SUNCARE REINVENTED

2019

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Outline

Promote a natural clean story for suncare

Tap the new and evolving suncare themes

Make education experiential and fun
Women search for natural/organic products to improve wellbeing that coincides with living a ‘natural’ lifestyle.

- **66%** of US women are motivated or would be motivated to live a ‘natural’ lifestyle to improve overall health.

Base: 1,037 US female internet users aged 18+

% European women who buy natural/organic products because they believe are better for their health and wellbeing, 2019.

Source: Lightspeed/Mintel
Majority of US consumers place clean ingredients into the natural/organic group, and this link between clean and natural goes across generations.


55% for Baby Boomers, born between 1946 and 1964.

Base: 1,035 US internet users aged 18+ who purchase natural or organic personal care products

Source: Lightspeed/Mintel
Clean beauty leans green

Top topics for “clean beauty” on social media (Instagram/Twitter)

Base: 897K mentions of clean beauty on Instagram and Twitter, Nov. 2017-2018
Source: Infegy/Mintel
US youngest consumers most fearful of parabens, sulfates & silicones

% US women avoid this ingredient in beauty products, by age group, July 2018

Base: 925 US female internet users aged 18+ who use beauty products

Source: Lightspeed/Mintel
Estimated top 10 retail value suncare markets (2019):
% vegan/no animal ingredient claim for new suncare &
facial care launches*, Sept 2018 – Aug 2019

More people adopting veganism for a healthier way of living. Retailers and brands take notice:

Retailers promoting vegan brands have seen impressive sales growth. UK retailer Superdrug saw sales for its vegan B. line jump 750% in Veganuary (January 2019).

Multinationals are quickly adding vegan ranges to portfolios (eg Clarins new vegan product line, My Clarins).

*Launch type matches one or more of (New Variety/Range Extension, New Product)
Source: Mintel GNPD
Cruelty-free suncare claim has strong US appeal


- USA
- UK
- Brazil
- Germany
- France
- Spain
- Italy
- South Korea
- Japan
- China

35% of US women 18-34 yrs believe cruelty free claim is most important when choosing sunscreen

Base: 225 18-34 year old women who use sunscreen

Launch type matches one or more of (New Variety/Range Extension, New Product)
Source: Mintel Market Sizes; Mintel GNPD; Lightspeed/Mintel
“Reef safe” claim moves from niche to mainstream in West

Mass brands face a dilemma in near future of harsh social media posts outing them on use of **organic sunscreens octinoxate and oxybenzone.**

US Virgin Islands extends organic sunscreen ban to include **octocrylene** – commonly combined with avobenzone to improve stability and provide high level of UVA protection.

- **State of Hawaii (US):** ban starts Jan 1, 2021
- **Key West, FL (US):** ban starts Jan 1, 2021
- **Island of Bonaire (Netherlands):** ban starts Jan 1, 2021
- **US Virgin Islands:** ban starts Dec 31, 2019

Source: washingtonpost; cnn; livescience; psmag; Mintel GNPD
Natural “reef safe” claim gains prominence in West

Region: % new suncare launches with “reef safe”*

<table>
<thead>
<tr>
<th>Region</th>
<th>% new suncare launches, by region</th>
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<tr>
<td>North America</td>
<td>Sep 2016 - Aug 2017: 2.0</td>
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% market new suncare launches with “reef safe”* (Sept 2018 - Aug 2019)

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<thead>
<tr>
<th>Region</th>
<th>%</th>
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<tr>
<td>USA</td>
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<td>UK</td>
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<td>Italy</td>
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<td>Finland</td>
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Launch type matches one or more of (New Variety/Range Extension, New Product); product description matches “reef safe”

Source: Mintel GNPD
New and evolving suncare themes
Tap the growing eco-ethical passions of consumers

IN THE US
51%
of residents would pay more for a product from a socially responsible company

IN THE UK
65%
of residents try to live a more ethical lifestyle than a year ago

IN CHINA
51%
of Mintropolitans* make efforts to reduce their carbon footprint

Base: 2,000 US internet users aged 18+; 2,000 UK internet users aged 16+; 3,000 Chinese internet users aged 20-49; * China's middle-class

Source: Lightspeed/Mintel; KuRunData/Mintel
UN report paints a bleak picture of the planet’s future with **extinction of a million species over the next few decades** (1 out of every 8 species on the planet) – if, action is not taken.

Be proactive on preserving biodiversity and establish biodiverse ingredient production.

Obtain and promote **Union for Ethical Biotrade (UEBT) certification** which ensures biodiversity is conserved for entire sourcing system and that everyone along supply chain is paid fairly and treated with respect.

**Standout in industry:** Weleda produces NaTrue natural certified products and is UEBT certified, which recognizes sustainable ingredient sourcing and respecting biodiversity & people.

Source: npr; prnewswire; Mintel GNPD
Celltice™ (Renmatix) - both an active and emulsifier.

- Extract of cellulose and lignin using water with heat and pressure, Plantrose® process.
- Sourced from renewable sustainable red maple (Acer rubrum).
- Compatible with organic and mineral sunscreens; aids in dispersion.

Actives synthesized from cashew nut shell liquid (waste product) are capable of absorbing UVA and UVB radiation.

- Produced compounds through xylochemistry (wood chemistry process).
- Eco-friendly ingredients
Ocean safe bioplastic technology offers UV protection

Eco-friendly Bio-on’s minervPHB Rivera technology is an early entry in use of bioplastics for sun protection.

Bio-on’s **PHA (polyhydroxyalkanoate) micro powder** is made from renewable plant materials and 100% biodegradable.

It’s claimed to reduce the percentage of sunscreen(s) needed in formula while providing broad spectrum protection; water resistant.

Along with formula, brands can take advantage of growing list of PHA suppliers (eg Full Cycle Bioplastics, Danimer Scientific) to produce biodegradable, eco-friendly packaged products.

**MyKai suncare brand** distributed by Unilever and made by Aldia Spa.
Brands need to address youth demands around climate change

55% of US Gen Z’s (18-22) worry about climate change, just behind terrorism at 54% and The economy at 67%.

63% of Canadian 18-24 year olds feel strongly about climate change.

Brands that move forward with an actionable plan on ‘getting’ to ‘carbon neutral’ will be rewarded:

- Check-in routinely on social media with ‘community’ on progress.
- Let the Generation Z consumer be part of the brand’s/company’s journey.

Zero Hour’s mission is to develop a youth movement around climate and environmental justice.
Carbon neutral programs will gain traction in the West

% new facial care launches with carbon neutral claim*, by market, Sept 2016 – Aug 2019

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<tr>
<th>Period</th>
<th>USA</th>
<th>Germany</th>
<th>Global</th>
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<tr>
<td>Sep 2017 - Aug 2018</td>
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<td>Sep 2018 - Aug 2019</td>
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Sukin Moisture Restoring Night Cream is natural, vegan, cruelty free; commitment to reduce carbon emissions; works closely with Carbon Reduction Institute of Australia to retain ‘carbon-neutral’ status, $14.99.

Beautycounter Countersun Tinted Mineral Sunscreen Mist SPF 30 is designed for a wider range of skin tones that also helps camouflage imperfections. Brand partners with Carbon Fund to offset the carbon footprint, $39.

*Launch Type matches one or more of (New Variety/Range Extension, New Product) & claim matches ‘Carbon Neutral’
Source: Mintel GNPD
Future: Rising temperatures and humidity. Suncare products will need to work overtime to ensure sunscreens stay on skin under increased humidity and when perspiring.

Kao’s new technology described to form a light, yet durable outer film that helps evenly distribute UVA and UVB protective actives, and keep the sunscreens adhered to the skin. 66% of US women aged 18-34 look for water-resistant suncare products.

Bioré UV Athlizm suncare products also hydrate the skin with hyaluronic acid.

More than UV protection: 83% of US women aged 18-34 use/are interested in using multipurpose products (sun protection + skincare).

Bioré UV Athlizm Skin Protect Essence, $17.50; Skin Protect Milk, $16.55.
Generation-Z plus" (those born in 2007 and on) will be the first minority generation in the US. Brands that design products for this expanding world of skin tones gain an advantage.

More indie brands for those of color have appeared (eg Bolden, Specific Beauty, UnSun Cosmetics, Black Girl Sunscreen) and with its purchase of Sundial brands (includes SheaMoisture, Nubian Heritage, nyakio) in late 2017, Unilever is poised to expand presence and share in this evolving and growing market.
Growing opportunity to provide suncare solutions for the rainbow of pigmented skins. Consumers look for ways to reduce hyperpigmentation which is a bigger problem for women of color.

Seize on the personalization trend by designing suncare that fits the “shade for any skin tone”.

Natural organic broad spectrum SPF 30 sunscreen with jojoba, avocado, sunflower oils; carrot & aloe juices and cocoa, $18.99. Kids organic broad spectrum SPF 50 sunscreen is prepared with natural ingredients that include chamomile and shea butter, $9.99.

Natural mineral sunscreens for women with skin tones: 1) “from fair to dark chocolate” & 2) “from very fair to light”. Designed not to make skin whitish or grayish, $29.

Source: madamenoire
Tattoo sun protection extends reach

Growing number of consumers sport tattoos:

- **US**: 29% overall; 47% of millennials have one tattoo.
- **UK**: 20% overall; 30% of 25-39 years have at least one tattoo.
- **Germany**: 20% have a tattoo.

Opportunity to target this demographic with suncare products to preserve a unique, personalized body art against damaging effects of the sun, with next generation protection against pollution.

Source: inkeeze; globalcosmeticsnews; inktheoriginal; theguardian; prnewswire
Supergoop! goes beyond the ordinary sunscreen campaign for body and face with an innovative scalp sunscreen.

Product stands apart from others by calling out a unique function – a focus on protecting the exposed scalp from the sun after parting the hair.

The novel entry is sure to generate conversations on social media, which will get other Supergoop! products noticed.

Supergoop! Poof 100% Mineral Part Powder SPF 45: Natural mineral sunscreen to “keep scalp sunburn free”, $34.

Source: Mintel GNPD
Mintel’s emerging *The Next Generation* trend highlights how younger consumers are embracing gender neutrality.

**65%** of US men and **73%** of US women aged 18-22 yrs have used or are interested in using genderless beauty products.

**18%** of Canadian Gen Z’s identify as being LGBT+ vs 8% overall.

Eco-conscious brands can further appeal to Generation Z with a genderless positioning that celebrates inclusion.

Base: 205 US male and 282 US female internet users aged 18-22 who use beauty or personal care products; 2,000 Canadian internet users 18+

Source: youthtothepeople, nongenderspecific, Lightspeed/Mintel
Apply the Marie Kondo’s philosophy to suncare

Marie Kondo has popularized holding onto the most rewarding items that “bring joy into your life” and jettisoning the rest. Let’s consider a Marie Kondo’s approach to ‘essential beauty’:

Simplifying routines:
• Pairing down to the fewest, essential products to provide the most complete skincare/suncare (e.g., more South Korean consumers adopting “Skip-care”).
• 40% of US Generation Z (18-23 yrs) believe added skincare benefits are most important when choosing sunscreen products.

Simplifying formulas:
• Pairing down to the safest, essential ingredients in products.
• Pairing down to the most familiar, essential ingredients in products.

Butterbean SPF 30 Simple Formula Sunscreen uses just familiar organic oils, beeswax, shea butter, sunflower vitamin E & non-nano zinc oxide, $16.

Base: 144 US Generation Z internet users aged 18-23 who use sunscreen
Source: butterbeanorganics; Lightspeed/Mintel
Mental issues affect US young the most

US younger consumers will reward brands that provide product solutions to help relax mind and body; consider building on the mental benefits from healthy lifestyle activities (e.g., meditation, yoga) that are growing in US.

% US residents with health concerns over last year, Nov 2018

- Stress:
  - Generation Z (18-24 yrs): 19%
  - Millennials (25-42 yrs): 47%
  - Baby Boomers (55-73 yrs): 55%

- Anxiety:
  - Generation Z (18-24 yrs): 12%
  - Millennials (25-42 yrs): 39%
  - Baby Boomers (55-73 yrs): 46%

- Depression:
  - Generation Z (18-24 yrs): 10%
  - Millennials (25-42 yrs): 31%
  - Baby Boomers (55-73 yrs): 43%

Base: 2,000 US internet users aged 18+
Source: Lightspeed/Mintel
Add ingredients from across globe to de-stress suncare

Ecuador’s Amazonian annato

Pharmos Natur Sun Harmony Protect Cream SPF 30 is a natural/organic sunscreen prepared with indigenously sourced annatto to nourish, protect and reduce skin irritation, $105.93.

Multi-adaptogen complex

Adaptogen Soothe + Hydrate Activated Mist calms and soothes irritated and stressed skin with reishi mushroom, ashwagandha and holy basil extracts, $42.

Sustainably sourced ‘positive mood’ active from microalgae

Givaudan Sensyl™ “is the first of its kind ingredient to positively influence consumers’ mood after just one month of use…”

Source: Mintel GNPD; givaudan
Superfood sunscreens expected to join the skincare bandwagon

% market new facial care launches with superfood in product description*

Everyday for Every Body (Australia)

*Simple easy to digest story with local, healthy food ingredients*
- Cruelty free, reef safe
- Light weight
- Local plant ingredients (paw paw and kakadu plum)
- Enriched with superfoods (eg kale and matcha).
- Free from oxybenzone, octinoxate, parabens, sulfates, mineral oils, artificial colors and fragrances.

*Launch type matches one or more of (New Variety/Range Extension, New Product); Product description matches superfood
Source: Mintel GNPD; geteveryday
Suncare: emerging use of postbiotics and prebiotics

“Postbiotics” (probiotic fermented ingredients) in suncare...

- Boost a natural theme.
- Add multi-functional skin benefits: protect against sun damage (with antioxidants), moisturize.
- Strengthen an anti-ageing narrative.

*Lactobacillus* fermentation of Korean mint enhances ultraviolet-B protection of extract.

**Talk up sunscreen formulas that protect the skin microbiome...**

- Healthy skin microbiome turns on the immune response to protect skin after UV exposure.
- Introduce prebiotic ingredients to keep skin microbiome healthy (eg colloidal oatmeal, fructooligosaccharides).

*Source: ncbi.nlm.nih.gov,* *whamisa; Mintel GNPD*

*Whamisa Organic Flowers Sun Cream SPF 50+/PA++++ is described as a non nano zinc oxide, reef safe sunscreen packed with “postbiotics” (assortment of *Lactobacillus* flower/rhizome/root ferments), $40.90.*
Make learning experiential and fun
Poor usage: Just 50% of Americans protect skin from the sun when outdoors (according to American Academy of Dermatology). 38% of Chinese rarely reapply sun protection throughout the day when they are outdoors.

Confusion on use: 41% of UK residents aren’t sure what SPF level they should wear in different conditions; 51% of 16-24 yrs find it difficult to remember when to re-apply sun protection.

Want to learn: 48% German, 64% French & Italian and 70% Spanish want suncare brands to provide more education on how to use their products.

Educational tips:
• Make it a personal visual experience that is easy to understand and do.
• Tie in other health & wellness benefits of sunscreens into the teaching tutorials.

Source: aad.org; KuRunData/Mintel; Lightspeed/Mintel; ogilvy
Supergoop creates an interactive and fun set of experiences to educate sun protection while showcasing brand

Educational: skin-cancer and sunscreen “myth-busting” – Put an end to pseudoscience!

Consultative: One-to-one sessions on SPF with brand sales associates.

Experiential: consumer’s personal journey outlining sunscreen habits.
Global clean beauty movement continues to grow and evolve, favoring natural storylines. Suncare is a part of the larger narrative, and brands need to respond and emphasize their natural clean & aquatic safe credentials.

Position brands to leverage the growing eco-demands and the importance of inclusiveness by younger consumers; appeal to the wellbeing needs of the young; and take account of popularity of evolving product & claim opportunities for skin microbiome health.

Create the immersive hands-on experience for suncare that is educational, fun and Instagrammable.

Source: Mintel
Thank you!

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