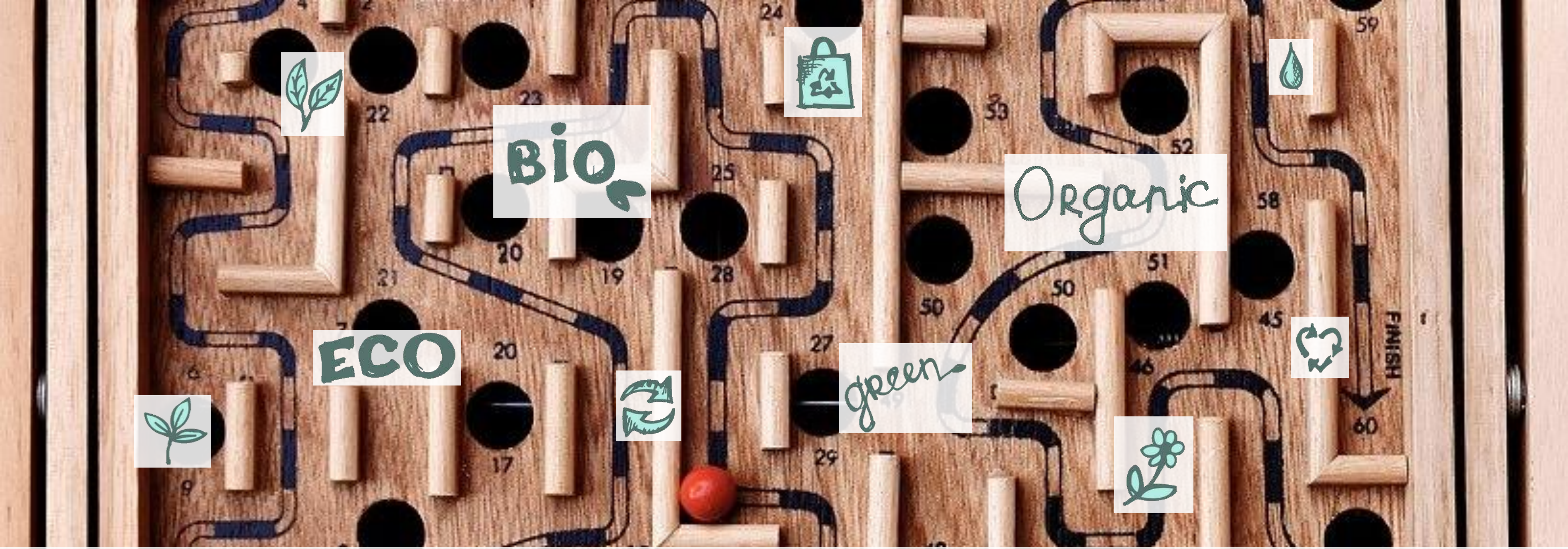


NATRUE's consumer study on consumer perception about brands and seals in regard to cosmetics in Germany and France

February, 2021

mindline

Understanding Product Choice and Attitudes towards Naturalness and Certifications

Across the EU, there is a need for better regulation of natural and organic claims in order to support and empower consumers as part of the green transition, as well as mitigating the risk of greenwashing from manufacturers. With transparency and clarity in mind, NATRUE commissioned in January 2021 a quantitative consumer-centric study carried out through an online survey in Germany and France to evaluate three pillars:

- Consumer attitudes
- Brand perception
- Seal performance

mindline

Consumers

“Naturalness” as one of the keys aspects defining personal care & beauty products.

Brands

Consumer perception about “naturalness” regarding cosmetic brands and their products.

Seals

Are seals sufficient to regulate the natural & organic care market? Evaluation of clarity of labels and seals.

Research design: study specifications

Methodology

- Quantitative, online survey using access panels: 20-minute questionnaire

Target group and sample size

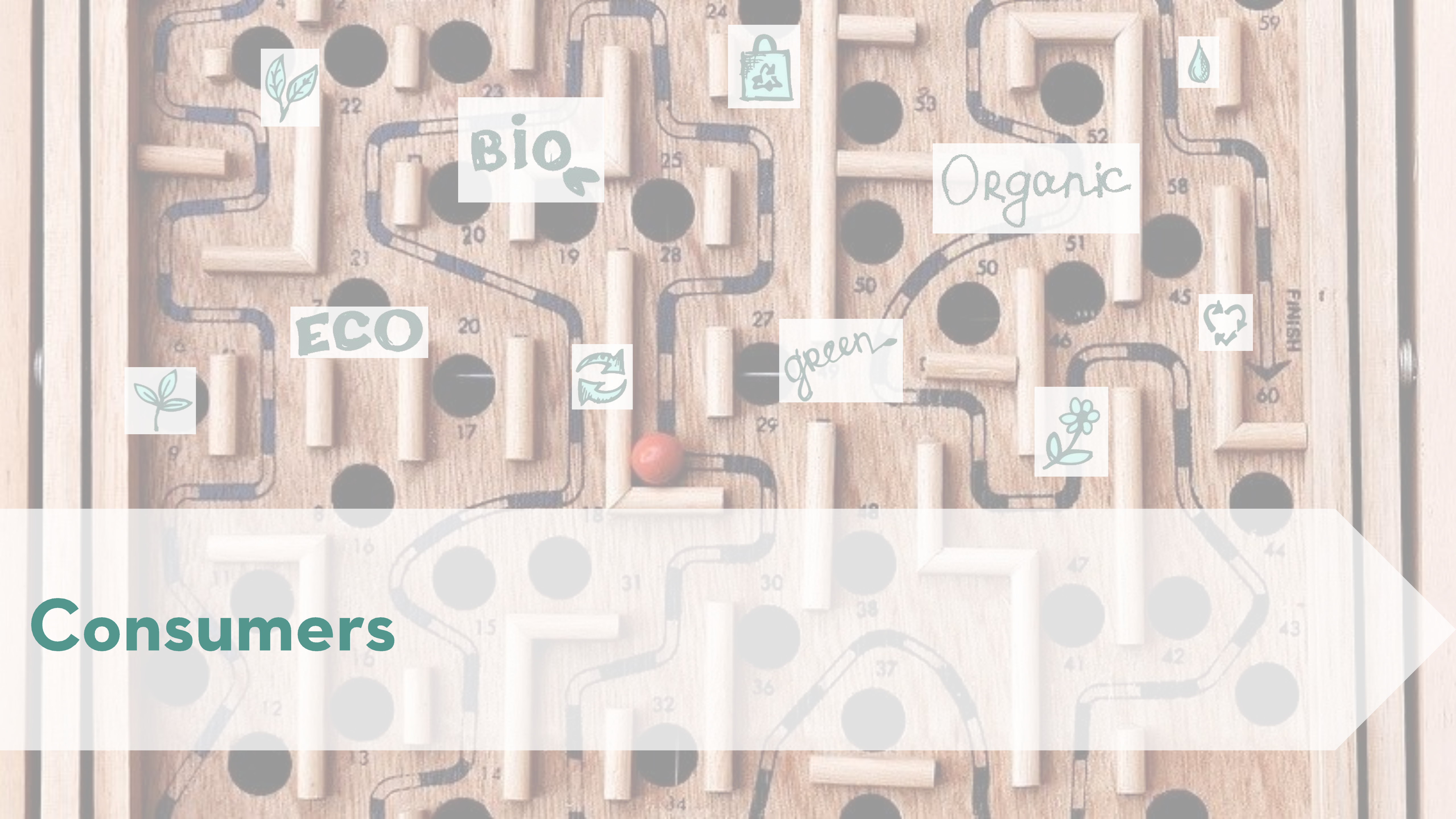
- Representative mix: 70% female an 30% male
- Ages: 18-65 years old
- National representative quotation regarding region
- Participants: buyers or users of personal care products in mass market channels. 25% are users of natural brands.
- Number of participants: 1014 (Germany) and 1022 (France)

Countries

- Germany
- France

Survey period

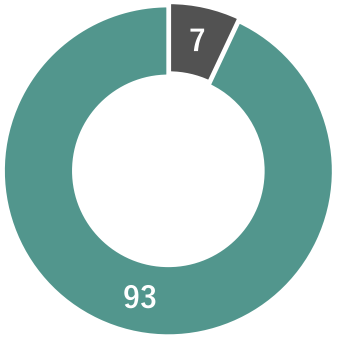
January and February 2021



Consumers

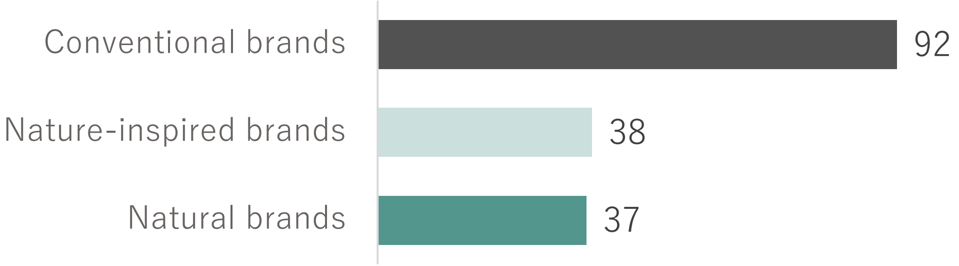
Consumers in Germany and France are very open to the use of natural/organic personal care and products. In Germany, 37% of consumers indicates that they have used a NOC brand among others within the past six months, as opposed to 27% in France.

Yes, in general I would consider using natural/organic personal care and beauty products.

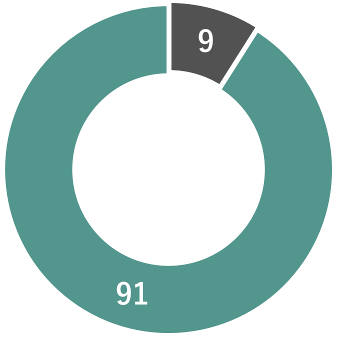


No, in general I would not consider using natural/organic personal care and beauty products.

Brand usage among others – German sample in %

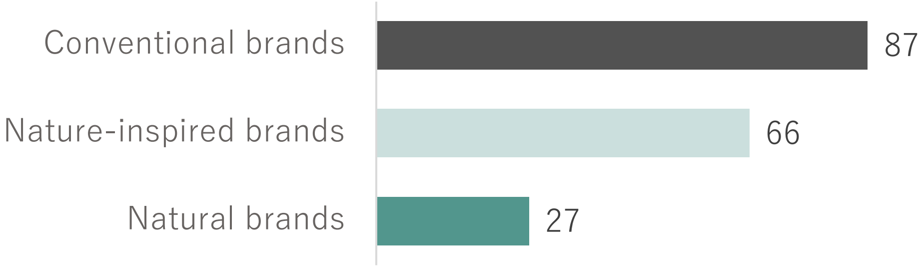


Yes, in general I would consider using natural/organic personal care and beauty products.



No, in general I would not consider using natural/organic personal care and beauty products.

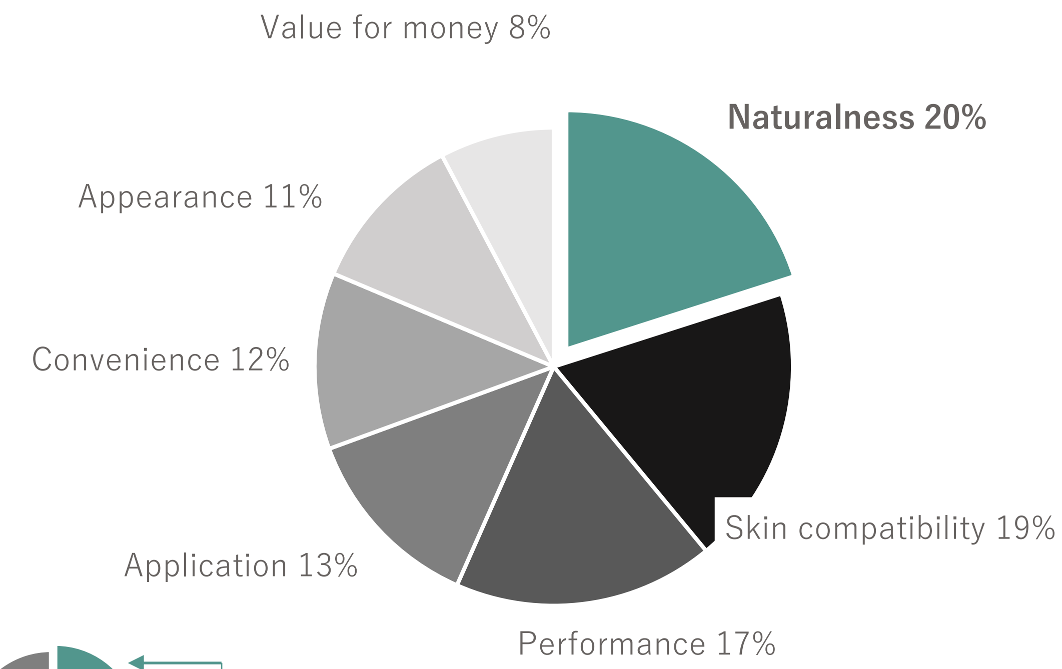
Brand usage among others – French sample in %

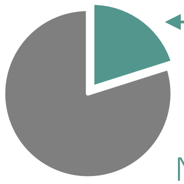


Base: German sample (n=1014), French sample (n=1022)
Question: Which of the following brands for personal and beauty care products have you used in the last 6 months?

“Naturalness” is an important aspect for consumers when considering the purchase of personal care and beauty products. In Germany, its amount to 20%, while in France it represents 24%. Other aspects that come close in importance are skin compatibility, performance and application.

Importance of naturalness - German sample in %

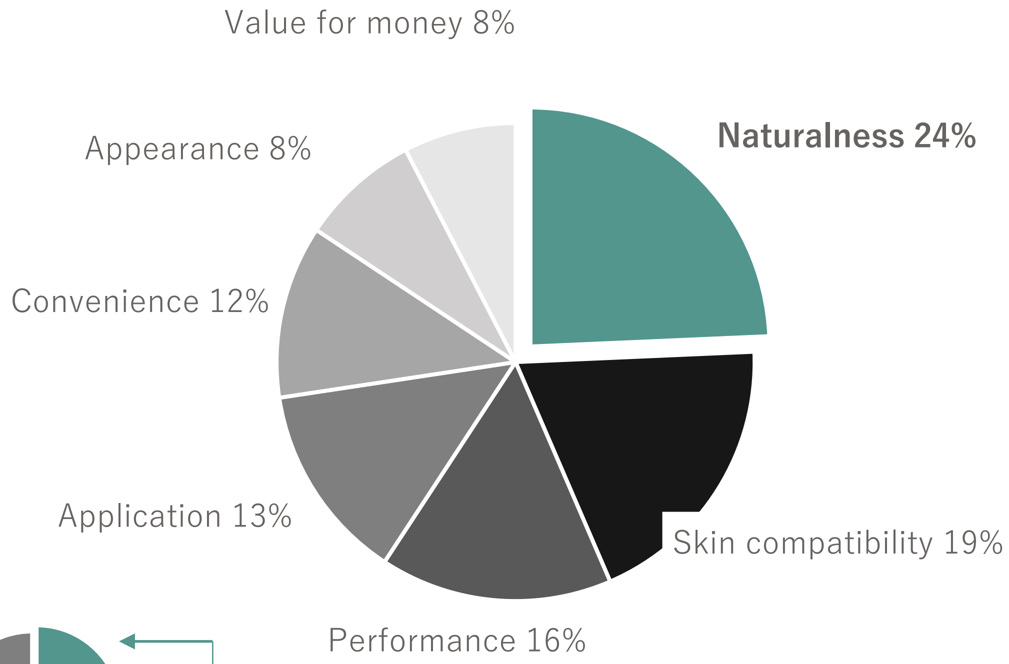


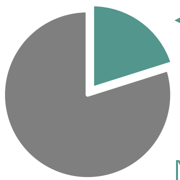


Naturalness shows an importance of 20%

The remaining 80% is related to other product features (see graphic above).

Importance of naturalness - French sample in %





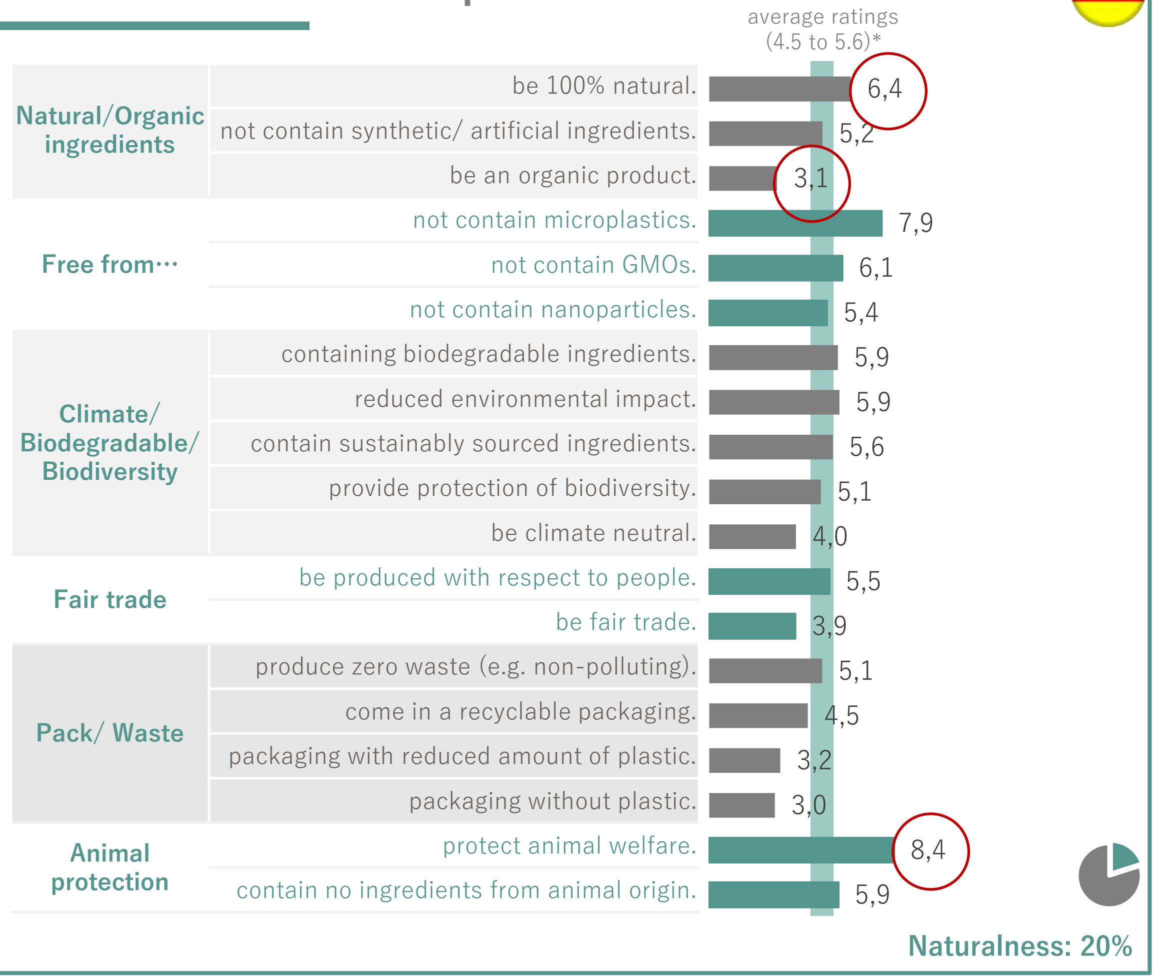
Naturalness shows an importance of 24%

The remaining 76% is related to other product features (see graphic above).

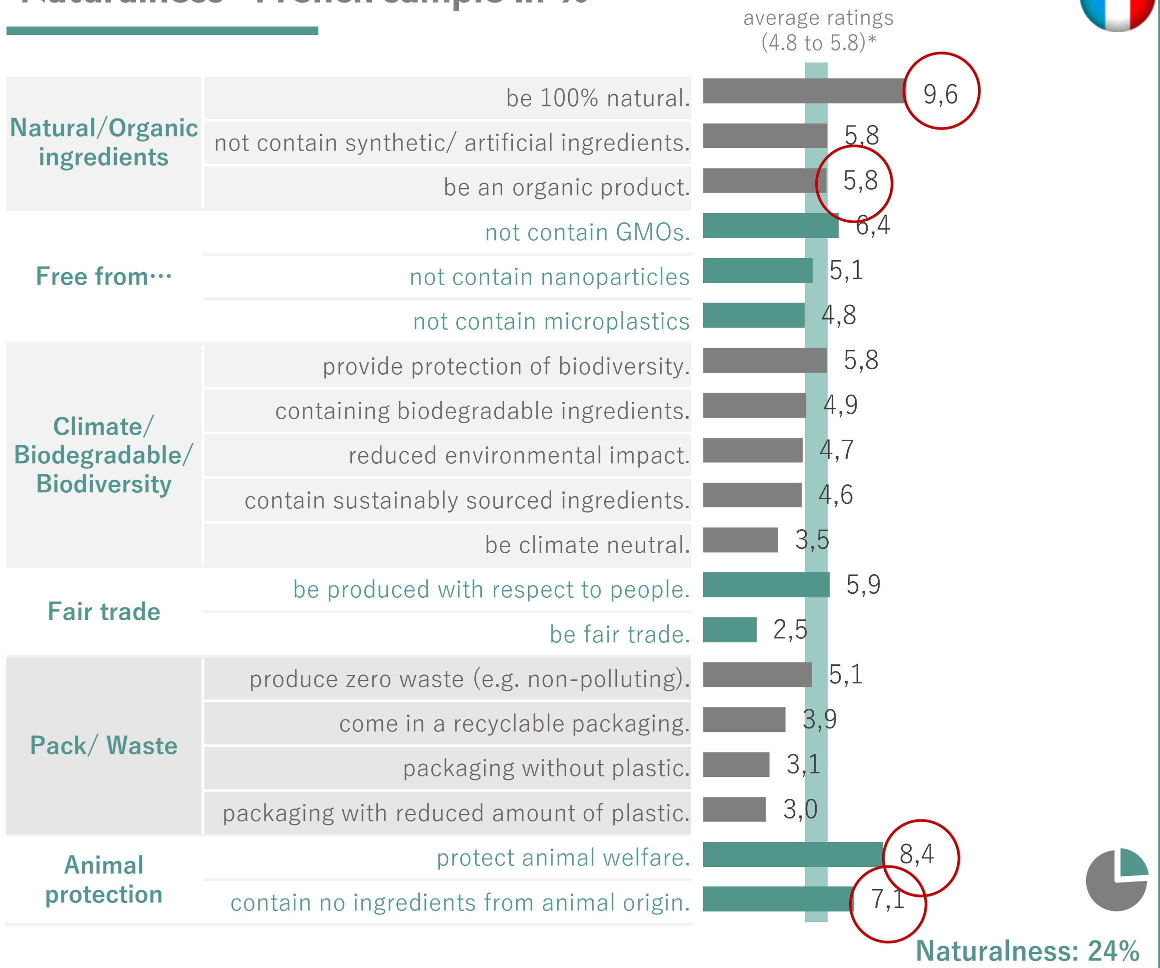
Base: German sample (n=1010), French sample (n=1022)
Question: When thinking about your own personal care and beauty products, which statement is most important to you? And which statement is least important to you?

Data shows that the most relevant aspect that define "naturalness" for consumers in both countries is "100% natural" (referring to its ingredients). Furthermore, "animal welfare" has a comparatively high relevance. In the French market, the absence of ingredients from animal origin (i.e. vegan) is also perceived as a key aspect of "naturalness".

Naturalness - German sample in %

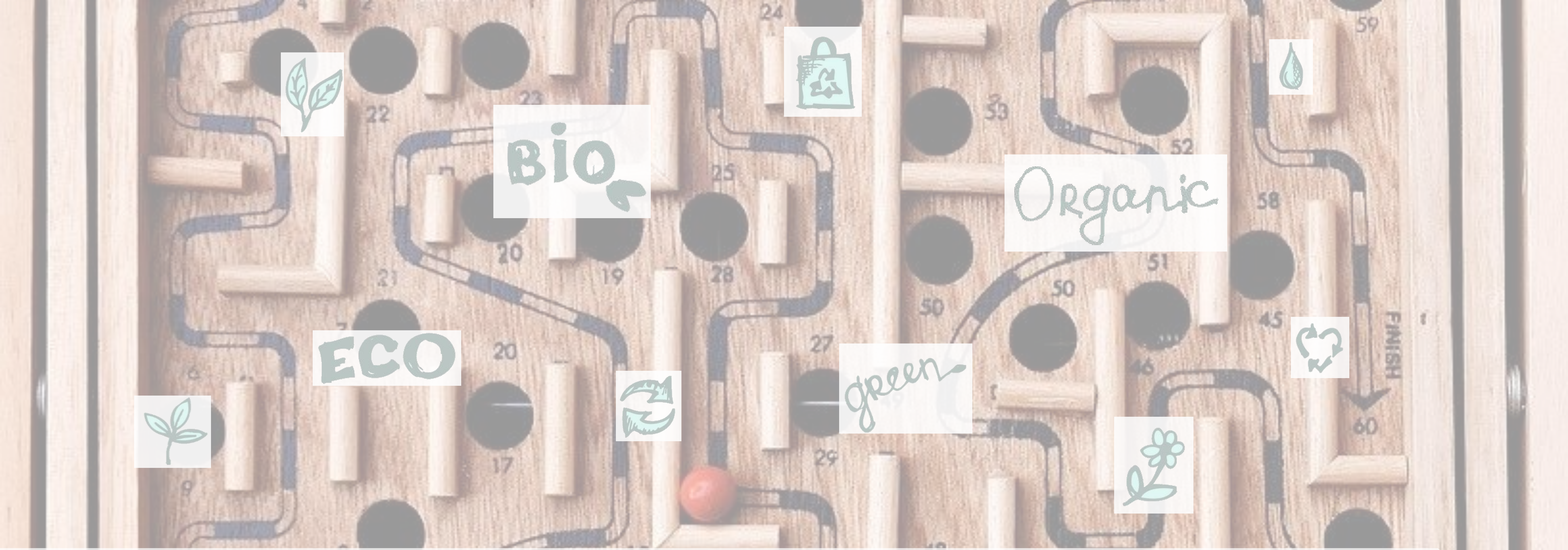


Naturalness - French sample in %



Based on 95% significance level

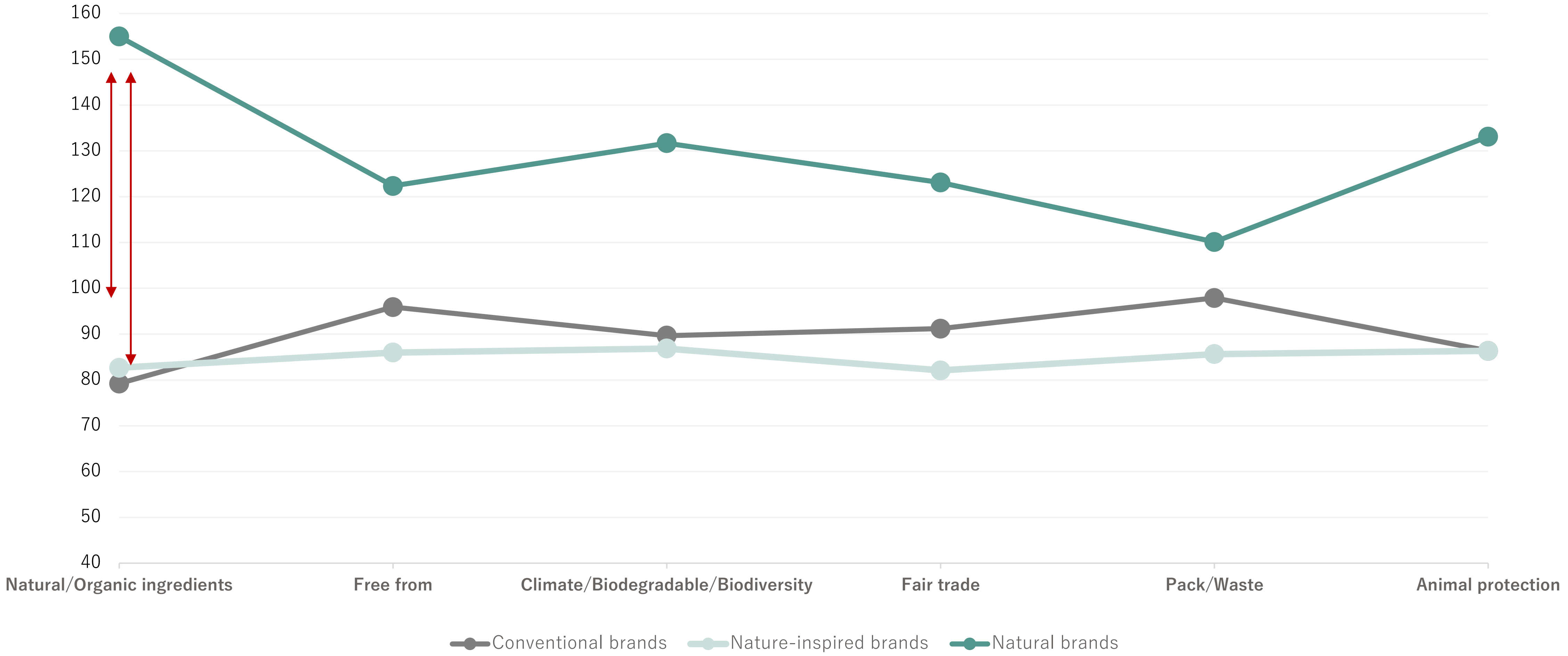
Base: German sample (n=1010), French sample (n=1022)
Question: When thinking about "naturalness" of personal care and beauty products, which statement is most important to you? And which statement is least important to you?



Brands

In Germany, natural brands are strongly associated with all aspects of "naturalness", particular to aspects related to the product's ingredients. Nature-inspired brands are perceived very similarly to conventional brands, which indicates that German consumers are overall aware of the risk of "greenwashing" and can more easily differentiate between natural products and nature-inspired ones.

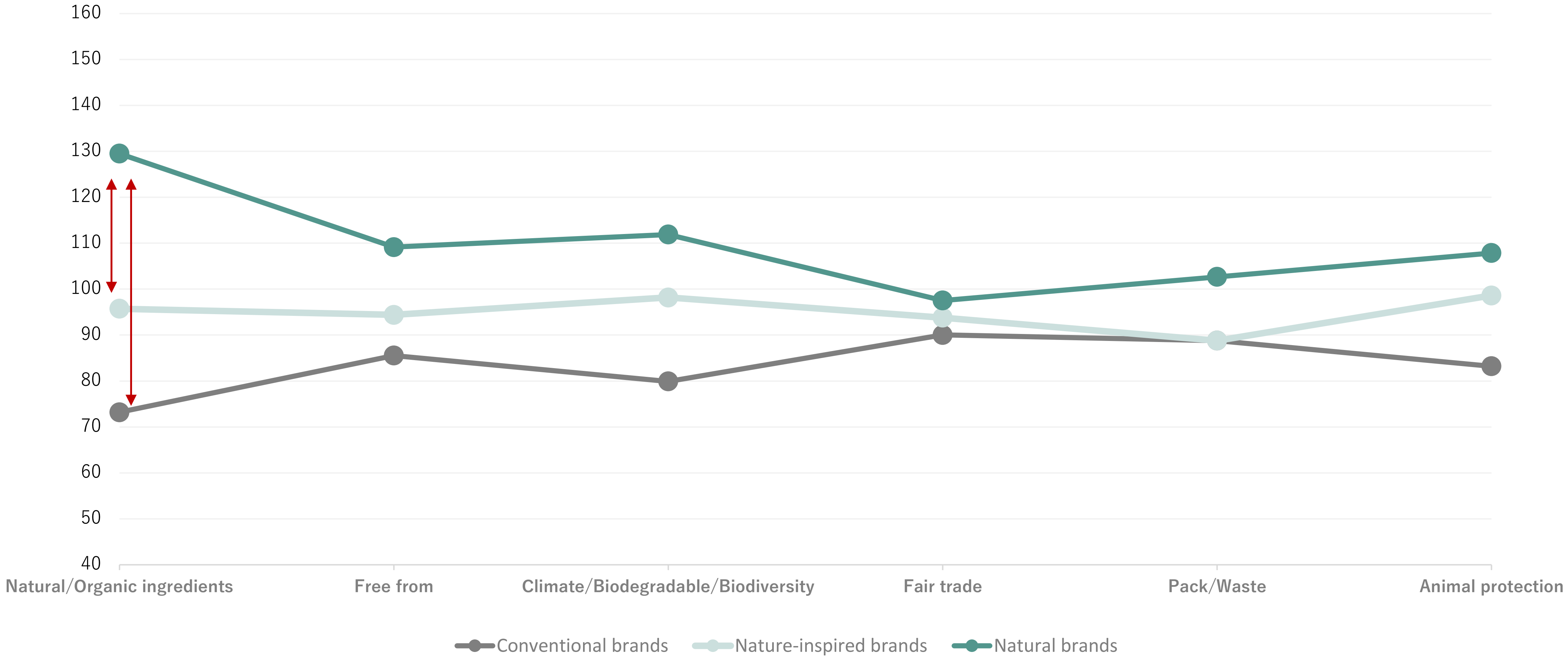
Brand evaluation - German sample in index to total



Base: German sample: Conventional brands, Nature-inspired brands, Natural brands.
Question: Which brand fits the following statement?

In France, the results show a different trend. Although natural brands are strongly associated with most attributes associated to “naturalness”, nature-inspired brands are almost as positively perceived as natural brands for aspects such as “fair trade” or “animal protection”. Nature-inspired brands are more positively rated than conventional brands, particularly regarding their natural/organic ingredients.

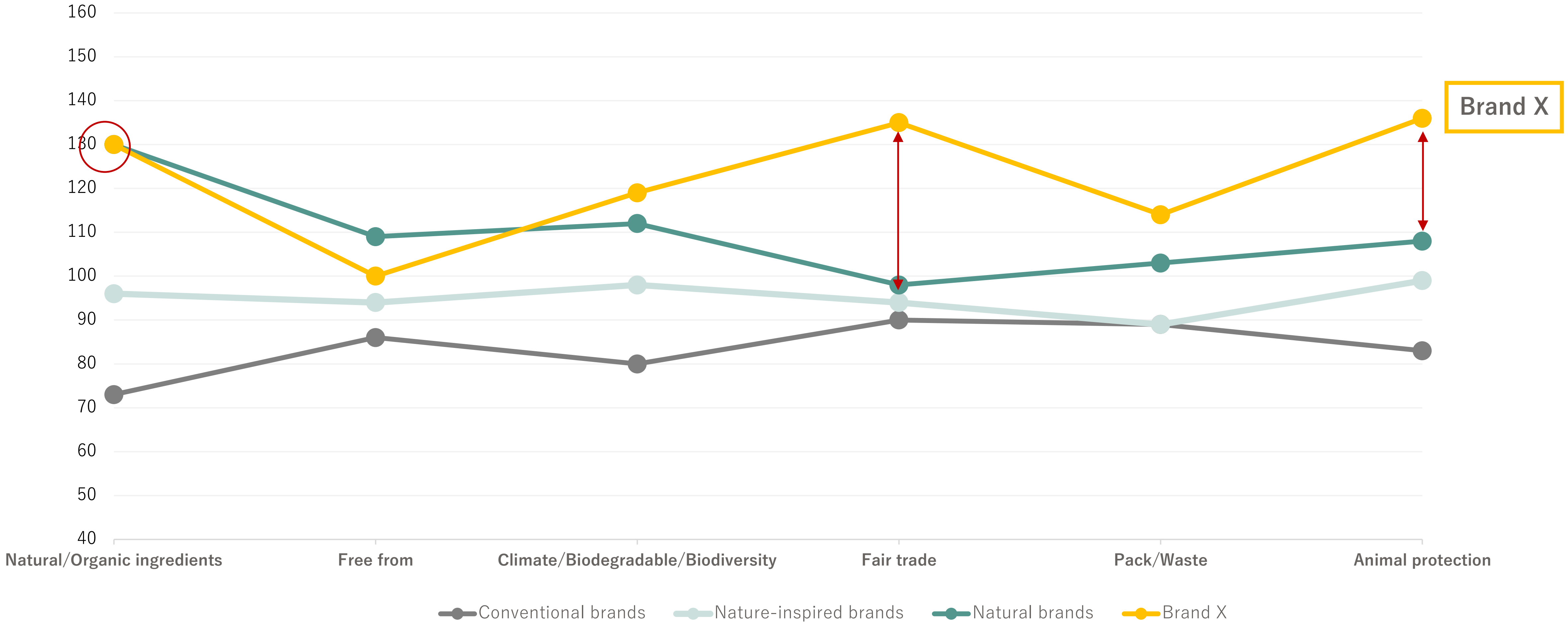
Brand evaluation - French boost sample in index to total



Base: French sample: Conventional brands, Nature-inspired brands, Natural brands.
Question: Which brand fits the following statement?

To illustrate the threat of "greenwashing" in France, the evaluation of a popular nature-inspired brand in France ("Brand X") has been included in the diagram below. This nature-inspired brand is perceived similarly or even more positively by consumers in terms of "naturalness" than natural/organic brands, also regarding the natural/organic ingredients present in the products.

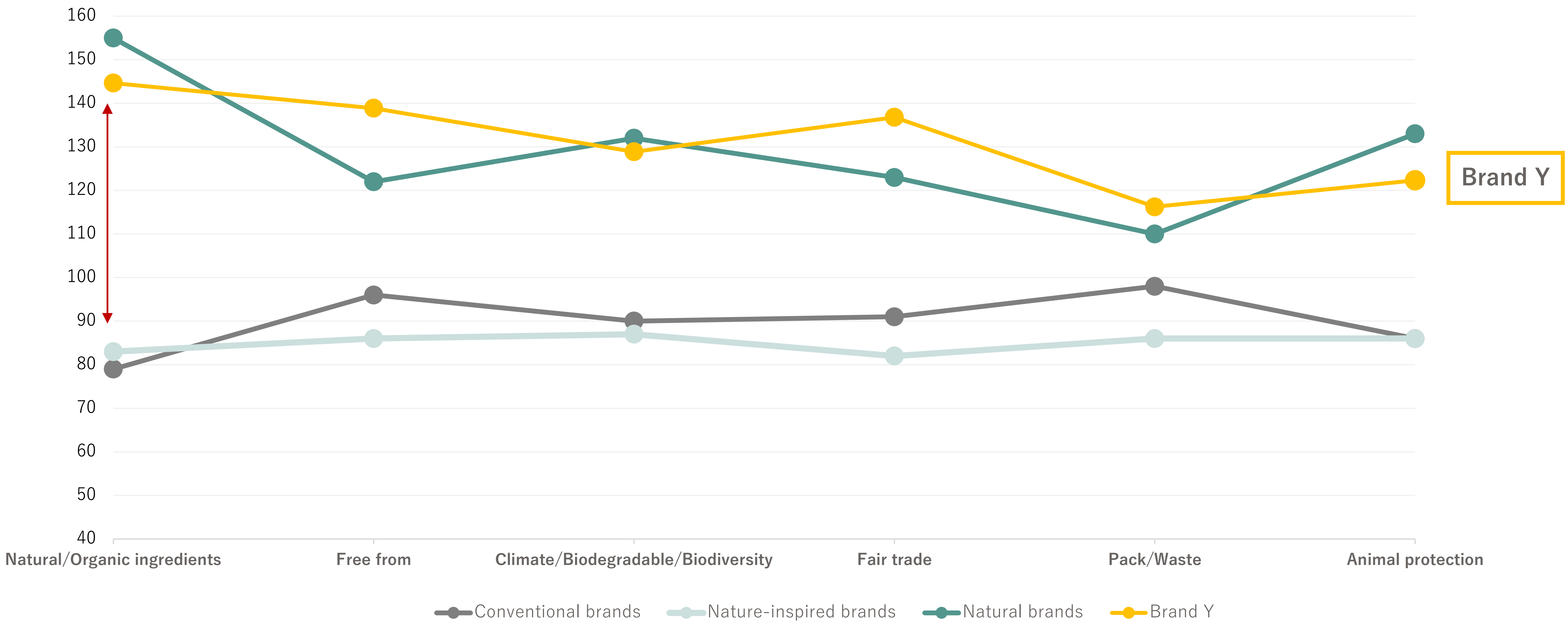
Brand evaluation - French sample in index to total



Base: French sample: Conventional brands, Nature-inspired brands, Natural brands
Question: Which brand fits the following statement?

To illustrate the threat of greenwashing in Germany, a popular nature-inspired brand in Germany has been evaluated in the diagram below. As in the previous example with Brand X in France, this nature-inspired brand (“Brand Y”) is perceived similarly or even more positively by German consumers when comparing certain aspects also present in products from natural/organic brands.

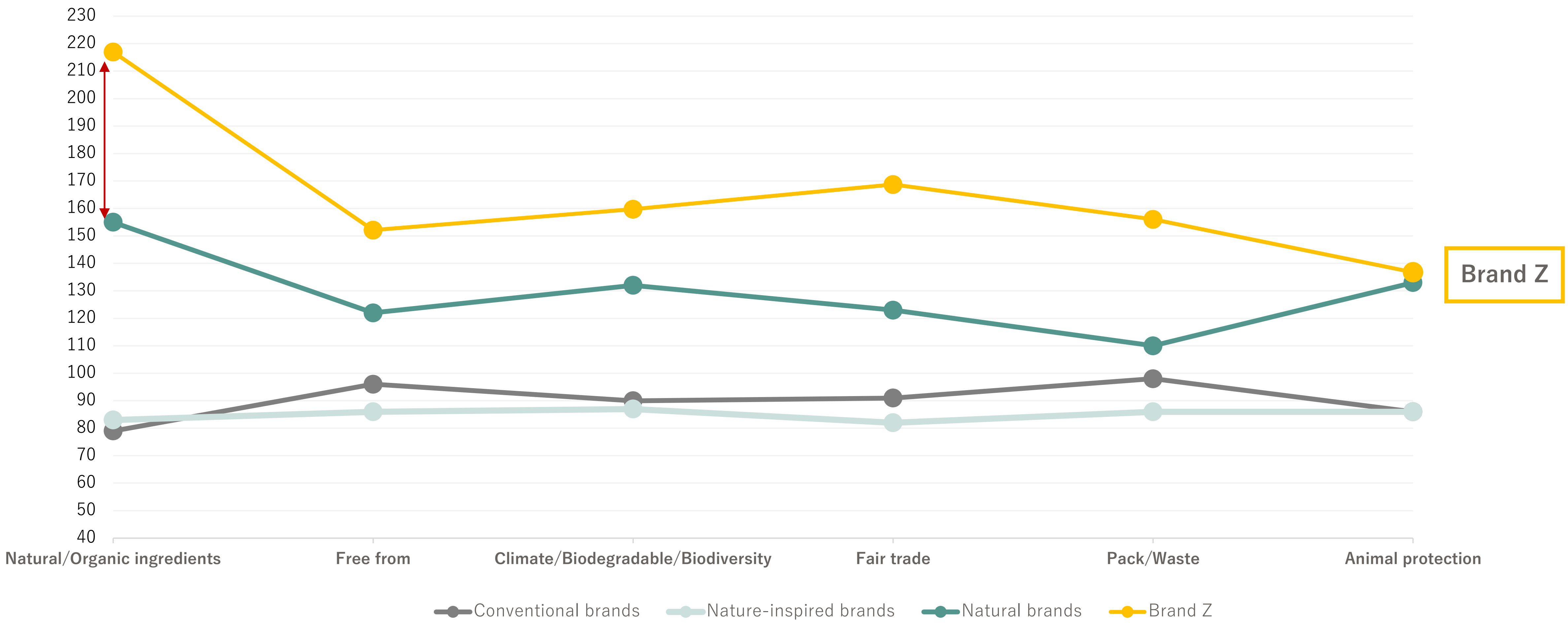
Brand evaluation - German sample in index to total



Base: German sample: Conventional brands, Nature-inspired brands, Natural brands
Question: Which brand fits the following statement?

Consumers can also be confused about sub-brands from conventional brands specifically developing a line of products certified as natural or organic. The evaluated brand in the diagram below ("Brand Z") is a sub-brand of a known conventional one. While it scores similarly regarding the "animal protection" factor, it remains far from being considered similarly to natural brands when it comes to its ingredients.

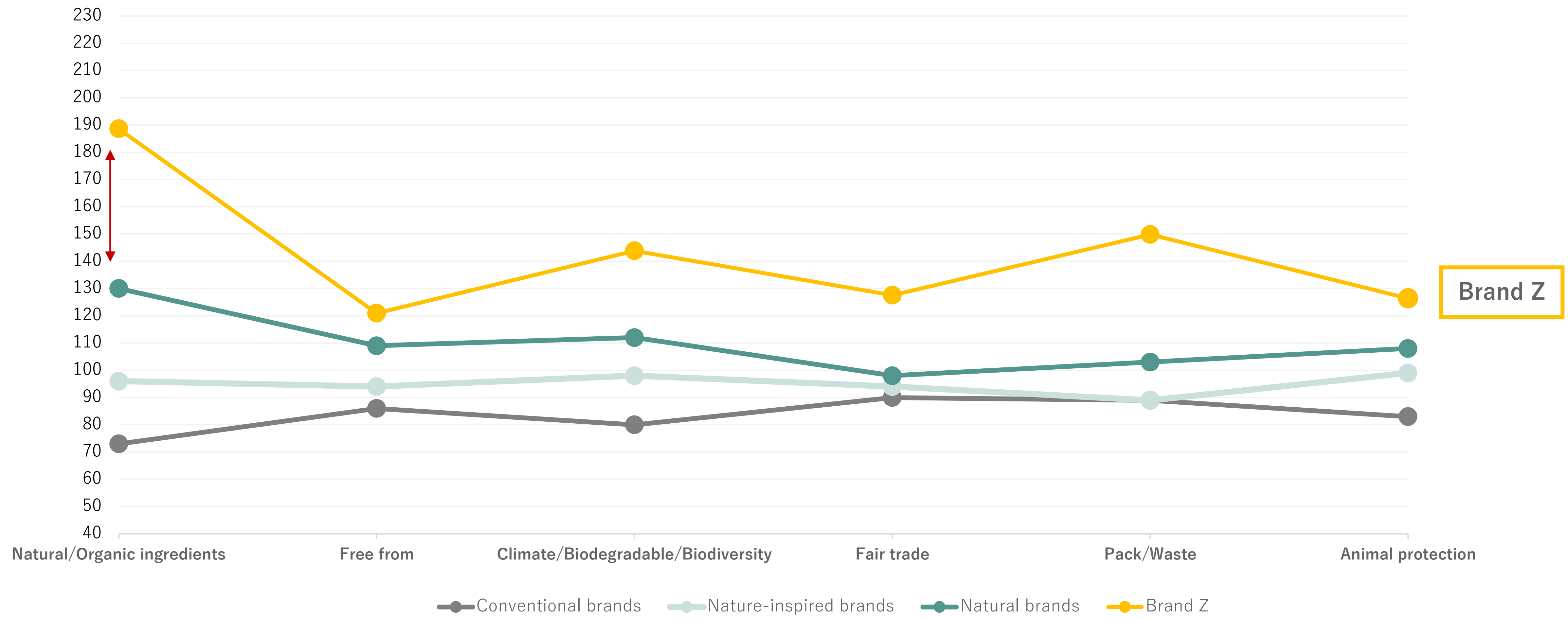
Brand evaluation - German sample in index to total



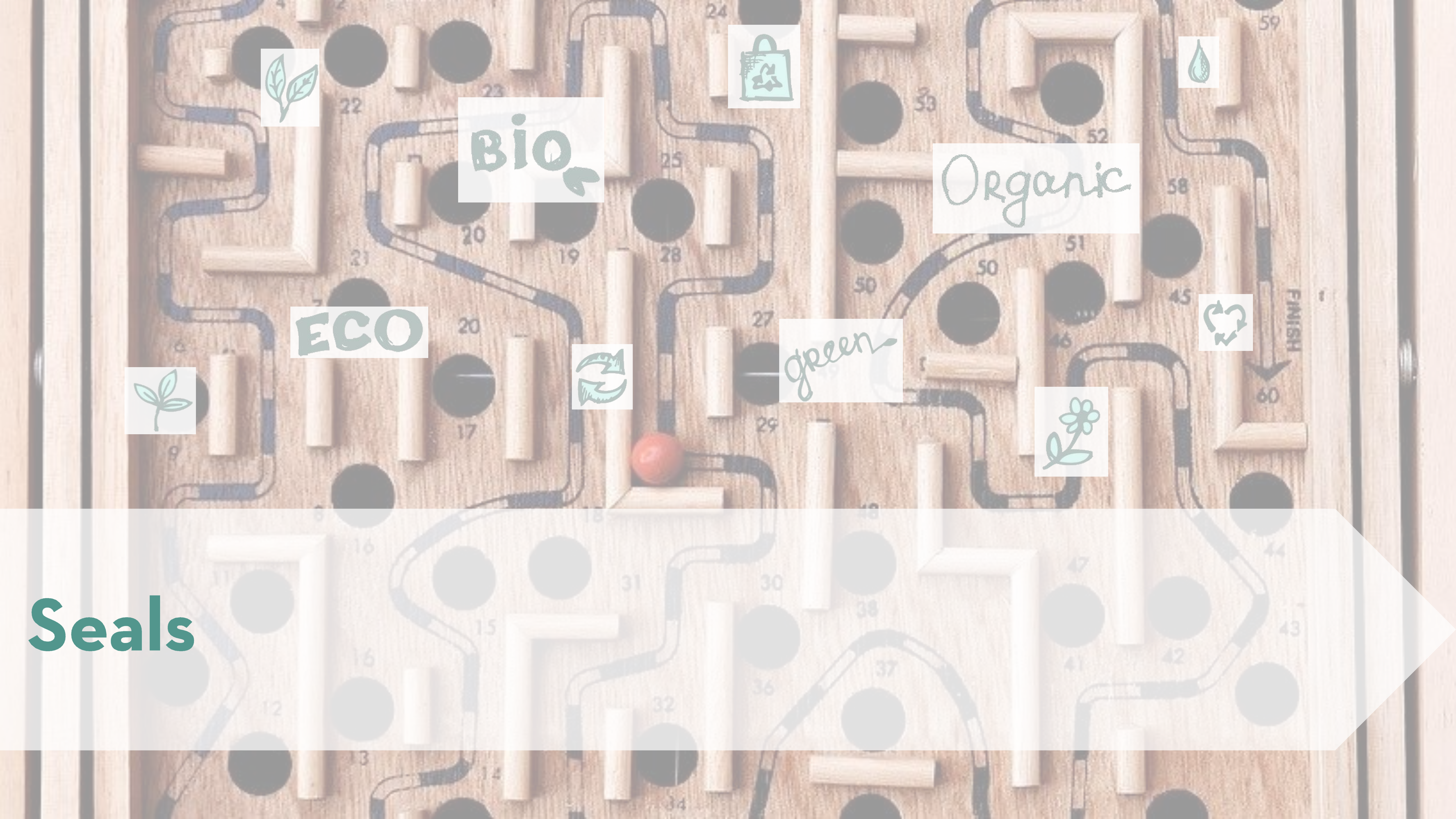
Base: German sample: Conventional brands, Nature-inspired brands, Natural brands
Question: Which brand fits the following statement?

“Brand Z” was also presented to French participants. While there are certain similarities between France and Germany in terms of patterns, the differences between the perception about “Brand Z” and natural brands are less remarkable in the French results.

Brand evaluation – French boost sample in index to total



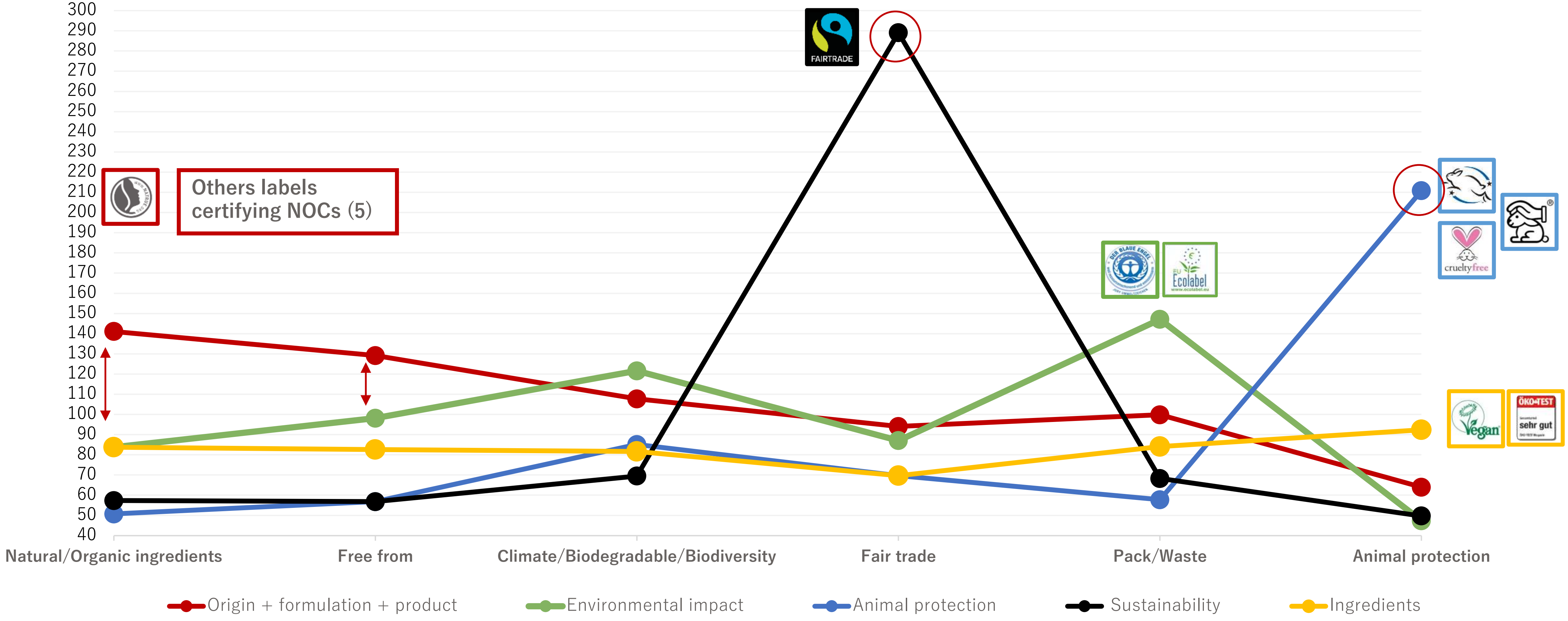
Base: German sample: Conventional brands, Nature-inspired brands, Natural brands
Question: Which brand fits the following statement?



Seals

In Germany, the Fairtrade seal, animal welfare/protection seals and other seals related to environmental protection are those most positively rated in connection to "naturalness". More complex and multifactorial seals (such as NATRUE's one) that certify origin, formulation, ingredients, etc. score particularly high in regard to natural/organic ingredients and "free from" claims.

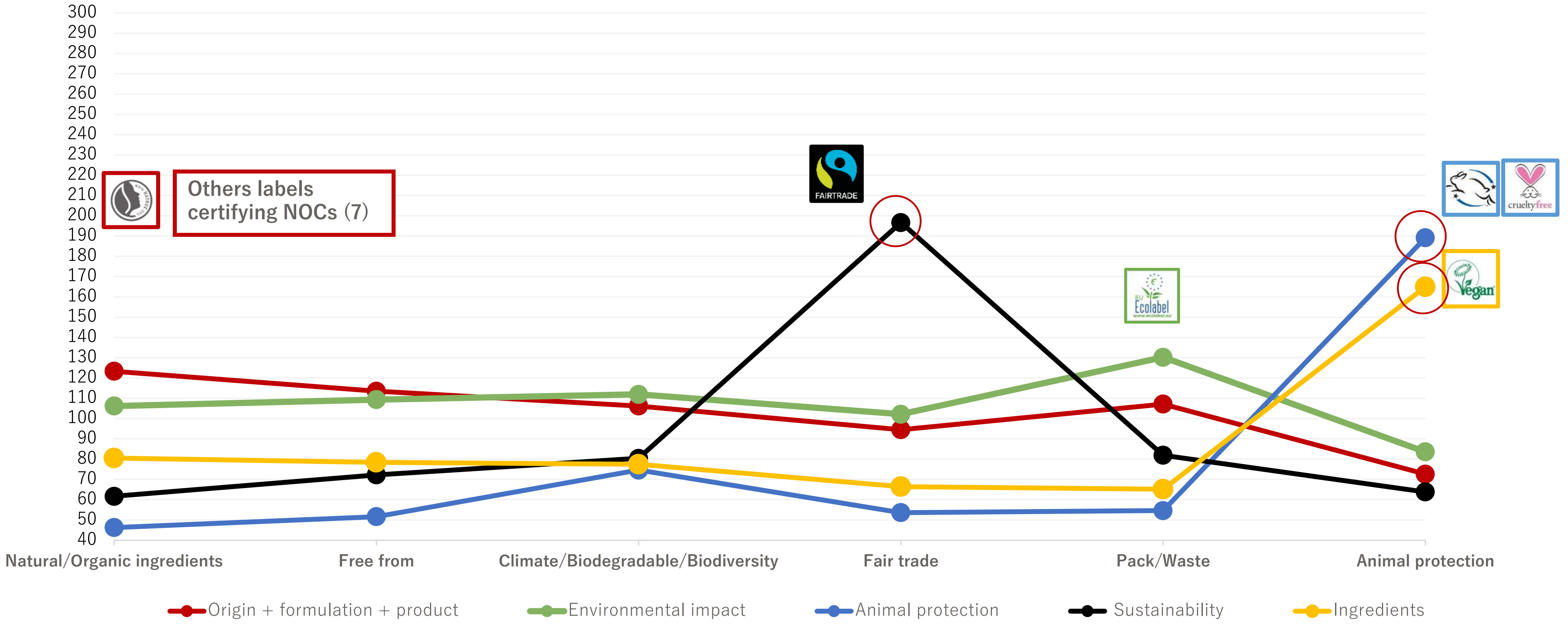
Seal evaluation - German sample in index to total



Base: German sample: Origin + formulation + product, Environmental impact, Animal protection, Sustainability, Ingredients
Question: Which seal fits the following statement?

The French data shows a similar pattern regarding the importance of the Fairtrade seal and seals guaranteeing animal protection or the absence of ingredients of animal origin (vegan). However, the results of multifactorial seals (such as NATRUE's one) show a more diffused picture, which indicates that participants have experienced difficulties when assigning a clear purpose to these seals.

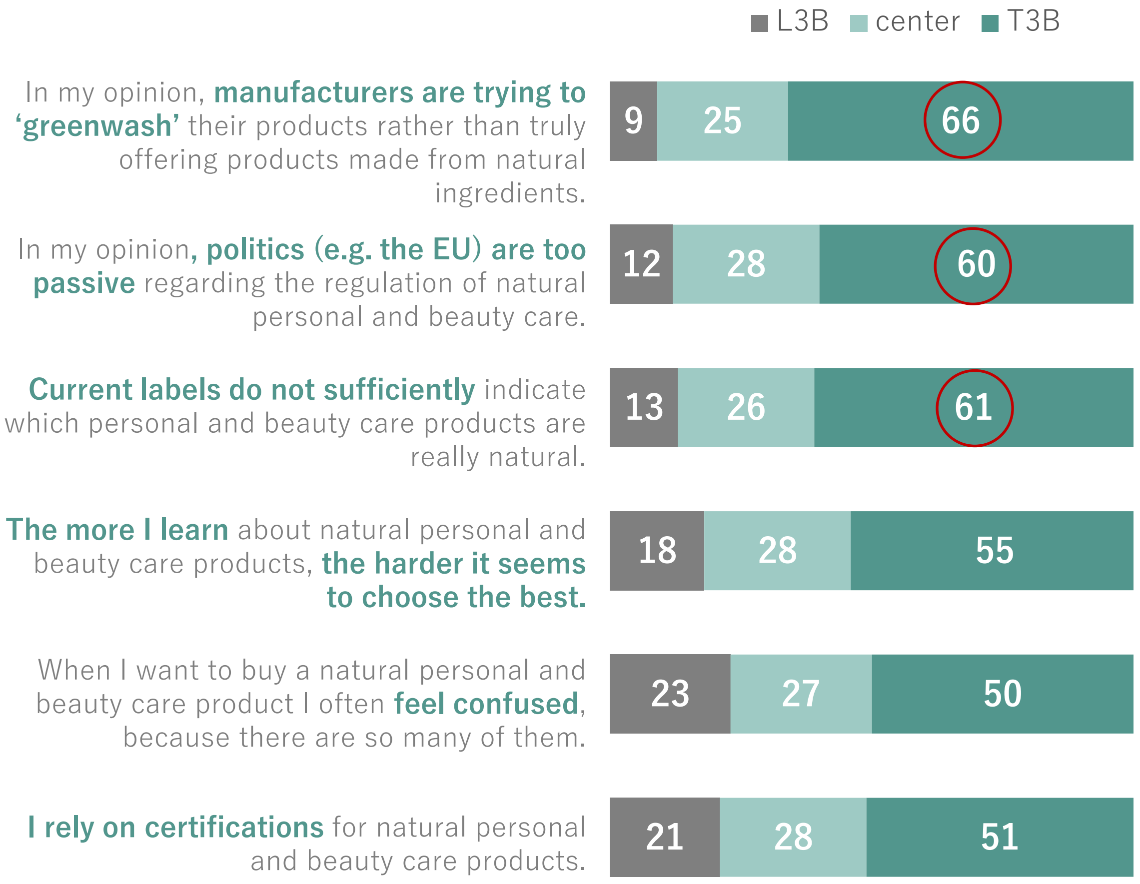
Seal evaluation - France boost sample in index to total



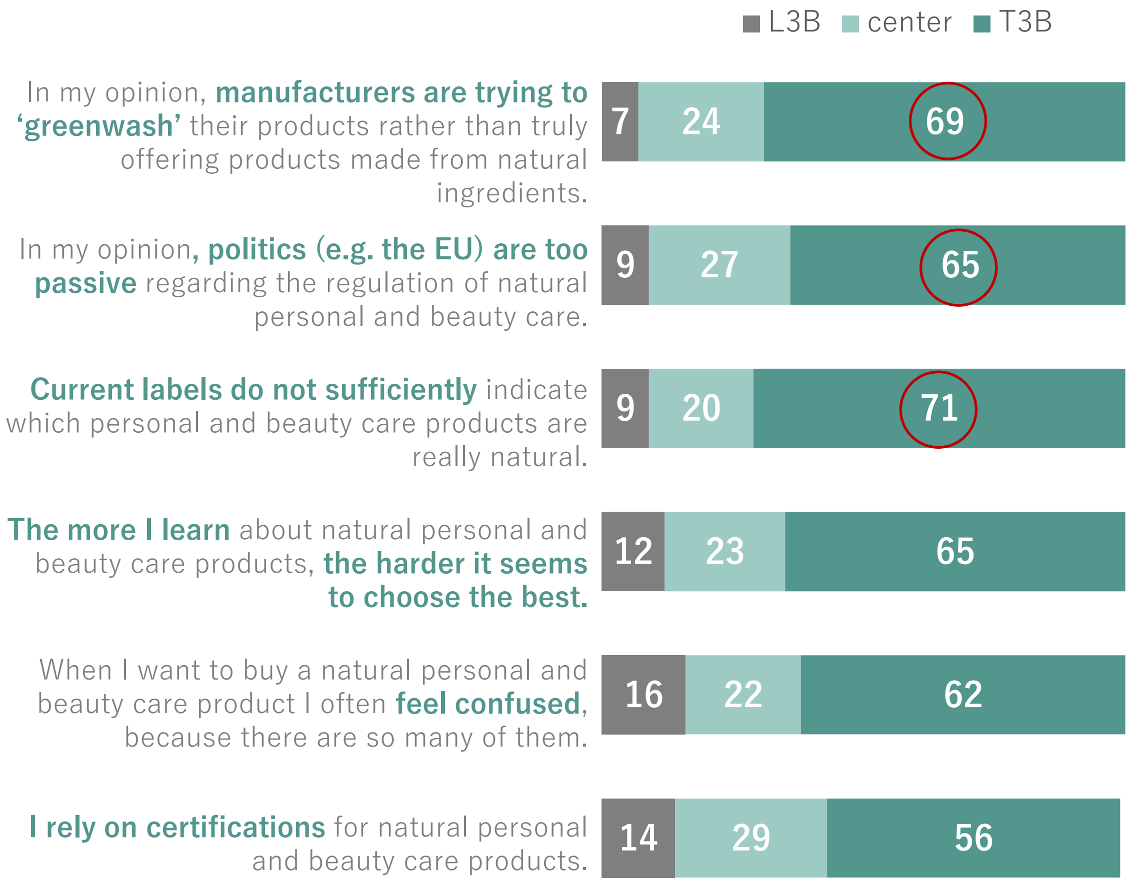
Base: German sample: Origin + formulation + product, Environmental impact, Animal protection, Sustainability, Ingredients
Question: Which seal fits the following statement?

In Germany, 61% of respondents consider that labels do not sufficiently indicate which products are really natural. This percentage is even higher in France (71%). Consumers in both countries agree that there is not enough regulation regarding natural and organic cosmetics in the EU. In addition, two-thirds of the participants believe that some manufacturers play with marketing to "greenwash" their products.

Need for seals & regulation - German sample in %



Need for seals & regulation - French sample in %

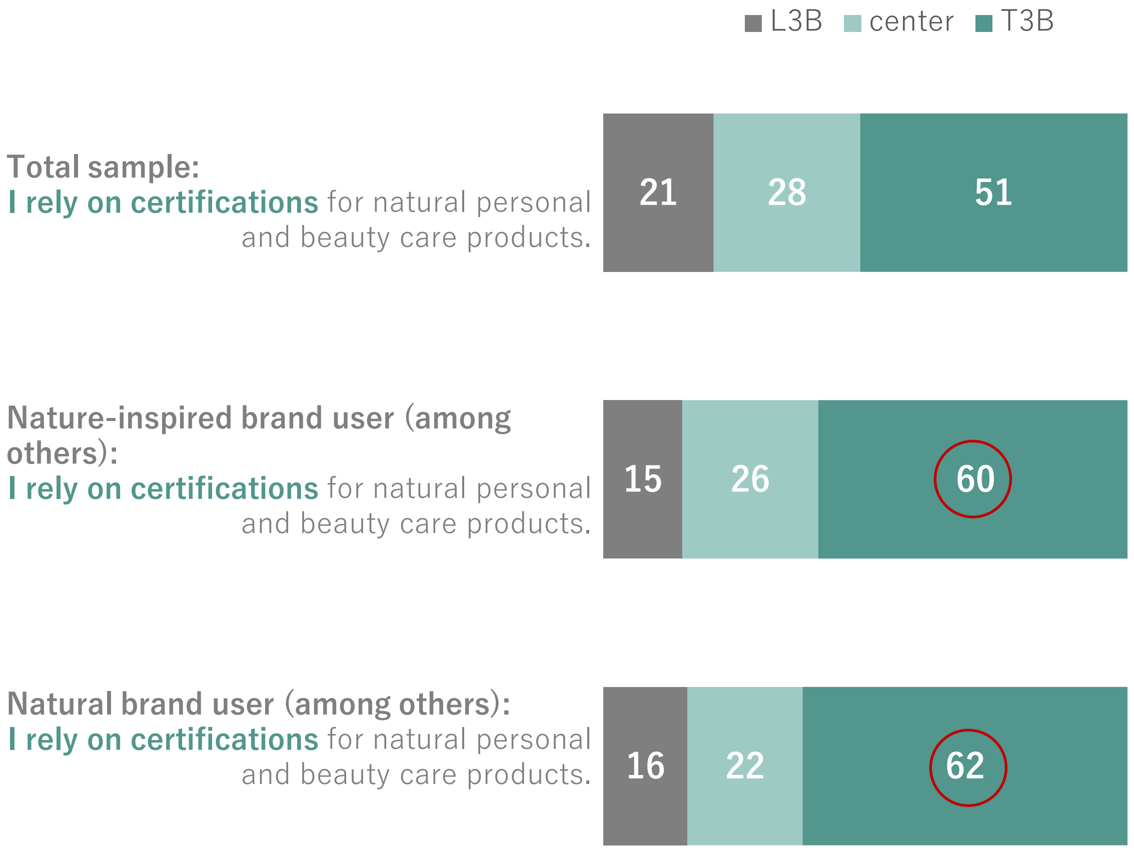


Base: German sample (n=1014), French sample (n=1022)
Question: How much you would agree (or not) with the following statements?

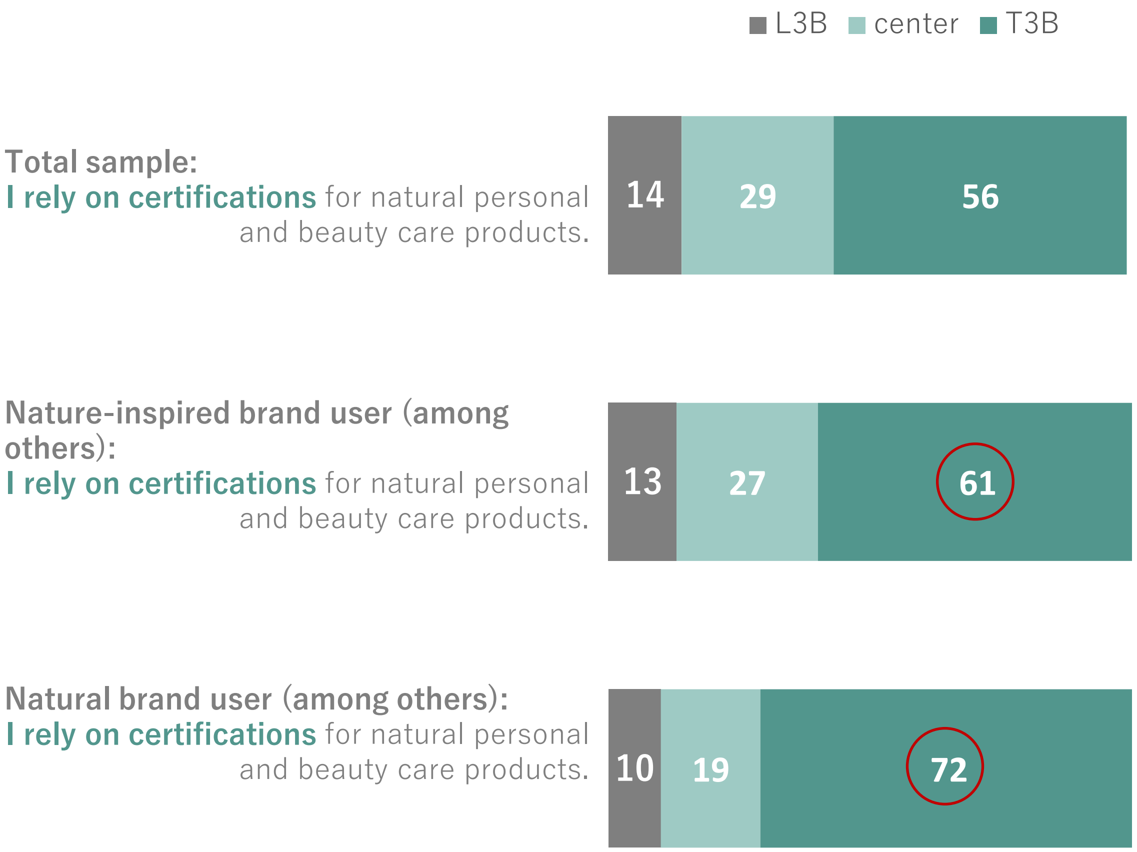
mindline

When it comes to certification, consumers of nature-inspired and natural brands show a high rate of agreement with the statement "I rely on certifications for natural personal care and beauty products". The percentage of agreement of France (72%) is higher than the one of Germany (62%) in regards to this statement.

Need for seals & regulation - German sample in %



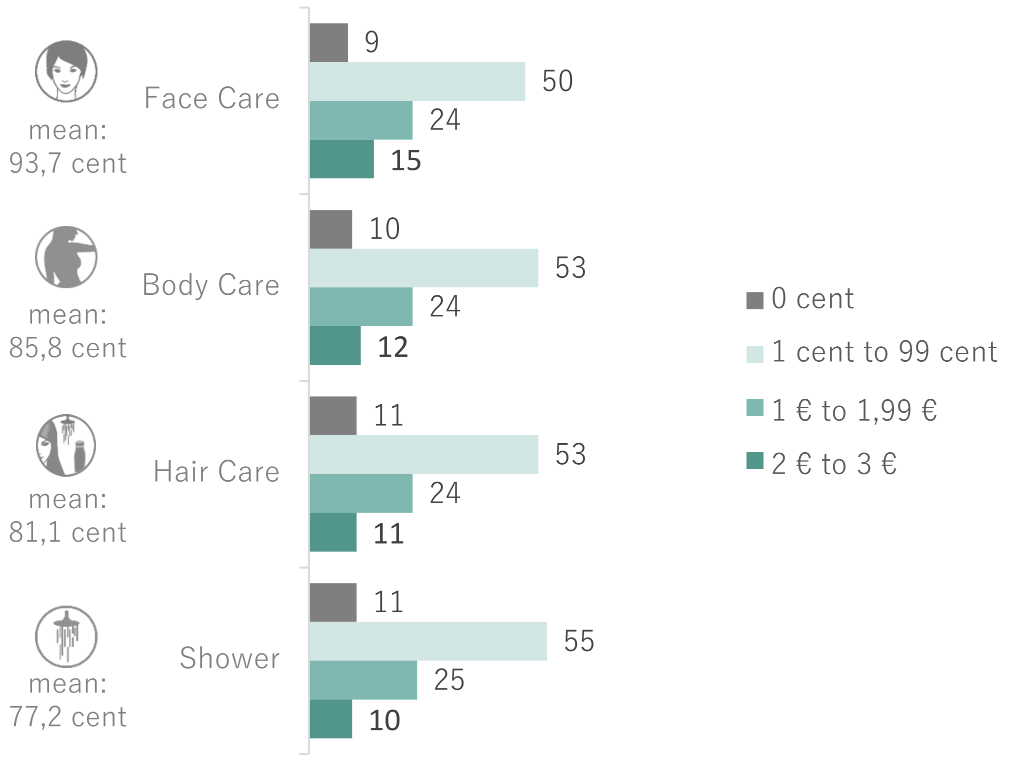
Need for seals & regulation – French sample in %



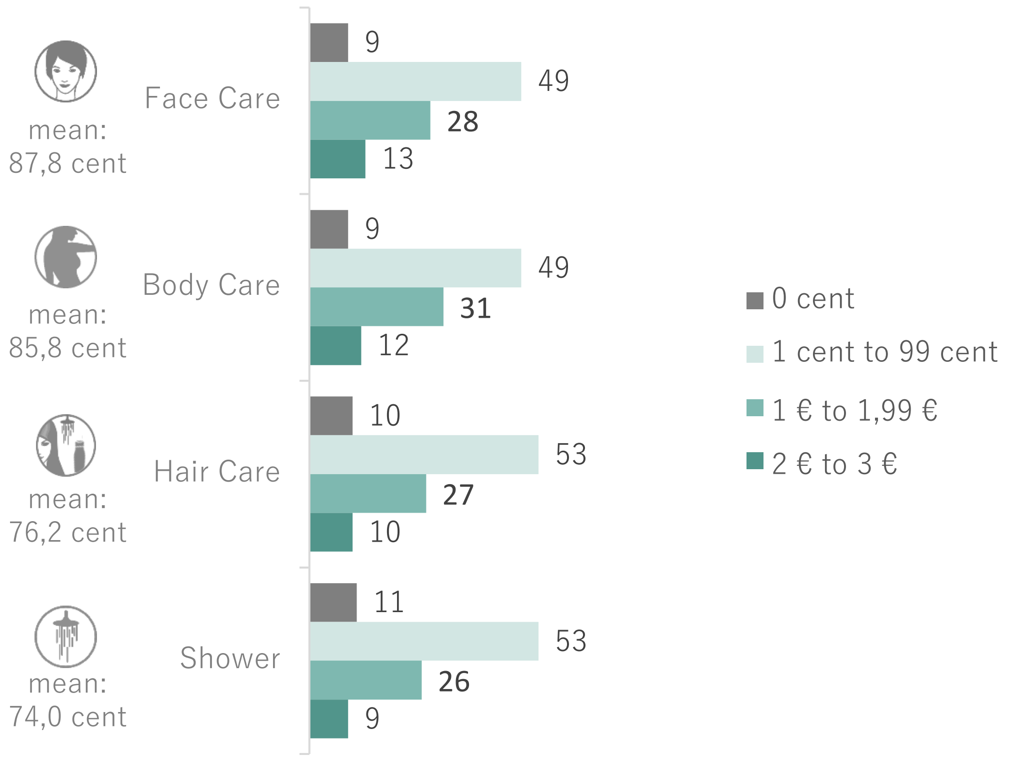
Base: German sample/ Nature-inspired/ Natural brand user (among others), French sample/ Nature-inspired/ Natural brand user
Question: How much you would agree (or not) with the following statements?

Even if multifactorial seals are not clearly understood by most consumers, about 90% of the German and French participants in this study are willing to pay more for a certified cosmetic product within the face care, body care, hair care and shower products categories.

Willingness to pay more for certified product - German sample in %



Willingness to pay more for certified product - French sample in %



Base: German sample Face Care/Body Care/Hair Care/Shower, French sample Face Care/Body Care/Hair Care/Shower
Question: Would you pay more for a [Seal] certified shower/hair care/ body care/ face care product?

Key learnings and perspectives

Consumers

- “Naturalness” is a key factor which influences 20% (DE) and 24% (FR) of the decision-making of consumers when purchasing personal care and beauty products.
- From the consumer’s point of view, “animal protection” is an important topic, followed by “100% natural ingredients” and the absence of certain substances ingredients (e.g. no microplastics, no GMOs, etc.).

Brands

- Nature-inspired brands are particularly popular in France.
- French consumers seem to perceive nature-inspired brands as closer to natural and conventional brands, while German consumers them in a similar way to conventional brands.
- Besides “greenwashing”, there is increased confusion with “green” sub-brands of conventional market leaders whose products are certified as natural or organic. While German consumers believe that there are more guarantees at ingredient level by natural brands when compared to these sub-brands, the differences are more blurred for French consumers.

Seals

- Every second consumer agrees to the statement: “I rely on certification for natural personal care and beauty products”.
- Awareness and clarity of seals are lower for those seals that represent multifactorial criteria in comparison to one-factor seals.
- Consumers are willing to pay more for certified natural/organic products.