

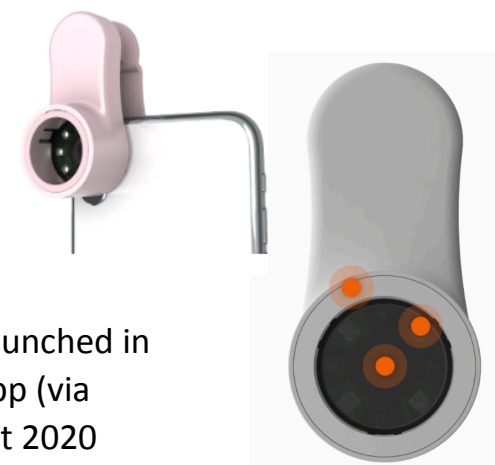
Executive Summary – Emerging Segments

Personalisation offers premium tailored skin care solutions, with innovations on the horizon

- Consumers are increasingly recognising that there is no “one size fits all” when it comes to beauty and skincare, with personalisation a trend that looks set to run
- Marketers are launching devices, apps and services to meet this demand, and with some consumers willing to invest in premium products here, more innovation is likely in future
- Various personalising options from a range of players – led by J&J and L’Oreal – include apps for taking self-diagnosing selfies and masks and other products customised to consumers
- **FitSkin** (FitSkin) “skin scanner” launched in USA in association with J&J’s Neutrogena in September 2018; device attaches to an iPhone camera and can detect subtle changes in skin before they become visible to naked eye, allowing diagnosis and early treatment of problems via partner app, **Neutrogena Skin360**
- Camera has 30x zoom to magnify and measure pores and lines, as well as moisture sensors capable of scanning below skin’s surface; ads use tagline “See What Your Mirror Can’t”

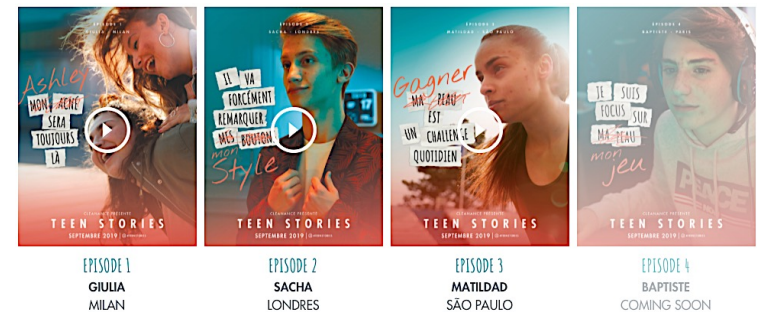


- App makes personalised product and treatment recommendations as well as diet and lifestyle tips based on identified symptoms
- Proprietary “AI technology” can respond to consumers’ changing skincare routines and effects of weather on skin
- **Skincredible** app (in partnership with French cosmetics marketer **Sephora**) launched in 2018, offering similar skin diagnostic functionality to Skin360; hair analysis app (via partnership with John Paul Mitchell Systems) is scheduled to launch in August 2020



France – Acne remedies

- Cosmeceutical range **Avène**, which leads France's acne category, includes **Cleanance** line of acne products
- It was extended in 2019 with **Comedomed** line extension, accompanied by a shift in promotional focus; new promotion used tagline "Teens shouldn't think only about their acne" with accompanying hashtag #GetAcneOutOfYourMind
- #TeenStories ad campaign focuses on young people from around the world able to focus on "what really counts" thanks to being free from worries about acne
- Avène's main selling point is proprietary formulation with spring water
- **Effaclar** is another cosmeceutical-focused product, comprising cosmetic and therapeutic line extensions; La Roche-Posay promotes it alongside other products via "Stop O Spots" website, focusing on teenage acne



- Treatment course for acne-prone skin has three stages: Clean, Correct and Makeup, combining Effaclar and Toleraine products
- In 2018, La Roche-Posay / L'Oréal rolled out **Effaclar SpotScan** spot diagnosis tool across Europe; consumers submit three photographs and the app grades the severity of acne to offer treatment advice focused on Effaclar products



UK – Anti-ageing

- Product has secondary benefits; marketing claims it can improve tolerability of retinoids, shortening adjustment period by up to a week and reducing dryness
- **Retinol 0.3 Correct** is a concentrated facial cream with pure retinol (0.3%) positioned to improve the appearance of visible signs of ageing and pores while improving skin tone
- The product is recommended for first-time retinol users; however, stronger Retinol creams (0.5%, 1%) available for sale on US website are not currently available on UK website
- In late 2019 P&G's **Olay** was extended with **Olay Regenerist Retinol 24** cream, serum and eye cream for night-time use; promotional material claims that "this unique combination of the world-famous multi-tasker vitamin B3 and Retinol Complex gives 24 hours of hydration for glowing, brighter skin, with less visible fine lines, wrinkles, and dark spots" and uses tagline "Sleep. Glow. Repeat"
- TV and print ads supported the launch (as part of the #Faceanything campaign), featuring Canadian media personality Lilly Singh who says "I get up and glow with Retinol 24"
- J&J's **Neutrogena** offers **Ageless Boost**, formulated with adenosine; comprises Hydrogen Recovery Mask and Instant Facial Cream-Mask, with latter claimed to offer "instant boost" with all benefits of a longer-duration facial treatment
- Hydrogel Recovery Mask promotes its development in Korea as a key selling point, capitalising on popularity of Korean beauty products; claims to deliver equivalent of 30ml of anti-ageing serum to the skin



USA – Scar treatments

- Brand is available as silicone scar gel, silicone scar sheets and silicone scar sheets for C-sections, claimed to flatten, soften and fade scars from C-sections and other surgeries
- Brand website features the ScarAway Challenge, videos showing six people who have used the product for two months to treat their scars



- Neodyne Biosciences announced in April 2019 that its **Embrace** line of scar therapy products was being rolled out to Walgreens nationwide
- Brand features a silicone sheet which contracts and holds the skin together
- Benefits from endorsement by tennis player Serena Williams, as well as TV, print & social media ads, plus promotion to plastic surgeons, dermatologists and orthopaedic surgeons
- In terms of products for stretch marks, there is much overlap with general scar treatment brands, e.g. Mederma fields a stretch marks presentation
- Some brands target both niches with all-in-one products, e.g. **Bio-Oil** (Union Swiss) claims to help improve appearance of scars and stretch marks; launched #LoveYourMarks social media campaign to promote body positivity in 2020
- A key stretch marks brand with a strong natural positioning is **Palmer's Cocoa Butter** (E.T. Browne), a range of creams, butters and lotions relaunched in 2018
- Burt's Bees (Clorox) also competes in this space with **Burt's Bees Mama Bee** belly butter with shea butter and vitamin E, claimed to be specially blended to soothe skin through pregnancy



- Acne scar reduction options from cosmetic lines form a small niche, e.g. **Murad InvisiScar Resurfacing Treatment**, which claims to be clinically proven to minimise look of scar size, depth, texture and discolouration in 8 weeks