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2020 - A Tough Year for the GB Market

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2020 proved to be another tough year for the toiletries and cosmetics industry, with COVID-19 obviously the key element in market trends.

What we purchased, how and where, all saw significant change as working from home and less (hardly any) socialising took their toll, particularly on the beauty markets with colour cosmetics down a whopping 25% and fragrance down 13% year-on-year.

The stay-at-home regime also led to falls in hair styling -22% and, whilst we had a sunny hot summer, -40% in suncare as some Brits didn't seem to think we get sunburnt in this country!

Predictably, markets that benefitted from staying at home were cleansing routines such as liquid soap +137% (includes hand sanitisers), bar soap +19% and hair colorants as the salons were mainly shut +10% (home perms was a tiny declining market but now worth £5.2m!). With sustained use of hand sanitisers taking its toll on our skin, hand care products grew 26%.

Given the damage to the GB economy over the last year, it represents some sort of success that the total industry fell 6.2% in value and just 1.6% in units purchased. This represents a loss of £580m vs 2019 and 433m packs.

-6.2%

2020 £8,712.0 million*
2019 £9,289.9 million*
* at retail sales price

Sector Year on Year % Change by Value

-6.2%

-13.1	Fragrances
-24.9	Colour Cosmetics
-5.9	Skincare
-3.2	Haircare
8.0	Toiletries

Sector Year on Year % Change by Units

-1.6%

-9.1	Fragrances
-24.0	Colour Cosmetics
-9.3	Skincare
-9.3	Haircare
7.3	Toiletries

Shop vs Internet

The way we shopped changed, and some habits will stay with us.

In prestige beauty for example, over 55% of annual sales were made online (from 32%), and 20% of total sales from a mobile phone. This was also fuelled by closure of some of our Department Stores.

We were forced into large one-stop shops at our grocery stores early in lockdown to avoid queuing at more than one retailer and to avoid the High Street. In toiletries, for example, large pharmacy lost share to grocery, and the grocers saw online sales progress from 11% of their sales in 2019 to 14.2% in 2020.

The big question is, will our internet shopping habit continue and if so by how much?

Our research shows that whilst we expect physical stores to claw back some share, over 40% of shoppers are happy to continue to shop for health and beauty online. This is an issue for markets like fragrance, where of course physical availability is important.

Hand sanitisers will also continue to be a feature of our lives but not at such a level as we have seen in 2020, so we could see year-on-year decline for liquid soaps for example. Colour cosmetics will grow as we are released back into the community but unlikely to reach sales levels of 2019.

2021 will also be a challenge but with the vaccination programme, lockdown easing and pent-up spending power in the country, the industry should start to see some recovery in the second half of the year.

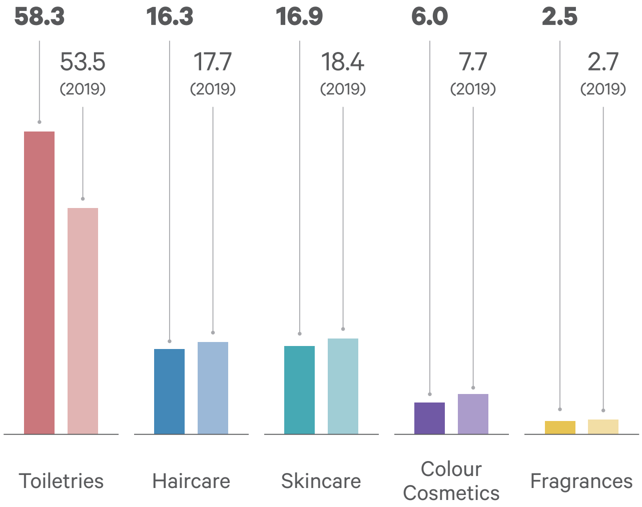
Good luck everyone.

Sector Share (%) of Category Dec '20 vs Dec '19 by Value (RSP)

Sector Share (%)
2020 £8,712.0 million
(2019 £9,289.9 million)

29.5%	(25.6%)	Toiletries
14.8%	(14.3%)	Haircare
25.4%	(25.3%)	Skincare
12.0%	(15.0%)	Colour Cosmetics
18.3%	(19.8%)	Fragrances

Sector Share (%) of Category Dec '20 vs Dec '19 by Units



Sector Share (%) Dec 2020 2,708.1 million Units (versus 2019 2,751.4 million Units)

What do we mean by Cosmetics?

UK/EU Legal Definition:
A 'cosmetic product' shall mean any substance or mixture intended to be placed in contact with the various external parts of the human body (epidermis, hair system, nails, lips and external genital organs) or with the teeth and the mucous membranes of the oral cavity with a view exclusively or mainly to...
Clean . Protect . Perfume . Change appearance . Correct body odour . Keep in good condition

Category Estimates December 2020 (£000s)

	£000s Dec-19	£000s Dec-20	% Change
Fragrance *	**1,838,041**	**1,597,231**	**-13.1**
Female Fine Fragrance	976,515	944,791	-3.2
Male Fine Fragrance	600,394	553,473	-7.8
Female Mass Fragrance	109,405	104,156	-4.8
Male Mass Fragrance	88,339	86,421	-2.2
Unisex Fine Fragrance	38,687	49,946	29.1
Unisex Mass Fragrance	3,231	4,571	41.5
* includes gift packs/coffrets			
Colour Cosmetics	**1,389,603**	**1,044,102**	**-24.9**
Face	558,295	386,135	-30.8
Lips	197,205	145,427	-26.3
Eyes	434,308	351,351	-19.1
Nails	175,193	149,767	-14.5
Palettes/Gift Packs	24,602	11,422	-53.6
Skincare	**2,357,179**	**2,217,795**	**-5.9**
Prestige Skincare Total inc Gift Packs	551,226	537,571	-2.5
Face Care Non-medicated	1,007,540	1,003,604	-0.4
Face Care Medicated	98,020	91,957	-6.2
Face Care Male	79,086	69,785	-11.8
Hand Care	54,094	68,252	26.2
Body Creams & Lotions	198,386	201,357	1.5
Baby Care Products	19,980	19,894	-0.4
Lipsalves	70,080	58,679	-16.3
Sun Preparations	278,768	166,695	-40.2
Haircare	**1,329,553**	**1,286,389**	**-3.2**
Shampoo	494,484	470,513	-4.8
Hair Colorants Inc Lightening	294,425	324,554	10.2
Conditioners	322,796	315,803	-2.2
Hair Sprays & Setting Sprays	110,825	87,264	-21.3
Hair Creams/Waxes and Gels	89,120	69,419	-22.1
Settings Lotions and Mousses	16,958	13,631	-19.6
Home Perms	944	5,206	451.5
Toiletries	**2,375,488**	**2,566,477**	**8.0**
Toothpaste	543,623	537,911	-1.1
Depilatories	45,924	41,787	-9.0
Foot Preparations	136,850	121,250	-11.4
Deodorants	597,812	526,426	-11.9
Shaving Soaps	63,217	55,645	-12.0
Mouthwashes	190,456	204,619	7.4
Talcum Powder	15,915	16,057	0.9
Bath Additives	137,770	151,389	9.9
Shower and Body Wash	377,143	378,965	0.5
Liquid Soap	182,399	432,011	136.8
Toilet Soap	84,379	100,417	19.0

Methodology & Data Sources

IRI market tracking data:
Census EPoS data from Asda, Boots, Iceland, Morrisons, Sainsbury's, Superdrug, Tesco, Waitrose, Wilkinson, The Cooperative Group.

Sample EPoS data from Symbol Grocers, other Coops, independents and chemists.

Other data representation (audit and estimation methodology) from convenience stores, petrol forecourts, chemists and other impulse outlets.

Kantar Worldpanel Purchasing data (Worldpanel)
Individual purchasing data from a panel of 30,000 households which for this report will cover other GB outlets not mentioned in IRI tracking plus Aldi, Costco, Holland & Barrett, Lidl, Marks & Spencer, Savers, The Body Shop, bargain stores (such as Poundland, B&M Bargains, Home Bargains, 99p Stores) and other smaller outlets.

Kantar Beauty Panel
A panel of 15,000 individuals who record their purchasing of fragrances, colour cosmetics and skincare products across all relevant outlets (including department stores, Boots, The Body Shop, Internet, mail order and direct sales) via online data entry.

Report Definitions
Measures:
Value Sales = £ sold (in 000s)
% Chg = % change versus same time a year ago

Further Details
IRI
www.iriworldwide.co.uk

Kantar Worldpanel
www.kantarworldpanel.com