KANTAR WORLDPANEL
a CTR service in China

Press Release

Dec 22nd, 2015
For immediate release

Green Shoots In Challenging Times
- Exploiting usage trends amongst body wash products

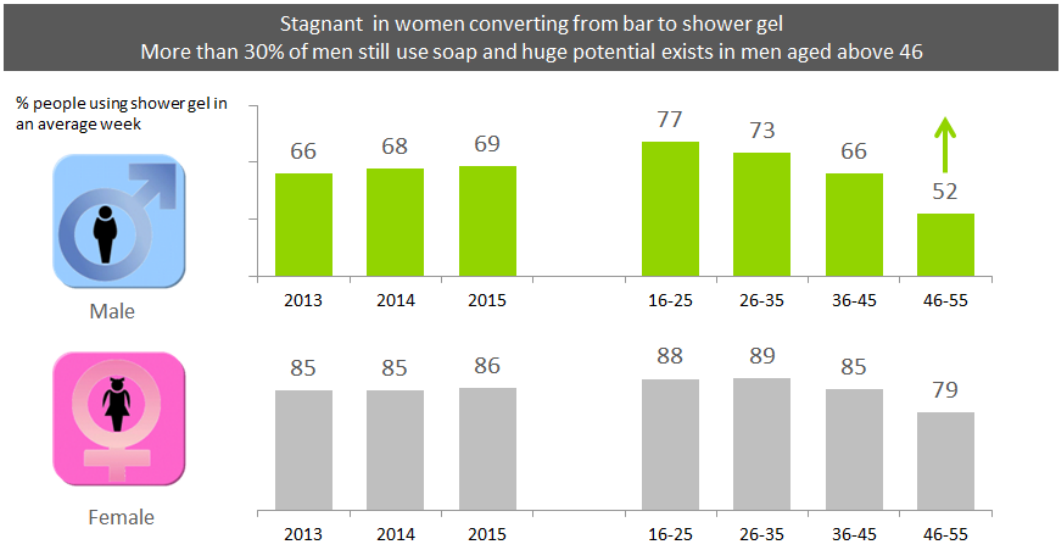
(Shanghai, China, Dec 22nd, 2015) – As the Chinese market evolves, shifting to a quasi-developed status, categories mature and the previously double digit growth rates become harder to find. The 'low hanging fruit' of category development is becoming scarcer and marketers need to adapt to this new normal by shifting strategic priorities.

Skin cleansing categories provide a good example of this trend. Over the last ten years shower gel has grown rapidly on the back of massive expansion of user base while bar soap sales have been maintained by manufacturer push on larger packs. But habits continue to change and marketers need to ensure that strategy is optimized to best reflect the latest consumer needs and attitudes to their categories.

Kantar Worldpanel [1] has been continuously tracking individuals personal care usage over the last four years and is a unique position in be able to analyze how brands can best respond to the new normal through best serving your consumers' needs.

Bar soap – managed decline

Bar soap is not a fashionable category. In the last couple of years bars have sales decline as penetration[2] of shower gel has now reached 86% amongst women living in developed cities (tiers 1&2[3]). We see limited creative media supporting it, and when we do, it is normally driven by legal restrictions over shower gel functional claims (see Safeguard & Lifebuoy range communications). However with over 78.5% families buying in a year, it remains widely popular and is sometimes the product format that consumers first experience a brand with.



© 2015 CTR Market Research Source: Kantar Worldpanel China

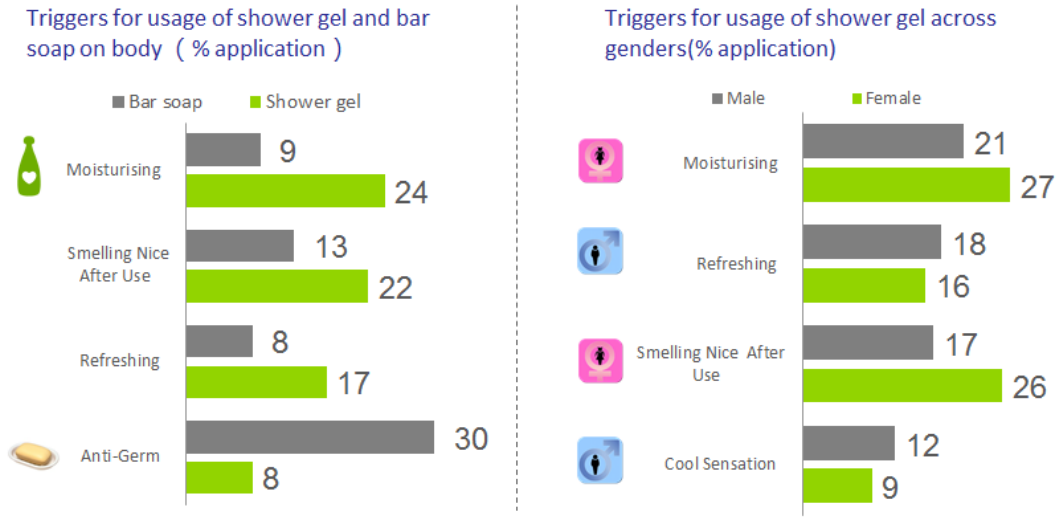
ISO 9001

How best to approach a category such as this? One of the key things to remember is that there are still a large group of consumers who remain loyal to the format as their preferred body wash format. Only half of men older than 46 currently use a shower gel to wash their body. Few shower gel brands cater for this generation, ignored by the specialized male brands targeting the 80s / 90s generations (Lynx/Adidas) and the more general, shared young family brands (Safeguard/Liushen). They are hard to talk to with few men of this generation involved in the purchase decision (Less than 30% of them are key decision maker) and key functional needs are normally best catered for by bar soaps as anti-germ is the most important function they seek. Consequently these men are not a natural target for upgrading to shower gel and will remain natural users of bar soap for body wash.

With communication channels likely to be ineffective at speaking to these men, product availability at point of purchase is crucial. Brands need to ensure that hero anti-germ SKUs have widespread distribution and that supply chain management is optimized to prevent product shortages.

Shower gel – developed doesn't mean no development

We've seen how there remains limited headroom for continued category development for shower gel in China top tiers. But there remain powerful consumer trends in usage for brands to exploit.



© 2015 CTR Market Research Co. Limited Resource: Kantar Worldpanel China

The three most important benefits in shower gel are 'moisturizing', 'smelling nice after use' and 'refreshing'. With men focusing more on refreshing and cooling sensations females priorities lie firmly with fragrance both during and after usage. Despite this, few product lines have fragrance as the core proposition. Do opportunities exist in this?

Function	% user seeking for the benefit when using shower gel	Sales Penetration% in a rolling year
Moisturizing	28%	38%
Refreshing	20%	30%
Scent	23%	12%

© 2015 CTR Market Research Source: KantarWorldpanel China

With shower gel, even beauty brands, traditionally being used across families (61% shared usage) there have been barriers to highly targeted female fragrance lines. But in 2013, Lux repositioned itself as primarily a perfume brand, and has seen strong performance from its perfume line – driving overall brand growth. Even for brands as diverse as Safeguard, 34% of users recognise fragrance as a trigger to usage (5 points above the category average).

ISO 9001

Furthermore, shifts in usage habits are breaking down barriers to perfume lines. Over the last three years we've seen increased individual usage (change from 63% shared usage to 60% in 3 years), an increased number of women using a shower gel just for them. This provides more opportunities for highly feminised brands over the coming five years. There are opportunities for brand and product line innovation in order to cater for these trends.

In today's climate, with categories' growth slowing manufacturers need to understand the latest trends in consumers usage and needs to optimize performance. Speak to your Kantar Worldpanel representative to understand how our usage panel can help you further.

<End>

Notes to editor:

1. *Kantar Worldpanel China continuously tracks usage behaviours of all personal care categories in tier 1 and tier 2 cities of China.*
2. *Usage penetration is defined as the percentage of individual using a particular category/brand in an average week*
3. *Tier 1 and Tier 2 cities：Four key cities(Beijing, Shanghai, Guangzhou and Chengdu), provincial-level cities covered by Kantar Worldpanel research.*

About Kantar Worldpanel – high definition inspiration™

Kantar Worldpanel is a CTR service in China.

We are the world leader in continuous consumer panels. Our global team of consultants apply tailored research solutions and advanced analytics to bring you unrivalled sharpness and clarity of insight to both the big picture and the fine detail. We help our clients understand what people buy, what they use and the attitudes behind shopper and consumer behaviour.

We use the latest data collection technologies best matched to the people and the environment we are measuring.
Our expertise is rooted in hard, quantitative evidence – evidence that has become the market currency for local and multinational FMCG brand and private label manufacturers, fresh food suppliers, retailers, market analysts and government organisations. We are not limited to the grocery sector; we have a wide range of panels in fields as diverse as entertainment, communications, petrol, fashion, personal care, beauty, baby and food-on-the-go.

It's what we do with our data that sets us apart. We apply hindsight, insight, foresight and advice to make a real difference to the way you see your world and inspire the actions you take for a more successful business.

We have over 60years experience in helping companies shape their strategies and manage their tactical decisions; we understand shopper and retailer dynamics; we explore opportunities for growth in terms of products, categories, regions and within trade environments.
Together with our partner relationships, we are present in more than 50 countries – in most of which we are market leaders – which means we can deliver inspiring insights on a local, regional and global scale. Kantar Worldpanel was formerly known as TNS Worldpanel.
For more information, please visit www.kantarworldpanel.com

About CTR

CTR is a market information and insight provider specializing in China. We are a joint venture company between CITVC and Kantar Group,one of the world's largest insight, information and consultancy networks. As the foremost provider in China, we integrate our local expertise with cutting-edge research technology and innovative thinking to meet our clients' needs for 360° media intelligence monitoring at all touch points. We analyze consumer responses to marketing activities across all kinds of media; provide in-depth profiles of consumer products and markets, as well as strategies for retail service management. For further information, please visitwww.ctrchina.cn

ISO 9001