

No more false starts: Natural care on the rise

OCTOBER 16, 2015



If retailers had a dollar for every time they've heard the natural and organic boom is coming, they'd be able to retire wealthy. Indeed, natural and organic beauty has had many fits and starts since the 1970s. News flash: This time it is the real deal. Propelled by technology ensuring efficacious products, along with a new generation of ingredient-obsessed consumers, the opportunity is finally real.

Retailers including Target, Walgreens, CVS and Ulta Beauty are among those taking notice, carving out more space for naturally positioned lines. Walgreens, for example, helped Yes To products gain traction and is now offering the Boots' organic line Botanics. Ulta Beauty even offers The Body Shop's natural products in select stores.

Target has been at the forefront of the movement, adding such natural hair collections as SoCozy and its Made to Matter program, which showcases sustainable, natural and organic lines across the store. "We continue to hear from guests that they're interested in more natural beauty and personal care products," said Christina Hennington, SVP of health and beauty at Target, adding the inclusion of those lines "differentiate" the chain.

At the recent National Association of Chain Drug Stores Total Store Expo, such natural brands as Dr. Hauschka Skin Care, Love + Toast and So Fresh So Clean Green Tea Facial Mask were among the most bustling booths.

"Shoppers today go to websites and chat rooms. They know more about ingredients than ever before, and come in well-educated."

According to research from Kline & Co, global sales of natural personal care products escalated 10% last year and constitute about 25% of the market. Kline forecasted sales of the segment would increase at a compound annual growth rate of almost 10% through 2019.

Nielsen's James Russo, SVP global consumer insights, earmarked natural as one of the biggest avenues to provide growth for mass market beauty, especially to compete against online, department and specialty competitors.

A lack of a universal seal to verify claims has been a barrier to natural in the United States. But experts said consumers are cutting through the clutter on their own. "Shoppers today go to websites and chat rooms. They know more about ingredients than ever before, and come in well-educated," said Shawn Tavakoli, owner of the Beauty Collection, a five-store beauty retailer in Southern California. And in stores, said Marcia Gaynor, DMM prestige global and exclusively owned brands for Walgreens, consumers want to see all the ingredients clearly listed on packages. Additionally, shoppers were previously disappointed with performance of former natural lines, but technology has improved the quality, experts said.

The next wave of natural brands is expected to come from the earth — literally. Amy Marks-McGee, founder of Trendincite, said the industry is mirroring the farm-to-table movement with farm-to-beauty. Her proof is the use of coconut, mushrooms, matcha, coriander and chia. Another emerging trend: skin care with snail gel.

Some experts also see the rise of "clean beauty." More environmentally aware shoppers, especially millennials, want total transparency on ingredients in beauty. Such chains as Walmart geared up for this consumer with policies that phased out certain chemicals in formulas. Target has its Sustainable Product Standard that awards scores from a low of zero to a high of 100 to products based on ingredients. CVS has eliminated parabens and formaldehyde releasers in baby care products, and has a tool to help suppliers register ingredients.