

Haircare and Colour Industry



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Fig 1: Global haircare market size 2019-24



Global Outlook

According to Mordor Intelligence, the global haircare market was worth \$98.6 billion in 2019. It is expected to grow at a CAGR of 3.4% during the forecast period of 2019-2024 to reach \$116.3 billion by 2024. The report adds that demand is being driven by fashion industry trends and a rise in hair-related problems coupled with technological innovation in product manufacturing. In addition, the high penetration of salon services across the globe along with increasing demand for professional products and changing grooming patterns, especially among male consumers, are other drivers accelerating the market growth.

According to Market Watch, the global hair colour market was valued at \$17.8 billion in 2018 and will reach \$32.6 billion by the end of 2025, growing at a CAGR of 7.9% during the forecast period of 2019-2025. The growing use of hair colour by the ageing population to cover their grey hair is the primary driver for the growth of the hair colour market. An increasing number of millennials are adopting fashion trends which include colouring their hair in appealing colours

Changing lifestyles, rising urbanisation, and the growing youth population in emerging economies are driving the hair colour market. Another prominent factor leading to the growth of the market is the rising penetration rate of salon and spa services which offer hair colouring solutions. However, the strict regulations by governments in many major markets with regards to the chemicals used in the production of hair colour might limit the growth of the market.



UK Haircare Market

According to Statista, revenue in the UK haircare segment currently amounts to \$1,939.8 million. The market is expected to grow annually by 0.8% during the forecast period of 2019-2023. Desire to express individuality by using haircare products is among the important motivations impacting sales of haircare products in the UK. Moreover, consumers are becoming more experimental with haircare and styling routines. Changing age structures are also impacting purchasing patterns among UK consumers as the ageing population is looking for hair colourants and anti-ageing products..



Demand for Novelty Colours

Novelty colours such as pink, blue, purple, yellow and green are increasingly becoming a new fashion statement. These colours are gaining popularity mainly among male consumers due to the increasing demand of better aesthetic appeal. Novelty colours have high penetration North America and Europe. However, the novelty hair colour market is also experiencing considerable growth in the APAC and Latin America regions. As a result, companies involved in this segment are increasingly experimenting and also investing in R & D in the hopes of coming up with more attractive novelty colours to woo prospective customers.

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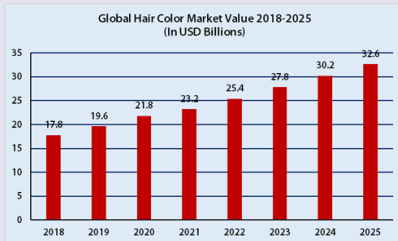


Fig 2: Global hair colour market value, 2018-25

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Continuing Rise of Organic Hair Colouring Market

Hair colouring is one of the major trends among the youth for style. Organic hair colour is gaining massive acceptance among consumers. Increasing prevalence of skin allergies among the consumers is anticipated to act as a significant driver in the global organic hair colour market. Apart from that, the increasing geriatric population across the globe has resulted in the demand for hair colour, which in turn has accelerated the growth of the organic hair colour market.

Organic hair colour is produced by using several plant-based sources, which include fruit extracts, henna and plant extracts. The raw materials used during the production process of organic hair colour are certified organic ingredients. The global organic hair colour market is projected to reach \$1.7 billion by the end of 2023, registering a CAGR of 12.3% during the forecast period of 2019-2023. The rising awareness of the long-term benefits associated with the usage of organic hair colour is one of the critical factors for the growth of this market.



Rise in Online Sales of Haircare Products

The revenue generated by the global online haircare market has been growing gradually over the past few years. Growth in online sales is expected to increase significantly and have a positive impact on the overall haircare market in the coming years. Today, consumers lack time to visit physical stores to purchase products owing to their hectic lifestyles. The convenience offered by online platforms drives their use among consumers. In addition, factors such as rising internet penetration and increasing adoption of digital products, such as tablets, smartphones and laptops, have accelerated online sales. Many vendors are selling haircare products through e-retailing, which helps in promotion as well as enhancement of these brands. Online retailing has become one of the most important channels for the sale of retail goods and services. In addition, many marketers and retailers today are adopting omnichannel retailing to facilitate a seamless shopping experience for customers.

Recent Trends



Product Innovation

The haircare industry has witnessed a few significant disruptive technological solutions, fuelling its growth across markets. Industry players have focussed on innovation to introduce best-in-class solutions with minimal side effects. There has been a rise in product premiumisation owing to increased consumer buying power and professional need for style and fashion. With the millennial (Gen-Y) consumer group, the industry has grown concerning experimentation, and with the foray of Gen-Z into the buyer's market, demand continues to grow for the development of tailor-made solutions catering to specific consumer needs.



Diversity

It's only fairly recently that we've seen a rise in colour cosmetics aimed at the diversity of consumers. Rihanna's Fenty Beauty that

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launched in autumn 2018 was an overnight cosmetic industry sensation with its 40 shades of foundation showing that there are dollars in diversity.

The haircare industry is catching up quickly by creating both haircare and styling products to suit myriad customer profiles. Haircare diversity isn't only related to ethnicity; brands are catering also to natural hair whatever its structure from fine and straight to thick and wavy. Age and gender are also being addressed. The market is seeing men's haircare and beard care products on the rise, along with those targeting hair and scalp issues that can be caused post-partum or during menopause.

We haven't quite seen the end of the one-size-fits all the family product, as sustainability concerns are driving a less-is-more approach. The trend for products that can be shared across gender and family members is also increasing.



Sustainability

Haircare products are now coming under close scrutiny in terms of the effects of the products, their manufacturing process and the pollution caused during and after their usage.

Innovative ways to deliver haircare products are coming to the forefront. The waterless movement is driving some forward-thinking brands to explore alternative methods of delivering shampoos and conditioners. These include high-performance dry and solid shampoos delivered in innovative ways, such as on paper blotters and various application tools like reusable brushes. This trend is expected to gain further prominence in the coming years.

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