends and market innovation.

It's no secret that the Australian beauty market has been growing, with sales breaking \$3 billion in Australian pharmacies in the past year. High-efficacy and affordable products are now at the forefront of shoppers' minds as they are spoilt for choice in Australia's pharmacies and specialist beauty retailers such as Mecca and Sephora.

Naturals having an impact

The focus on health is prompting consumers to become more conscious of and responsible about the kind of products they buy. According to IRI's Shopper Panel in October 2018, 64 per cent of those surveyed look to buy products that contain as many natural ingredients as possible. These shifting preferences are creating more evaluative and inquisitive shoppers. Brands winning in this space have coupled this natural proposition with high efficacy. The number two skin-care brand in Australian pharmacies, Sukin, echoes these trends by being "naturally derived" and "cruelty free".

Quality and integrity crucial

The better-for-you message is not only being portrayed through natural ingredients, but

also through products that claim effectiveness and therapeutic benefits. These added benefits are promoted by many brands. For instance, Swisse is winning with its Manuka Honey range. It has contributed \$4.6 million in growth across Australian pharmacies for the past 12 months, as it leverages its natural-health and lack-of-animal-product claims.

Ethical messaging proving effective

The personal-care category is also being pushed to meet these changing consumer preferences. Brands such as Thankyou put forward a strong brand proposition claiming an 'eco-responsible formulation' and that, in Thankyou's case, 100 per cent of the profit goes towards putting an end to poverty. Consumers are increasingly opting for brands that reflect their values, demonstrated by a survey conducted by IRI's Shopper Panel in October 2018 in which over half of shoppers said they aimed to buy environmentally friendly products.

The better-for-you trend and ethical proposition are innately linked as they underpin a larger trend in marketing towards the integration of brand purpose. Social media has enabled growth in this space, with Thankyou using its following to gain ranging of its new body-care products in Woolworths and Coles. In the 12 months to December 2018, its body franchise has grown 40 per cent, totalling \$3.7 million of sales in Australian pharmacies.

