

Chapter 1: Executive Summary

Introduction

Market Definition: Cosmeceuticals

Report Methodology

Market Trends

U.S. Cosmeceuticals Market Nears \$9.7 Billion

Category Shares Remain Stable

Figure 1-1: Share of U.S. Retail Sales of Cosmeceuticals by Category, 2007 vs. 2011 (percent)

Prestige Channels vs. Mass-Market Outlets

Figure 1-2: Share of U.S. Retail Sales of Cosmeceuticals by Channel, 2011 (percent)

Prestige Sales Surge While Mass Sales Falter

New Year, Same Economic Troubles

Many Cosmeceuticals Still Affordable

Return to Luxury Spending

A Cosmeceutical World

The Graying of America

The Rise of Natural and Organic

Cosmeceuticals vs. Cosmetic Surgery

The Quest for the Next Big Ingredient

Competitive Overview

Cosmeceutical Skin Care Marketers

Cosmeceutical Hair Care Marketers

Cosmeceutical Cosmetics Marketers

Marketing Trends

Plant Power in Skin Care

Brand Overhauls in Hair Care

Antioxidants and Vitamins in Color Cosmeceuticals

Consumer Trends

Moisturizers Are Most-Used Skin Care Product

More Consumers Choosing Anti-Aging Skin Care Over Antioxidants

Shampoo Is Most Frequently Used Hair Care Product

Shampoo, Conditioner Use Steady Among Men, Up Among Women

Lip Color Is Most-Used Color Cosmetic

Chapter 2: Market Trends

Introduction

Market Definition: Cosmeceuticals

Report Methodology

Market Size & Composition

U.S. Cosmeceuticals Market Nears \$9.7 Billion

Table 2-1: U.S. Retail Sales of Cosmeceuticals, 2007-2011 (in billions of dollars)

Category Shares Remain Stable

Figure 2-1: Share of U.S. Retail Sales of Cosmeceuticals by Category, 2007 vs. 2011 (percent)

Dollar Sales Outpace Volume Growth at Mass

Table 2-2: SymphonyIRI-Tracked Retail Sales of Cosmeceuticals by Dollar and Volume Growth, 2010-2011 (in millions of dollars and pounds)

Prestige Channels vs. Mass-Market Outlets

Figure 2-2: Share of U.S. Retail Sales of Cosmeceuticals by Channel, 2011 (percent)

Prestige Sales Surge While Mass Sales Falter

Factors to Market Growth

New Year, Same Economic Troubles

Personal Care Prices Defy Inflation

Table 2-3: Consumer Price Index for All Items vs. Personal Care Items: 2001-2011

Many Cosmeceuticals Still Affordable

Return to Luxury Spending

Figure 2-3: Attitudes of Wealthy U.S. Consumers, 2009 vs. 2010 (percent)

The Spa Treatment...At Home

A Cosmeceutical World

Beauty Products Key to Attracting Shoppers

Illustration 2-1: Target's Destination Beauty Aisles

The Graying of America

Table 2-4: U.S. Population by Age Bracket: 2000, 2010 and 2020 (in thousands)

Beauty From the Outside In

The Rise of Natural and Organic

What Is Natural?

Cosmeceuticals vs. Cosmetic Surgery

The Rise of the Metrosexual

The Quest for the Next Big Ingredient

Regulation and Safety

Cosmetics vs. Drugs

Supervision by the FTC

So Is This Stuff Really Safe?

Industry Representation

Natural and Organic Product Standards

Standardizing Organic Personal Care Products

Still No Standards for "Natural"

Seven Controversial Ingredients

1,4-Dioxane

Bisphenol-A (BPA)

Hydrosols

Parabens

Phthalates
Propylene Glycol
SLFs (Sulfates)

Environmental Concerns and Social Responsibility

Going “Green”
Sustainability Crucial to Consumer Good Will
“Green” Packaging
Cruelty-Free Products
U.S. Cosmeceuticals Market to Approach \$12 Billion in 2016
Table 2-5: Projected U.S. Retail Sales of Cosmeceuticals, 2011-2016 (in billions of dollars)

Chapter 3: Skin Care

Introduction

Scope of Cosmeceutical Skin Care Category

Category Size and Growth

Skin Care Category at \$4.7 Billion in 2011
Table 3-1: U.S. Retail Dollar Sales of Cosmeceutical Skin Care Products, 2007-2011 (in millions of dollars)
Facial Moisturizers Exhibit Category-Defying Growth
Table 3-2: U.S. Retail Dollar Sales of Cosmeceutical Skin Care Products by Segment: 2010-2011 (dollars and percent)
Table 3-3: Share of U.S. Retail Dollar Sales of Cosmeceutical Skin Care Products by Segment, 2010-2011 (percent)

Factors to Future Growth

Cosmeceutical Skin Care Products Appeal to All Ages
Gen-X and Gen-Y: Maintaining a Youthful Appearance Means Starting Now
Menopause Gives Rise to Skin Changes
Teens and Tweens: Growing Up Too Fast?
Ethnic Consumers Driving Specialty Products
Ethnics Spend More on Non-Ethnic Skin Care Products
Increase in Ethnic Demand to Grow for Next 30 Years
Prestige vs. Mass: Channel Blurring Continues

The Marketers

HBC Specialists Dominate Cosmeceutical Skin Care at Mass
Table 3-4: SymphonyIRI-Tracked Sales of Selected Cosmeceutical Skin Care Products by Marketer and Brand, 2011 (in millions of dollars)
Prestige and Pop-Prestige Marketers
Table 3-5: Selected Prestige Channel Marketers and Brands of Cosmeceutical Skin Care Products, 2011

Brand Profiles

Brand Profile: Olay
Number One Beauty Brand
Illustration 3-1: Olay Professional Pro-X Clear
Olay Going Global
Merging Product Lines
Illustration 3-2: Definity Merges with Total Effects
Brand Profile: Clinique
“Allergy Tested, 100% Fragrance-Free”
Illustration 3-3: Clinique 3-Step Process
Illustration 3-4: Clinique Skin Supplies for Men
High-Tech Skin Care
Brand Profile: Avon
Direct Selling Specialist
The Products
Illustration 3-5: Avon ANEW Genics
Avon’s Ongoing Troubles

New Product Trends

Skin Care New Product Introductions Peak, Level Off
Detox in a Bottle
Illustration 3-6: One Lump or Two Body Scrub
Beauty Rest
Illustration 3-7: Neutrogena Facial Lifting Wrinkle Treatment
Illustration 3-8: Aveeno Ageless Vitality
The Eyes Have It
Illustration 3-9: Estee Lauder Idealist Cooling Eye Illuminator
Plant Power
Illustration 3-10: Juice Beauty Stem Cellular Repair Moisturizer
Illustration 3-11: Estée Lauder Re-Nutriv Replenishing Comfort Creme
Combating Dark Spots
Illustration 3-12: Lancôme Bright Expert
Body Care
Illustration 3-13: Essie Ejuvenate
Exotic Ingredients
Illustration 3-14: Josie Maran Argan Day + Night Eye Cream
Like Cosmetic Surgery, Only Better
Illustration 3-15: Lancôme Visionnaire Advanced Skin Corrector
Illustration 3-16: Avon ANEW Clinical Luminosity Pro Brightening Serum
Vitamin Fortified
Illustration 3-17: Walgreens Oil-Free Acne Wash Pink Grapefruit Foaming Scrub
Fighting Blemishes
Illustration 3-18: Boscia B.B. Cream
Functional Food Ingredients
Resveratrol
Illustration 3-19: 100% Pure Red Wine Resveratrol Antioxidant Serum

Oats

Illustration 3-20: BeneFit Moisture Prep Toning Lotion

Super Fruits

Illustration 3-21: Nature's Gate Acai Lotion

Men's Products on the Rise

Illustration 3-22: Dior Homme Dermo System

Stem Cells

Mapping the Genome

Illustration 3-23: Lancôme Genifique Youth Activating Concentrate

Natural and Organic Products

Consumer Trends

Methodology

Moisturizers Most-Used Skin Care Product

Table 3-6: Skin Care Product Use by Gender, Type, Brand and Frequency: 2011 (percent)

More Consumers Choosing Anti-Aging Skin Care Over Antioxidants

Table 3-7: Percentage of U.S. Consumers Using Anti- Aging/Antioxidant Skin Care: 2012 (percent)

Moisturizer Use Remains Steady, Cleanser Use Declines

Table 3-8: Percentage of U.S. Consumers Using Moisturizers by Type: 2008-2011

Table 3-9: Percentage of U.S. Consumers Using Facial Cleansers and Most Frequent Reasons for Use: 2008-2011

Effects of Employment Status and Changes

Table 3-10: Index of Skin Care Product Use and Employment Changes in Past 12 Months: 2011 (U.S. Women)

Table 3-11: Index of Skin Care Product Use and Employment Status: 2011 (U.S. Women)

Demographic Trends

Who's Using Moisturizers

Who's Using Lip Care Products

Who's Using Facial Cleansers

Who's Using Anti-Aging Skin Care Products

Table 3-12: Demographic Indexes for Moisturizers/Creams/Lotions Used Most Often: By Brand, 2011 (U.S. consumers)

Table 3-13: Demographic Indexes for Lip Care Products Used Most Often: By Brand, 2011 (U.S. consumers)

Table 3-14: Demographic Indexes for Facial Cleansers Used Most Often: By Brand, 2011 (U.S. consumers)

Table 3-15: Demographic Indexes for Regular vs. Anti-Aging Skin Care Products: By Type, 2011 (U.S. consumers)

Chapter 4: Hair Care

Introduction

Cosmeceutical Hair Care Category Definition
Cosmeceutical Functions
Two Major Product Categories
Shampoos
Conditioners and Hair Treatments
Unique Hair Care Needs of U.S. Ethnic Population Sectors
African Americans
Hispanics
Asians

Category Size and Growth

Cosmeceutical Hair Care Surpasses \$3 Billion in 2011
Table 4-1: U.S. Retail Dollar Sales of Cosmeceutical Hair Care Products, 2007-2011 (in millions of dollars)
Shampoos Account for Majority of Market
Table 4-2: U.S. Retail Sales of Cosmeceutical Hair Care Products, 2010 vs. 2011 (in millions of dollars)

Factors to Future Growth

Hair Care Category Tried by Recession
Brand Loyalty
Ubiquity
The Commodity Herd
The Pursuit of Health Hair
The Problem with Sulfates
A Little Thin On Top
Growing Number of Ethnic Hair Care Consumers

The Marketers

1,000 Competitors in Cosmeceutical Hair Care
Twelve Major Marketers at Mass
Table 4-3: SymphonyIRI-Tracked Sales of Cosmeceuticals Hair Care Products by Marketer and Brand, 2011 (in millions of dollars)
Specialists the Norm in Prestige Hair Care Market
Prestige Marketers and Brands
Table 4-4: Selected Prestige Channel Marketers and Brands of Cosmeceutical Hair Care Products: 2012

Marketer and Brand Profiles

Marketer Profile: Unilever + Alberto Culver
Illustration 4-1: Nexxus ProMend Overnight Treatment Crème
Brand Profile: Ojon
Mainstreaming Relaunch
Illustration 4-2: Ojon Damage Reverse Ritual
Brand Profile: Sexy Hair Concepts
Illustration 4-3: Healthy Sexy Hair Reinvent

Marketer in Trouble

New Product Trends

Brand Overhauls

Illustration 4-4: Herbal Essences Reformulated Products

Illustration 4-5: Figure Redken Extreme Product Line

Keratin

Illustration 4-6: Joico RevitaLuxe Bio-Advanced Restorative Treatment

Antioxidants

Illustration 4-7: Garnier Fructis Acerola Berry Antioxidant Shampoo

Omega 3 and 6

Illustration 4-8: L'Oréal EverCrème Line

Super Fruits

Illustration 4-9: Burt's Bees Very Volumizing Pomegranate & Soy Shampoo

Botanical Oils

Argan Oil

Illustration 4-10: Organix Moroccan Argan Oil Line

Other Oils

Illustration 4-11: Matrix Biolage rejuvathérapie Conditioner At- Home Straightening Systems

Illustration 4-12: John Frieda Frizz-Ease 3-Day Straight

Illustration 4-13: Suave Professionals Keratin Infusion Line

Dandruff Formulas

Illustration 4-14: Aveda Invati Product Line

For Thinning Hair

Illustration 4-15 Redken IntraForce

Consumer Trends

Shampoo Is Most Frequently Used Hair Care Product

Shampoo, Conditioner Use Steady Among Men

Conditioner Use Grows Slightly Among Women

Table 4-5: Skin Care Product Use by Gender, Type, Brand and Frequency: 2011 (percent)

Table 4-6: Percentage of U.S. Men Using Hair Care Products by Type: 2008-2011 (percent)

Table 4-7: Percentage of U.S. Women Using Hair Care Products by Type: 2008-2011 (percent)

Demographic Trends

Who's Using Shampoo?

Who's Using Conditioner?

Table 4-8: Demographic Indexes for Shampoo Used Most Often: By Brand, 2011 (U.S. consumers)

Table 4-9: Demographic Indexes for Conditioner Used Most Often: By Brand, 2011 (U.S. consumers)

Chapter 5: Color Cosmeceuticals

Introduction

Defining the Color Cosmeceuticals Category

Four Color Cosmeceutical Segments: Face, Eye, Lip and Nail

Face Makeup

Lip Color

Eye Makeup

Nail Polish

Category Size and Growth

Color Cosmeceuticals Category Surpasses \$2 Billion in 2011

Table 5-1: U.S. Retail Dollar Sales of Color Cosmeceutical Products, 2007-2011 (in millions of dollars)

Table 5-2: U.S. Retail Dollar Sales of Color Cosmeceutical Products by Segment: 2010-2011 (in millions of dollars)

Table 5-3: Share of U.S. Retail Dollar Sales of Color Cosmeceutical Products by Segment, 2010-2011 (percent)

Factors to Market Growth

Color Cosmeceuticals' Recession Resistance

Appealing to All Ages, But Only One Gender

Boomer Women as Trailblazers

Gen-X Women Guide Their Households Through Hard Times

Gen-Y Women Resist Pandering

Teens, Tweens Using Cosmeceutical Makeup?

The Question of Efficacy

Does The Stuff Really Work?

The Color of the Season

The Natural Choice

The Marketers

Seven Marketers Account for Over 80% of Mass-Market Sales

Major Players in Prestige Color Cosmeceuticals

Table 5-4: SymphonyIRI-Tracked Sales of Color Cosmeceuticals by Marketer and Brand, 2011 (percent)

Table 5-5: Selected Color Cosmeceuticals Marketers in Prestige Channels, 2011

Marketer and Brand Profiles

L'Oréal Paris

Illustration 5-1: Jennifer Lopez Infallible Lip Color Ad

Marketer Profile: Bare Escentuals

Acquisition by Shiseido

Illustration 5-2: bareMinerals Touch Up Veil

Brand Profile: Tarte

Illustration 5-3: Tarte Amazonian Clay 12-Hour Blush

New Product Trends

New Product Introductions Peak

Antioxidants and Vitamins

Illustration 5-4: Korres Quercetin & Oak Anti-Aging/Anti- Wrinkle Concealer

Illustration 5-5: Clinique Lid Smoothie Antioxidant 8-Hour Colour

Proprietary Formulas

Illustration 5-6: Lancôme L'Absolu Nu Lipstick

Illustration 5-7: DiorSkin Forever Flawless Perfection Wear Makeup

Exotic Ingredients

Illustration 5-8: Josie Maran Argan Eye Love You

Illustration 5-9: Babor Deluxe Foundation

Mineral Makeup

Illustration 5-10: bareMinerals READY Eye Color Collection

Is It Powder? Is It Sunscreen? Is It Skin Care?

Illustration 5-11: Peter Thomas Roth Anti-Aging Instant Mineral SPF 45

Collagen

Illustration 5-12: Beauty for Real See the Light! Illuminating Lip Gloss

Illustration 5-13: Rimmel London Moisture Renew Lipgloss

Peptides

Illustration 5-14: Wet n Wild MegaLash Clinical Serum

Functional Food Ingredients

Illustration 5-15: Dior Serum de Rouge Luminous Lip Color Treatment

Olive Oil

Illustration 5-16: Badger Lip Tint and Shimmer

Plump Those Lashes

Illustration 5-17: Rimmel London Lash Accelerator Mascara

Makeup for Men?

Illustration 5-18: EvolutionMan Nail Varnish

Consumer Trends

Methodology

Lip Color Is Most-Used Cosmetic

Table 5-6: Percentage of U.S. Women Using Color Cosmetics by Type, Brand and

Frequency: 2011

Lipstick Use on the Decline

Table 5-7: Percentage of U.S. Women Using Lipstick/Lip Gloss by Type: 2008-2011

Use of Mascara, Foundation Remains Steady, Eye Shadow Use Climbs

Table 5-8: Percentage of U.S. Women Using Mascara by Type: 2008-2011

Table 5-9: Percentage of U.S. Women Using Foundation/Concealer by Type: 2008-2011

Table 5-10: Percentage of U.S. Women Using Eye Shadow by

Type: 2008-2011

Employment Changes and Cosmetics Use

Table 5-11: Use of Color Cosmetics and Employment Changes in Past 12 Months: U.S.

Women, 2011 (index)

Demographic Trends

Lipstick/Lip Gloss Use

Mascara Use

Foundation/Concealer Use

Table 5-12: Demographic Indexes for Lipstick/Lip Gloss Used Most Often: By Brand, 2011 (U.S. women consumers)

Table 5-13: Demographic Indexes for Mascara Used Most Often: By Brand, 2011 (U.S. women consumers)

Table 5-14: Demographic Indexes for Foundation/Concealer Used Most Often: By Brand, 2011 (U.S. women consumers)

Chapter 6: Looking Ahead

Cosmeceutical Products Offer More

Wider Selection Means More Opportunities

“Green” Concerns Continue to Take Priority

Natural and Organic Products Provide Counterpoint

Growth of Cosmeceuticals at Mass

Not All Mass Channels Are Equal

Table 6-1: Selected Cosmeceutical Product Cost Comparison: Target vs. CVS, 2011 (in dollars)

Problems with Diversion

Growth in Online Shopping

E-Marketing Cosmeceuticals

Dove Campaign Demonstrates Multi-Outlet Marketing

Individualized Marketing

QR Codes Allow High-Tech Purchasing

Social Networking: Facebook, Twitter, Then...

User-Driven Content: Pinterest

International Perspective

Growth in Developing Markets

Different Standards Lead to Confusion

International Expansion

Free Trade Legislation Encourages Global Cosmetics Market