

Colour Cosmetics in the US

TRENDS

- The steep decline in nail polish sales slowed down total colour cosmetics performance in 2014. Nail art has faded from popularity. After growing by 29% in 2012, sales declined by 1% in 2013 and by another 8% in 2014 as consumers moved away from brightly coloured and adorned nails. In addition to fashion trends de-emphasising nail art, the novelty surrounding recent technologies such as nail polish strips and magnetic polishes is gone. The improvement in the US economy is also allowing higher-income consumers to go back to the nail salons instead of doing it themselves at home. In turn, sales of colour cosmetics grew by 1% in 2014 after growing by 4% in 2013. The 1% value sales gain of 2014 was a sharp drop from the 4% CAGR of the review period.

COMPETITIVE LANDSCAPE

- L'Oréal USA remained the leader in colour cosmetics in the US in 2014. The company's four brands - Maybelline, L'Oréal Paris, Lancôme, and Essie - held a combined value share of 23% in 2014, down from 24% in 2013. Its mass-market Maybelline brand was the leading colour cosmetics brand in 2014 with a 9% value share. However, Maybelline saw its value share decline from the 10% share it held in 2013. Much of the value share decline for Maybelline was due to higher overall sales for premium colour cosmetics in 2014.

PROSPECTS

- Many women are expected to embrace a more “natural” look in the years ahead. Instead of a full face of makeup using multiple products, consumers are expected to use fewer products and aim for a more bare-faced look. In 2014, two major actresses – Jennifer Aniston and Reese Witherspoon – wore no or little makeup in their movies. On the Instagram social media site, many women are posting makeup-free selfies using the hashtag “IWokeUpLikeThis. In turn, the rise of the “natural” look is expected to lead to low growth for sales colour cosmetics. Colour cosmetics is forecast to increase by 1% CAGR over the forecast period in constant value terms, after a 2% CAGR in constant value terms over the review period. Despite the continued economic recovery, value sales of colour cosmetics are expected to grow by a lower rate in the forecast period.