



NATURALLY BEAUTIFUL

Natural Cosmetics Trend Overview 2020 with Fragrances & Botanicals

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Natural Cosmetics Continue to Boom in Germany

According to representative studies by the market research institute GfK, the natural cosmetics industry reached around **1,750,000 new buyers** in Germany in just **18 months** between 2018 and 2019.

This represents 2.1% of the German population.

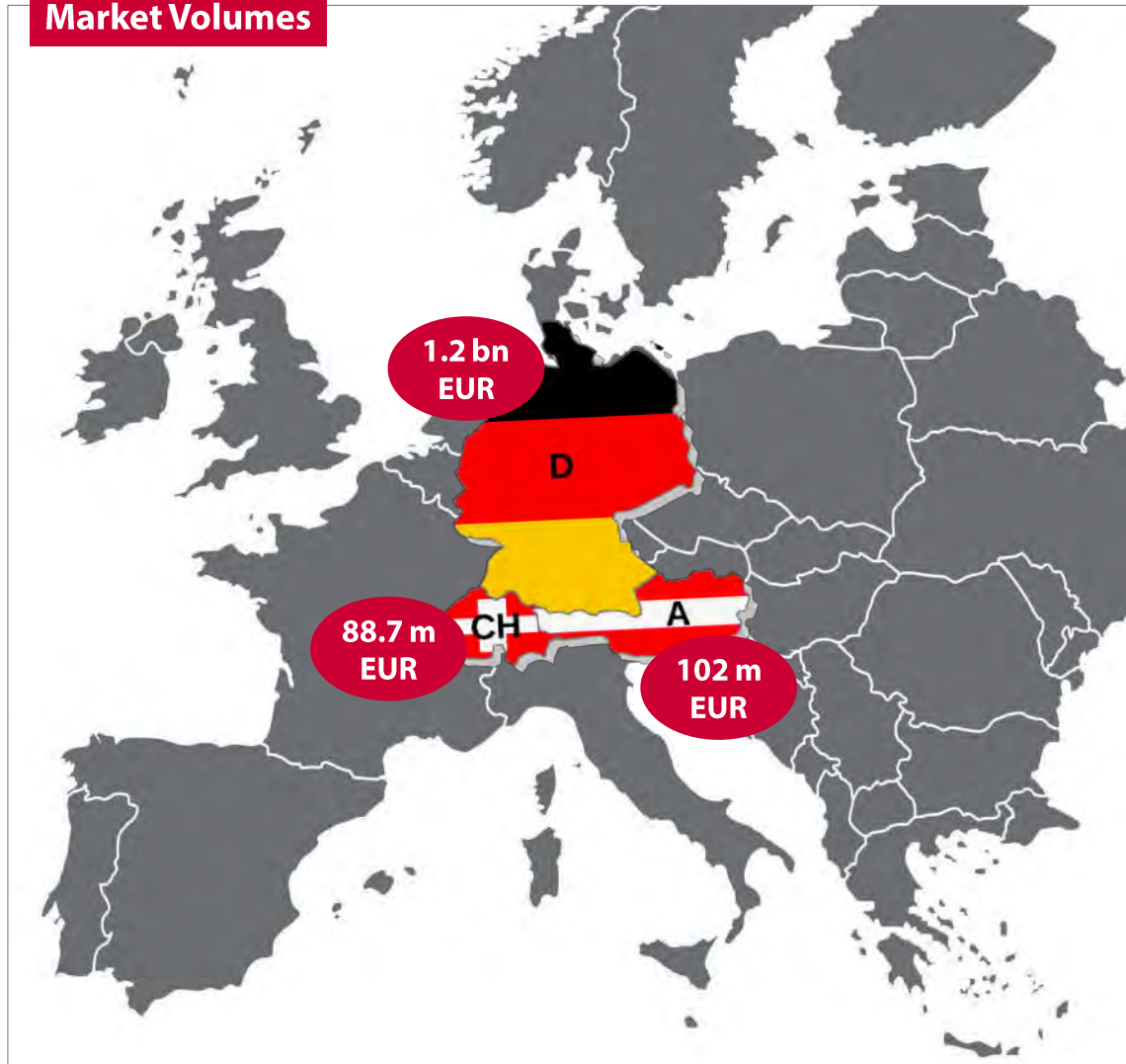
Source: Natural Cosmetics Conference 2019 / naturkosmetik konzepte



1 OVERVIEW NATURAL COSMETICS MARKET

Natural Cosmetics in Germany, Austria and Switzerland: Market Volumes and Market Shares

Market Volumes



The “DACH” region is considered the **largest natural cosmetics market** in Europe.

Summed, Germany, Austria and Switzerland generated a **market volume** of approx. **1.4 billion EUR** in 2018.

Market Shares

D – Germany: 9.2%
A – Austria: 6%
CH – Switzerland: 5%

Retail

Almost all sales channels, both stationary trade and online shops, **are benefiting** from the positive market development.

Food retailers and **discounters** are also catching up due to permanent natural cosmetics listings and private labels (e.g. Aldi).

Natural Cosmetics in Germany, Austria and Switzerland: High Consumer Expectations

Consumers buying natural cosmetics regularly in Germany, Austria and Switzerland have **high expectations** of companies and end products.

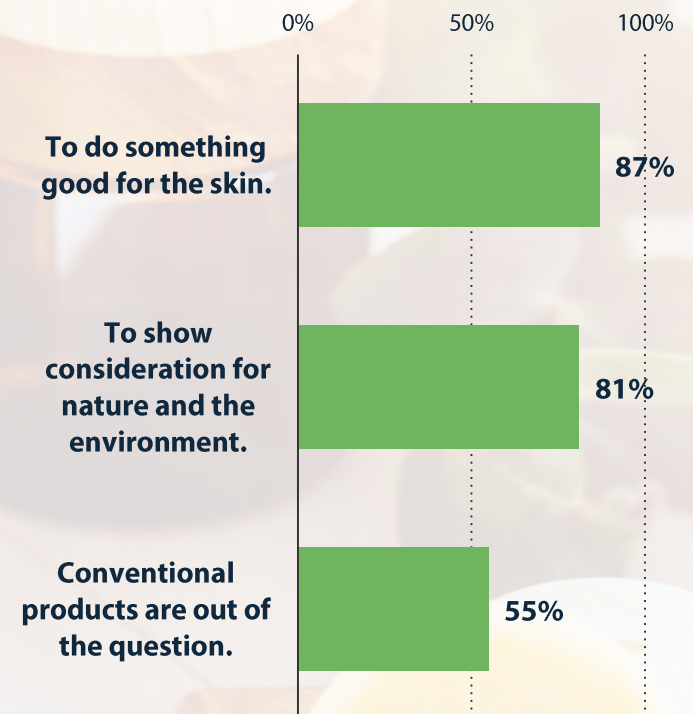
High product quality and the use of natural ingredients are now often a prerequisite for natural cosmetics buyers.

When making purchasing decisions, consumers are paying increased attention to sustainability aspects of the value chain such as a **contribution to climate protection** and **corporate social responsibility, regional ingredients** and **environmentally friendly packaging**.

They are willing to pay a **surcharge** for these product features.

Why do you buy natural cosmetics?

Survey among natural cosmetics buyers in April 2020 in Germany



Source: Statista / Splendid Research

Classification of Cosmetics (1)

CONVENTIONAL COSMETICS

All cosmetics brands and product lines that cannot be assigned to the segment of organic or near-natural cosmetics are included in this segment and make up **the majority of the market**. If individual products of cosmetic brands are certified, they cannot be reclassified for technical reasons. If a complete series is certified or classified as near-natural, a reclassification is made for this product line. Green-inspired brands, whether through individual organic raw materials or through green marketing, are also assigned to this category.



NEAR-NATURAL COSMETICS

The segment of near-natural cosmetics includes the large field of **plant-based cosmetics** and **white label products, free from... products** that already do without many synthetic raw materials and additives, but **do not meet the criteria of certified organic cosmetics**. Although more and more herbal active ingredients and raw materials are being used, the frame formulation does not correspond to certified organic cosmetics. Even if products use herbal ingredients as well as individual organic or fair trade raw materials and also omit ingredients such as parabens or PEGs, they remain in this category because they do not meet the requirements of certified organic cosmetics. We also take **sustainability aspects** and the given transparency into account when classifying them. Brands are not classified as natural if the **transparency of all raw materials** used is not given to consumers.



Classification of Cosmetics (2)

NATURAL AND ORGANIC COSMETICS

Within the natural and organic cosmetics segment there are [...] further differentiations which are relevant in the B2B area, but which are less differentiated by consumers.

CERTIFIED NATURAL AND ORGANIC COSMETICS

*The **majority** of natural and organic cosmetics sales is generated by natural cosmetics with a seal. This segment includes **all certified natural cosmetics products**. These are products that have been certified by the various credible associations. The products bear the **seal of the organisation to whose standard they were certified**.* [...]*

ORGANIC COSMETICS WITH CONTROL LABELS AND OTHER QUALITY CERTIFICATIONS

*This includes a **few brands and products** that are not certified according to a natural and organic cosmetics standard. Brands are assigned to this category if they have an **internal company inspection** of the natural and organic raw materials used by **control institutes**. [...]*

NATURAL AND ORGANIC COSMETICS WITHOUT CERTIFICATION

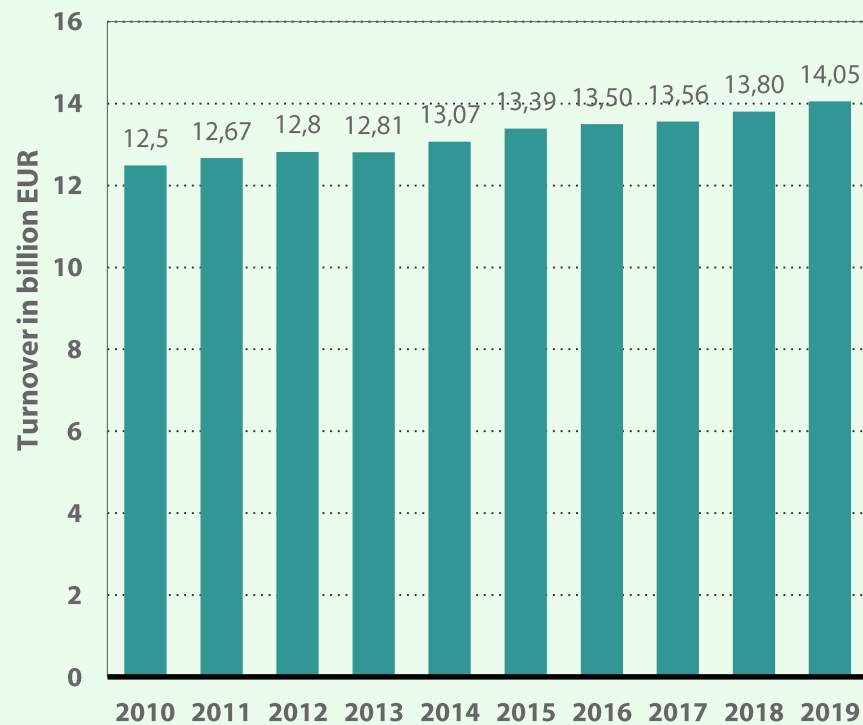
***International niche brands** in particular are often found without certification. For these often young brands, design is often more important than a seal. These products largely meet the requirements of genuine natural cosmetics, but they are not subject to any standard.*



German Market: Turnover Cosmetics / Natural Cosmetics

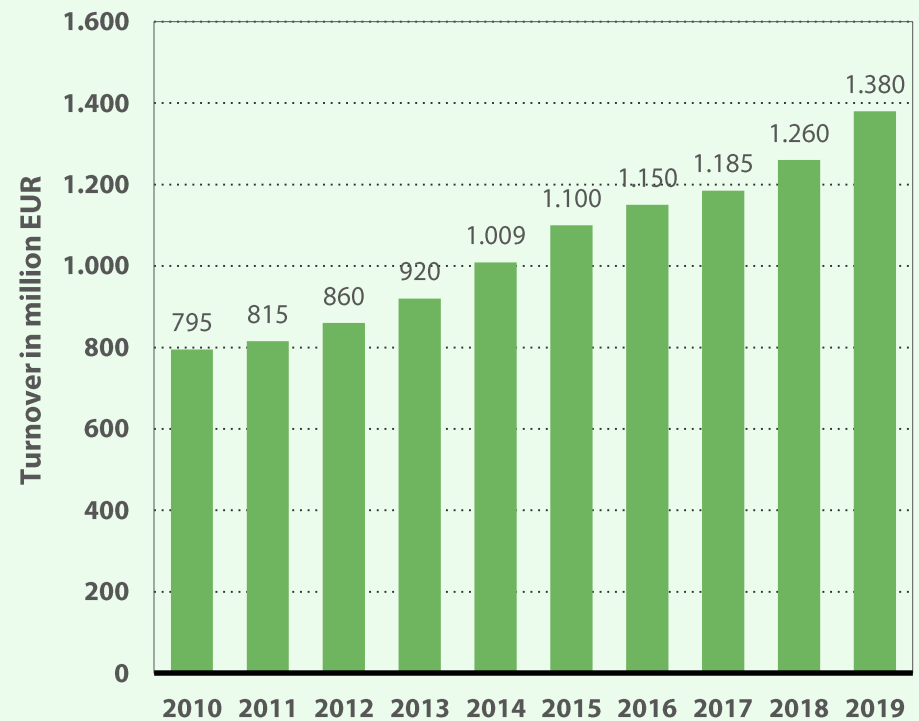
The German **natural cosmetics market** is **growing** more or less **strongly** every year, most recently with a turnover increase of **+9.5%** from 2018 to 2019. In contrast, the rather saturated overall market for cosmetics/personal care products grew by **+1.8%** from 2018 to 2019.

Overall Cosmetics Market:
Turnover of Personal Care Products
in Germany 2010-2019 (in billion EUR)



Source: Statista / IKW; IRI Germany

Natural Cosmetics Market:
Turnover of Natural Cosmetics Products
in Germany 2010-2019 (in million EUR)



Source: Statista / naturkosmetik verlag e.dambacher

German Natural Cosmetics Market: Face Care as Growth Driver

**Natural Cosmetics – Market Shares by Category*
(2019)**



*groups of goods not covered (among others):

- hair care
- baby care
- men care
- decorative cosmetics

Source: Information Resources Inc. (IRI)

According to the Annual Natural & Organic Cosmetics Report 2019 of the IRI, the **face care categories** are among the most important growth drivers of the German natural cosmetics industry. Together they account for a **57.1%** share of turnover in the considered market.



International Natural Cosmetics Market: Difficulties for Consumers to Distinguish

Looking beyond the borders of the DACH region, it can be observed that **the entire cosmetics world** is becoming "**greener**" and "**cleaner**". However, many products that make use of a green impression are actually **conventional or near-natural products** and are not certified. The average consumer finds it difficult to distinguish "real" natural cosmetics from conventional products.

On the other hand, **large established cosmetic brands** such as **Garnier** and **Dove** have internationally launched their own natural cosmetic ranges with the Ecocert label. They contribute to a higher number of certified natural cosmetic products on drugstore shelves, but also intensify competition.

Conventional brands and products make it difficult to distinguish them from natural cosmetics



vs.

Increasing number of certified natural cosmetics by large internationally established brands



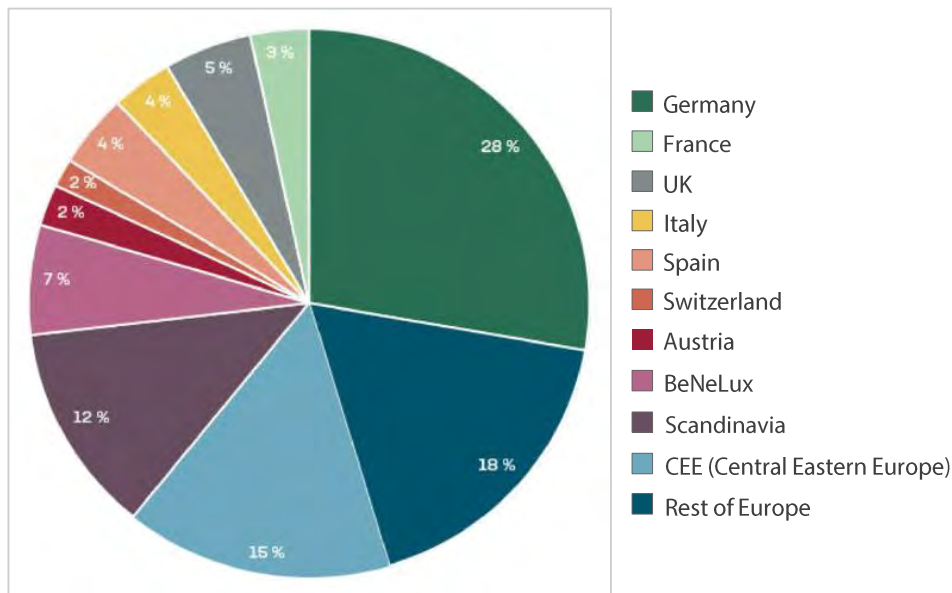
International Natural Cosmetics Market: Europe vs. USA

EUROPE

The European natural cosmetics market is characterised by **continuous market growth**, strong competition, expanding distribution channels and diverse price segments.

Total market growth in 2019 was around **+6%**. The largest part of turnover is generated in **Germany**.

Breakdown of Natural Cosmetics Turnover by Country



USA / NORTH AMERICA

The North American natural cosmetics market is benefiting from **good growth rates** and intense competition, but only a **few brands work with certifications** corresponding to the EU standards.

Instead, the marketing buzzword "**Clean Beauty**" dominates the natural, near-natural and the conventional cosmetics market and has become a huge trend in the USA. Many brands work with their own definition of the term.



As the market grows, many **start-ups** and **indie brands** are entering the market, but only a fraction of them remains successful.

Sources:

- VIVANESS 2020 / Ecovia Intelligence
- Natural Cosmetics Conference 2019 / Contura Consulting AG (M. Aebersold) & mixed greens (M. Schriever)

International Natural Cosmetics Market: Trends in the Context of the Coronavirus Pandemic

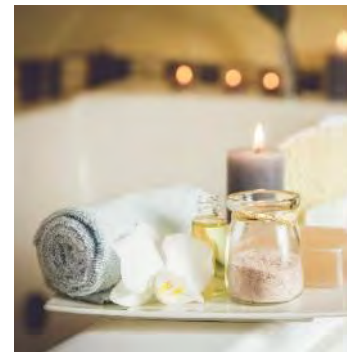
The global COVID-19 pandemic is having a notable impact on consumer behaviour in 2020, with an increasing number of products being purchased in **online shops** rather than stationary retail outlets. **Hygiene and health awareness** in society has increased significantly and the **home** has become the centre of most people's lives.

Some trends resulting from the pandemic can be observed in the cosmetics industry, including:



Boom in essential oils

- anti-microbial properties of some essential oils
- reduction of stress / enhancement of well-being



Home Wellness:

At home spa (self care)

- bath additives
- facial masks
- massage products




Strong focus on **hand sanitisation / cleaning** and **hand care**, also when it comes to innovative product launches (e.g. LUSH 30-Second Soap)



Renaissance of **samples and small sizes** instead of testers in shops (contrary to the sustainability trend)



2 PRODUCT TRENDS NATURAL COSMETICS



The following overview of current product trends in the natural cosmetics industry is focused on the **“DACH” market** (Germany, Austria, Switzerland).

The findings were gained from a visit to **VIVANESS 2020***, ongoing **store checks, trade press** and **online research**.

*international trade fair for natural and organic personal care, Feb 2020

Trend in scents – according to packaging designs and claims:

FRESH & GREEN Product Concepts

- claimed scents, ingredients and packaging designs of newly launched natural cosmetics products more and more in a **green-fresh** direction, not primarily fruity or floral anymore, like in the past
- examples for scents and botanical ingredients: **aloe vera** (all time favourite), **agave**, **avocado**, **bamboo**, **eucalyptus**, **green tea**, **cactus**, **olive** and herbs such as **mint** and **sage** are popular
- **BUT:** product's fragrances are not always as green and fresh as claims and packaging designs indicate



Eucalyptus



POWERED BY PLANTS
Oil Body Wash

Organic Algae &
Organic Water Mint



SOFT PURITY
Shower Gel

Organic Olive &
Organic Aloe Vera



Body Lotion
Normal Skin

Organic Green Tea &
Organic Agave



Deodorant
Spray



Weleda: **Prickly Pear Cactus**
skin care line

- Sheer Hydration Moisture Mist
- Sheer Hydration Daily Crème
- Sheer Hydration Eye Gel

Sources: dove.com; weleda.com; mueller.de; dm.de

Claiming/marketing trend:

HYDRO – Watery Product Concepts

- the words "**Hydro**" and/or "**Aqua**" are used more frequently in product marketing
- **moisturising** and **refreshing** properties of the formulation are highlighted
- **watery natural fragrances** are suitable, but they are a major challenge for perfumery
- suitable **ingredients**: e.g. algae, aloe vera, agave, cucumber, hyaluronic acid



Sources: dm.de; mueller.de; lavera.de

Trend in scents and botanical ingredients: **SPICES for Personal Care**

- **spicy fragrances** can be found more often in new launches, e.g. **ginger** and **turmeric**
- combined with fresh aspects ideal for **revitalising** and **skin-clarifying** personal care products
- additional use of **essential oils** and/or **botanical extracts** from spices (and herbs)
- some spices are said to have **anti-inflammatory properties** and are therefore used in skin care products for irritated or oily skin

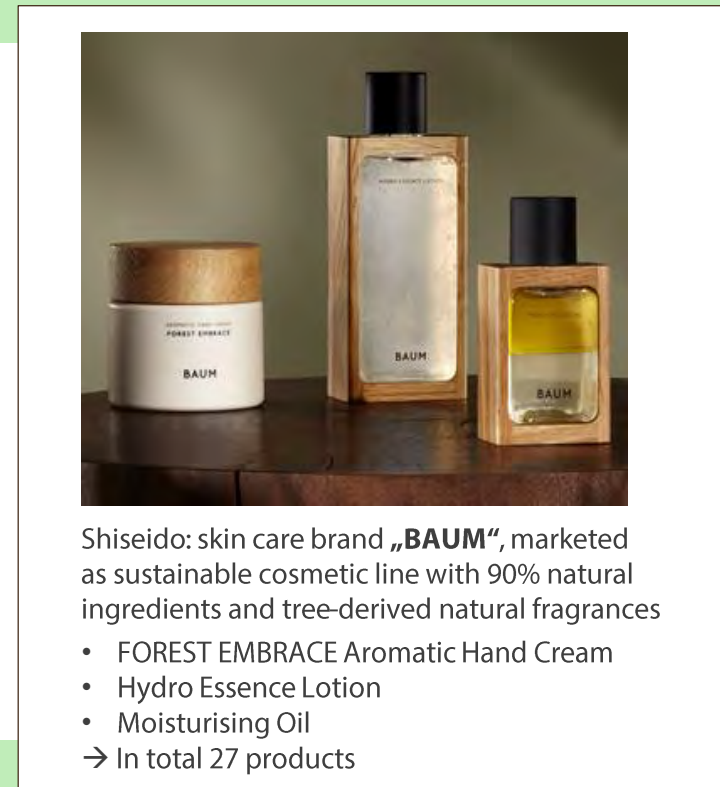


Sources: ecco-verde.com, farfalla.ch; garnier.co.uk; dm.de

Trend in botanical ingredients:

TREES and the Healing Power of the Forest

- in recent years, an increasing number of natural cosmetic products with key ingredients from trees, especially **birch**, but also other tree species such as **willow**, **pine** and **eucalyptus**
- **domestic tree species** address the consumers' demand for **regionality**
- **power of the forest:** place for mental relaxation and stress reduction → **“Forest Bathing”** as Japanese nature therapy practice (jap. “Shinrin Yoku” = taking a bath in the atmosphere of the forest)



Sources: ecco-verde.com; mueller.de; dm.de; corp.shiseido.com

Trend in botanical ingredients:

HEMP – from Niche to Mainstream

- global hemp trend continues
- **hemp (seed) oil** and **hemp extract** as commonly claimed ingredients from the plant *Cannabis sativa*, particularly in USA also CBD oil (Cannabidiol) for skin care
- oil and extract from hemp seeds are associated with **skin caring** and **soothing benefits** (according to CosIng*), hemp also stands for relaxation and regeneration



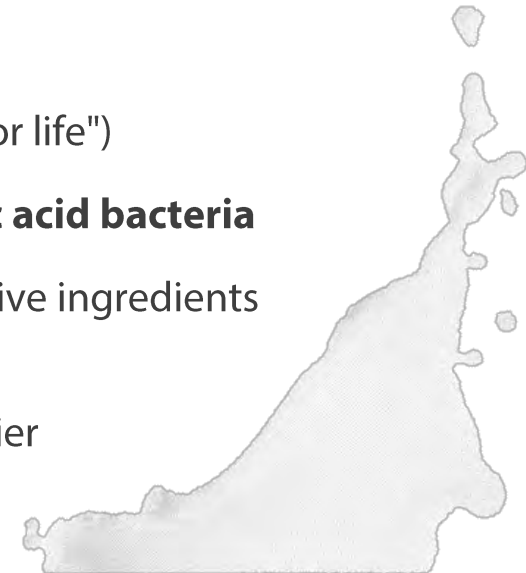
Sources: garnier.co.uk; biovegane.com; dm.de; Mintel GNPD

*Cosmetic Ingredients Database of the European Commission

Trend in ingredients:

PROBIOTICS – for a Healthy Skin Flora

- probiotic cosmetics as growing trend (probiotics derived from Greek "pro Bios" = "for life")
- known mainly from nutrition, where probiotics are usually used in the form of **lactic acid bacteria**
- in cosmetics use of bacteria, extracts of bacteria or biotechnologically produced active ingredients (vegan variant, example: Santé), which have positive effects on skin health
- probiotics **balance the natural skin flora** and strengthen the skin's protective barrier
- suitable for **skin protecting** and **soothing** skin care products



Skin Care Line with Organic Inca Inchi Oil & **Probiotics**

Milky Micellar Water
Gentle Cleansing Gel
Protective 24h Moisturising Cream
Protective Eye Cream



ESSE Organic Skincare
Probiotic Serum



Soothing Lotion
with **Probiotic Extract**
+ Oat Milk

Sources: sante.de; elle.de; najoba.de; garnier.co.uk

Trend in applications:

SOLID PRODUCTS – Bar Format for Sustainability

- especially **solid shampoo** + hair soap, but also many other applications with solid formulation as alternative to liquid cosmetics e.g. shower bar, conditioner, facial cleansing, men care (e.g. for shaving)
- **contribution to sustainability:** no plastic packaging needed, compact form (saves transportation costs)
- further **advantages** of the bar format:
 - economical: usually lasts for more applications than a regular bottle of shampoo/shower gel/etc.*
 - travel-friendly: compact and waterless form, therefore leak-proof and suitable for hand luggage



Sources: cosmeticsandtoiletries.com; sante.de/en; dm.de; lamazuna.de

*utopia.de; stop-the-water-while-using-me.com

Trend in applications:

NATURAL ANTI-AGING SKIN CARE

- increasing number of natural cosmetics products with anti-aging claims
- luxury products such as **serums, eye creams, day and night creams**
- product names, claims and packaging designs give the impression of being strongly inspired by the conventional anti-aging skin care market



Hyaluron Serum
Deep Hydration Treatment



Graceful
Lavandin
**Anti-Wrinkle
Eye Care**



Anti-Aging Skin Care Line with Pomegranate

- Eye Cream
- Serum
- Day Cream
- Night Cream

Trend in applications:

NATURAL SUN CARE

- many new launches in sun care in the last years, improved formulations
→ **sun cream and spray, after sun, self-tanning**
- diversification of the category similar to conventional sun care
- plant-based ingredients such as extracts/oils from calendula or sunflower



various certified natural cosmetics sun creams



Sun Care Range by Lavera, presented at VIVANESS 2020
incl. Sensible Sun Spray, KIDS Sensitive Sun Lotion,
Self Tanning Cream and Lotion, After Sun Lotion

Trend in applications:

NATURAL BABY CARE

- the natural cosmetics industry has also caught up in the baby care sector
- offered market products are also becoming more **diversified**
→ **moisturising cream, wound protection cream, washing lotion/cream etc.**
- parents in Germany and other European countries tend to spend more on high-quality, mild baby care products because they only want the best for their children



Baby care range by Farfalla, presented at VIVANESS 2020

- Gentle Cream Face & Body with **Rose**
- Soothing Belly Oil with **Fennel** and **Chamomile**
- Soothing Balm **Mild Thyme**



Baby Body Wash Lotion & Shampoo /
Wound Protection Cream
Organic Calendula



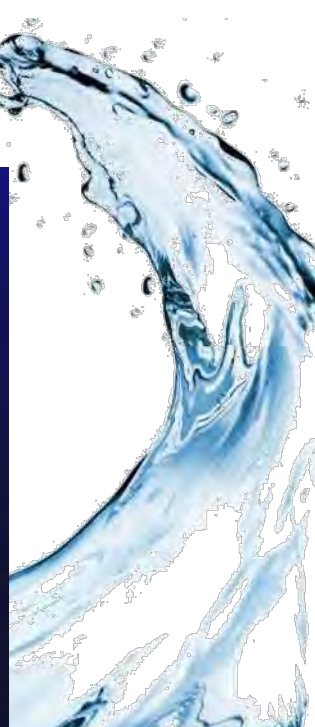
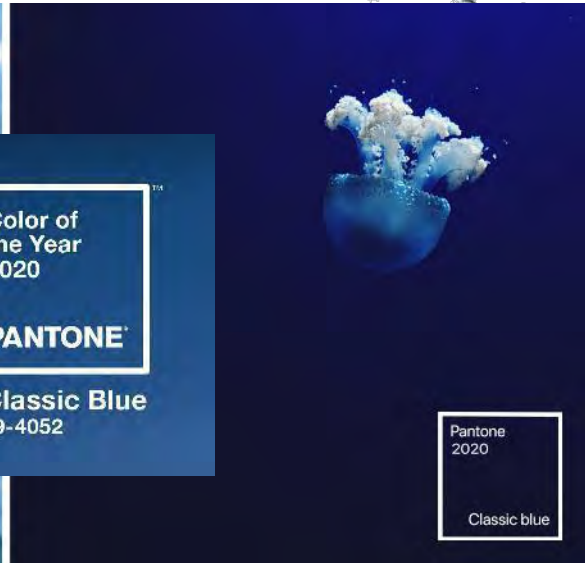
**BABY-MILD
Organic Magic Balm**
Gentle Care
with Avocado, Coconut,
Jojoba, Hemp and Olive Oil



3 BELL'S NATURAL FRAGRANCES AND ORGANIC BOTANICAL RECOMMENDATIONS



HYDRO
MOISTURE
FRESHNESS
WATER
AQUA
WATERY NOTES



Color of the Year 2020
PANTONE
Classic Blue
19-4052

Pantone
2020
Classic blue



...inspired by clear water

6101642
FRUITY WATER NATSCENT

Top: fresh, green, watery

Heart: herbal, fruity, chamomile,
lavender blossom, peppermint

Base: creamy, sandalwood



...inspired by clear water

6101669

MINTY SPLASH NATSCENT

Top: fresh, watery, mint, bergamot

Heart: herbal, lavender

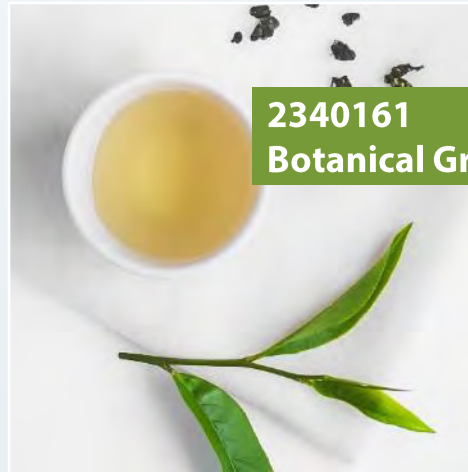
Base: balsamic, cistus, vanilla



Organic Botanical Extracts for the Watery Concept



2340236
Botanical Bamboo A (org)



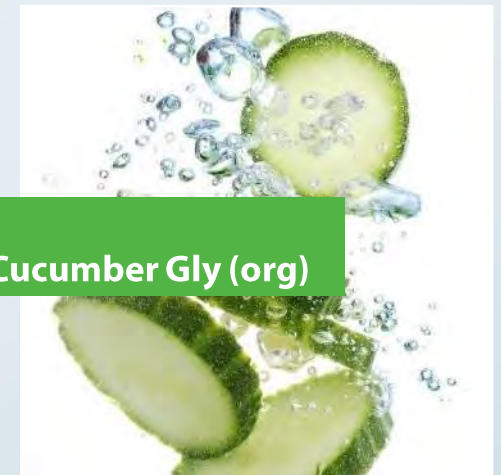
2340161
Botanical Green Tea Gly (org)



0487004
Botanical Aloe Gly (org)



2340034
Botanical Matcha Tea Gly (org)



2340149
Botanical Cucumber Gly (org)



WOODY

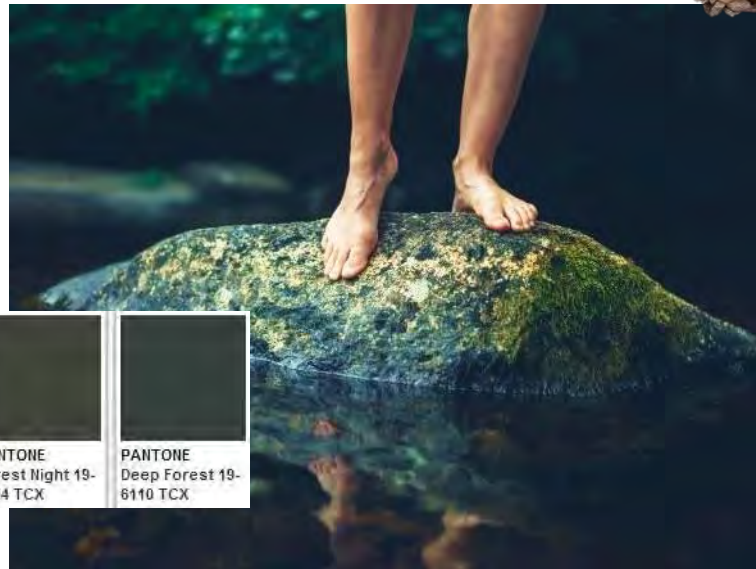
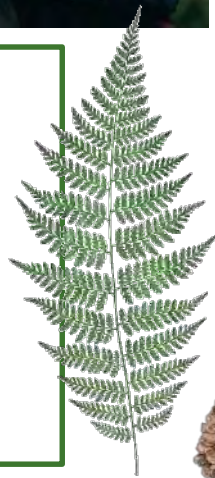
TREES

FOREST

GREEN NOTES

WOODS

LEAVES



PANTONE Forest Shade 15-6423 TCX	PANTONE Forest Green 17-0230 TCX	PANTONE Dark Forest 18- 5611 TCX	PANTONE Black Forest 19- 0315 TCX	PANTONE Forest Night 19- 0414 TCX	PANTONE Deep Forest 19- 6110 TCX



...inspired by healing forests

6101618
REAL WOOD NATSCENT

Top: cabreuva, neroli, petitgrain

Heart: patchouli, heliotrope

Base: caramel, cedar, vanilla





...inspired by healing forests

6101677
FOREST THERAPY NATSCENT

Top: fresh, invigorating, white birch, leaves

Heart: revitalising, floral, woody, petitgrain, elemi, cedar

Base: soft, powdery, vanilla blossom



Organic Botanical Extracts for the Forestry Concept



2340350
Botanical Pine Gly (org)



0485037
Botanical Eucalyptus Gly (org)



0486197
Botanical Birch Gly (org)



2330020
Botanical Cedarwood o.s. (org)



2340163
Botanical Walnut Gly (org)

0485623
Walnut Shell Extract o.s. (org)



MILKY PROBIOTICS
MILK
 CREAMY NOTES CARE
 SKIN-PROTECTION



...inspired by skin protecting milk

6800340

NATURE'S MILK NATSCENT

Top: lemongrass, lemon,
litsea cubeba, thuja

Heart: palmarosa, green, iris, citronella,
camphor, creamy, jasmine, coconut

Base: vanilla, ambrette





...inspired by skin protecting milk

6800338
LIME & SHEA BUTTER
NATSCENT

Top: lime, pine

Heart: iris, nutty

Base: vanilla, woody,
sandalwood, cedarwood



Organic Botanical Extracts for the Milky Concept



0485468
Botanical Oat A (org)



0485041
Botanical Rice A (org)



0485311
Almond Milk A (org)



0487859
Botanical Wheat A (org)

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