

Natural Personal Care 2009: Global Market Analysis and Competitive Assessment

Europe Fact Sheet

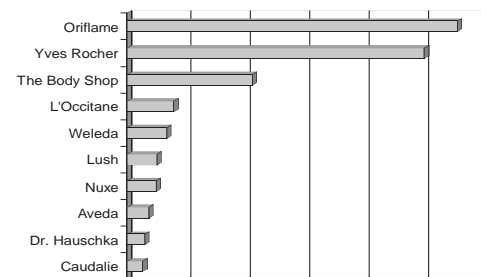
The Market

Despite the recession, the natural personal care market in Europe enjoyed a healthy growth of about 9% and sales reached about €3.3 billion in 2009. However, the prolonged recession has lowered the growth rate significantly from close to 14% sales growth in 2008. Products that are considered to be truly natural according to our rating system account for 28% of total market sales. Germany continues to lead the European naturals market, capturing more than a quarter of the total market sales.



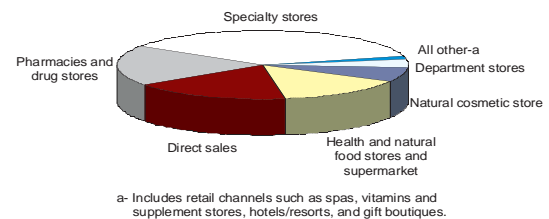
Competitive Landscape

The natural personal care market is very fragmented, but there are several larger key players. The top 10 companies in the total naturals market together account for two-thirds of the total market. Yves Rocher, Oriflame, and The Body Shop are the leading brands, each with a share above 10%, but all these brands are naturally inspired. Weleda, Lush, and Aveda are the leading truly natural brands in Europe.



Channels of Distribution

Specialty stores is the largest retail channel in the natural personal care products market, fueled by sales from giants like Yves Rocher, The Body Shop, L'Occitane, and Lush. Pharmacies and drug stores are the fastest growing and have the second biggest share of the market. Growth is driven mainly by drug stores such as DM, Müller, and Rossmann, which offer a wide selection of natural personal care products, as well as certified private labels.



Future Outlook

The market is forecast to enjoy a double-digit growth to reach €5.3 billion by 2014. The growth will be driven by consumers gravitating toward natural products as these are becoming more affordable since the number of private labels is constantly increasing and more retail shelf space is opening up in all types of retail channels.

