

Chain Drug Review

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Health, beauty benefits come together in skin care

NEW YORK — One of the most broadly encompassing categories in chain drug retailing, skin care continues to evolve.

Although it was once dominated by therapeutic items, a renewed emphasis on the beauty side of the category is now propelling sales in drug stores across North America.

In the product areas where therapeutic skin care products are marketed, sales in the 12-week period ended February 19 have been mixed, according to SymphonyIRI Group Inc.

While hand and body lotions have slumped, sales of acne treatments and facial moisturizers — two of the other segments where therapeutic skin has a presence — grew significantly during the period.

Marketers say they are slightly baffled by this mixed performance because of the overwhelming number of people who suffer from some sort of skin condition.

"One hundred twenty million people in the United States suffer from skin diseases," says John Mackay Jr., chief executive officer of Infinite Healthcare Partners, a Grand Haven, Mich.-based company that markets Renucell, a line of therapeutic skin care items formulated with phyoxolin extract. "It is more prevalent than obesity, cancer or hypertension."

Because skin care is such a diverse category, retailers have taken a variety of approaches to merchandising the vast array of products marketed as being beneficial to a person's skin.

Many chain drug retailers,

for instance, continue to target the high end of the market with separate departments, such as Walgreen Co.'s Look Boutique.

The prestige beauty section, which features skin care brands not typically found in drug stores, debuted in Chicago this year at the chain's new outlet at State and Randolph streets. Specially trained beauty advisers staff the department to offer guidance on the best solutions for individual needs in skin care and other beauty areas.

The Look Boutique and other facets of the outlet raise the bar for drug stores and set Walgreens apart, says Joe Magnacca, the chain's president of daily living products and solutions.

Private label skin care products also remain vital to drug chains, as was apparent when CVS/pharmacy publicized its Essence of Beauty line — including bath and body gels and lotions — over the winter.

Salma Hayek line of cosmetics, skin care and hair products, which are perfect for creating custom gift baskets."

And last fall Bartell Drugs debuted its "next generation" unit in Seattle's Roosevelt neighbor-

Also, Navarro Discount Pharmacy includes a skin care tool in its new Vida Mia brand of Hispanic products encompassing a wide range of categories. Believed to be the first brand in the United States, targeting Hispanics across all categories, Vida Mia (My Life) features bilingual labeling.

The Vida Mia utensilio para el cuidado del cutis has a thin-angled loop for gently rolling out mature whiteheads, and a flat side for pressing out blackheads. The line's low prices and inclusion of a skin care tool reinforce two of Navarro's long-standing strengths, assortment and value, says vice president of merchandising Jose Alvarez.

SKIN CARE

Drug chains and other retailers have taken a variety of approaches in merchandising the vast array of products.

The retailer says shoppers who enroll in the ExtraCare Beauty Club "will earn additional rewards on the hottest pampering products and makeup, such as the newest product introductions from the exclusive Nuance

hood with a Fresh Beauty section with natural and organic skin care lines. The department is showcased with soft lighting and signage coupled with new seating and counters for the sampling of products.

SELECTED SKIN CARE CATEGORIES IN CHAIN DRUG STORES

	Dollar sales (000)	Dollar sales % change	Unit sales (000)	Unit sales % change
Hand & body lotion	\$ 125,659	- 5.8%	22,014	- 7.0%
Facial antiaging	\$ 114,422	+ 0.4%	6,762	+ 1.3%
Facial cleansers	\$ 69,087	+ 8.5%	11,465	+ 9.6%
Liquid body wash/all other	\$ 64,837	+ 2.7%	14,473	- 3.2%
Acne treatments	\$ 41,311	+ 7.8%	5,964	+ 4.9%
Facial moisturizers	\$ 34,554	+ 5.3%	3,240	+ 2.5%
Nondeodorant bar soap	\$ 30,387	+14.2%	9,098	+ 10.5%
Depilatories	\$ 15,012	+23.3%	1,901	+ 8.0%
Liquid hand soap	\$ 13,526	+ 3.8%	4,976	+ 18.6%
Fade/bleach	\$ 6,920	- 3.2%	819	- 3.2%
Deodorant bar soap	\$ 6,893	+ 2.1%	2,393	- 6.4%
Body antiaging	\$ 2,519	- 3.3%	202	+ 6.8%

Source: SymphonyIRI Group.

For the 12 weeks ended February 19, 2012.