CONSUMER POV: BEAUTY IS WELLNESS

Happi Wellness Conference, New York City – November 3, 2023

theBenchmarkingCompany

About Us

The Benchmarking Company (TBC) is an award-winning bi-coastal consumer research firm that delivers need-to-know information about the beauty, personal care and wellness buyer. Whether it's through our popular consumer in-home use testing, utilizing our 250K+ nationwide panelists, quantitative online surveys, intimate focus groups, or pilot testing programs, The Benchmarking Company's multidisciplinary and focused approach to uncovering consumer buying behavior helps our clients sell-in and sell more by capturing new customers and retaining current customers.

TBC Conducts Research For Inspired Brands

evine
UNIVERSAL BEAUTY PRODUCTS
gopure
HENRY ROSE
JOSIE MARAN
Perricone MD
AQUIS
ELEMIS
KOPARI
HOMEDICS
EVER
LANCER
SUNDAY RILEY
MADISON REED
Panasonic
INSTYLER
IMMUNOCOLOGIE
PAULA'S CHOICE SKINCARE
ERNO LASZLO NEW YORK
Murad.
PEACH & LILY
Dr.Jart+
DEVELOPLUS
DOLLAR SHAVE CLUB
GOLDFADEN MD
sexyhair
HAIRMAX The science of hair growth
obagi for life
bareMinerals By BARE ESCENTUALS
RevitaLash
benefit SAN FRANCISCO
LAURA MERCIER
COTY
AMOREPACIFIC
ghd
SHISEIDO
patchology
ALGENIST
SKIN CLINICAL
Unmarked
MARY KAY
COTY
JeNu
blinc cosmetics
Great HealthWorks
ESTĒE LAUDER COMPANIES
NARS
Aubío Life Sciences
DEVELOPLUS
GLAMGLOW
RESOL
NatureLab.
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BIOELEMENTS PROFESSIONAL SKIN CARE
Augustinus Bader
SCALISI
ZO SKIN CENTRE
DRUNK ELEPHANT
schmidt's NATURAL DEODORANT
JOICO
ROOT OF √SKIN
VOTRE VU
eva-nyc
GOLDEN DOOR
yoogen
JOY LUX
PHARMACAL
J.PAUL
TARGET
ORIBE
THE SEAWEED BATH CO.
SKININC
MARY KAY

What We Will Cover Today

1. Wellness Quest
2. Trend 1: Masks & Patches
3. Trend 2: Supplements
4. Trend 3: Hair & Scalp
5. Trend 4: Sexual Wellness
6. Trendspotting
7. What's Important
8. Takeaways of Note

Methodology

TBC created online surveys designed to explore consumer trends related to buying skincare, intimate care products, makeup and hair care. The studies explored purchase intent, influencers, attitudes and personal values that would drive her to purchase new and trendy products in these categories. Five (5) survey instruments with 68+ questions were developed consisting of psychometric and demographic questions. The margin of error for an online survey of this sample size is +/- 5% and assumes a 95% level of confidence.

Research Scope

- More than 6,000 US Female beauty buyers
- Ages: 18+
- Online Fielding – February 2022 and May 2023 (hair/scalp), March 2022 (intimate care), December 2022 (supplements), August 2023 (patches and masks), October 2023 (wellness and supplements).

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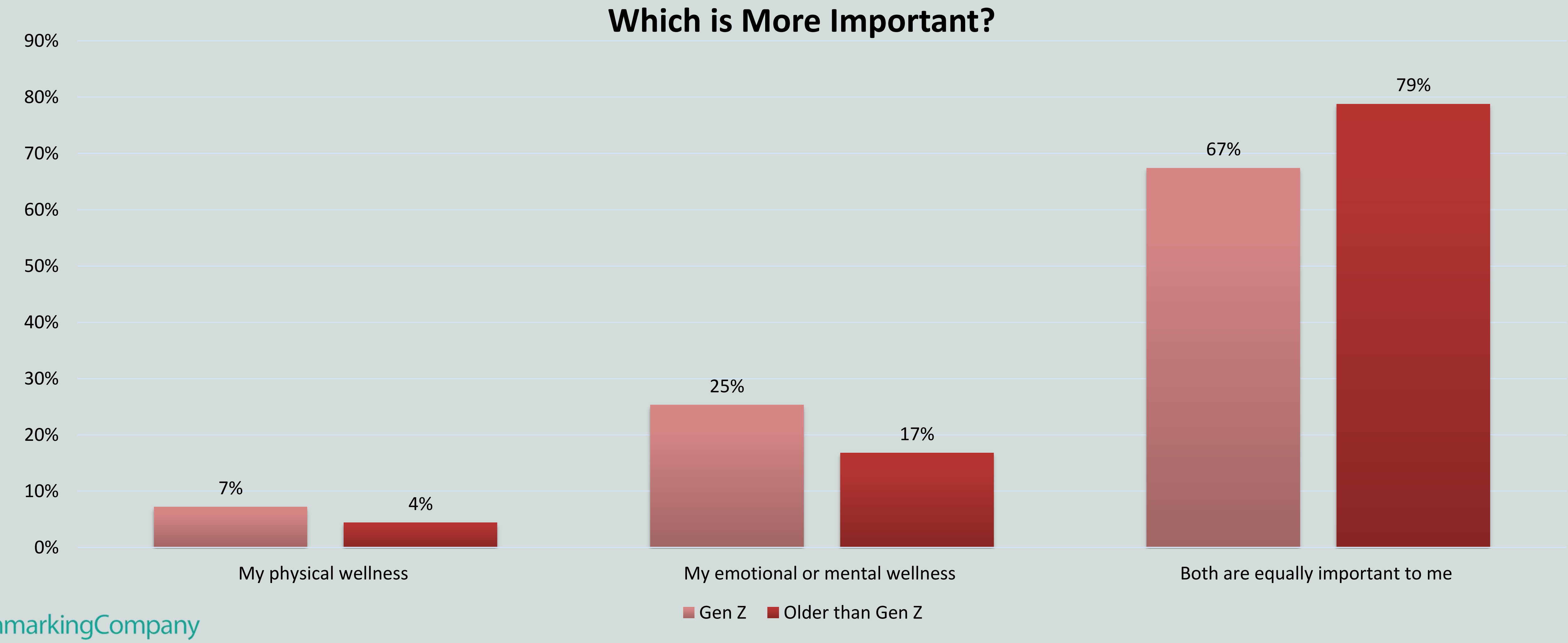
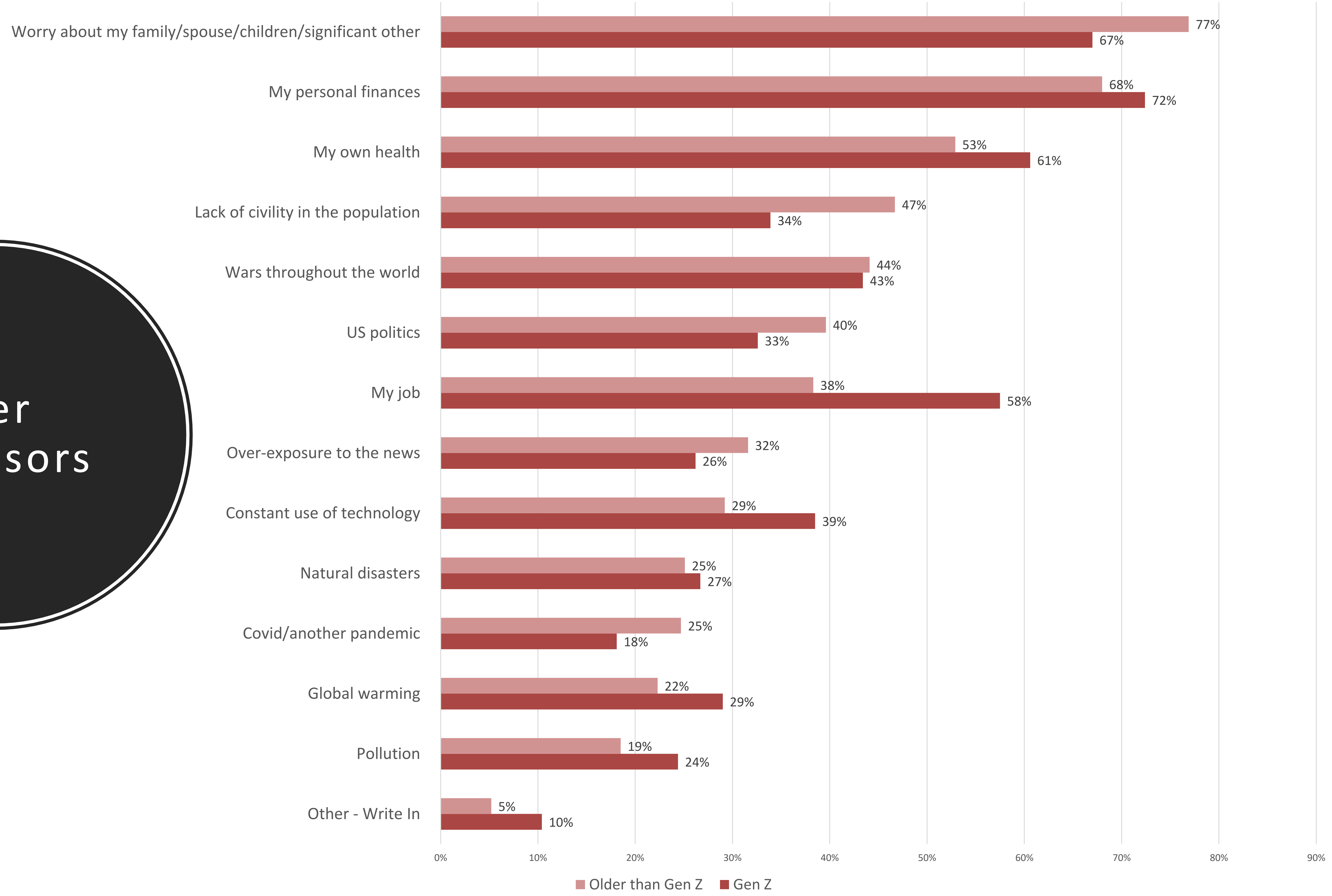
Wellness 101

- ✓ **99%** physical, mental, emotional (>spiritual, sexual)
- ✓ **99.5%** believe in mind-body connection – feel good, look better
- ✓ **57%** Gen Z feels more stressed now than 5 years ago (31% less; 13% same)
- ✓ **55%** Older than Gen Z more stressed; 27% less; 18% same
- ✓ 1-10 stress levels: Gen Z at 6.5; Older than Gen Z 6.3
- ✓ 1-10 importance of achieving positive state of physical wellness: Gen Z 8.7/9.0 all others
- ✓ 1-10 importance of achieving positive state of emotional/mental wellness: 9.3 all generations



Her Stressors



Stress Remedies

Gen Z

80% listen to music
74% talking with friends/family
72% hot bath/shower
66% spending time on beauty/personal care routine
61% communing with nature
58% spending time with pets
21% stress relief patches, roll-ons, etc.

Older than Gen Z

70% listen to music
68% talking with friends/family
58% hot bath/shower
48% spending time on beauty/personal care routine
67% communing with nature
58% spending time with pets
22% stress relief patches, roll-ons, etc.

Mood Lifters She'd Like to Try to Improve Sense of Wellness

- 80% Wellness patches
- 79% Light therapy devices
- 76% At-home recovery apparatus/ice bath
- 65% Sexual wellness products
- 65% Wellness roll-ons/oil roll-ons
- 53% Wellness teas/drinks
- 43% Wellness aromatics

Benefits:

- 92% Calming/relaxation
- 80% Mental clarity/focus (84% Gen Z)
- 78% Happiness (82% Gen Z)
- 73% Sleep support
- 71% Energy

Neurocosmetics - Mind/Body Beauty (Mintel Research)

Products that provide both aesthetic benefits (helping you to look good) and feel-good effects too (helping you to feel good)

- 86% would like to try
- 9% have tried
- 6% not interested

AI, VR, AR to track wellness metrics and offer wellness consultations: 3.5

Trend 1: Masks & Patches

Masks: Boosters & Treats

73% Feel using a facial skincare mask is a treat and an important part of "me time" and it feels like an act of self-care

- **83%** report using facial skincare masks as part of their regular skincare regimen
- **82%** use a facial skincare mask to boost their regular skincare routine
- **65%** purchase more sheet masks than they did 2 years ago

Brand Opportunity

Benefits She Seeks

77% Hydrating/moisturization
69% Anti-aging treatment
67% Brightening
64% Firming
63% Pore minimizing

Patch Essentials

52% of beauty consumers use skincare patches to address basic-to-complex skincare concerns

- **83%** purchase more patch products than they did two years ago
- **80%** agree patches feel like an effective way to deliver a heavily concentrated amount of vitamins and ingredients to my skin
- **78%** Use patches as part of regular monthly routines
- **35%** Use patches at least once weekly

Survey of 3,554 US Women conducted in June, 2023.

Patch Usage

Why Use a Skincare Patch?

- **83%** Can see results quickly
- **61%** Patches have a more dramatic, positive impact on my skin than other skincare products
- **71%** Expect her usage of patches to increase in the next 2 years

Top 5 Skincare Patch Products She Buys Now

All Respondents	***Gen Z-specific***
57% Eye depuffing	66% Acne/pimple hydrocolloid
56% Hydration	51% Hydration
52% Dark under-eye circle corrector	46% Nose pore patch
43% Nose pore patch	44% Eye depuffing
42% Acne/pimple hydrocolloid	43% Dark under-eye circle corrector

Rising Interest in Wellness Patches

98% Say using a wellness patch is an act of self-care

- **7%** of beauty consumers currently use wellness patches
- **80%** are interested in using wellness patches, but haven't tried them yet

*(**5%** using smart patches that work with phone apps to address chronic health conditions)*

The global market for transdermal patches is expected to increase from $6.7B in 2022 to $8.8B in 2027, driven by an **aging global population**, advances in patch technology, increase in **chronic ailments**, increased desire for **non-opioid pain alternatives**, **better management of hormonal health**, rise in awareness of patches in general. -- BCC Research

Wellness Patches: Brand Opportunity

Why She’d Use Wellness Patches (over supplements)

- **81%** Would rather use for health concerns than ingest supplements
- **79%** Patches might offer quicker results than supplements
- **77%** Might work better than supplements/medications due to higher absorption of active ingredients

Wellness Patches She’s Like to Try

87% Vitamin patches/Energy (tied)
86% Calming, mood enhancement
83% Sleep enhancement/Improve mental clarity (tied)
79% Bone and joint support
77% Pain relief
70% Menstrual symptom relief (of women <50yrs)

Brand Opportunity

Patch Faves

Brand Favorites

#1 Hero Cosmetics

#2 Patchology

#3 Peter Thomas Roth

#4 Neutrogena

#5 CosRX

Trend 2:
Supplements

Supplements for Beauty Boost

73% of Gen Z and **84%** of those older than Gen Z take vitamins/supplements regularly, with **~30%** taking them for specific beauty purpose *(of those who do not; ~**92%** open to considering a beauty supplement).*

She's Taking Supplements to Address these Cosmetic Concerns:

- **79%** Hair growth
- **65%** Stronger nails
- **60%** Restore collagen/skin firming
- **55%** Clear skin/skin health
- **40%** Anti-aging/fine lines & wrinkles

The beauty supplements market is expected to grow at a compound annual growth rate of 4.75% from 2020 to 2026 to reach USD 68.9 billion by 2026. - Grandview Research

Supplements: Drivers & Desires

92% believe the best way to attain your beauty objectives is with an inside-out approach, taking supplements to complement your skincare/hair care regimen

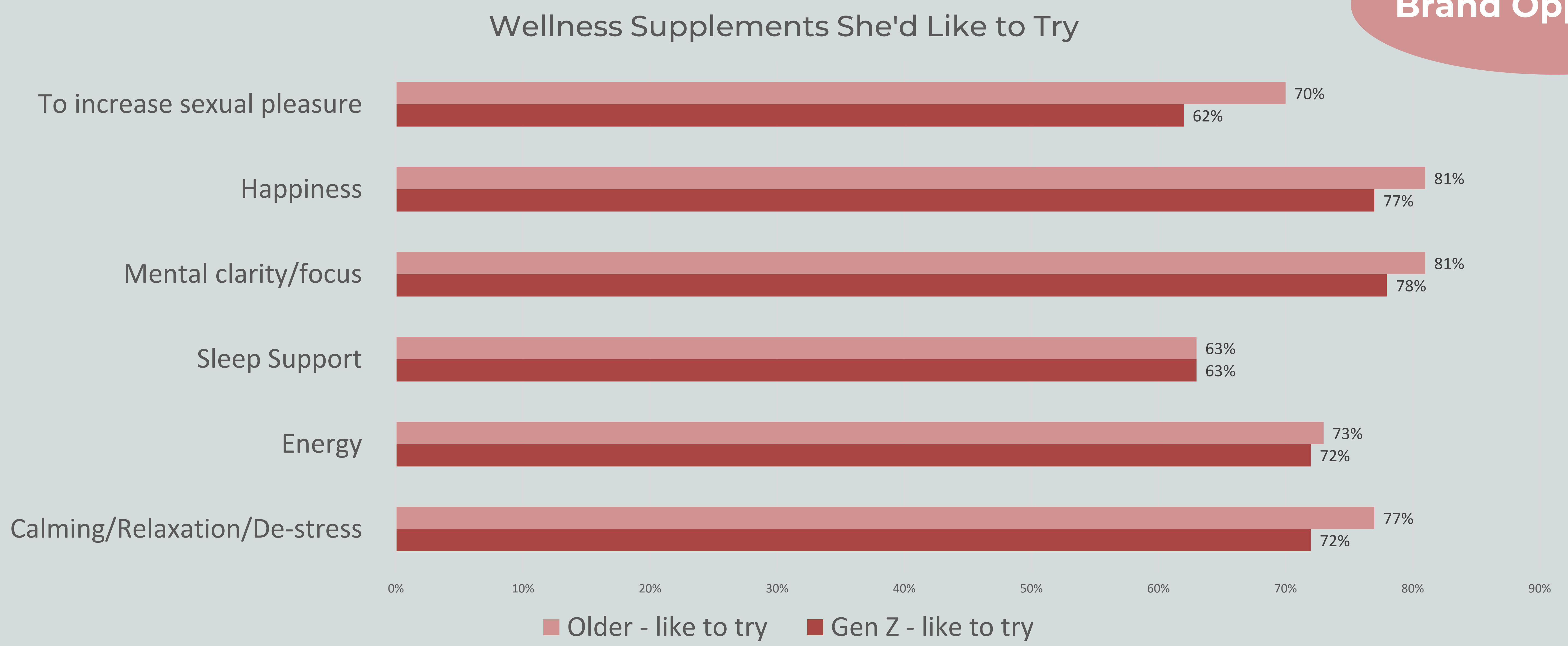
Brand Opportunity

- **93%** of Gen Z and 87% of older buyers interested in *customizing* supplements and having them shipped directly to her
- **Half** would prefer an "all-in-one pill" to meet specific needs, i.e. sleep, skin, immunity, etc.

Supplements for *Wellness* Boost

90% of Gen Z and **94%** of those older than Gen Z are open to the idea of taking a supplement to promote *wellness*. **25%** are already doing so.

Brand Opportunity



Supplements She Trusts

Brand Favorites

#1 Nature’s Bounty

#2 Nature’s Way

#3 Olly

#4 Vitafusion

#5 Vital Proteins

Trend 3:
Scalp Health

A Healthy Scalp is Everything

- **99%** believe that hair health can be impacted by stress, nutrition and underlying health issues
- **98%** agree healthy looking and feeling hair begins with the health of your scalp
- **96%** believe it's just as important to care for your scalp as your facial skin
- **62%** use more than three products daily to improve or maintain hair health

Women report suffering a range of scalp conditions:

- Itchy scalp **- 42%**
- Dry scalp **- 40%**
- Dandruff **- 26%**
- Oily scalp **- 23%**

The global hair and scalp care market is valued at $80.1B in 2021 and is expected to grow at a compound annual growth rate of 6.6% from 2021 to 2028. - Grandview Research

What She's Using

Products Used to Improve Hair Health/Reduce Damage

- **94%** Shampoo
- **85%** Rinse out conditioner
- **60%** Leave-in conditioner
- **54%** Wide-tooth combs
- **47%** Moisturizing hair treatments
- **44%** Hair masks
- **42%** Hair oils
- **41%** Heat protectant products

Brand Opportunity

Scalp Treatments	**Currently Use**	**Would like to Use**
Calming treatment	5%	72%
Scalp serum	10%	70%
Scalp detox treatment	7%	70%
Scalp cleanser	15%	69%
Scalp tonic	4%	68%
Hair growth scalp treatment	10%	67%
Soothing serum	16%	67%

Scalp Care Go-To's

Brand Favorites (scalp massagers also rated highly)

#1 Head & Shoulders

#2 Ouai

#3 Briogeo

#4 L'Oréal

#5 Olaplex

Trend 4: Intimate & Sexual Wellness

What Taboo?

98% of female beauty consumers say intimate care and sexual wellness are important parts of overall health and happiness

94% appreciate that brands are making products to address their intimate care/sexual wellness needs

75% agree that beauty products for intimate areas are as important as skincare for the face

Why buy intimate care products?

85% to make sure all body parts are cared for and **59%** want those body parts to be more attractive to their partner.

Product	Already Purchased	Interested in Buying
Intimate Care		
Personal lubricant for dryness	49	33
Vaginal cleansing wipes	44	40
Vaginal cleansing wash	43	38
Period pain/cramp relief	37	25
Vaginal bacterial/yeast control	23	42
Cannabis-based intimate care products	6	69
Vaginal area skin moisturizer	7	65
Vaginal area pH balancer	13	60
Breast massage oil	6	63
Breast moisturizer	6	63
Supplements designed to promote intimate area health	7	62

Sexual Wellness Revolution

Why buy sexual wellness products?

86% want a more enjoyable sex life
62% want their partner to also

Product	Already Purchased	Interested in Buying
Sexual Wellness		
Lubricant for moisture	74	43
Sex toys*	71	54
Lubricant for stimulation	36	50
Clitoral stimulating gel	28	57
Mood-setting mist, oil diffuser, etc.	27	49
Cannabis-based sexual wellness products	11	54

**79% of consumers consider sex toys to be sexual wellness products*

ONLY 15% OF THOSE WHO HAVEN'T BOUGHT YET say they don't need a sexual wellness product. (every generation)

Where She's Experimenting

Intimate Wellness

- Summer's Eve
- KY
- Vagisil
- All About Eve
- repHresh
- FDS

Sexual Wellness

- Rosebud
- Lalo
- Maude
- Moon Juice
- Dame
- Foria

Socials* = Learning

Gen-Z:
- **74%** TikTok
- **64%** In-store
- **52%** Free samples (ipsy, store purchase, etc.)
- **51%** Instagram

Everyone else:
- **64%** In-store
- **51%** Scrolling through Amazon.com
- **49%** Instagram
- **44%** TikTok

**Indicative of all product types*

What’s Important*?

Efficacy & Brand Communication

- What issue(s) does this product promise to address?
- Is it right for me?
- Does it clearly communicate what it will do for me on the package?
- Can I afford it?
- How long will it take?
- Does the brand have more information on its website? Transparency of ingredients, sustainability, clean, cruelty-free, etc.

Prove it!

- Consumer Claims/independent studies
- Product Reviews
- Clinicals

**Indicative of all product types*

Brand Take-Aways

- **Mind-Body Wellness is everything**.
- **Specific** and **personal** approach.
- **Social media** strength and consistency.
- **Prove it**. Use consumer claims to demonstrate how your products contribute to her overall sense of well-being. The great reviews will come in!

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