

Five themes shaping health and beauty

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Health and beauty are growing categories within the fast moving consumer goods (FMCG) trade, represented by a wide range of products and services that support the physical and mental wellness of consumers.

There are five specific themes that are shaping the health and beauty market:

- the fact that wellness has growth to be a global megatrend
- the resilience of the health and beauty markets showing growth even during times of recession
- the fact that the SA FMCG retail market is shopper-led, responding to changing shopper needs and preferences
- retail trends that are shaping the health and beauty categories within the SA FMCG market and
- disruptors that are driving unexpected change in these wellness categories.

What is well-being?

Well-being is the state of being comfortable, healthy or happy. Well-being, or wellness relates to physical and mental wellness, which even resonates with the World Health Organisation's (WHO) definition:

“ Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity ”



Wellness as a mega-trend

Wellness has risen to the status of being a mega trend, represented by global shifts in consumer behaviour and impacting multiple industries. In fact, well-being was listed as the #1 Global Consumer Trend for 2020-2030 by Mintel, in a report released in November 2019. That was before the arrival of the COVID pandemic, which has subsequently increased the relevance of well-being in consumers' lives.

Amongst the multitude of consumer trends including health trends (which covers food, nutrition, wellness and medicine trends) and beauty trends (which includes personal care, cosmetics and fragrance trends) there are a number of these that support the status of wellness as a megatrend.

Trends in health and beauty are dynamic and are moving closer together. A good example of this is that a top beauty trend for 2021 set by global trend specialist Mintel falls within the realm of wellness: *Beautiful Mind – the concept of total wellness has become integral to beauty routines* – Mintel 2021 Global Beauty & Personal Care Trends.

Another trend that has taken many by surprise is the vegan trend, which has transcended the realm



of plant-based eating and now drives innovation in cosmetics and beauty products.

“ Stay in tune with emerging trends as they are drivers of future growth opportunities ”
Trade Intelligence

When we study trends, we have to look at the drivers of these trends, factors that cause change, laying the foundation of the trends that influence our behaviour. The underlying drivers that are influencing wellness trends include the ease of access to information, empowering consumers with the knowledge to understanding their health and beauty needs, as well as finding solutions to their health and beauty problems.

Disruptive technologies are enabling personalisation as a prominent trend within the health and beauty market. Technology provides insights into consumer preferences and shopping behaviour, as retailers are capturing, mining and processing shopper specific data.

In the world of medical science, DNA testing is taking health and beauty personalisation to another dimension, allowing consumers to understand their bodies weaknesses, strengths and risks for well-known diseases. The access to such personalised analysis is allows healthcare professionals to make very powerful recommendations towards the optimal management of one's long-term health and wellness.



“ DNA testing is taking health and beauty personalisation to another dimension, allowing consumers to understand their bodies weaknesses, strengths and risks for well-known diseases ”

Sustainability is another driver of consumer behaviour that has increased in relevance, as consumers are starting to understand their impact on their environment.

The resilience of the health & beauty markets

Within South Africa, the Health and Beauty category is showing great potential following sustained growth since 2014. In fact, Health and Beauty has outperformed total retail sales for a number of years. There is 'resilience', sometimes referred to as defensiveness, in the wellness industry during tough economic conditions. During times of

recession, the wellness market has outpaced total retail, as consumers prioritised their health and wellbeing. Looking forward...

“ The health and beauty category is expected to maintain its growth momentum, which currently surpasses the growth rate of edible groceries. ”

The promising and continuous growth as seen over the past five years in the health and beauty markets, indicates that participation within these categories is imperative to maintain a growth strategy for both retailers and suppliers.

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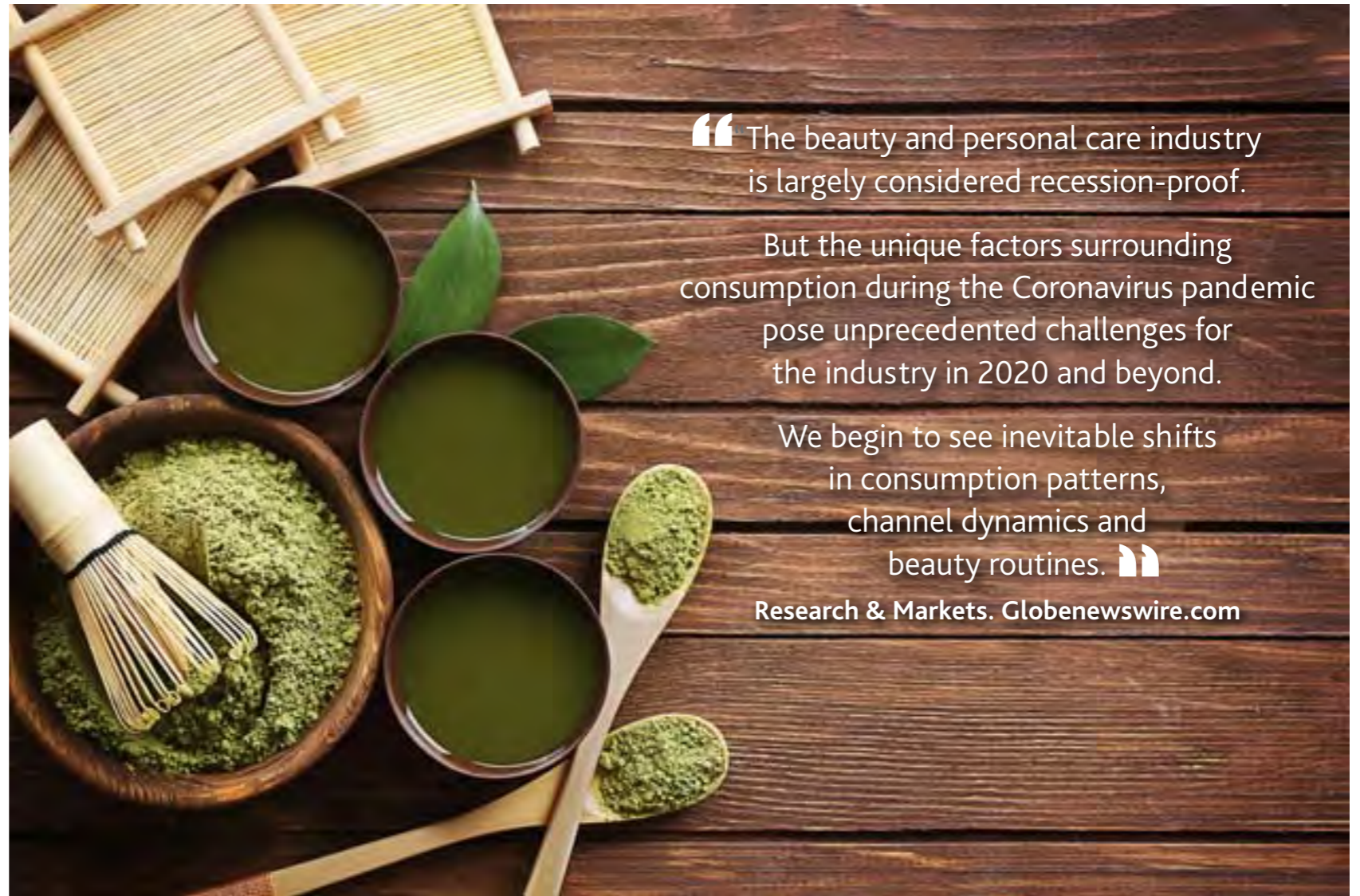
Brands and retailers were industry leaders, now however the South African FMCG market now can be viewed as a shopper-led industry. Almost every move brands and retailers make is focused around shopper needs, in order to gain shopper loyalty. The main reason for this is the fact that the total market is not showing significant growth.

In such a saturated market, competition gets fierce between the different players. Shopper needs are unpacked within the Trade Intelligence Shopper Needs model in a hierarchy where ...

- **Value as a necessity** forms the base of the pyramid, as the most relevant of the shopper needs.
- **Time is a luxury** speaks to the growing convenience trend.
- **Experience as a drawcard, Living healthy and Conscious living** represent further shopper needs.

Each of these shopper needs play out in interesting ways across the wellness categories of health and beauty. One such example is the very basic shopper need for value.

“Many shoppers previously would have opted for specialist health and beauty products, but a significant shift in shopper behaviour is being observed, due to the need for value under the pressured economic circumstances.”



“The beauty and personal care industry is largely considered recession-proof.

But the unique factors surrounding consumption during the Coronavirus pandemic pose unprecedented challenges for the industry in 2020 and beyond.

We begin to see inevitable shifts in consumption patterns, channel dynamics and beauty routines.”

Research & Markets. [Globenewswire.com](https://www.globenewswire.com)

Consumers buy fewer, more targeted skincare products and are increasingly focused on sustainability. NPD UK reports a -23% decline in prestigious skincare product sales, a -20% decline in face cream products and a -17% decline in prestige cleansers.

Retail trends

Value is a necessity for the shopper, therefore competitive pricing and value promotions are key focus areas. Loyalty programmes serve retention strategies, mainly through value added loyalty

offerings, but also through consumer engagement.

Value added services within retail outlets unlock value, drive footfall, customer retention and loyalty. Customer experience is another focus area, with personalisation as one of the most effective drivers of shopper loyalty. The development of shopper-centric future-fit channels is very relevant to the evolution of Health and Beauty SA FMCG Retail.

The discount positioning of Health and Beauty Retail is benefiting the increased relevance of health and beauty within the discount channel. E-commerce is showing strong growth within the

health and beauty categories. Shoppertainment as a trend is driving experiential retail and lifestyle-focused initiatives. The continued growth of convenience is a key driver of store expansion strategies within the health and beauty sector. At the same time, health is infiltrating interesting spaces and categories within retail, including fashion, sweets, fast food and even liquor.

Internally focused trends relate to what retailers are doing to optimise efficiencies to maximise ROI across all areas of the business, such as the squeeze for margin and supply-chain excellence.

Disruptors

There are various disruptors impacting on the growth dynamics of the health and beauty markets.

“ The Covid-19 pandemic is one of the single biggest change agents we have seen in this generation, impacting shopper needs through all the basic macro-environmental drivers, increasing the shopper’s need for wellness. ”

The ‘**#nomakeup movement**’ and ‘**beauty from within**’ trend is reducing the relevance of colour cosmetics in some consumer groups, while increasing the relevance of ingestible beauty products and personal care.

Beauty from within, inspiring ingestible beauty products is an interesting trend that is driving product innovation and diversification. Research

into the skincare benefits of nutrients has resulted in the rise in popularity of key nutrients and natural ingredients that help in combating premature skin ageing.

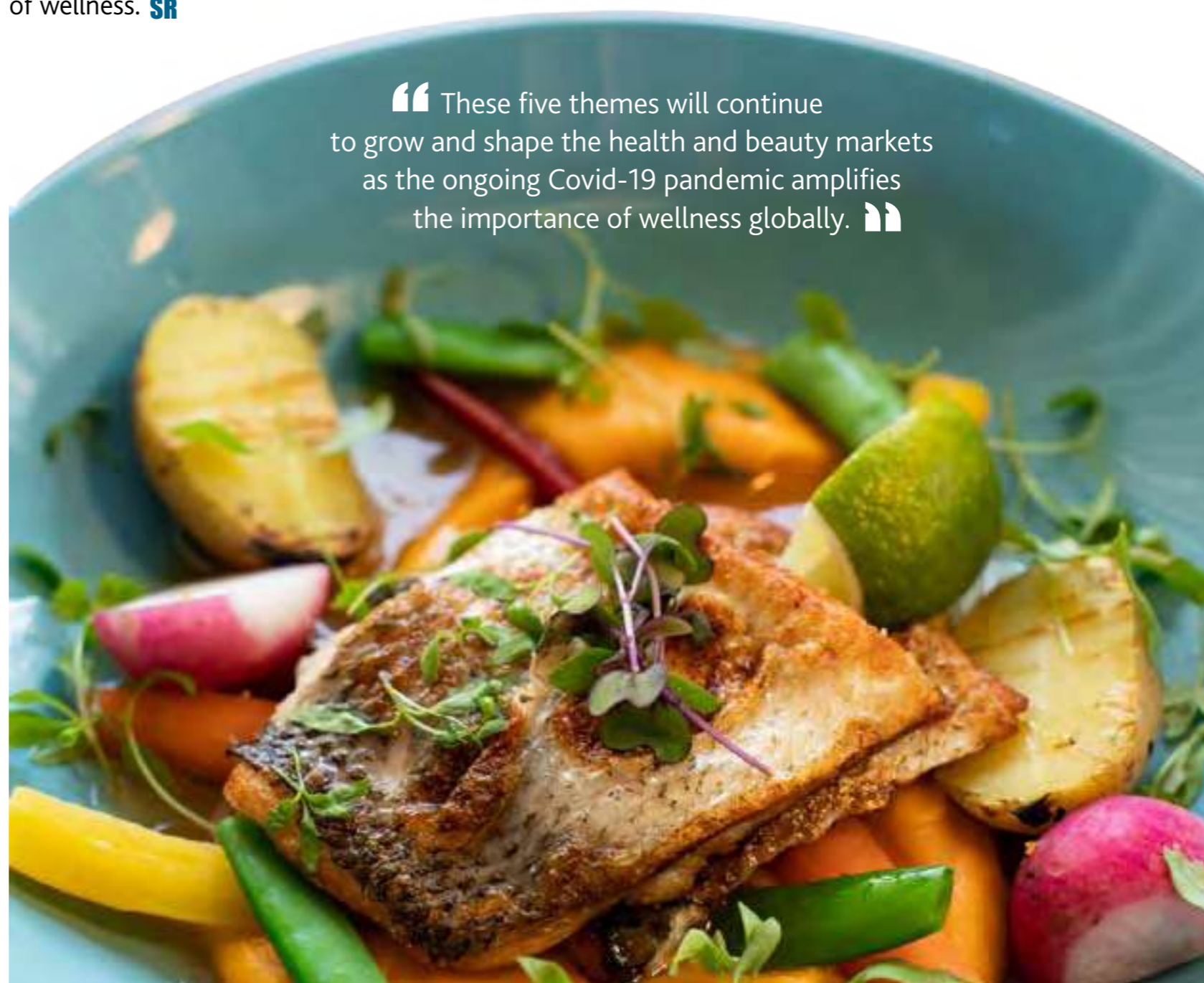
Another disruptor to consider is how ingredient innovation is influencing varied health and beauty sub-categories across the continuum of wellness. **SR**



For more information on the Trade Intelligence Health and Beauty report by Trade Intelligence: **5 Themes Shaping Health and Beauty**, please email info@tradeintelligence.co.za

Click here to find out more about the Trade Intelligence Health and Beauty Report and Webinar taking place on 10 June 2021.

“ These five themes will continue to grow and shape the health and beauty markets as the ongoing Covid-19 pandemic amplifies the importance of wellness globally. ”



Roibos tea is the first and foremost anti-ageing skin food. The antioxidants in roibos tea help in the prevention of damage to the skin and other body tissues, as found with the natural ageing process. This explains why roibos tea has been shown to reduce the risk of skin cancer caused by the damaging effects of UV sunlight exposure, which is also well known in the acceleration of skin ageing.

Other skin benefits of roibos tea include the topical application for skin rashes and eczema. Most of the antioxidant and anti-ageing benefits were established through research on the fermented roibos tea leaves, as is commonly used for making roibos tea. The focus now is on green, or unfermented roibos, since the fermentation of roibos tea reduces the antioxidant content. Green roibos tea is therefore believed to be of even greater benefit, which is why so many green roibos tea products are now available, including green roibos tea extracts in skincare products and supplements.

Coenzyme Q10 is another potent antioxidant, which is very popular in support of the ageing skin. Many anti-ageing creams contain Coenzyme Q10, as it has been proven to reduce the visible fine lines of ageing on the skin. Coenzyme Q10 is therefore another nutrient used in anti-ageing supplements.

Vitamins C and E are two more antioxidant nutrients that have been shown to have protective effects on the skin, as they help to fight against the harmful effects of free radicals from environmental factors such as pollution and the sun. Both topical application and supplemental intake of these nutrients have been shown to benefit the skin.



Barks, berries and seeds pack in powerful antioxidants:

- **Berries**, in particular blueberries are known for their high antioxidant counts. Blueberry extract is believed to help in the prevention of premature skin ageing, as the antioxidants help maintain the elasticity of the skin, by slowing down the hardening of the collagen and elastin components of the skin.
- **Pine bark and grapeseed extracts** are more well-known sources of potent antioxidants known to help protect against the harmful effects of the environment on our body tissues and organs, including the skin.

- **Resveratrol**, a potent antioxidant found in the skins of grapes, is also known to benefit long-term skin health. However, even though red wine is a rich source of resveratrol, the regular intake of wine and other alcoholic beverages is known to accelerate skin ageing. To get the benefit of resveratrol against skin ageing, the extract is incorporated into nutritional supplements.

Collagen is the main structural protein of the skin, which holds together the other tissues in the skin, ensuring the skin's firmness and elasticity. As the skin ages, the collagen and other skin protein components changes, which causes a loss of skin firmness and elasticity, resulting in the skin wrinkling and sagging. New breakthrough research is pointing to the ingestion of collagen in supplement form, to assist in the maintenance of the collagen components of the skin, aiding in the prevention of premature wrinkling.

A very important question is whether we can obtain sufficient intakes through our diets. It seems that this is unrealistic, as a healthy balanced diet including five portions of fresh fruits and vegetables cannot even provide our basic requirements for vitamins, minerals and antioxidants. To achieve high concentrations of these antioxidant nutrients, one would have to consider supplementary intake.

On the other side of this trend of ingestible beauty, we have seen the rise of cosmeceuticals, with the use of nutrients in products for topical application in hair care and anti-ageing care for skin. **SR**