

The naturals market has grown considerably in the last ten years, blossoming from its original niche status into an important sector in its own right. Here are just a few highlights:

- Sales of organic and natural personal care products have been growing by over 20% a year since the late 1990s
- Sales doubled between 2002 and 2005
- The UK market was valued at just below £100m in 2005 and the European market is expected to hit €1bn by the end of 2006
- Certified organic products are estimated to represent less than 20% of natural personal care product sales

According to research group Organic Monitor in its 2006 market report (www.organicmonitor.com) most consumers buying organic personal care products actually do so accidentally, but statistically there is very unlikely to be such an increase through accidental purchasing alone as one would expect random fluctuations year on year.

Someone passionate about naturals would be excited by these figures. However, in reality there is so much confusion about the interpretation of the natural concept in marketing terms and technical terms that this large playing field has become a wild arena of different creatures, from pure breeds to hybrids. There are products with very eye-catching natural looks but not so much natural content, there are other products with several natural ingredients combined with synthetic materials, and then there are the purest ones where organic certification will usually be present.

Defining natural

This enormous variety of natural products currently on the market is the result of there being no official scientific definition of what a natural cosmetic should and should not contain. So what does natural really mean? What do people feel or believe when they decide to buy natural or organic? The author's opinion is that they want to take care of their bodies, their families and the planet as natural is associated with purity, relaxation, safety, trust, health, well-being and having a low impact on the environment.

Purity is becoming an increasingly high profile issue due to a lot of bad

Natural values

The need for truly natural products is growing and it is only fair to be straight with consumers about what they are really getting, argues Barbara Oliosio



press focused on a number of raw materials, from parabens to SLES and other petrochemicals, such as triclosan and phthalates. The articles in question might not be based on good science but in a way that doesn't really matter. Consumer trust has been damaged after years of intensive marketing and once lost that kind of trust is extremely difficult to rebuild and opinions are very resistant to change.

The concern for purity has also been fuelled by articles in the media discussing the number of chemicals found in the body these days. According to the National Eczema Society (www.eczema.org) cases of eczema have increased threefold over the last 30 years, with 15-20% of UK schoolchildren affected by atopic eczema. The British Skin Foundation reports that there are 1 million people in the UK suffering from psoriasis, with the number of people suffering from skin disease growing each year

A number of companies practise the organic concept effectively without certification

(www.britishskinfoundation.org.uk). Several organisations have also started campaigns to increase awareness in relation to chemicals in general and their impact on human health:

- WEN, the women environmental network, has launched the 'Big See Campaign' and the 'Ending the cosmetics cover-up' campaign
- The Environmental Working Group has launched the campaign for Safe Cosmetics
- The Breast Cancer Fund is campaigning against toluene, formaldehyde and dibutyl phthalate (DBP) for them to be removed from nail care products (many key brands have already done this)



All of this information, available widely in the media and on the internet, induces and promotes consumer concern over toxic chemicals and their long-term impact, increasing the need for safety and purity beyond the legal definition of what is safe. Complying with the law might not be sufficient to guarantee safety in the eyes of the people who want pure products, such as pregnant women or people with sensitive or problematic skin. Most people do not have the technical expertise to understand the INCI nomenclature or to discriminate what is natural and what is synthetic. So when the priority is purity, organic certification provides that extra trust.

Taking a position

An example of how important this concept is becoming is the growth rate of a brand like Spiezia, a 100% organic certified oil based skin care range, whose turnover has more than doubled in the last two years. The Soil Association beauty care licensees have reported average growth of 20-100% and the number of licensees doubled in 2005. The organic certification scheme is regulated and it is perceived by many consumers as synonymous with safety and trust.

Despite this trend and attraction towards organic, there are still quite a few people who would love to buy organic but associate organic with high prices. The price issue is the result of several factors: most organic beauty care companies are SMEs, the cost of raw materials used is much higher and there is the added cost of the certification and the bureaucracy involved.

On the other hand there are companies on the market, such as the Organic Pharmacy, Jo Wood's Organics and Dr Hauschka, who are interpreting and practising the organic concept independent of organic certification bodies, while targeting a premium market. This has the advantage of using a wider range of raw materials and active ingredients while still avoiding petrochemicals and other synthetic raw materials. The three companies mentioned are interesting in the way that they combine purity with their own concepts. For example, the Organic Pharmacy merges it with a pharmaceutical concept, projecting a safety image. Jo Wood's Organics meanwhile focuses on luxury and uses premium packaging. For Dr Hauschka the concept is anthroposophy through the use of biodynamic medicinal plant extracts.

The natural concept is certainly very inspiring and versatile, and despite having originated from the green movement, it can now be combined with luxury and pharmacy, which could be seen as a contrast with the original green spirit.

Most consumers associate the idea of natural with purity



A considerable number of companies have jumped on this bandwagon. Unfortunately the lack of regulation makes it an uneven playing field, where marketing claims do not go hand in hand with content. The author believes that even if a product sells well, if it is not truly natural in its contents when it claims to be, there is a chance that the customer will find out and, as mentioned earlier, if they do then any trust will probably be lost and is unlikely to be regained. In marketing they say it is cheaper to keep existing customers than to get new ones, so it is a long-term investment but one that will bring peace of mind to have a marketing strategy in line with the whole content of the product.

Besides, claiming 'completely natural' in products where this is not applicable has damaged its meaning and inevitably its impact. Being natural is not good enough. Using novel natural raw materials to compensate for this damage can help to a point, but how can a product stand out by being extra natural or extra good? What is extra good? It could be fair trade ingredients, organic ingredients, organic certification, cruelty-free claims, charity donations,

Turnover at 100% organic company Spiezia has more than doubled in the last two years



environmentally conscious claims, recyclable packaging, green dot certification, conscious avoidance of ingredients on the OSPAR list, and many more. Ironically this scenario is pushing the market towards the need for corporate responsibility. The author recommends reading Liz Earle's website as an inspiring example of how it is possible to have an ethical policy and be very successful at the same time (www.lizearle.com).

The need for truly natural products is certainly growing and consumers are gradually becoming more informed and educated on the subject. So for a natural brand to succeed

and remain on the market long-term it has to be:

- Authentic, in both content and claims
- 'Extra good', ie to make the consumer feel they are doing good to themselves and the environment
- Innovative

A second article in the December issue of SPC will cover the natural concept in more technical detail.

Contact

Barbara Oliosio
e-mail organatural@yahoo.co.uk

European naturals market approaches €1bn

Research and consulting group Organic Monitor says European revenues have been increasing by over 20% a year and that sales of natural and organic cosmetics are projected to surpass the €1bn mark for the first time this year. This is a key finding of the group's new report *The European Market for Natural Cosmetics*.

Widening availability and strengthening consumer demand are the major drivers of market growth, with availability of natural and organic cosmetics increasing in European retailers and some launching private label products, says the report. And while initially interest was mainly from consumers suffering from particular ailments, other consumers are now looking to natural products in a bid to avoid parabens and petrochemicals, to take advantage of the functionality of natural ingredients or to ensure traceability of natural/organic ingredients.

Germany and France are said to be the fastest growing markets in Europe, with the German market offering the most

widely available and competitively priced natural cosmetics. The largest markets, comprising almost 70% of revenue, are said to be Germany and Italy. Natural cosmetics are seen as being most established in Germany, making up 4% of total sales and forecast to be about 10% of the total by 2012. They are also said to have high market share in other German speaking countries, including Austria and Switzerland.

The findings may surprise some but Organic Monitor says it uses very tight definitions of natural along the lines of definitions used by certification organisations BDIH of Germany and the UK's Soil Association. Natural therefore means containing minimum amounts of synthetic chemicals and covers products sold primarily through specialist retailers.

The sector is seen as fragmented, with more than 400, mainly small, European producers led by Swiss manufacturer Weleda. But the high growth rates are attracting new entrants, including large companies.

The current lack of industry regulation is seen as a major barrier to market growth and consumer trust in natural cosmetics. "Unlike organic foods, there are no national and EU regulations for natural and organic cosmetics," says Organic Monitor. "As a result, legitimate products are competing against conventional cosmetics that are marketed as natural because they contain natural ingredients. The inconsistency between private standards of natural and organic cosmetics is also stifling consumer demand.

"A critical success factor for natural cosmetics is product positioning, especially as these products come into direct competition with conventional brands in supermarkets, department stores and drug stores. Market winners will be those companies that can successfully differentiate their products from competing ones - natural and conventional."

www.organicmonitor.com