The NextGen Personal Care Shopper

July 2022
Sherry Frey, VP Total Wellness NielsenIQ

Multiple generations are changing their shopping to focus on convenience and to save time

Online with in-store pick-up & planned in-store shopping

20%

Millennials

20–34

25%

Generation X

35-49

17%

Baby Boomers

50-65

17%

Silent Generation

66+

Source: NielsenIQ Omnichannel Shopper, March 2022; UK, US, and Canada
Q14. How do you shop now? Mark each type of shopping trip you made in the past 2 months

Click-Collect-Complete™ indicates new ways to engage in store

68% There are items I insist on picking out and purchasing personally

82%	65%	63%	55%	50%	48%
Fruits & Veg.	Fresh bakery items	Meat & seafood	Clothing	Personal care	Prepared food

Base: n=112 | Q21. Please check any items you prefer to shop for personally in the store during your trip.

59% I look at items which are dependent on fit and sizing (Clothing, Shoes, etc.)

52% I look for in-store displays and offers not offered online

44% I look for seasonal items

43% I look for items for a specific occasion like a holiday, birthday, anniversary, etc.

Source: NielsenIQ Omnichannel Shopper, March 2022; UK, US, and Canada
Q20. What items do you look for in the store that you do not buy online?

Clean Label and Environmentally-Friendly Health and Beauty Growing

Sustained trends

Paraben Free
18.4% of BPC, +22.0%

Sulfate Free
7.5% of BPC, +20.4%

Phthalate Free
8.4% of BPC, + 24.2%

Growth trends

Humane
18.9% of BPC, +26.0%

Vegan
6.2% of BPC, +38.5%

Artificial fragrance free
8.2% of BPC, +23.2%

Emerging trends

Reef safe
0.2% of BPC, + 24.8%

Plastic free
0.1% of BPC, +207.2%

Clean
1.2% of BPC, +27.2%

+312%
Reef Safe

+64%
Aluminum-Free

+24%
Refillable Packaging

NielsenIQ RMS, Product Insider, powered by Label Insight, Total US xAOC L52W ending 6/18/22; Beauty & Personal Care
Label Insights Trending Attributes, March 2022

Millennials and higher income are more likely to purchase Health and Beauty Online

		Multicultural	Income >$100k	Millennials	Boomers
% of Buyers	Total US	27%	38%	31%	31%
Health	Online	25%	39%	35%	32%
	In Store	26%	42%	33%	31%
Beauty	Online	25%	43%	36%	30%
	In Store	26%	39%	33%	31%

Source: NielsenIQ Omnishopper | Total US | 52 weeks ending 6/18/2022

The 6 Dimensions of Wellness

Social: As consumers travel a wellness path, they become more aware of their importance in society, as well as the impact they have on multiple connection points

Physical: The physical benefits of looking good and feeling good, most often lead to the psychological benefits of enhanced self-esteem, self-control, determination, and a sense of direction

Environmental: Consumers across all generations are embracing environmental responsibility and sustainability and making the connection between planetary and personal health

Technological: The more a consumer understands about their personal health, the more empowered they will be to improve upon it, and technology amplifies their understanding

Financial: Concern over one's financial future is having detrimental effects across a broad spectrum of health issues, identifying opportunities for assistance tools

Emotional: Managing their life in personally rewarding ways and taking responsibility for their actions will help consumers to see life as an exciting, mindful, and hopeful adventure

Multicultural Whole Living Segmentation

LIFESTYLE FACTORS

TRADITIONALISTS®

Oriented toward disease prevention

Live healthy to remain independent

HELP SEEKERS®

Seek new ways to manage health

Live healthy to get proper nutrition

Control seekers

QUE SERA, SERA®

Tend to live in the moment

Desire basic necessities

Financially challenged

BALANCERS®

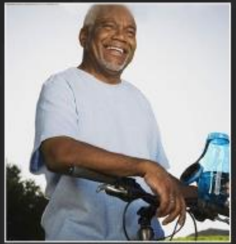
Desire balance & control

Nutrition focused

Environmentally-oriented

Anti-aging seekers

ACTIVE AGERS®



Value relationships with family/ friends

Good support system

Health proactive

FIRST ADOPTERS®

Experimental

Early adopters and influencers

Seek ways to prolong health and vitality

Multicultural segments share similarities but have different life priorities

Nutrition-focused, Balancers are spiritual and are at different life stages

Black Balancers

- Older, educated with older children
- Enjoy large social network
- Leverage technology for health

Most value **Physical and Financial**

Hispanic Balancers

- Have children
- High energy & active
- Want devices to manage vitals

Most value **Physical, Financial, and Emotional**

Asian Balancers

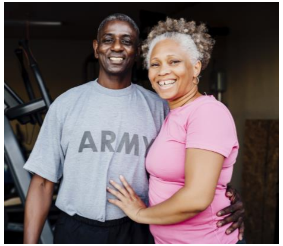
- Middle-aged
- Strong product influencers for friends and family
- Hold companies accountable for environmental practices

Most value **Physical and Financial**

Source: NielsenIQ Homescan Panel - Market Summary; NielsenIQ Multicutlural groups based on NMI Whole Living segments; Total Outlets, Total U.S.; Vitamins and Supplements; Latest 52 weeks W/E 06/18/22

Balancers predominately value Physical and Financial Health

Balancers index high in separate categories across store



Black Balancers

- Total HBC
- Vitamins OTC
- Foot Care
- Oral Hygiene
- Sexual Health

Black Balancers are looking for new opportunities.

Hispanic Balancers

- Total HBC
- Vitamins/OTC
- Sexual Health

Hispanic Balancers are engaged in all aspects of their lives.

Asian Balancers

- Total HBC
- Vitamins/OTC
- Eye Care
- Fragrances

Asian Balancers are seeking ways to improve their lives and hold people accountable.

Source: NielsenIQ Homescan Panel - Market Summary; NielsenIQ Multicutlural groups based on NMI Whole Living segments; Total Outlets, Total U.S.; Vitamins and Supplements; Latest 52 weeks W/E 06/18/22, Index to Total Dollars

Vitamins and supplements are sought by Black & Asian Balancers to keep a healthy and balanced lifestyle

Vitamins and Supplements*

Black

Balancers (index: 159)
Seek mainly:
Vitamins: E, D & Multivitamin
Supplements: Vision, Bone and Joint, Immunity, Mental Performance
Minerals: Calcium, Zinc, Iron

Asian

Balancers (index: 140)
Look for:
Vitamins: D, C & Multivitamin
Supplements: Beauty, Heart Health, Bone & Joint, General Health
Minerals: Calcium, Magnesium

*Index to Total Panel (% of Buying Households) *Vitamins & Supplements sorted in order of importance.*

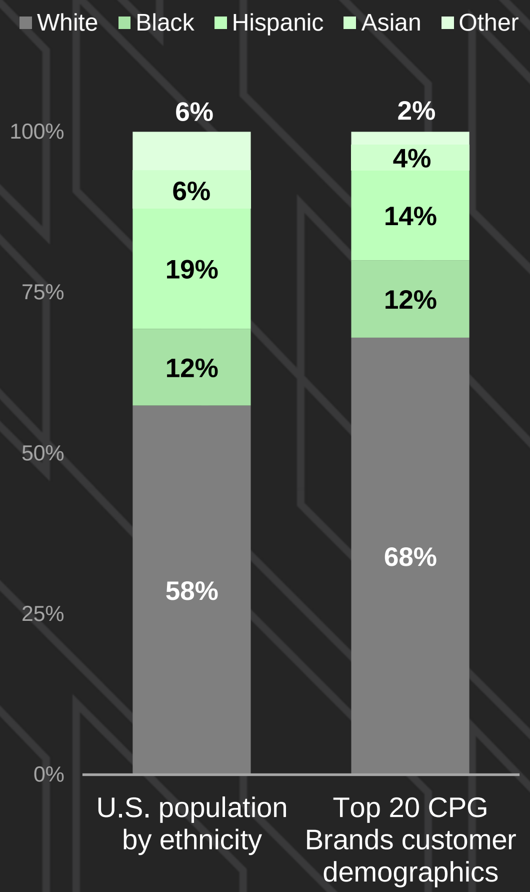
Source: NielsenIQ Homescan Panel - Market Summary; NielsenIQ Multicutlural groups based on NMI Whole Living segments; Total Outlets, Total U.S.; Vitamins and Supplements; Latest 52 weeks W/E 06/18/22

3.9 Diversity, Equity & Inclusion

Diversity, equity and inclusion key to growth

+6 pts

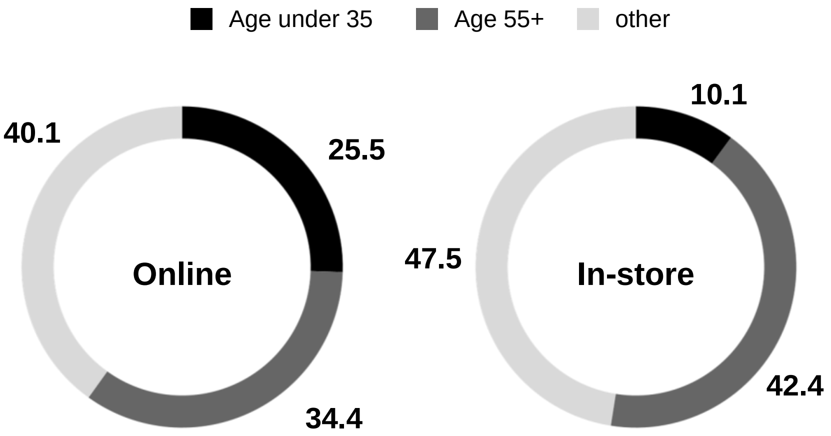
Faster growth for CPG companies with stronger diversity



NielsenIQ Leading Edge Report; Scores,
US Census, NielsenIQ Homescan Panel Spectra; Total US xAOC, Total Store; Latest 52 weeks W/E 04/30/22 vs 4YA

Generations shop health categories differently instore and online

% of OTC sales by age group



Top online categories by consumer group

Under 35 consumers

- Feminine care
- Sexual health

55+ consumers

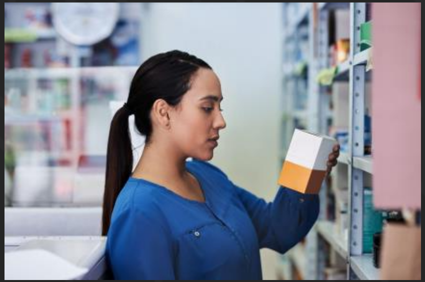
- Adult incontinence
- Upper respiratory

12

Younger consumers challenge the status quo

New forms

Topical analgesics **+22.8%** due to growth among under 35 consumers, vs an **-8.0%** decline for internal analgesics



Natural health

Under 35 year olds are **2.2x** more likely to buy natural upper respiratory products, and drove **+75%** growth in topical analgesics that are free from artificial colors and preservatives

Retail preference

Younger consumers tend to shop at **Target**, **grocery**, and **DTC retailers** such as GoPuff and Shipt

Needs

In eye care, younger consumers purchase **contact care** products, while older consumers are drawn to **eye health** products

Let’s change the way we think about Women’s Wellness…what do women want?

Make a personal connection

66% of consumers choose brands based on aspects that **align to one’s cultural/identity**

Destigmatize Feminine Hygiene

According to Google Trends, women searching for **The Honey Pot Company** products are among the top searches related to organic pads

~~Anti-Aging~~…Embrace aging

Searches related to anti-aging spiked significantly in 2020 but have tailed off as women began embracing a new view on life.

NielsenIQ 2022 Brand Balancing Act Survey, May 2022; Nielsen Retail Measurement Data YTD W/E 06.18.22; Label Insights Trending Attributes; Google Trends

Women also want Fem Care products that are better for society and the environment with better ingredients

Sustained trends

+29%
Social Responsibility (Qlfd)
$155M

+59%
Organic
$631M, +59%

+20%
Chlorine Free
$134M

Growth trends

+25%
Premium
$48M

+6%
Free From Phthalates
$36M

+13%
Recycled Packaging
$32M

Emerging trends

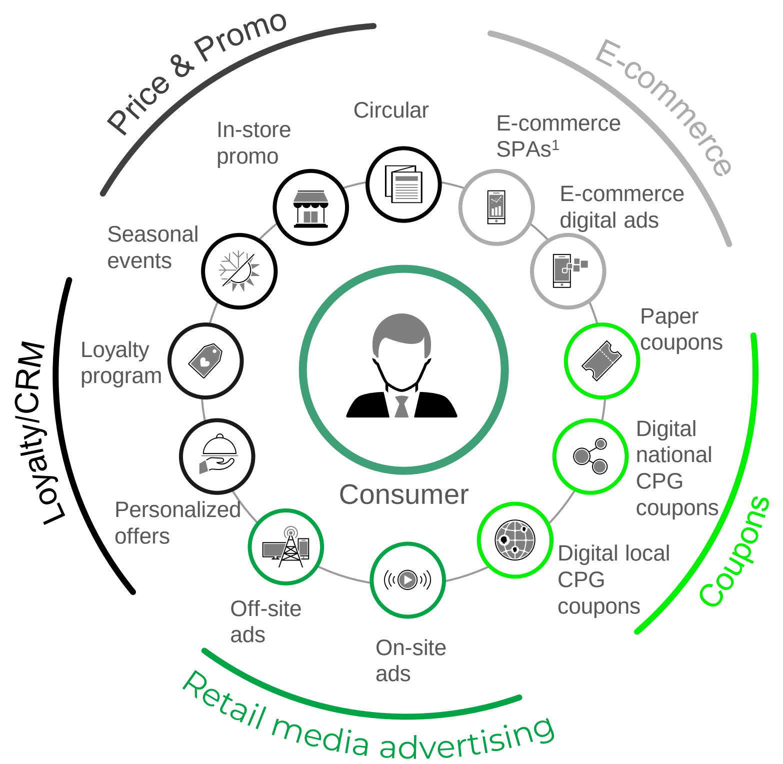
New
100% Recycled Paperboard
$1.4M

New
Shea Butter
$2.2M

+6%
Biobased Product Certified
$1.7M

Source: NielsenIQ RMS, NielsenIQ Product Insight, Total US xAOC; Beauty & Personal Care; L52W ending 5/21/22; vs Year Ago

Retail media is an important part of increasingly complex personalized incentives ecosystem



Convergence across Merchandising & Marketing **powered by Personalization & Relevancy**

Today’s Takeaway

As the Health and Beauty landscape continues to evolve rapidly on and offline, the opportunity is to explore shoppers beyond demographics.

The new lens of the shopper creates new opportunities for personalization and activation.

NielsenIQ

Thank you.

For more insights, visit nielseniq.com/wellness

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