Claude3 Opus-generated Sales Report

Hair Color, ~Yn-1 vs ~Aug. 2017

Prepared: 19 March 2024

This report uses charts and visuals designed according to the International Business Communication Standards (IBCS) to ensure clarity, consistency, and information density.

Key elements:

1. **Consistent chart design**: All charts follow a uniform design, making it easier for readers to understand and compare data across different visualizations. This includes consistent use of fonts, sizes, and positioning of elements.

2. **Simplified and focused content**: Charts are designed to be easily readable, with a focus on essential information. Unnecessary decorative elements are avoided to maintain clarity.

3. **Proper labeling and titling**: Each chart includes clear, descriptive titles and labels to ensure that the data is easily understood without additional context.

4. **Standardized notation**: IBCS-compliant charts use standardized notation for elements such as time periods, units, and scenarios, making the information more accessible and comparable.

The following conventions are used throughout the report:

- **Black** represents actual values for the current year
- **Grey** represents data from the previous year
- **Red** indicates negative or "bad" performance
- **Green** indicates positive or "good" performance
- **"PY"** is used to denote the previous year values
- **"AC"** refers to the actual current year values
- **Underscore "_"** is used to represent year-to-date data
- **Tilde "~"** indicates a rolling year or 12-month period

Market Overview
The hair color market is dominated by key players like L'Oreal and Henkel, with Permanent as the leading type. However, consumer preferences are shifting towards Semi-permanent and niche categories. The market is becoming more fragmented, with smaller players and products gaining traction, particularly in the "Other rank > 4" category across various dimensions.

Sales Performance
Despite challenges, hair color sales grew by $3 million, driven by strong performance in brands like Magic Retouch and Colorista, while traditional segments faced declines. Jc Penney outperformed other retailers in growth, and Medium Brown and 'Other' colors gained popularity across most retailers. The market is competitive, with a wide range of unit prices and numerous smaller brands contributing to sales.

Market Insights
The hair color market is competitive and fragmented, with Nice N Easy and Casting leading, but smaller sub-brands collectively holding substantial share. Permanent color significantly outperforms other types. Class A shades contribute 80% of sales despite being only 20.7% of total shades. Just 12% of sub-brands drive 79% of sales and 80% of units, with the next 17% extending concentration to 94% for both.

Trends and Opportunities
The business experienced modest 1.9% sales growth, with units sold slightly outpacing revenue, indicating a decrease in average selling price or a shift towards lower-priced items. Smaller, less dominant brands showed robust growth, while established brands declined, suggesting changing consumer preferences. Despite overall sales declines and monthly fluctuations, growth was primarily driven by incumbent brands, with new brand cohorts presenting an opportunity for future growth.

At a glance: The hair color market is dominated by key players like L'Oreal and Henkel, with Permanent as the leading type, but consumer preferences are shifting towards Semi-permanent and niche categories. Despite challenges, sales grew by $3 million, driven by strong performance in brands like Magic Retouch and Colorista, while traditional segments faced declines. The market is becoming more fragmented, with smaller players and products gaining traction, particularly in the "Other rank > 4" category across various dimensions. Pages 7 to 13.

Sales breakdown: The hair color market, dominated by L'Oreal and Coty, sees strong sales in the Permanent and Tone On Tone categories, with L'Oreal leading in Dark Brown. Jc Penney outperforms other retailers in growth, while Medium Brown and 'Other' colors gain popularity across most retailers. The market is competitive, with a wide range of unit prices and numerous smaller brands contributing to sales in the 'Other rank >6' and 'Other rank >3' categories. Pages 15 to 23.

Data insights: The hair color market is competitive and fragmented, with Nice N Easy and Casting leading but smaller sub-brands collectively holding substantial share. Permanent color significantly outperforms other types, and while most shades are in class C, class A shades contribute 80% of sales despite being only 20.7% of total shades. Just 12% of sub-brands drive 79% of sales and 80% of units, with the next 17% extending concentration to 94% for both. Pages 25 to 30.

Trends: The market experienced modest 1.9% sales growth, with units sold slightly outpacing revenue, indicating a decrease in average selling price or a shift towards lower-priced items. Smaller, less dominant brands showed robust growth, while established brands like Nice N Easy, Casting, and Excellence declined, suggesting changing consumer preferences. Despite a 4% overall sales decline and significant monthly fluctuations, hair color growth was primarily driven by incumbent brands, with new brand cohorts presenting an opportunity for future growth. Pages 32 to 39.

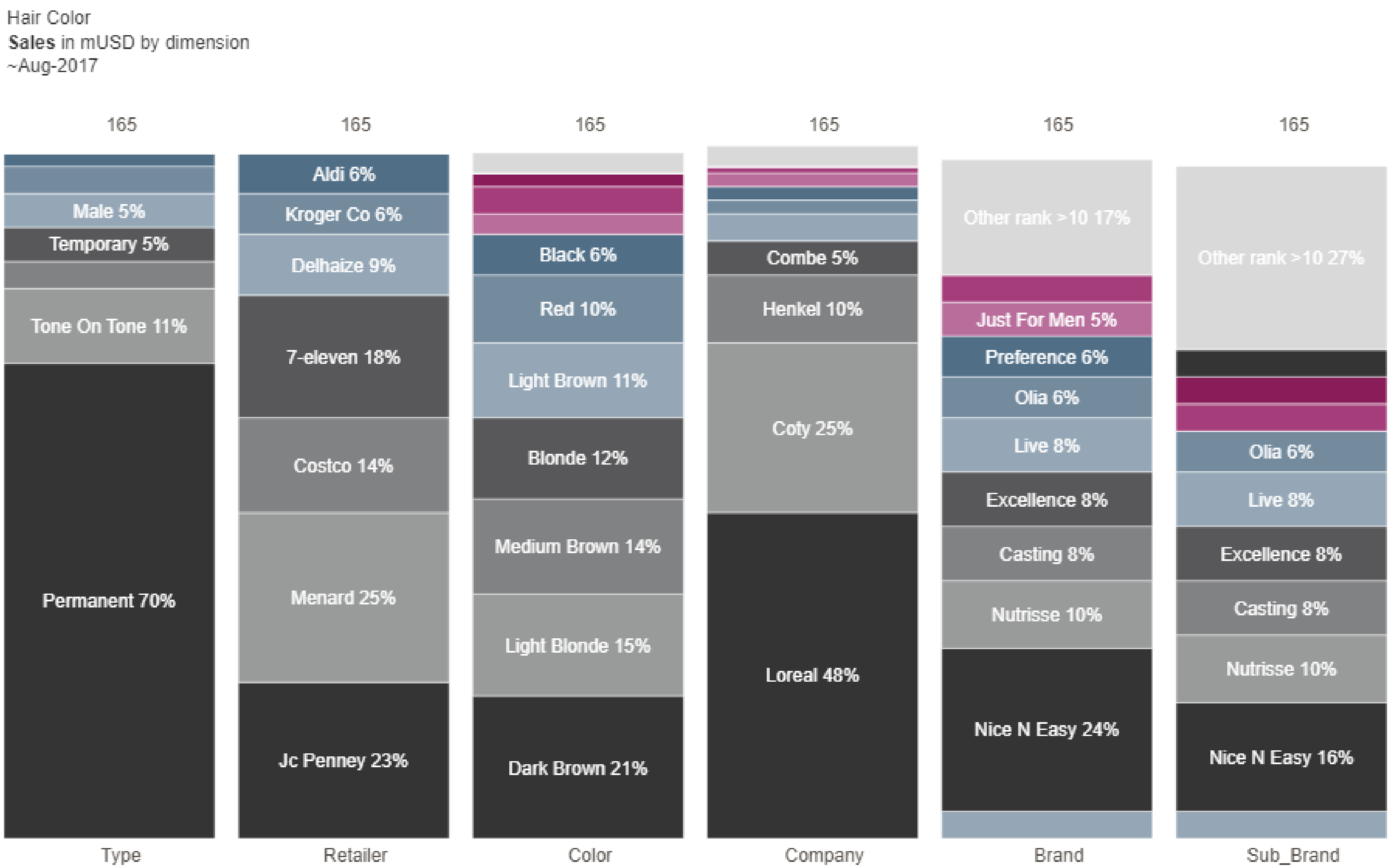
The hair color market is dominated by key players in various dimensions, with 'Permanent' leading in Type, 'Menard' in Retailer, 'Dark Brown' in Color, and 'L'Oreal' in Company. Niche categories, such as 'Other rank > 10', also hold significant shares in both Brand and Sub_Brand dimensions, reflecting a diverse consumer base with varied preferences (p.8). Despite challenges in maintaining average selling prices, hair color sales grew by $3 million from Year ~Yn-1 to Year ~Y, driven by a positive $7.2 million units & mix variance (p.9).

The market's brand dynamics are diverse, with units & mix driving sales growth or decline. Magic Retouch and the Others category were the primary growth drivers, while Nice N Easy, Feria, and Vs faced challenges. Colorista successfully entered the market with $2.2 million in sales solely due to units & mix (p.10). L'Oreal and Henkel contributed significantly to sales growth, while Coty's Nice N Easy and Vidal Sassoon brands negatively impacted sales (p.11).

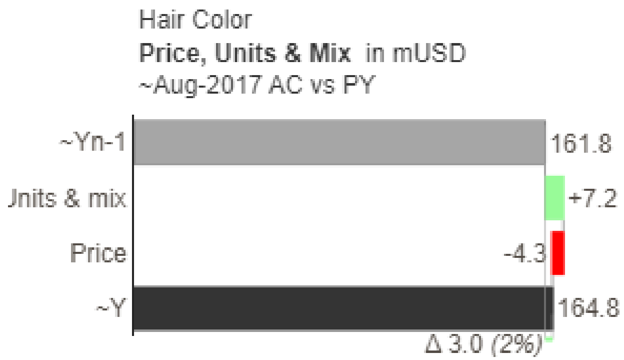
Consumer preferences are shifting, with significant growth in 'Semi-permanent' and 'Male' types, 'Jc Penney' and 'Menard' retailers, 'Dark Brown' color, 'L'Oreal' and 'Henkel' companies, and the 'Nutrisse' brand. Traditional segments like 'Permanent' and 'Tone On Tone' are declining (p.12). The 'Other rank > 4' category's growth across most dimensions points to a fragmented market with many smaller players or products gaining traction (p.12).

Niche and Semi-permanent categories are growing across several retailers, with the 'Other rank >4' category showing remarkable growth, particularly in Other rank >3 at 139%. Semi-permanent products exhibit strong growth, especially in 7-Eleven at 149% and Other rank >3 at 36%. Traditional segments like Permanent and Tone On Tone are declining, with the most significant drop in Menard at -7% and Other rank >3 at -4% (p.13).

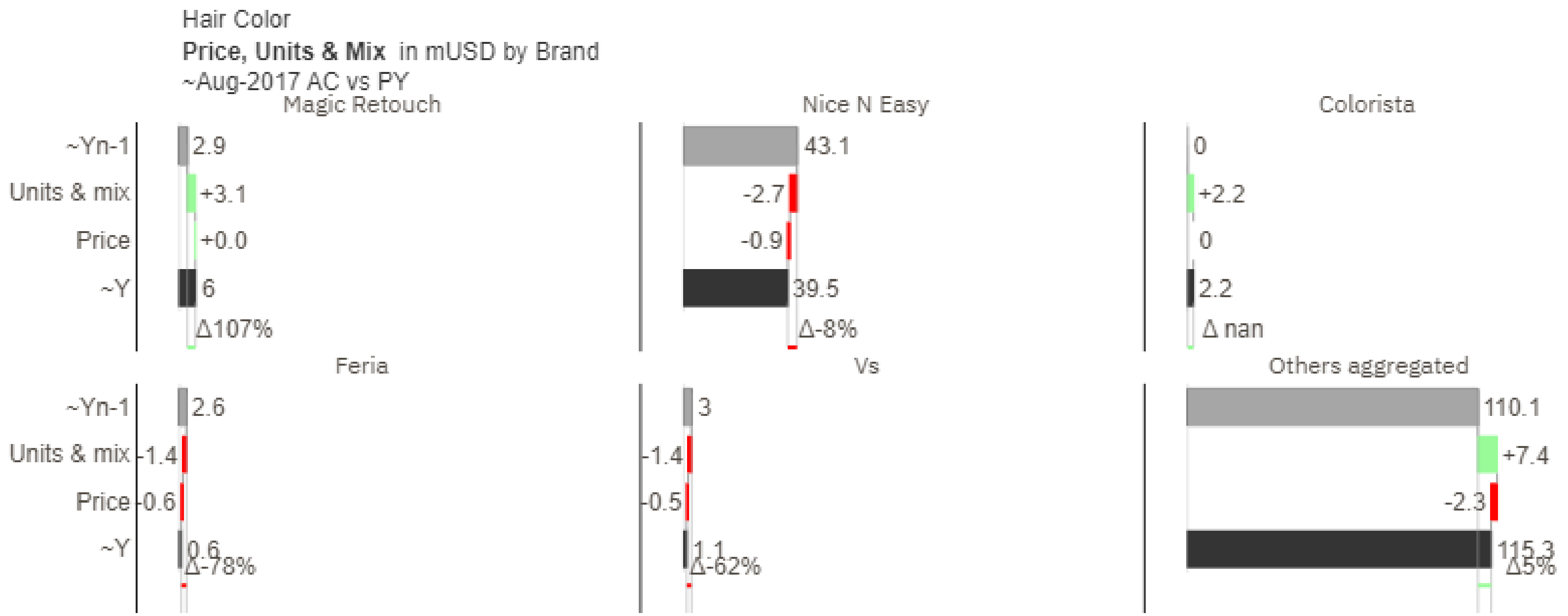
The hair color market has strong leaders in each dimension. 'Permanent' leads in Type, 'Menard' in Retailer, 'Dark Brown' in Color, and 'L'Oreal' in Company. Niche categories like 'Other rank > 10' also hold significant shares in both Brand and Sub_Brand dimensions. Hair color products are widely accessible, with retailers ranging from 'Menard' to 'Aldi' catering to different consumer preferences.



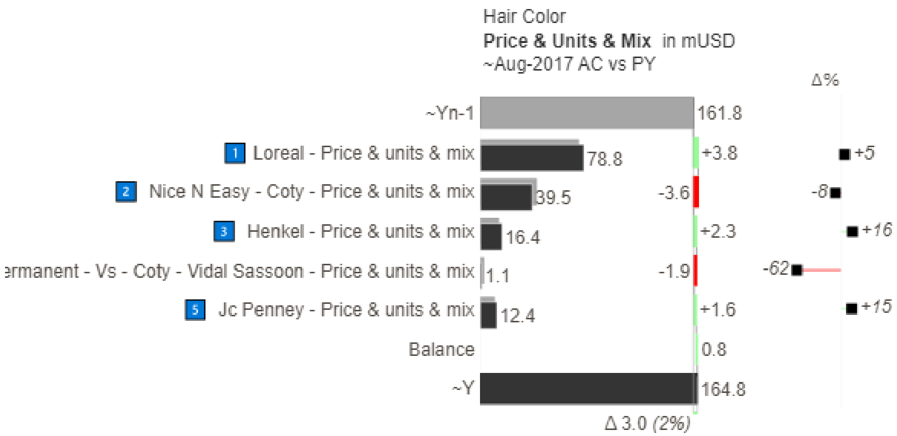
Hair color sales grew by $3 million from Year ~Yn-1 to Year ~Y. This net effect comes from a positive $7.2 million units & mix variance and a negative $4.3 million price variance. The positive units & mix variance suggests successful sales strategies or favorable market demand shifts. However, the negative price variance highlights challenges in maintaining average selling prices, possibly due to competition or consumer preferences for lower-priced products.



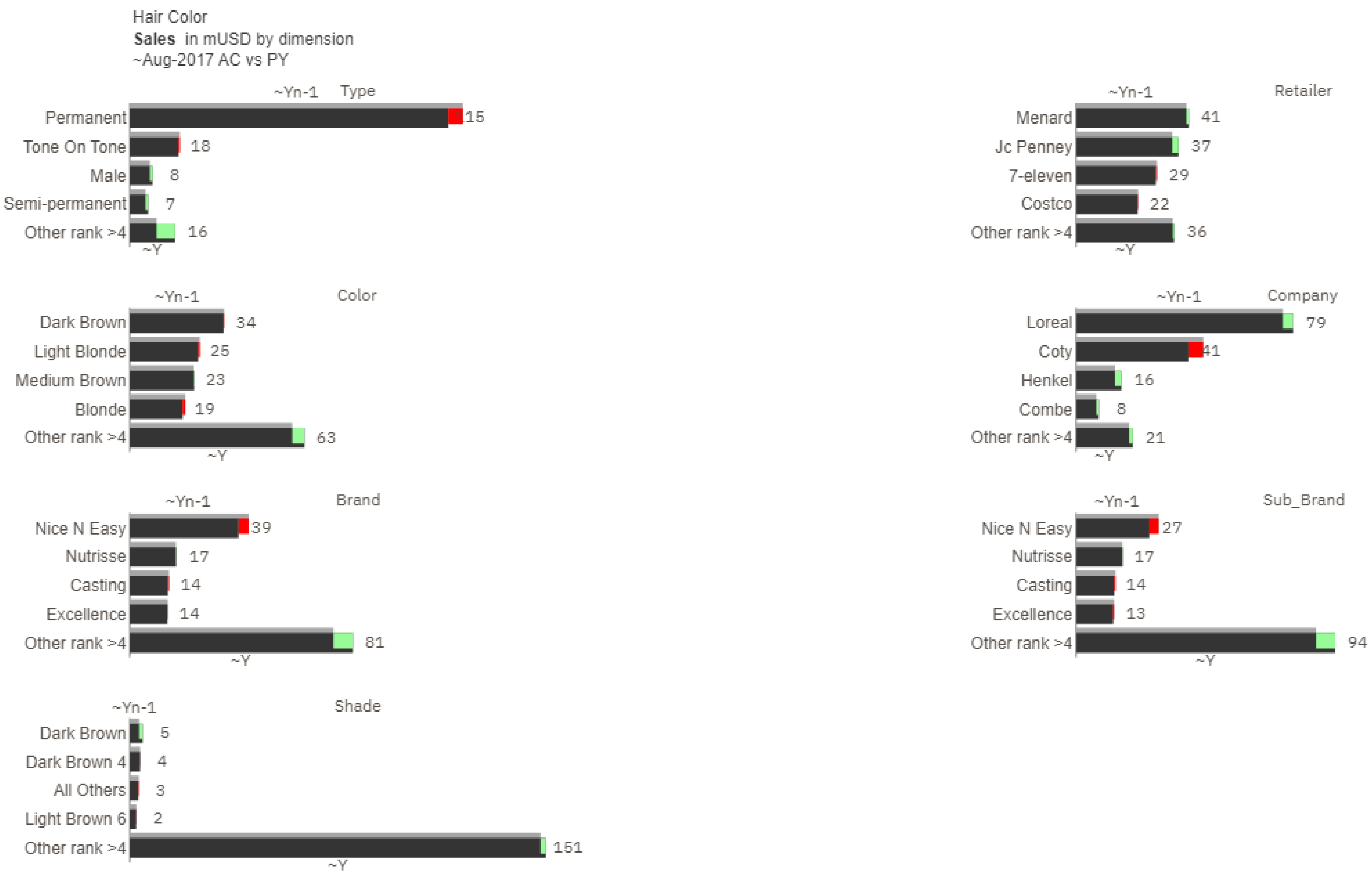
The hair color market has diverse brand dynamics, with units & mix driving sales growth or decline. Magic Retouch and the Others category were the primary growth drivers, while Nice N Easy, Feria, and Vs faced challenges, leading to decreased sales. Colorista successfully entered the market with $2.2 million in sales suggesting effective market penetration. Price adjustments also impact sales but to a lesser extent compared to volume and expansion strategies.



L'Oreal contributed $3.8 million and Henkel $2.3 million to sales growth from Year ~Yn-1 to Year ~Y. Jc Penney added $1.6 million. However, Coty's Nice N Easy and Vidal Sassoon brands negatively impacted sales by -$3.6 million and -$1.9 million respectively. Despite this, overall sales still grew by around $3.0 million, showing a resilient strategy.



The hair color market is seeing shifting consumer preferences and opportunities for adaptive, innovative companies. Significant growth is happening in 'Semi-permanent' and 'Male' types, 'Jc Penney' and 'Menard' retailers, 'Dark Brown' color, 'L'Oreal' and 'Henkel' companies, and the 'Nutrisse' brand. Meanwhile, the 'Permanent' type, 'Blonde' and 'Light Blonde' colors, 'Coty' company, and 'Nice N Easy' brand are declining. Growth in the 'Other rank > 4' category across most dimensions points to a fragmented market with many smaller players or products gaining traction, reflecting a diverse consumer base with varied preferences.



The hair color market is seeing a shift in consumer preferences. Niche and Semi-permanent categories are growing across several retailers. The 'Other rank >4' category shows remarkable growth, particularly in Other rank >3 at 139%, suggesting growing interest in less common hair color products. Semi-permanent products also exhibit strong growth, especially in 7-Eleven at 149% and Other rank >3 at 36%. Traditional segments like Permanent and Tone On Tone are declining, with the most significant drop in Menard at -7% and Other rank >3 at -4%. Retailers with significant growth in emerging categories may be better positioned to capture market share as consumer preferences evolve.

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The hair color market is dominated by the Permanent category, with sales of $115.5 million, followed by the Tone On Tone category at $17.8 million (p.16). L'Oreal leads the market with total sales of $78.8 million, concentrated in the Permanent and Tone On Tone categories, while Coty follows with sales of $40.7 million, predominantly in the Permanent category (p.17). L'Oreal also dominates the Dark Brown category with total sales of $21.9 million across various brands (p.21).

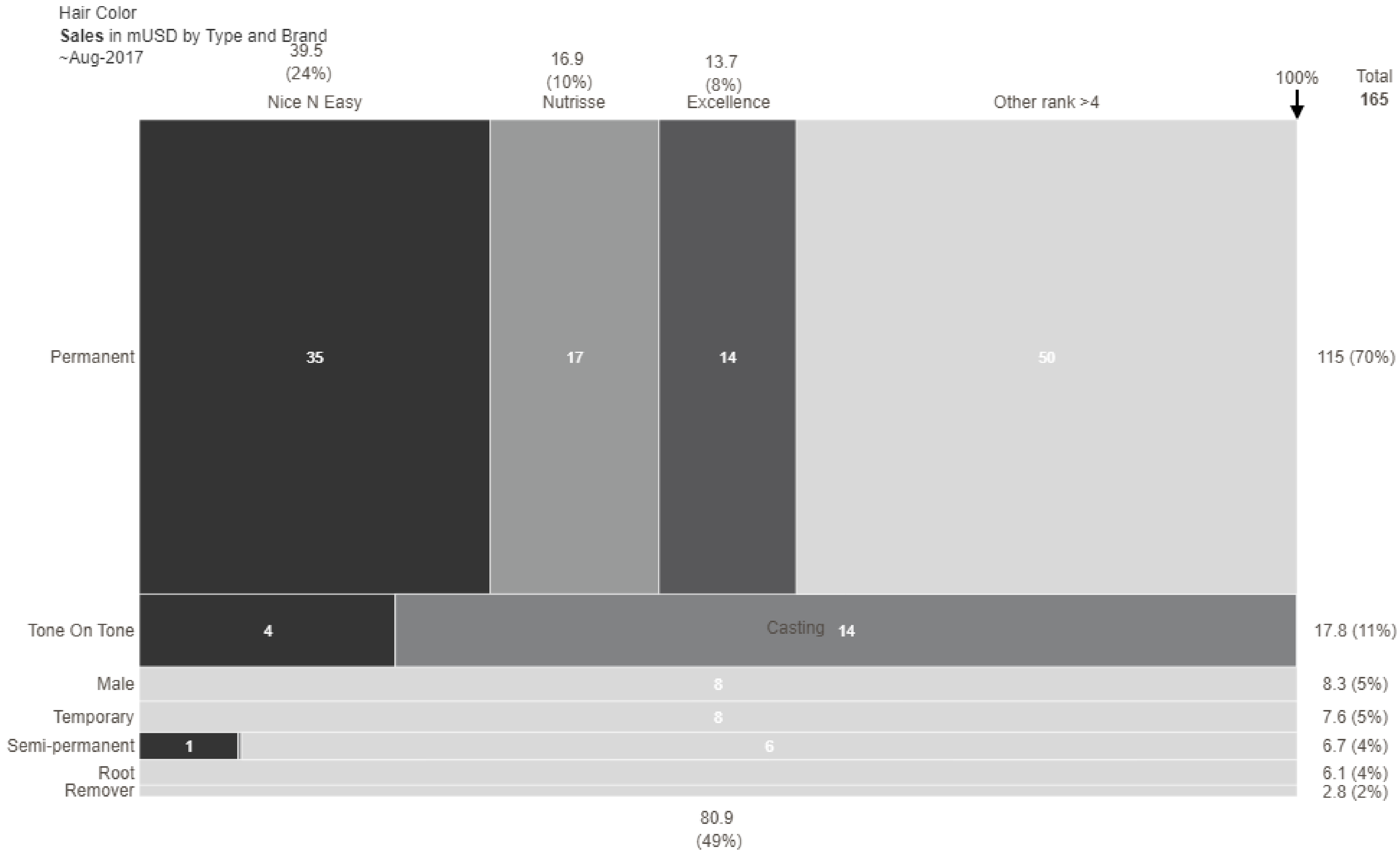
Jc Penney outperforms other retailers with a 6.0% sales growth rate, while the average growth rate across all retailers and items is 2.0% (p.18). Medium Brown and the 'Other' color category are growing across most retailers, suggesting increasing popularity (p.19).

L'Oreal has the most diversified portfolio, with success across multiple brands, while Coty's 'Nice N Easy' is a leading product with sales of $39.5 million (p.20). The 'Other rank >6' category has substantial sales across different companies, highlighting a competitive market with numerous smaller brands (p.20, p.21).

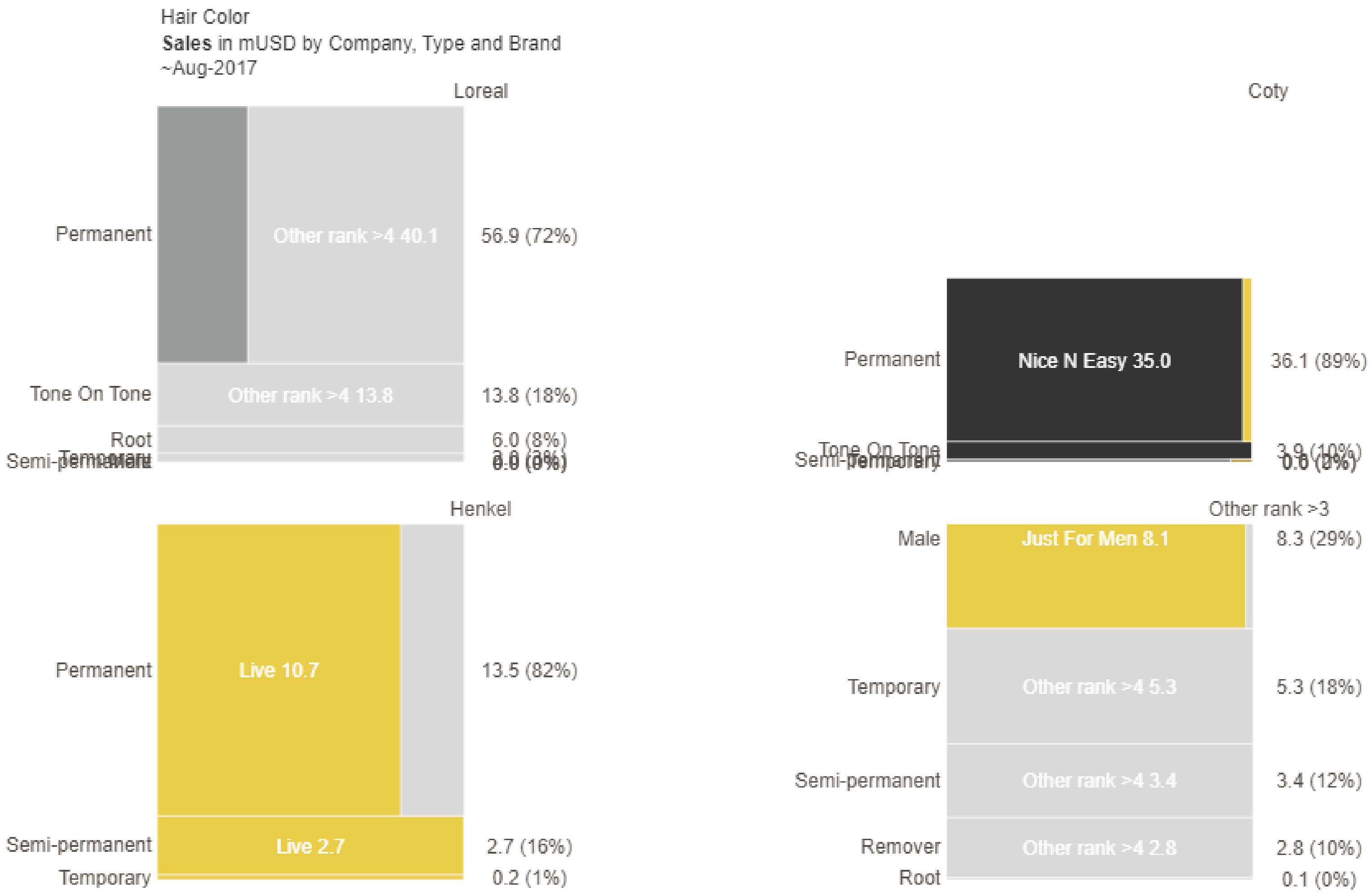
Unit prices range widely, from $10.7 for Medichem Int Manufacturing Ltd to $3.1 for Mellor & Russell, indicating diverse product positioning (p.22). The Male category, despite fewer entries, shows a high unit price, especially for Lifes2good, suggesting a niche market with higher profit margins (p.23).

The 'Other rank >3' category shows a diverse range of companies contributing to sales, indicating a competitive market with multiple players (p.17, p.23). Own Label and Mellor & Russell target the lower end but still achieve substantial sales, while smaller companies grouped under 'Other rank > 10' collectively hold a significant market share of $4.0 million (p.22).

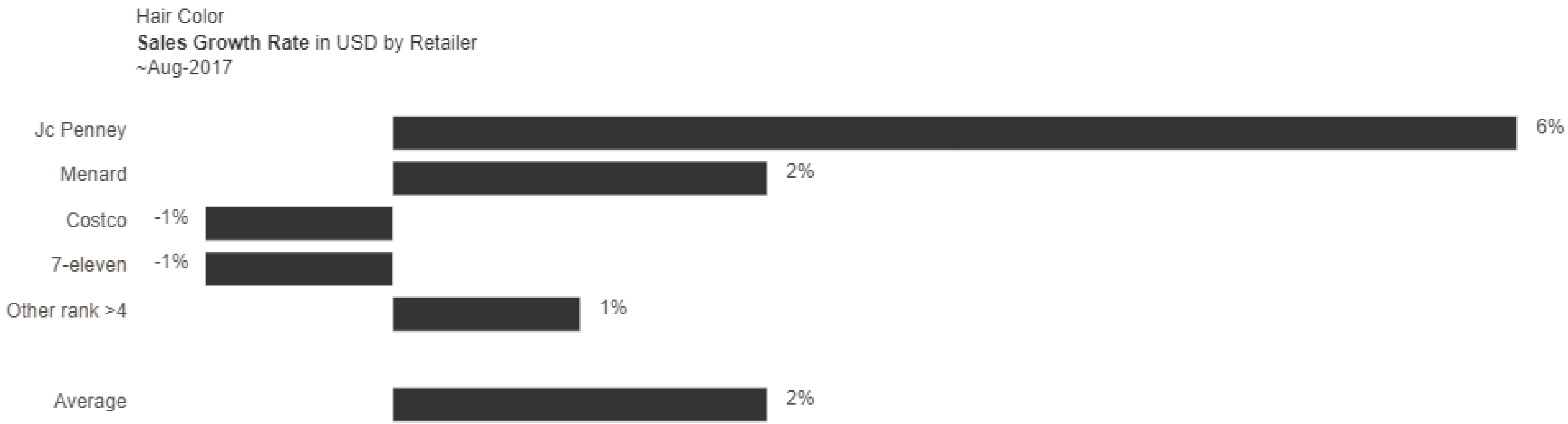
The Permanent category dominates the hair color market with sales of $115.5 million. 'Other rank >4' leads this category at $50.0 million, followed by 'Nice N Easy' at $35.0 million. Tone On Tone is the second largest category at $17.8 million, with 'Casting' at $13.8 million. Male products have sales of $8.3 million, while Temporary, Semi-permanent, Root, and Remover categories range from $2.8 million for Remover to $8.3 million for Male, all from the 'Other rank >4' category.



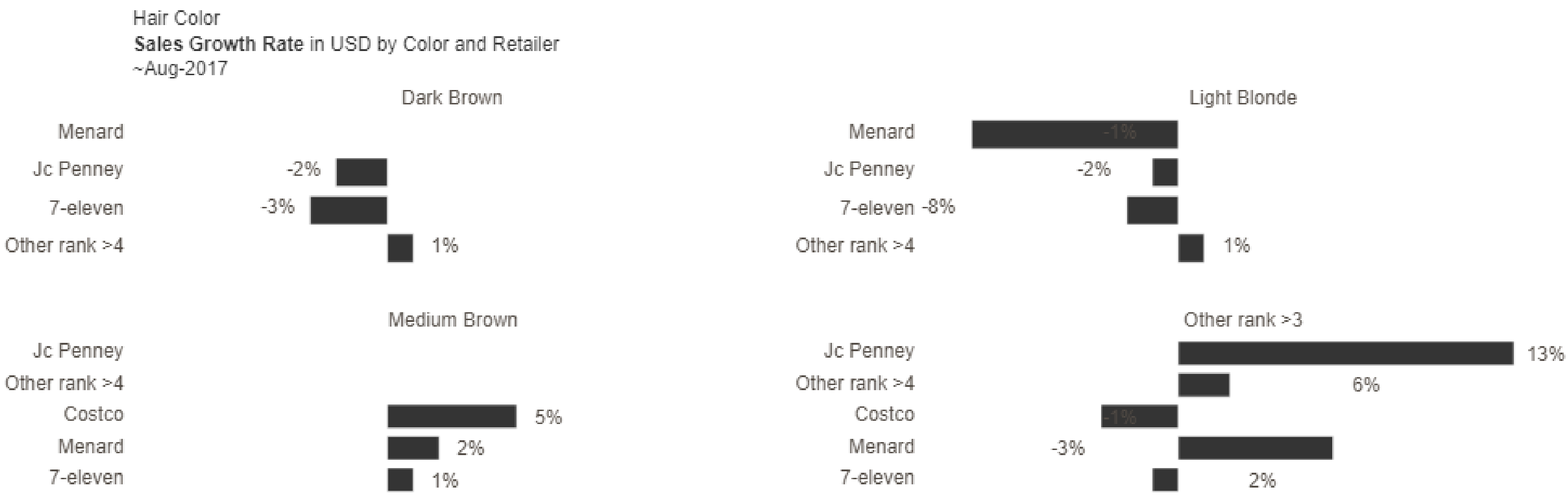
L'Oreal leads the market with total sales of 78.8 million USD, heavily concentrated in the Permanent and Tone On Tone categories. Coty follows with sales of 40.7 million USD, predominantly in the Permanent category, with 'Nice N Easy' being its top-selling brand. Henkel has a unique distribution, with 83% of its sales coming from the Permanent and Semi-permanent categories combined, and 'Live' being a significant contributor. 'Other rank >3' has a diverse sales distribution across Permanent, Temporary, and Semi-permanent categories, with 'Just For Men' dominating the Male category.



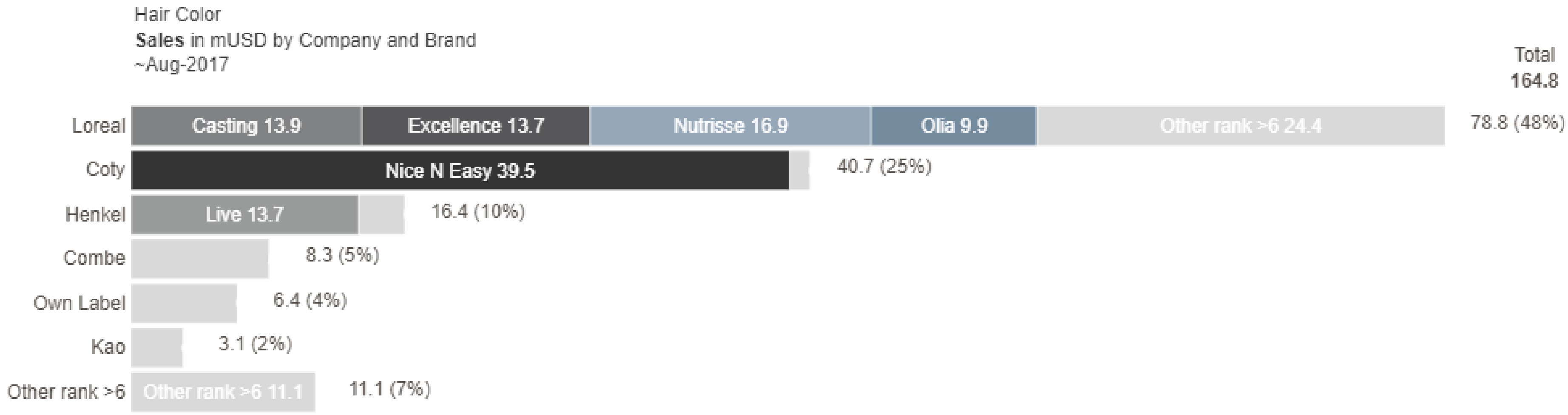
Jc Penney significantly outperforms other retailers with a 6.0% sales growth rate in the hair color market segment. The average growth rate across all retailers and items is 2.0%. Both 7-Eleven and Costco experienced a decline of -1.0%, suggesting challenges. Menard aligns with the average, while the 'Other rank >4' category slightly underperforms.



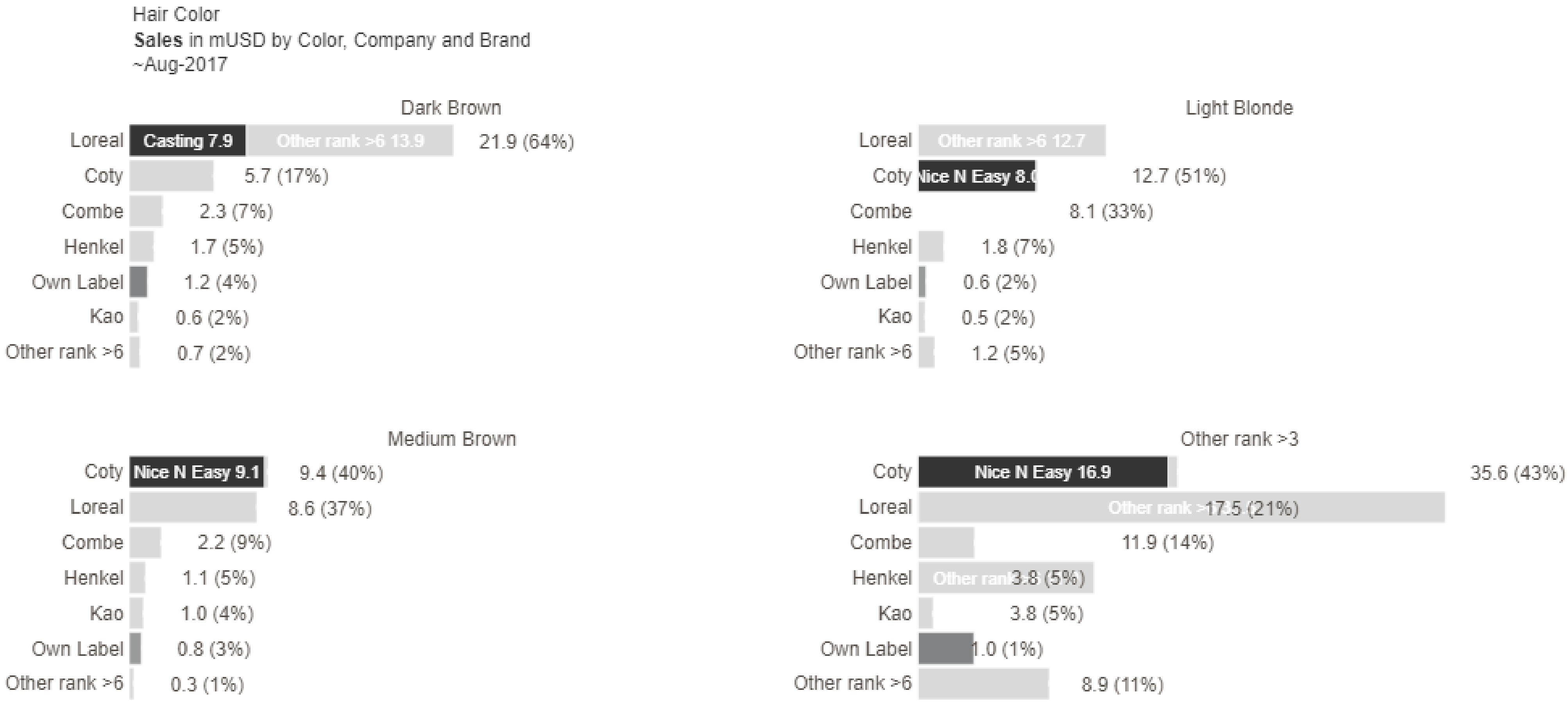
Medium Brown and the 'Other' category are growing across most retailers, suggesting these colors are gaining popularity. Jc Penney's 'Other' category surged 13.0%, hinting at a strong market fit or successful promotions for unique hair colors. Menard's performance varies, with a sharp drop in Light Blonde but solid growth in 'Other'. Costco has mixed results, growing in Medium Brown but declining in 'Other'. Light Blonde is struggling, with sales falling at all listed retailers.



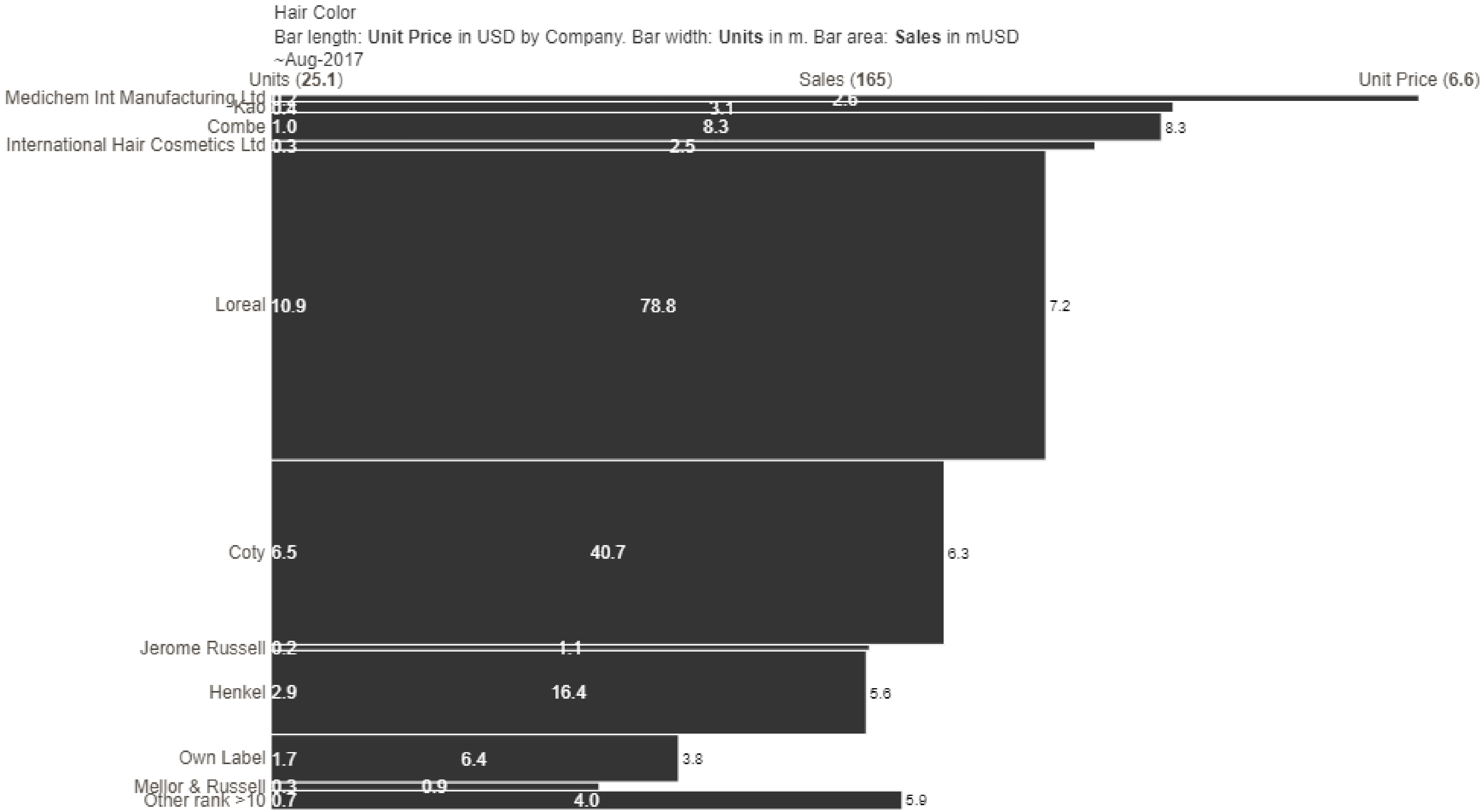
L'Oreal has the most diversified portfolio, with success across multiple brands. Coty's 'Nice N Easy' is a leading product, with sales of $39.5 million. Henkel's sales are primarily driven by the 'Live' brand at $13.7 million. The 'Other rank >6' category has substantial sales across different companies, highlighting a competitive market with numerous smaller brands. Kao, Own Label, and Combe focus on niche markets or have a broader range of smaller brands.



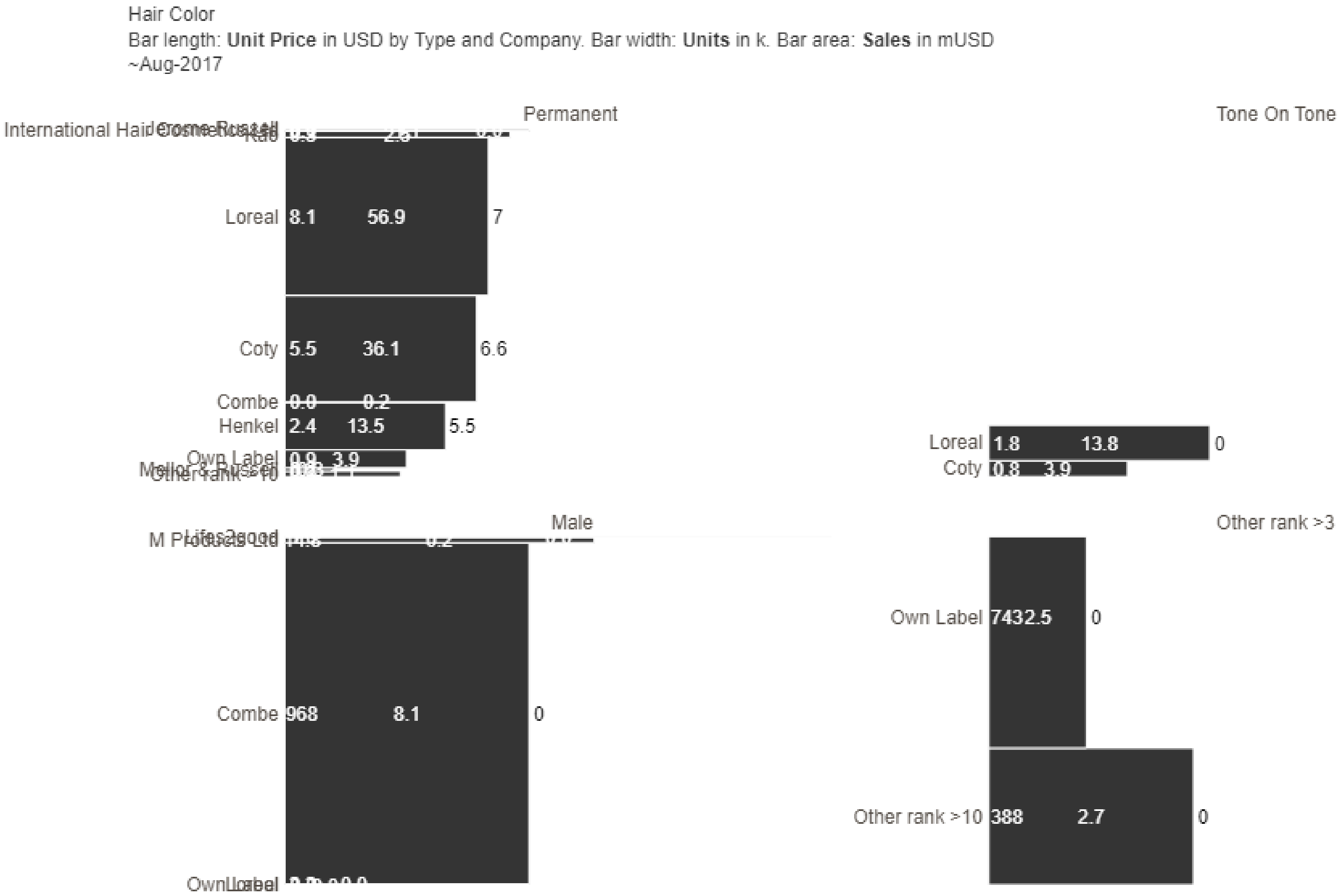
L'Oreal dominates the Dark Brown category with total sales of 21.9 million USD across Casting, L'Oreal brand, and 'Other rank >6'. The 'Other rank >3' color category shows exceptionally high sales, particularly for L'Oreal (35.5 million USD) and Coty (16.9 million USD for Nice N Easy), suggesting a significant market for hair color products outside the specified color categories. The 'Other rank >6' aggregation accounts for a substantial portion of sales across all color categories, indicating a fragmented market with many smaller players contributing significantly to total sales.



L'Oreal leads the market with sales of $78.8 million, far surpassing other companies. Coty and Henkel also perform well, with sales of $40.7 million and $16.4 million, respectively. Unit prices range widely, from $10.7 for Medichem Int Manufacturing Ltd to $3.1 for Mellor & Russell, indicating diverse product positioning. Own Label and Mellor & Russell target the lower end but still achieve substantial sales. Smaller companies grouped under 'Other rank > 10' collectively hold a significant market share of $4.0 million.



L'Oreal dominates the market, particularly in the Permanent and Tone On Tone categories, with sales of $56.9 million and $13.8 million, respectively. The Permanent type has the highest sales, indicating strong consumer preference for long-lasting hair color. The Male category, despite fewer entries, shows a high unit price, especially for Lifes2good, suggesting a niche market with higher profit margins. The 'Other rank >3' category shows a diverse range of companies contributing to sales, indicating a competitive market with multiple players.



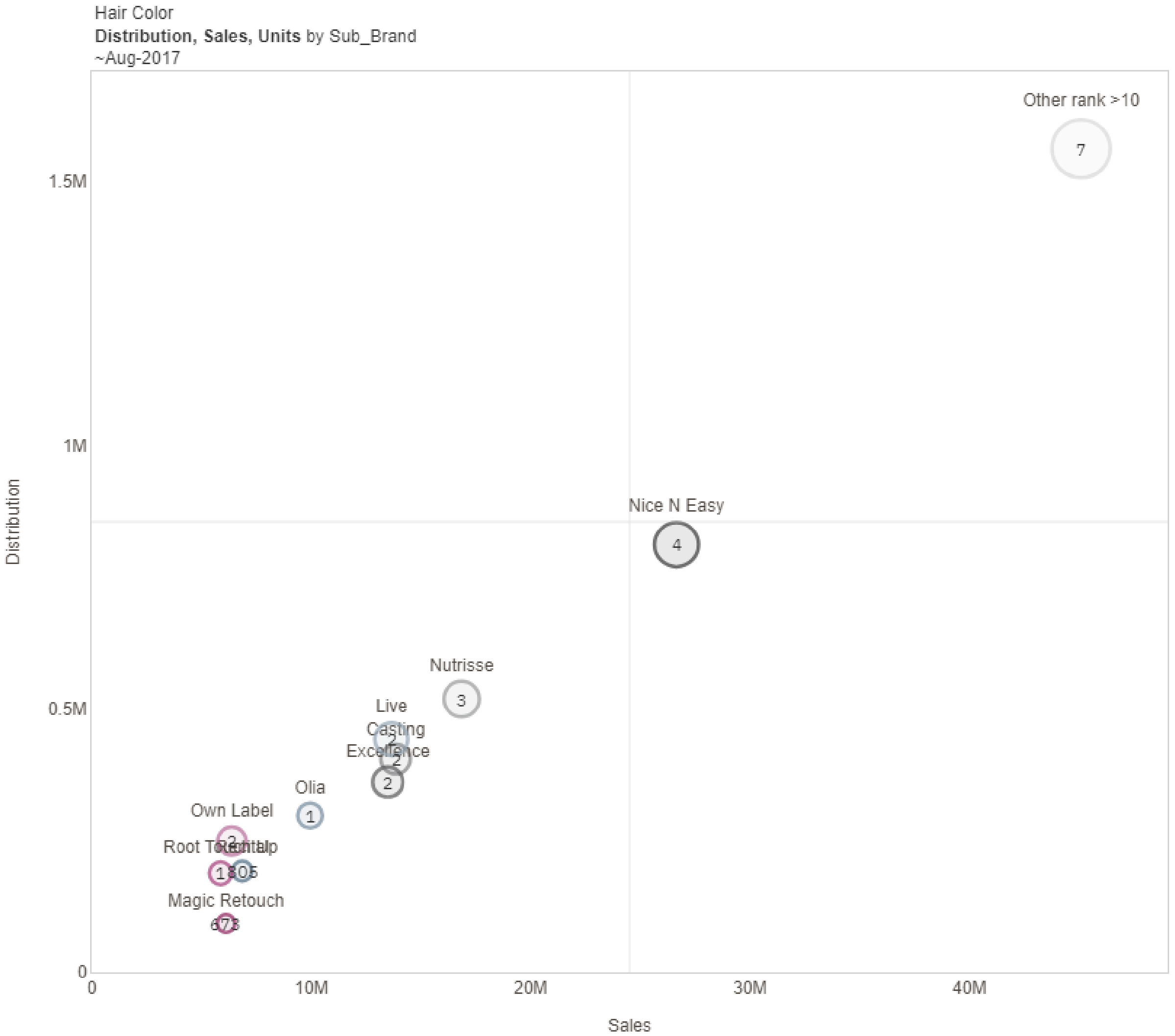
The hair color market is competitive and fragmented, with no single sub-brand dominating (p.26, p.27). Nice N Easy leads in distribution, sales, and units sold, while Casting also performs well across categories, suggesting broad appeal (p.26, p.27). However, smaller sub-brands, collectively called 'Other rank >10', hold a substantial market share and consistently show high figures, indicating their significant impact and ability to cater to diverse consumer preferences (p.26, p.27).

'Permanent' hair color significantly outperforms other types, with high growth in both units and sales, while 'Tone on Tone' and 'Male' show minimal growth (p.28). The 'Other' category has mixed results, with a few items showing higher sales growth but low unit growth (p.28).

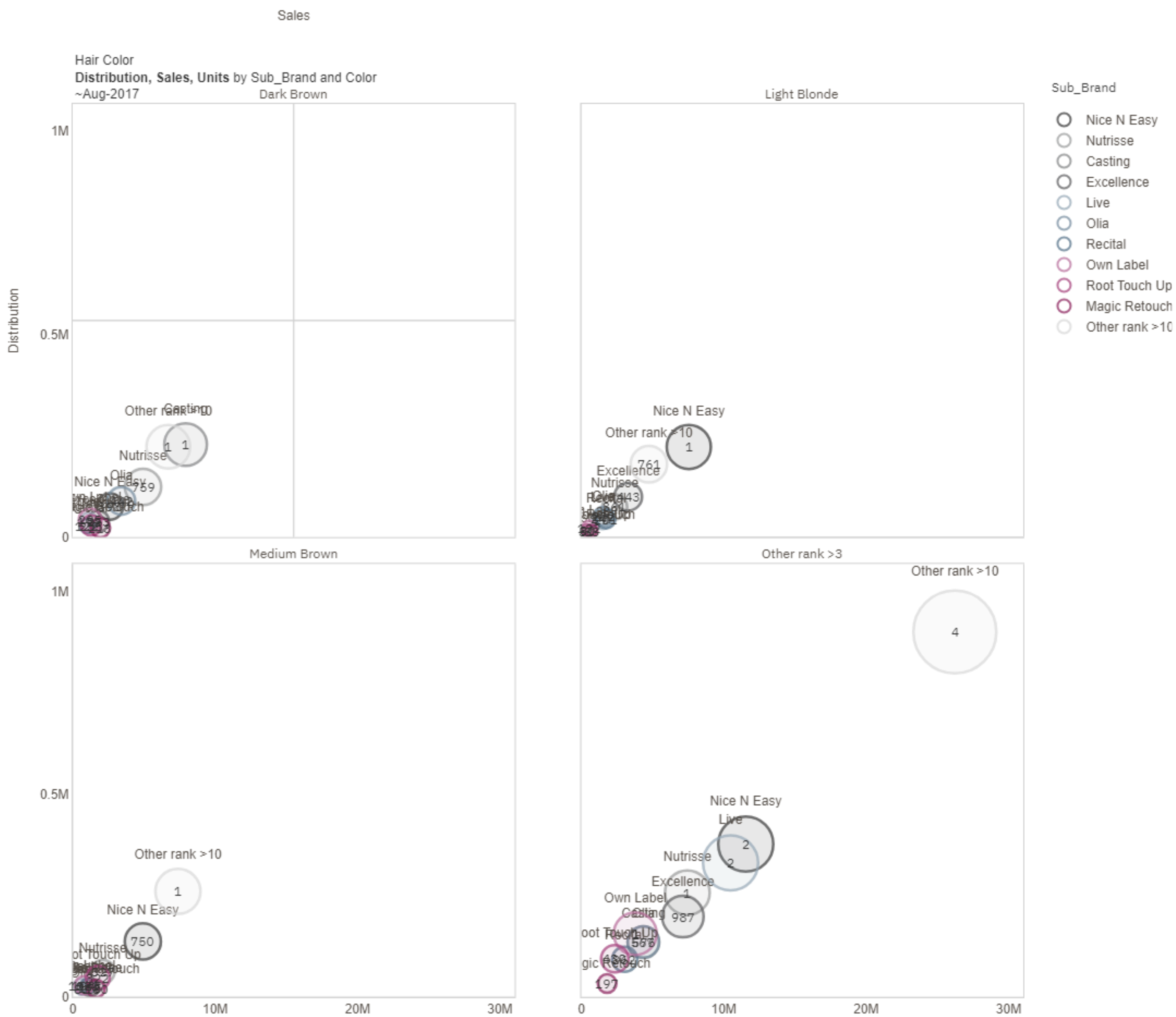
Class A hair color shades contribute 80% of sales despite being only 20.7% of the total shades, suggesting a premium positioning with higher unit prices (p.29). Most shades are in class C, contributing the least to sales but catering to market diversity (p.29). The discrepancy between unit sales and revenue across classes indicates a tiered pricing strategy (p.29).

A small portion of hair color sub-brands (12%) contribute the majority of total sales (79%) and total units (80%) (p.30). The next 17% of sub-brands extend the concentration to 94% for both sales and units (p.30). Units closely correlate with sales, indicating no significant anomalies between sales and units per sub-brand (p.30).

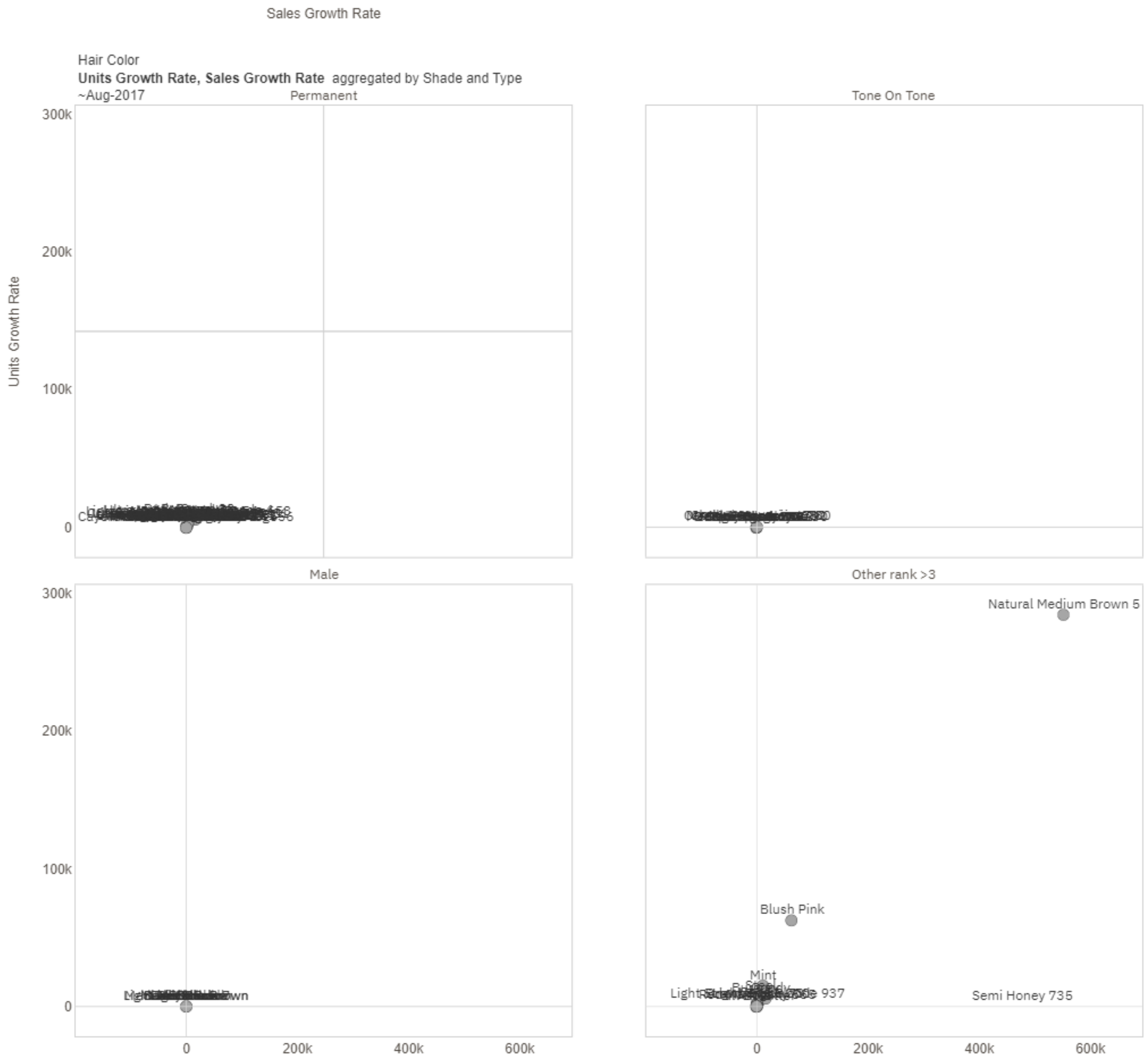
The hair color market is competitive. Nice N Easy leads in distribution, sales, and units sold. However, smaller sub-brands, collectively called 'Other rank >10', hold a substantial market share. Despite having the second-highest distribution, they lead in sales. Smaller brands have a significant impact and cater to diverse consumer preferences.



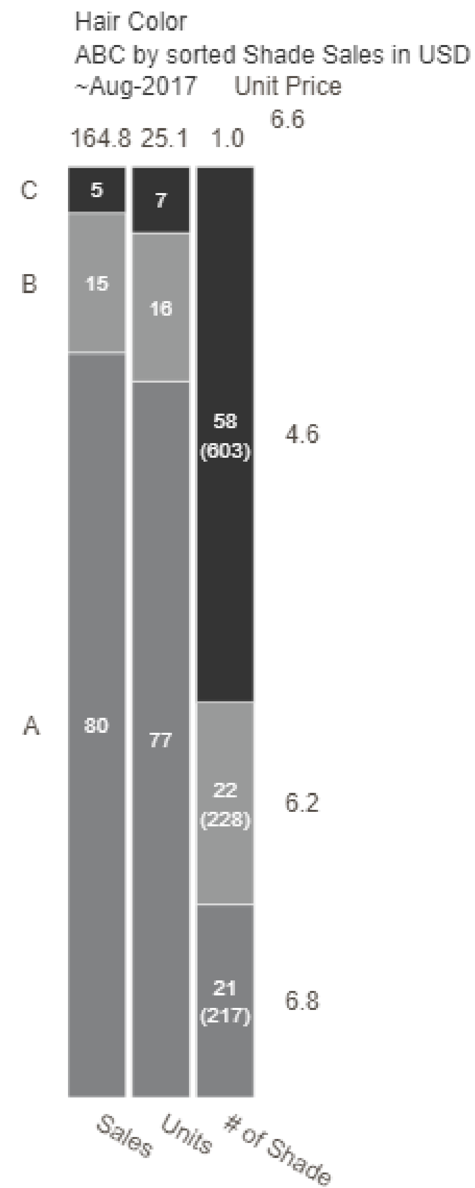
The hair color market is fragmented, with no single sub-brand dominating. Smaller sub-brands, captured in the 'Other rank >10' category, consistently show high figures. Nice N Easy and Casting perform well across categories, suggesting broad appeal. Colors outside the top three, aggregated in 'Other rank >3', have the highest overall figures, indicating a significant market presence.



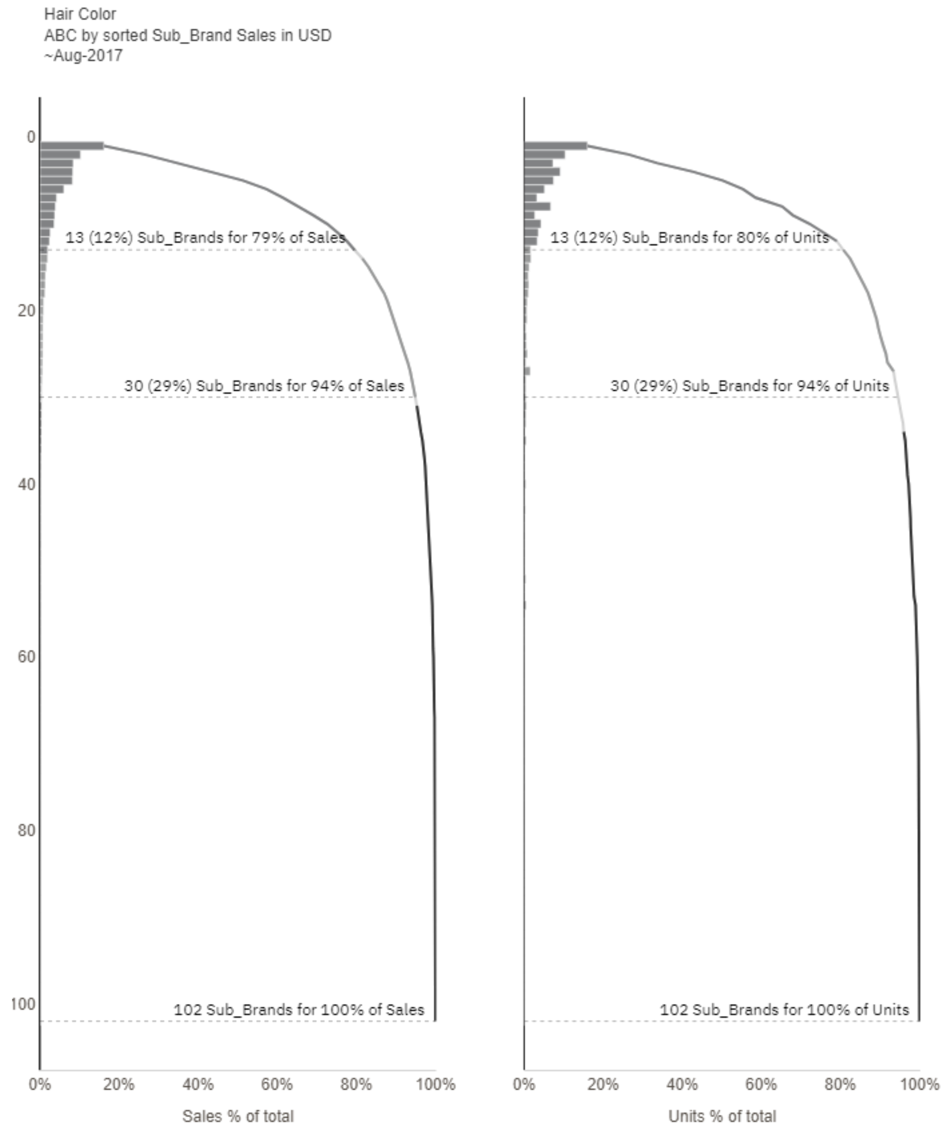
'Permanent' hair color significantly outperforms other types, with high growth in both units and sales. 'Tone on Tone' and 'Male' show minimal growth. The 'Other' category has mixed results, with a few items showing higher sales growth but low unit growth.



Class A hair color shades contribute 80% of sales despite being only 20.7% of the total shades. They have higher unit prices, suggesting a premium positioning. Most shades are in class C, contributing the least to sales but catering to market diversity. The discrepancy between unit sales and revenue across classes indicates a tiered pricing strategy.



12% of hair color sub-brands contribute 79% of total sales and 80% of total units. The next 17% of sub-brands extend the concentration to 94% for both sales and units. Units closely correlate with sales, indicating no significant anomalies between sales and units per sub-brand.



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The market experienced modest growth, with sales increasing by $3.0 million and units sold growing by 515.8k, resulting in a sales CAGR of 1.9%. However, the growth in units slightly outpaced revenue growth, indicating a decrease in average selling price per unit or a shift towards lower-priced items (p.33). The "Other rank >4" category showed robust growth at 9.6% CAGR, while established brands like Nice N Easy, Casting, and Excellence declined, with Nutrisse being the only major brand showing slight growth, suggesting a shift in consumer preferences towards smaller or less dominant brands (p.34, p.37).

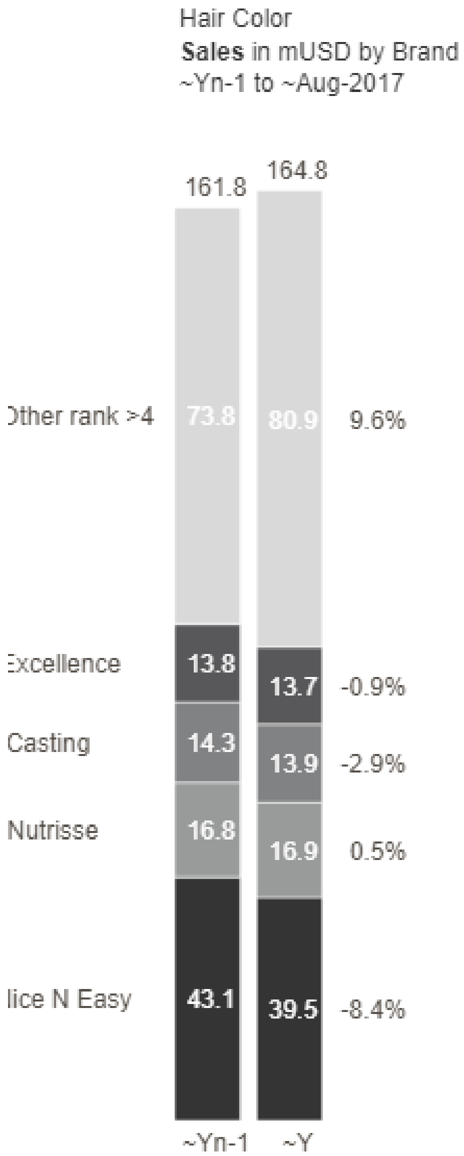
Sales from new brand cohorts present a growth opportunity, with the Since ~Y cohort contributing $4.5 million, despite a slight overall decline of -0.9% CAGR (p.35). Hair color sales growth is primarily driven by still active brands, which increased from $161.8 million in ~Yn-1 to $164.8 million in ~Y, while the loss of certain brands has not significantly impacted overall sales figures (p.36).

Hair color sales declined 4% from $161.5 million in the previous year to $155.4 million in the current year, with significant fluctuations throughout the year, including notable increases in October, December, and April, and substantial decreases in January and August (p.38).

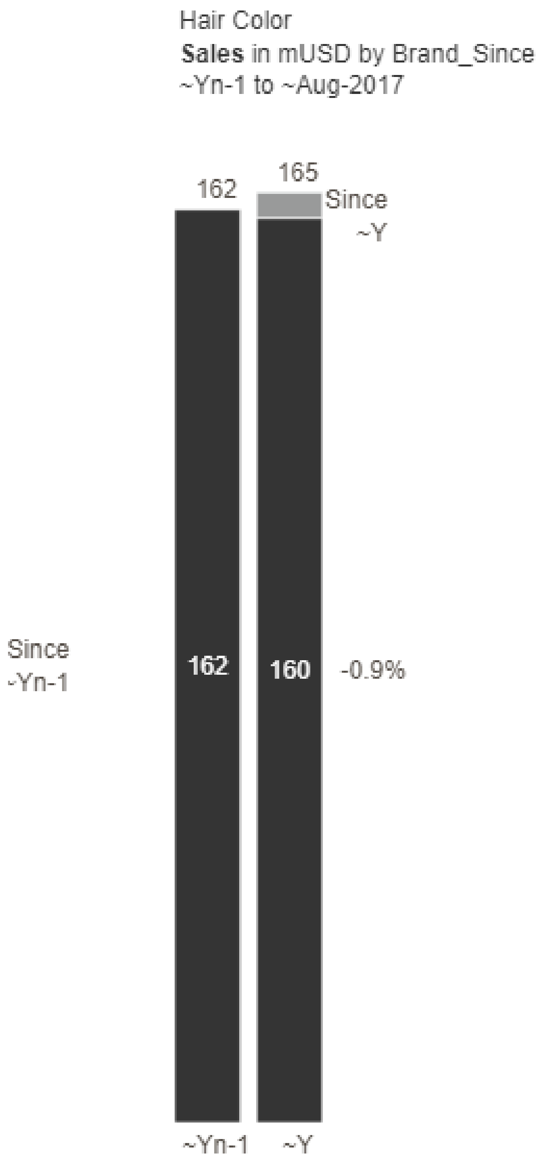
Among competitors, Henkel's hair color sales grew 9% annually, while smaller companies (Other rank >3) saw a slight 1% increase. L'Oréal's sales were nearly flat, and Coty struggled with a significant 16% annual sales decline. Monthly sales varied due to seasonal trends and external factors, with August being challenging for all except Henkel, and December seeing significant increases for L'Oréal, Henkel, and the Other rank >3 category (p.39).

The market experienced positive but modest growth from period ~Yn-1 to ~Y. Sales grew by $3.0 million and units increased by 515.8k, with sales CAGR of 1.9%. The growth in units sold slightly outpaced revenue growth, suggesting a decrease in average selling price per unit or a shift towards lower-priced items.

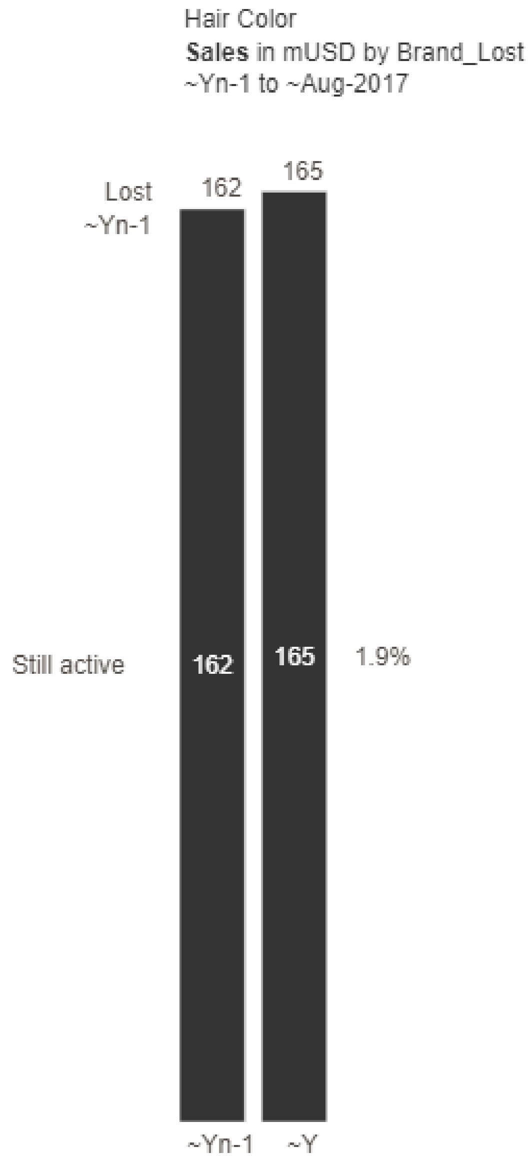
The "Other rank >4" category is growing at a robust 9.6% CAGR, while most established brands are declining. Nice N Easy saw the biggest decrease at -8.4% CAGR, Casting fell -2.9%, and Excellence dropped -0.9%. Nutrisse was the only major brand with slight growth of 0.5%. Consumers seem to be shifting towards smaller or less dominant brands.



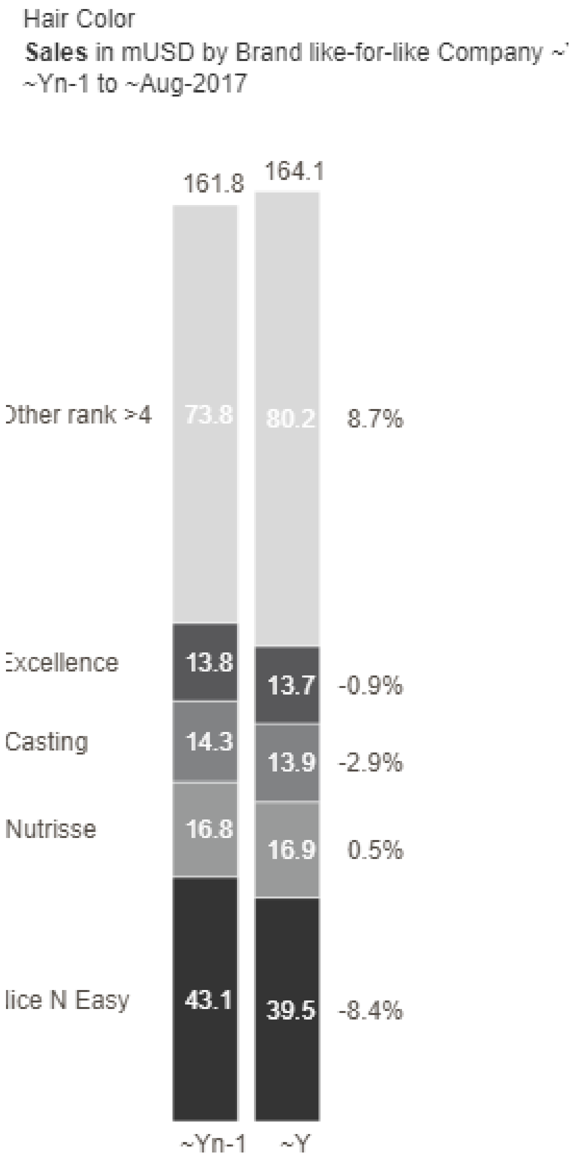
Sales from new brand cohorts present a growth opportunity, despite a slight -0.9% CAGR decline. The Since ~Y cohort, representing brands that joined in ~Y, contributed $4.5 million. However, this didn't offset the decrease from the Since ~Yn-1 cohort, which dropped from $161.8 million in ~Yn-1 to $160.3 million in ~Y.



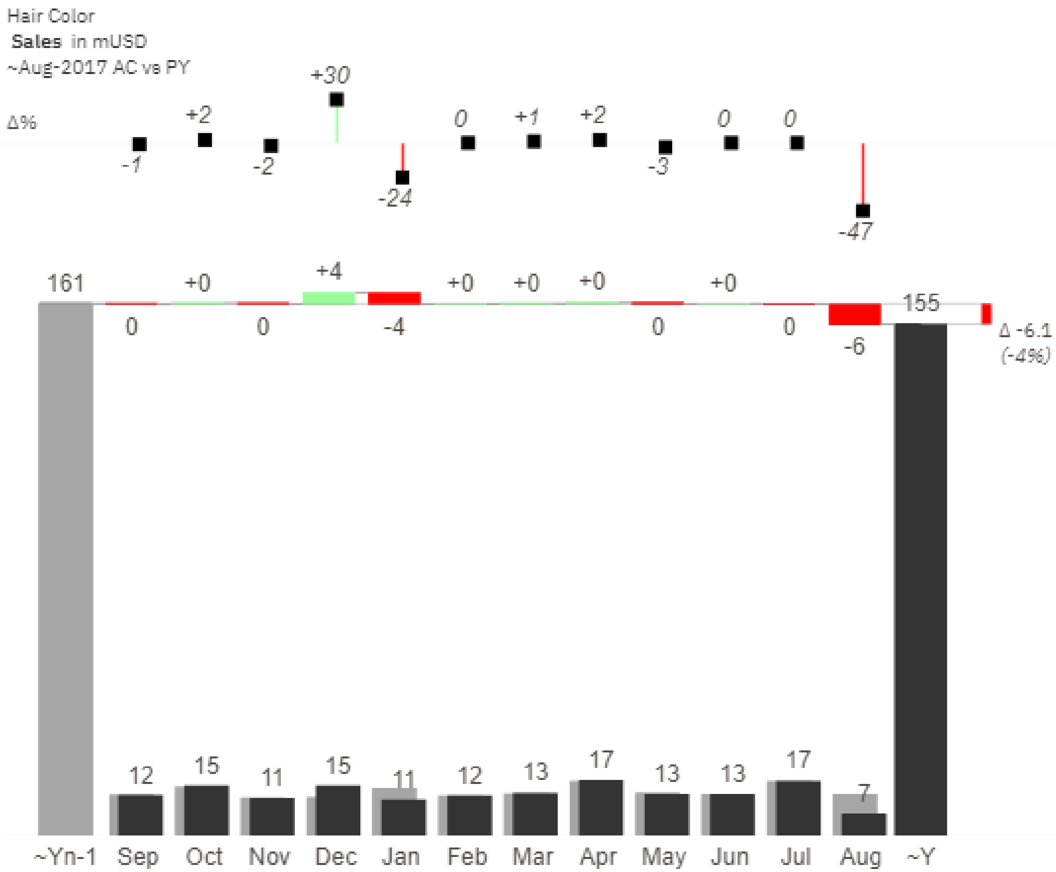
Sales growth is predominantly fueled by incumbent brands. Sales from these brands increased from $161.8 million in period ~Yn-1 to $164.8 million in period ~Y. The loss of certain brands, with sales of only $1.9k in period ~Yn-1, has not significantly impacted overall sales figures. The Compound Annual Growth Rate (CAGR) of 1.9% for the brand lost cohort suggests a stable market with gradual sales increase.



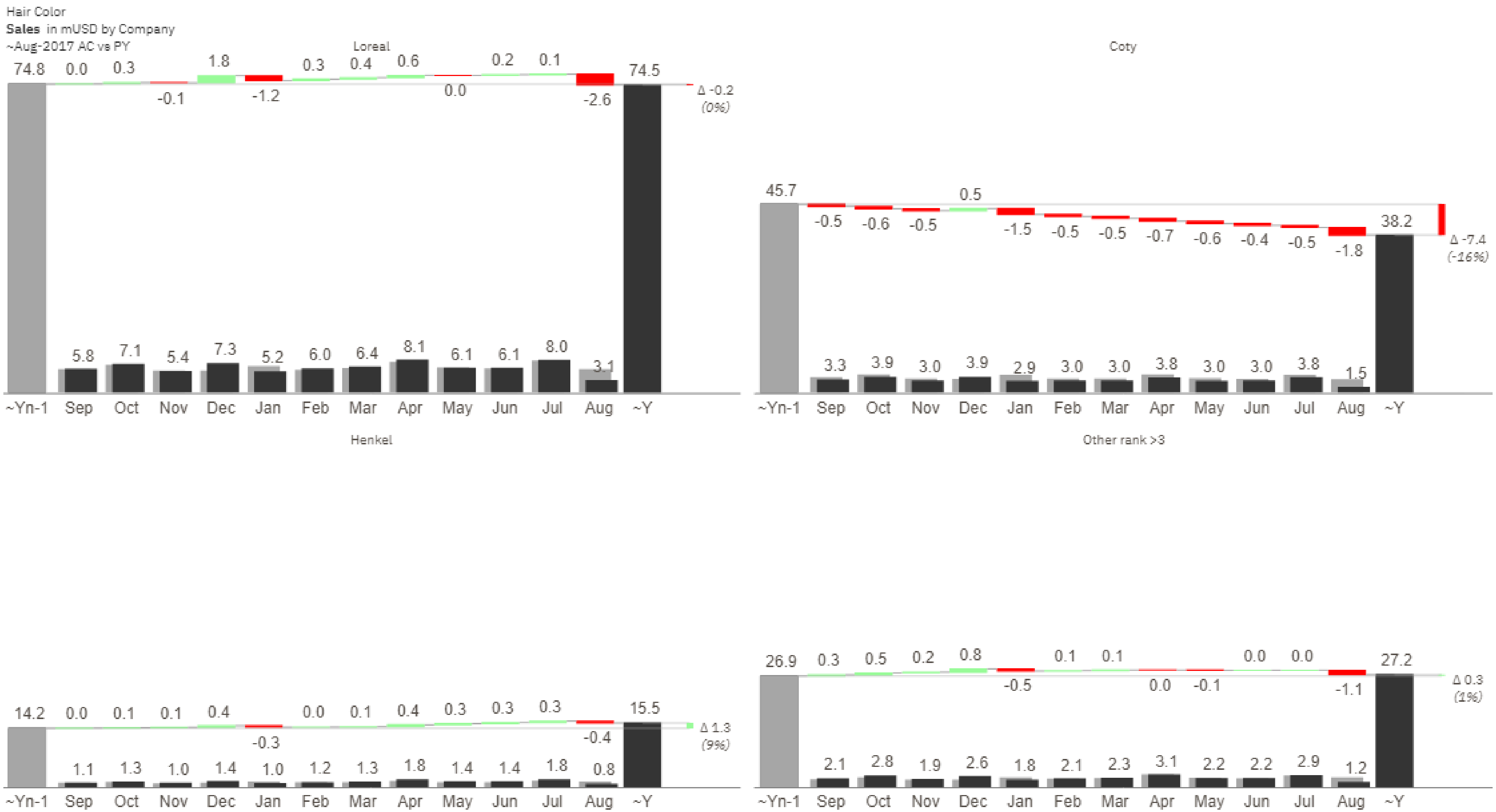
The "Other rank >4" category is growing significantly with 8.7% CAGR, while most listed brands faced challenges. Nice N Easy declined the most at -8.4% CAGR, Casting at -2.9%, and Excellence at -0.9%. Nutrisse was stable with 0.5% CAGR. Brands willing to innovate and adapt to changing consumer preferences have opportunities.



Sales declined 4% from $161.5 million in the previous year to $155.4 million in the current year. There were significant fluctuations throughout the year, with notable increases in October, December (highest at 30%), and April, and substantial decreases in January and August (most dramatic drop at -47%), primarily driving the overall sales decline.



Henkel's hair color sales grew 9% annually, while smaller companies (Other rank >3) saw a slight 1% increase. L'Oréal's sales were nearly flat, with a negligible annual variance close to 0%. However, Coty struggled with a significant 16% annual sales decline. Monthly sales varied due to seasonal trends and external factors, with August being challenging for all except Henkel, and December seeing significant increases for L'Oréal, Henkel, and the Other rank >3 category.



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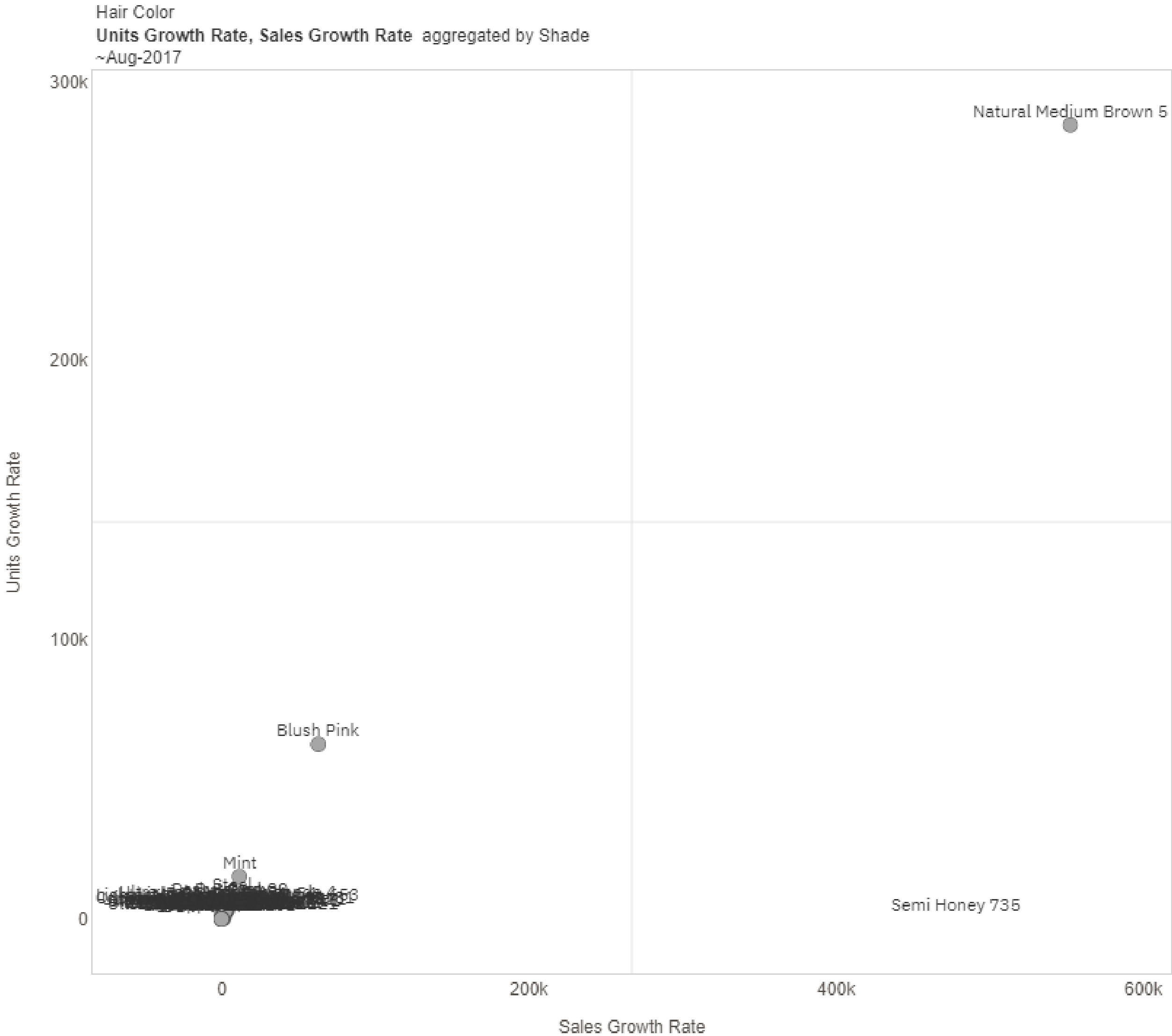
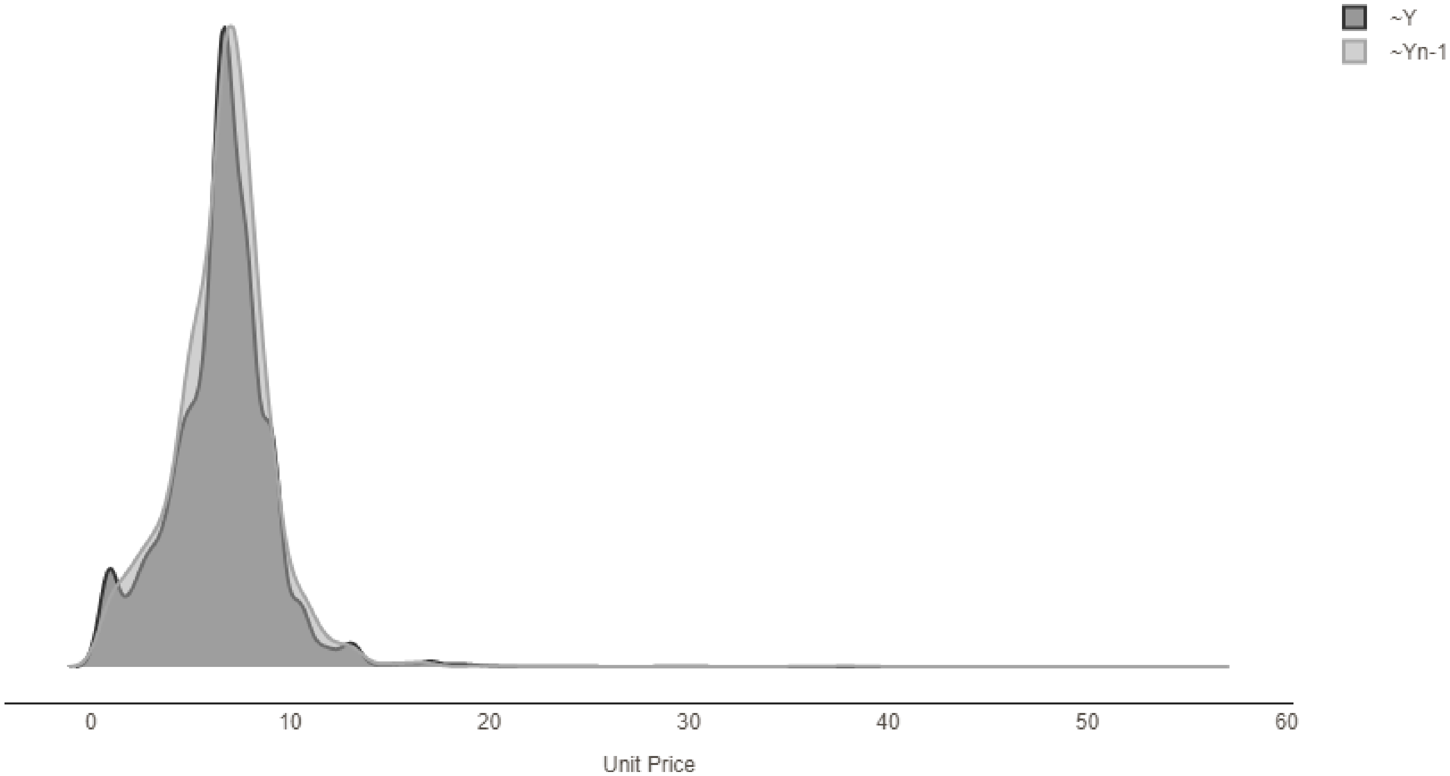
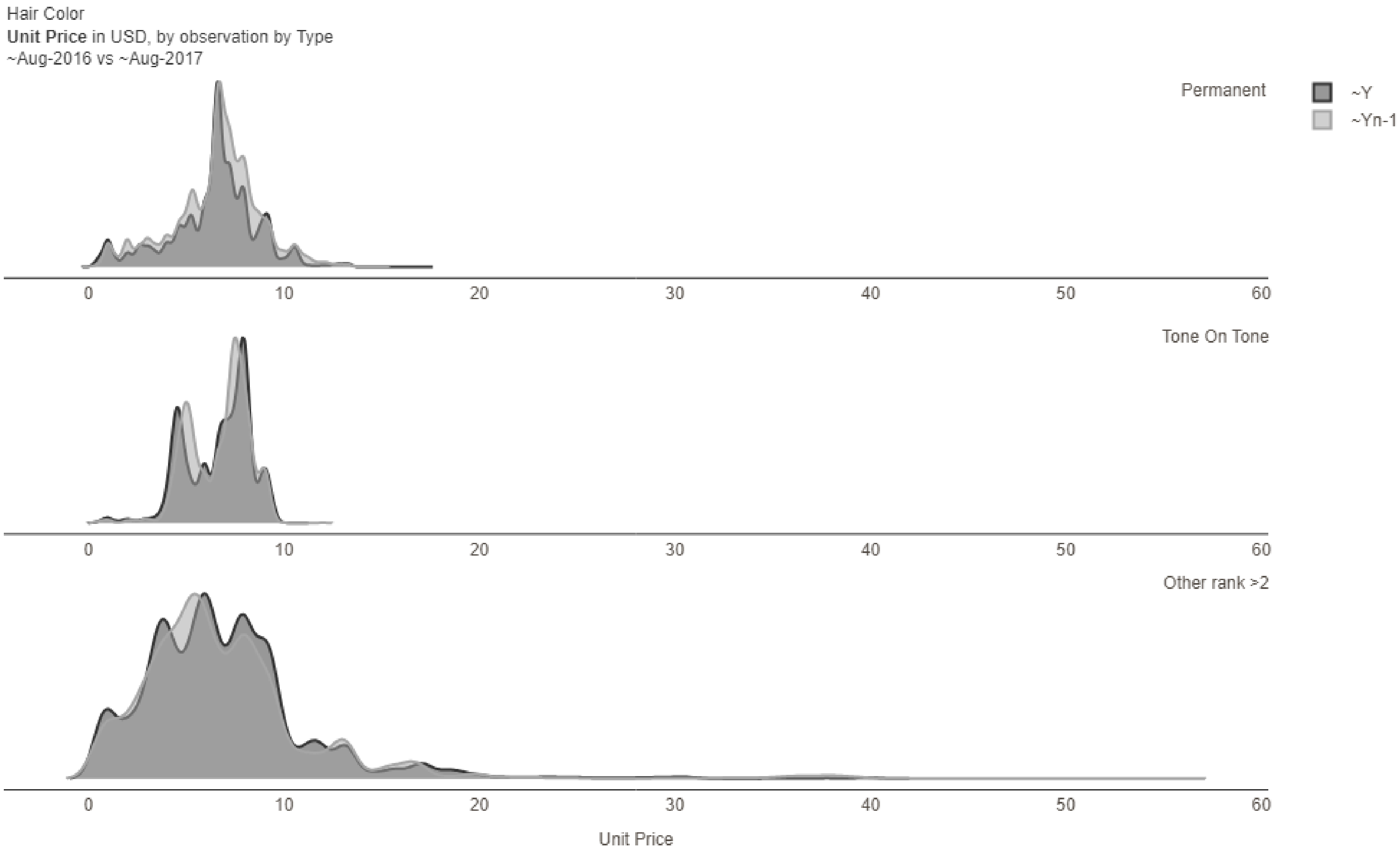

Hair Color
Units Growth Rate, Sales Growth Rate aggregated by Shade
~Aug-2017
300k
200k
100k
0
Units Growth Rate
Natural Medium Brown 5
Blush Pink
Mint
Semi Honey 735
0
200k
400k
600k
Sales Growth Rate

Hair Color
Unit Price in USD, by observation
~Aug-2016 vs ~Aug-2017




Hair Color
Unit Price in USD, by observation by Type
~Aug-2016 vs ~Aug-2017
Permanent
~Y
~Yn-1
0
10
20
30
40
50
60
Tone On Tone
0
10
20
30
40
50
60
Other rank >2
0
10
20
30
40
50
60
Unit Price


Hair Color
Sales by Type in mUSD
~Yn-1 to ~Aug-2017
CAGR
1.9%
23.1
23.5
~Yn-1
~Y