Claude3 Opus Sales Report

# Hair Color, ~Yn-1 vs ~Y

Prepared: 19 April 2024

This report uses charts 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
L'Oréal dominates Bahrain's hair color market with a 56% share, despite a 15.3 million BHD sales decrease due to declining units sold and product mix. Many categories are showing declining sales, but 'Root' type products and the 'Non-permanent Root' sub-type are growing, suggesting a shift in consumer preferences. L'Oréal shows resilience driven by Root and Artistry categories, while Coty and Revlon face significant downturns across most of their product lines.

## Sales Breakdown
Drug stores dominate the hair color market, particularly in the artistry category, with permanent products being the most popular across all forms. Root touch-ups are experiencing notable growth, indicating changing consumer preferences. Permanent hair color generates the most revenue as a staple product, while artistry products maintain a significant market share despite higher unit prices, suggesting a strong presence or dedicated customer base.

## Data Insights
Permanent All Over products lead the hair color market in sales and distribution despite having the lowest unit price among categories. The market is highly concentrated, with just 8.7% of Sub_Brands driving nearly 80% of total sales, and the top 9 brands controlling 80% of sales and 83% of units. Opportunities exist to explore new products with cross-brand appeal and increase market share for smaller sub-types, as the market is fragmented with sub-brands distinctly positioned to target different consumer needs.

## Trends and Challenges
Over the past five years, the hair color market has faced challenges with a concerning -2.8% sales CAGR driven by increased competition, changing consumer preferences favoring bold colors, and underperforming sub-brands. However, sub-brands like Olia and Root Touch-up have shown growth. Monthly sales data reveals significant seasonal fluctuations, with sharp declines in January and October contrasting with strong growth in December and September for certain brands. To return to growth, one should investigate the reasons behind underperforming sub-brands, adapt to evolving consumer preferences, capitalize on seasonal opportunities, and address the root causes of monthly sales variability.

**At a glance**: L'Oréal dominates Bahrain's hair color market with a 56% share, despite a 15.3 million BHD sales decrease due to declining units sold and product mix. The market faces challenges, with many categories showing declining sales, but 'Root' type products and the 'Non-permanent Root' sub-type are growing, suggesting a shift in consumer preferences. While L'Oréal shows resilience driven by Root and Artistry categories, Coty and Revlon are facing significant downturns across most of their product lines. Pages 8 to 14.

**Sales breakdown**: Drug stores dominate the hair color market, particularly in the artistry category, with permanent products being the most popular across all forms. Specialized offerings like root touch-ups are experiencing notable growth, suggesting a shift in consumer preferences. Permanent hair color generates the most revenue as a staple product, while artistry products maintain a significant market share despite higher unit prices, indicating a strong presence or dedicated customer base. Pages 16 to 23.

**Data insights**: The hair color market is dominated by Permanent All Over products, which lead in sales and distribution despite having the lowest unit price among categories. The market is highly concentrated, with just 8.7% of Sub_Brands driving nearly 80% of total sales, and the top 9 brands controlling 80% of sales and 83% of units. There are opportunities to explore new products with cross-brand appeal and increase market share for smaller sub-types, as the market is fragmented with sub-brands distinctly positioned to target different consumer needs. Pages 25 to 33.

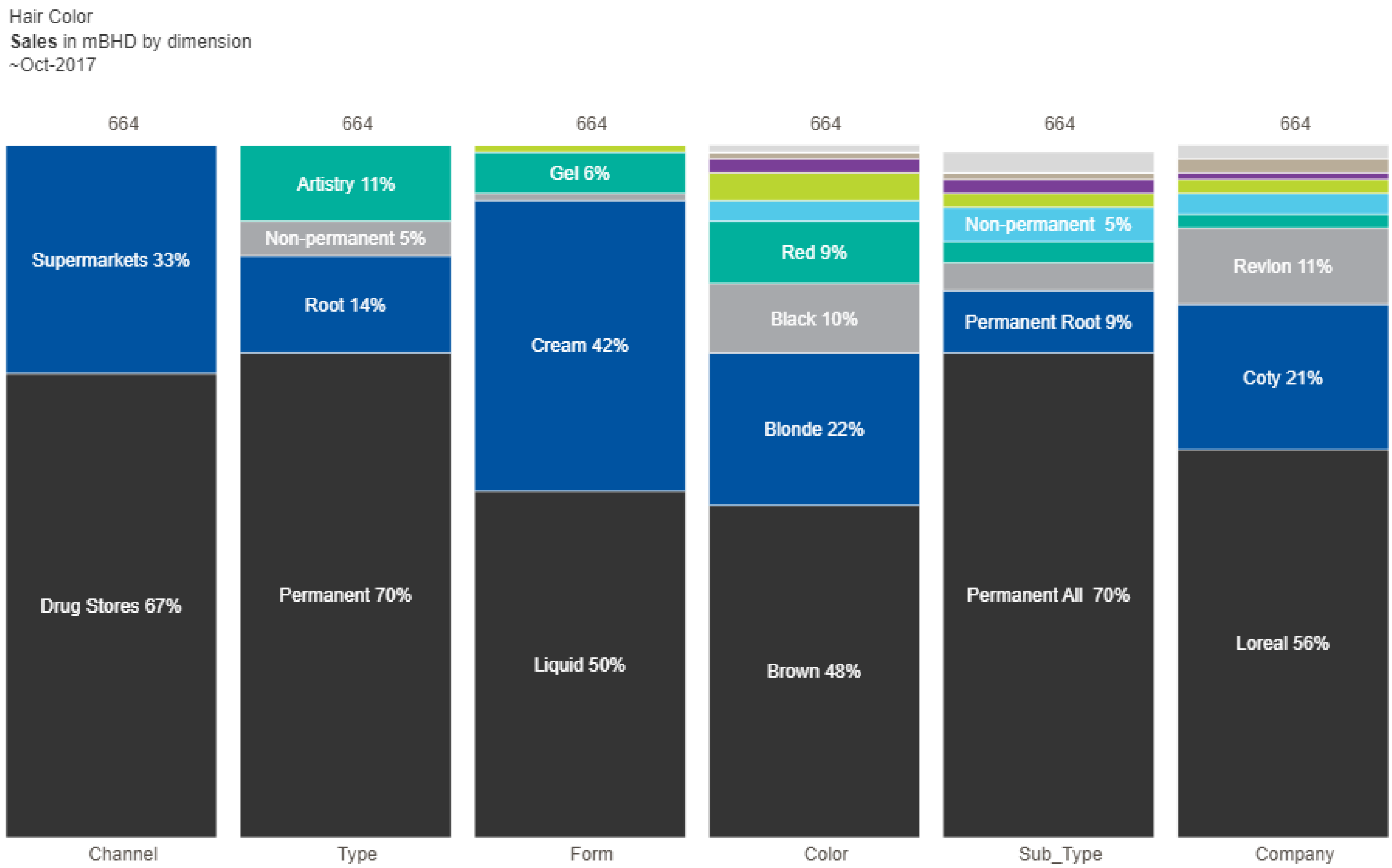
**Trends**: The hair color market faced challenges over the past five years, with a concerning -2.8% sales CAGR driven by increased competition, changing consumer preferences favoring bold colors, and underperforming sub-brands. Despite this, some sub-brands like Olia and Root Touch-up have shown growth, while monthly sales data reveals significant seasonal fluctuations, with sharp declines in January and October contrasting with strong growth in December and September for certain brands. To return to growth, one must investigate the reasons behind underperforming sub-brands, adapt to evolving consumer preferences, and capitalize on seasonal opportunities while addressing the root causes of monthly sales variability. Pages 35 to 40.

The hair color market in Bahrain is dominated by drug stores, with permanent hair color being the most popular, especially in brown and blonde shades. L'Oréal leads the market with a 56% share (p.9). However, sales have decreased by 15.3 million BHD, mainly due to negative variance in units sold and product mix, despite pricing strategies adding 1.3 million BHD (p.10).

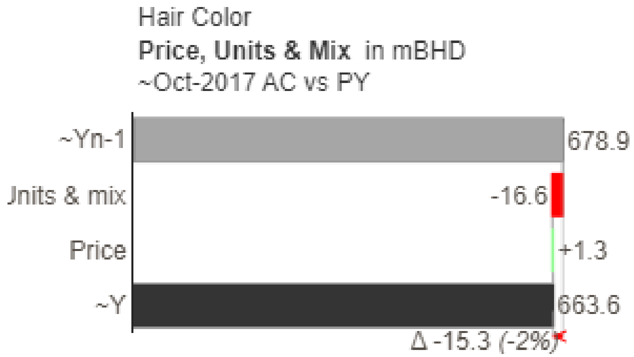
Fashion and Bleaching sales increased, driven by positive Units & Mix variance, while Brown, Blonde, Red, and Others declined. Units & Mix had a more significant impact on sales variance than price changes (p.11). A multidimensional variance bridge analysis reveals that the hair color market is facing challenges, with many categories showing declining sales across both drug stores and supermarkets. However, Henkel's positive supermarket variance suggests that performance can differ between companies in the same channel (p.12).

'Root' type products and 'Non-permanent Root' sub-types are showing strong growth, indicating a possible shift in consumer preferences. L'Oréal is showing resilience with a slight increase in sales, while Coty is facing a significant downturn (p.13). L'Oréal's growth is driven by the Root and Artistry hair color categories, while its Permanent category declined. Coty saw drops in most categories, especially Permanent, and Revlon declined across all reported categories. Other rank >3 companies increased notably in Permanent sales but fell in other areas, particularly Artistry (p.14).

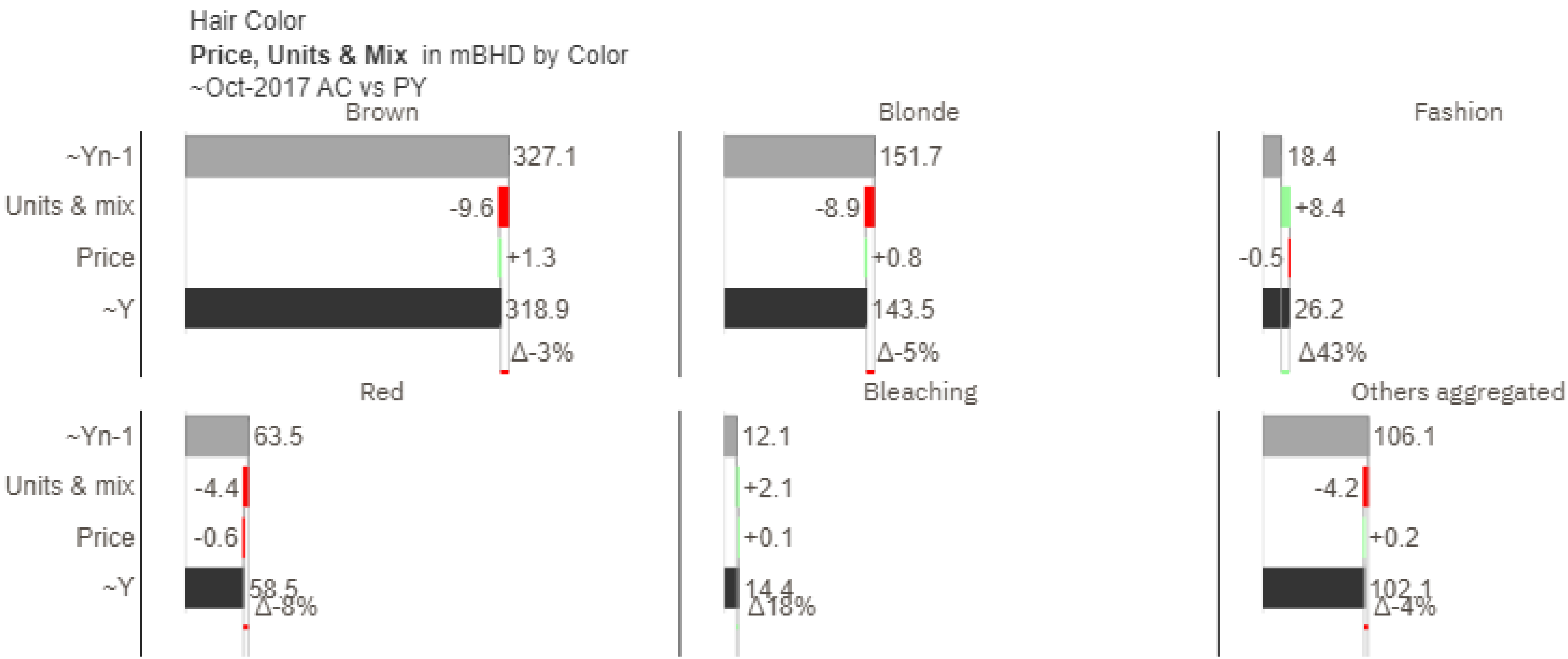
Drug stores dominate Bahrain's hair color market with a 67% share of total sales. Permanent hair color is most popular at 70% of sales, especially in liquid and cream forms. Brown and blonde shades are most sought-after, together accounting for 70% of the color segment. L'Oréal leads with a 56% market share, over double its nearest competitor Coty.



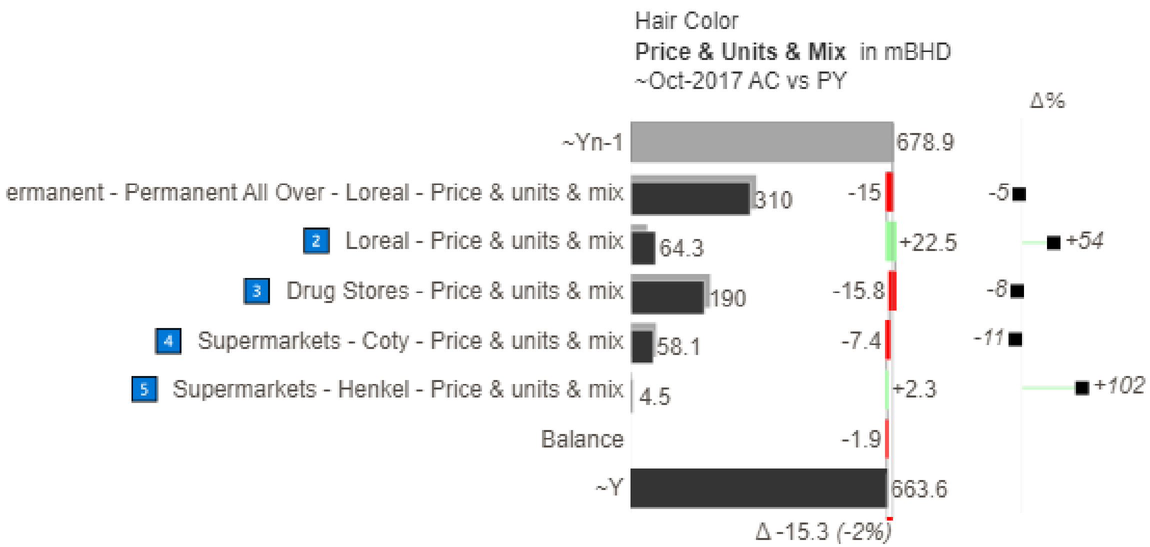
Sales decreased by 15.3 million BHD from the previous period. This was mainly due to a negative variance of -16.6 million BHD from changes in units sold and product mix. Pricing strategies added 1.3 million BHD, but couldn't offset the overall decline.



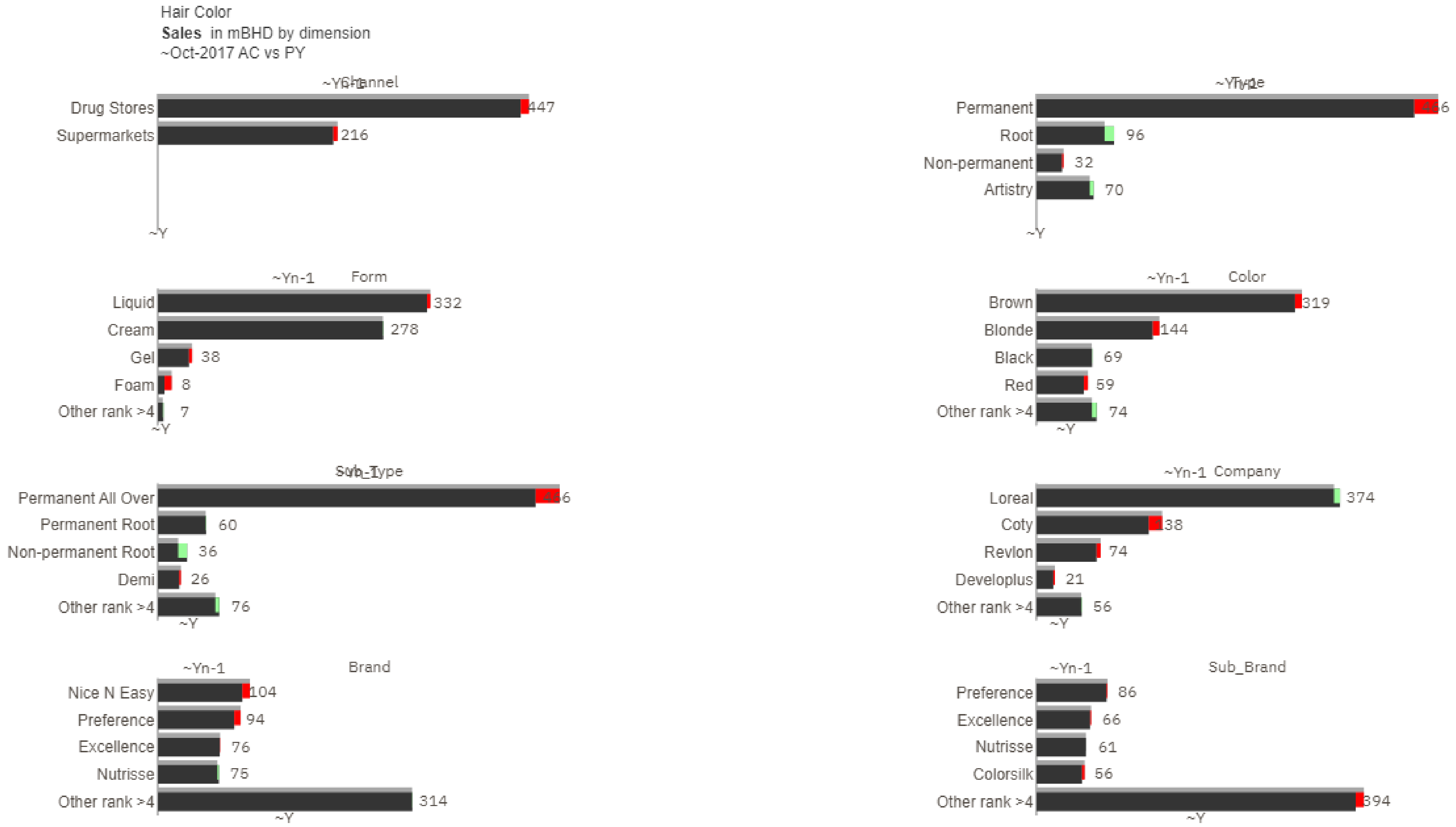
Fashion and Bleaching sales increased, driven by positive Units & Mix variance. However, Brown, Blonde, Red, and Others declined. Units & Mix impacted sales variance more than price changes. Fashion showed the most significant positive turnaround, while Brown, despite having the highest sales, notably declined.



Hair color sales declined overall from last year. L'Oréal had mixed results, with recovery in some areas but losses in others. Both drug stores and supermarkets showed negative trends overall. However, Henkel's positive supermarket variance suggests performance can differ significantly between companies in the same channel.



The hair color market is facing challenges. Many categories are showing declining sales across both major retail channels. However, 'Root' type products and 'Non-permanent Root' sub-types are showing strong growth, indicating a possible shift in consumer preferences. 'L'Oréal' is showing resilience with a slight increase in sales, while 'Coty' is facing a significant downturn, reflecting differing company strategies or effectiveness.



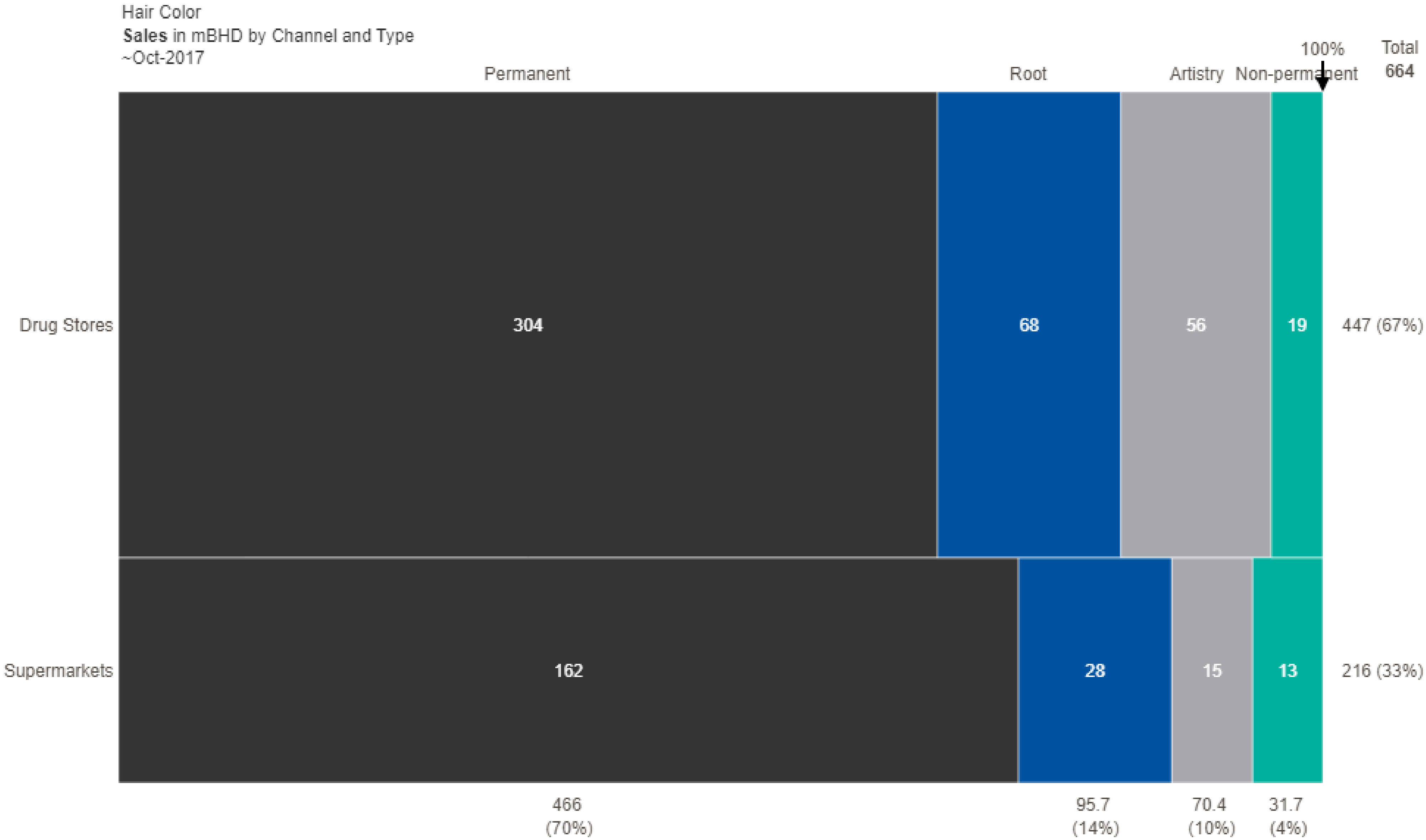
L'Oréal shows strong growth in Root and Artistry hair color categories but Permanent declined. Coty saw drops in most categories, especially Permanent. Revlon declined across all reported categories. Other rank >3 companies increased notably in Permanent sales but fell in other areas, particularly Artistry.

Drug Stores dominate the hair color market, accounting for 67% of total sales compared to Supermarkets at 33% (p.17). This trend is particularly evident in the Artistry category, where Drug Stores make up nearly 80% of sales (p.17). Permanent hair color products are the most popular across both channels, making up 68% of Drug Store sales and 75% of Supermarket sales (p.17). Liquid and cream forms lead in sales, with permanent color dominating in every form, especially gel at 100% (p.18).

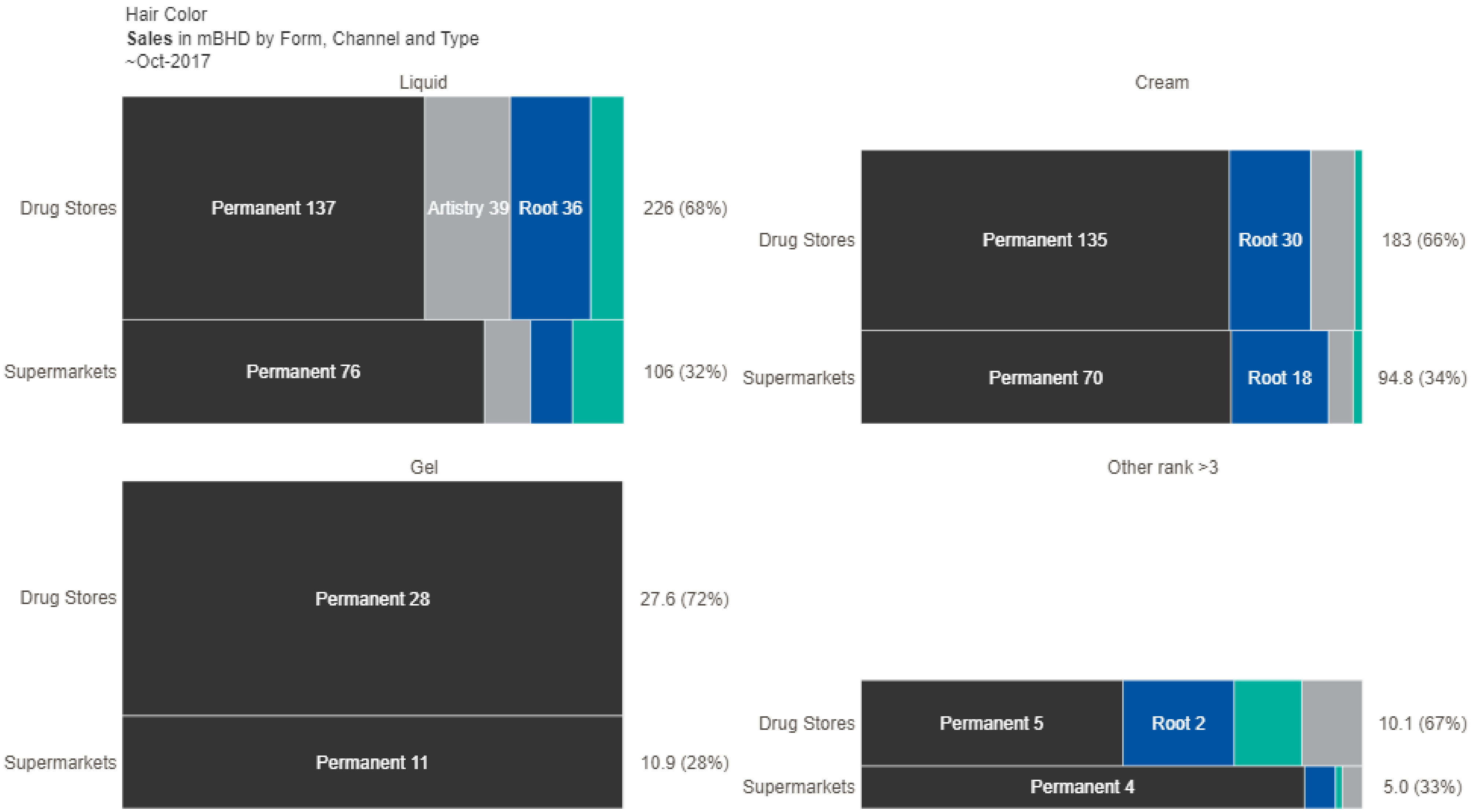
Specialized products like root touch-ups and artistry-focused offerings are experiencing notable growth, particularly in Drug Stores, indicating a shift in consumer preferences (p.19). However, Supermarkets may need to reassess their strategies for lagging categories, especially in 'Other rank >3' types (p.19). Drug Stores have a higher distribution of hair color products across all types compared to Supermarkets, with permanent hair color being the most distributed type in both channels (p.20).

Permanent hair color generates the most revenue, likely due to its position as a staple product (p.22). Artistry products have higher unit prices, suggesting a premium positioning, yet maintain a significant market share, indicating a strong presence or dedicated customer base (p.22). Drug stores generate higher sales for each product type compared to supermarkets, with unit prices generally being higher in drug stores (p.23).

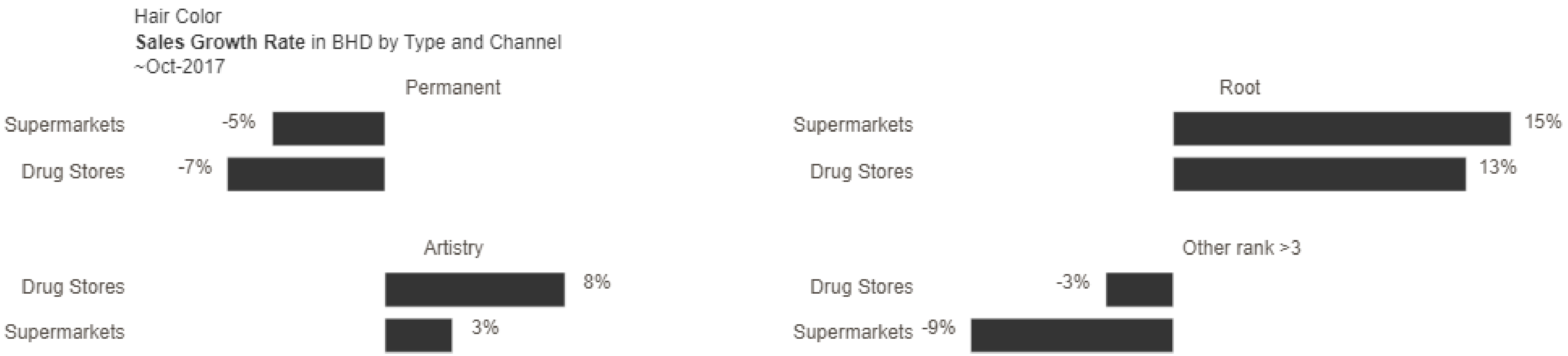
Drug Stores dominate hair color sales at 67% compared to Supermarkets at 33%. This is especially true for the Artistry category, where Drug Stores make up nearly 80% of sales. Permanent products are preferred in both channels, making up 68% of Drug Store sales and 75% of Supermarket sales.



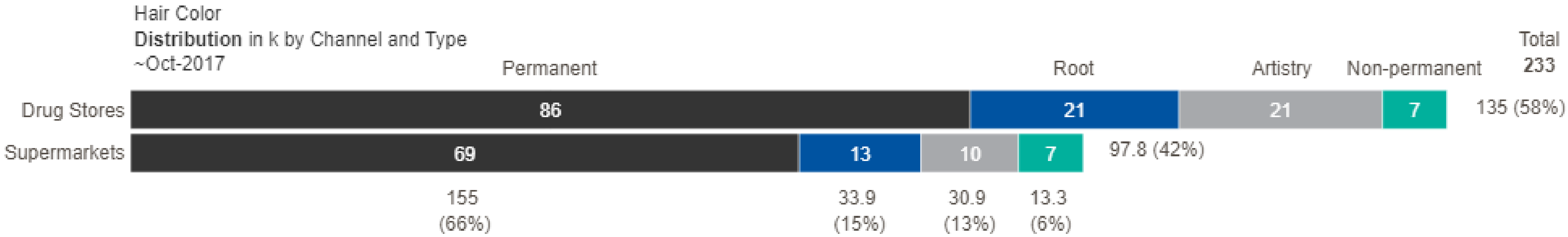
Liquid and cream hair colors are the top sellers, with liquid in the lead. Drug stores sell the most across all forms and types, beating out supermarkets. Permanent color dominates sales in every form, especially gel where it's 100%, showing that consumers prefer permanent hair color.



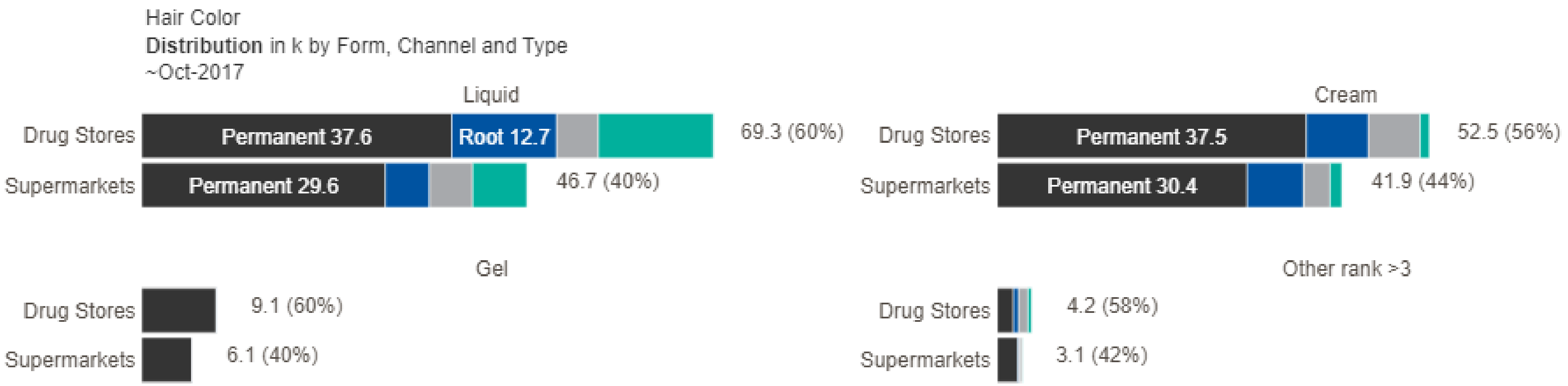
Specialized hair color products like root touch-ups and artistry-focused offerings are seeing notable growth, particularly in Drug Stores. This suggests shifting consumer preferences towards more specific or temporary hair color solutions, despite declining interest in permanent and less popular hair color types. Supermarkets are still seeing growth in some areas but may need to reassess their strategies for lagging categories, especially in 'Other rank >3' types.



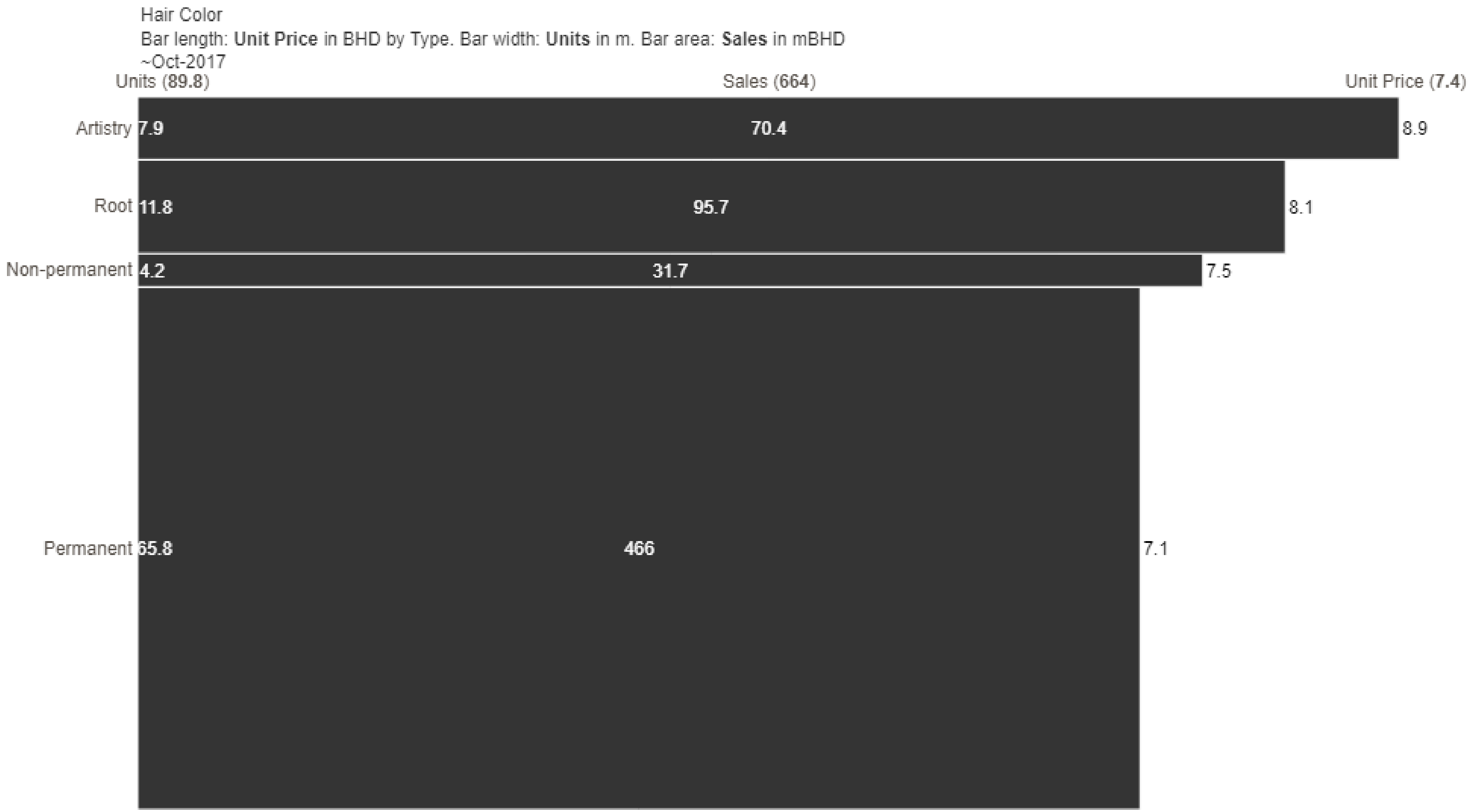
Drug Stores have a higher distribution of hair color products across all types compared to Supermarkets. Permanent hair color products are the most distributed type in both channels, over temporary or specialty options like Root touch-ups or Artistry.



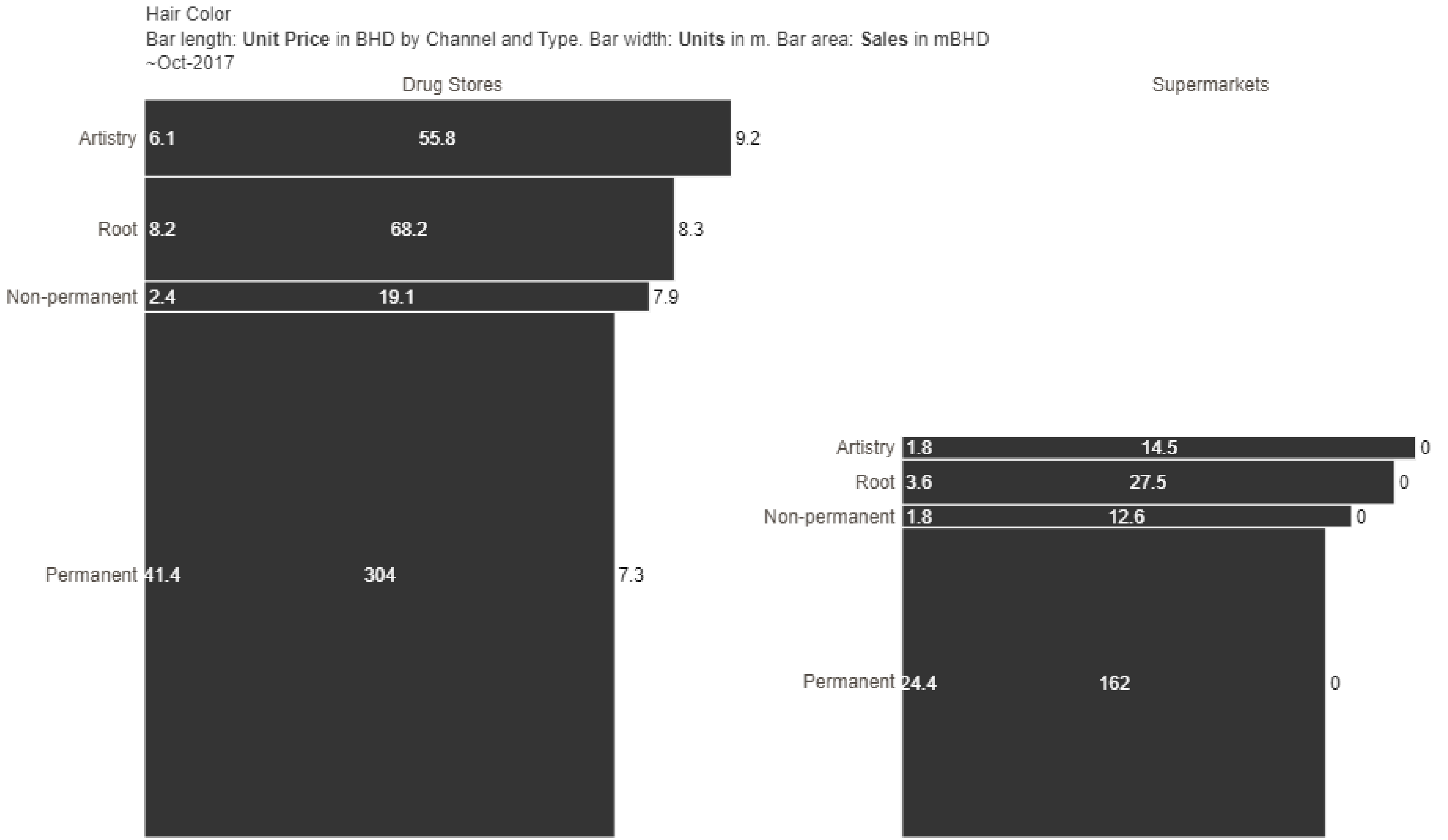
Permanent hair color dominates across all forms and channels. Liquid and cream forms show significantly higher distribution volumes than gel and other forms, suggesting consumer preference for these traditional hair color products.



The Permanent type is the most popular and generates the most revenue, likely because it's a staple product in hair coloring. Artistry has higher unit prices, suggesting it's a premium product. Despite its high price, Artistry still maintains a significant market share in terms of revenue, indicating a strong market presence or dedicated customer base.



Permanent hair color has the highest sales volume and revenue in both drug stores and supermarkets. Unit prices are generally higher in drug stores compared to supermarkets for all product types. Drug stores generate higher sales for each product type compared to supermarkets.

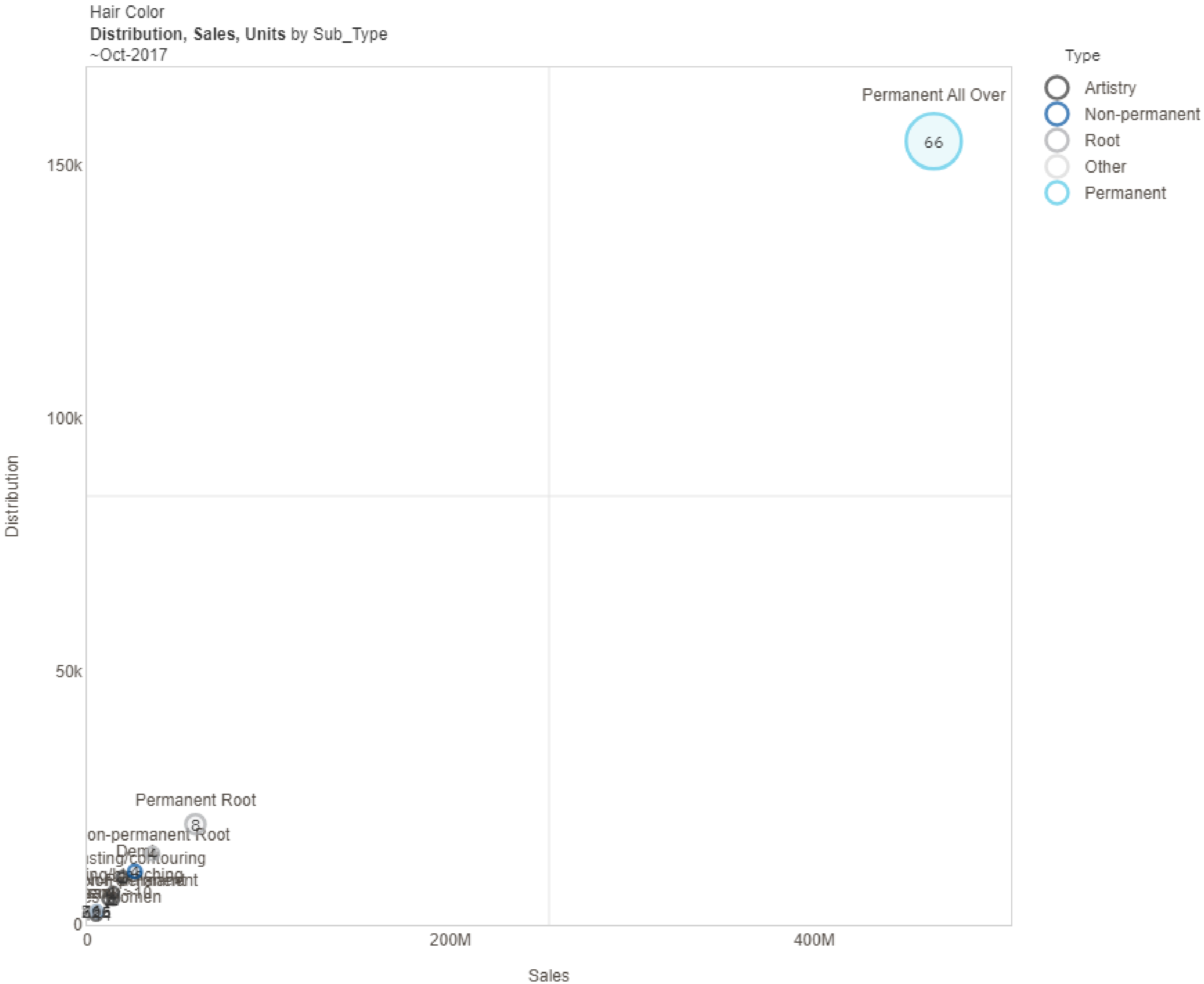


The hair color market is dominated by Permanent All Over products, which lead in sales, distribution, and units sold across various forms like Liquid, Cream, and Gel (p.26, p.27). The market is highly concentrated, with a small fraction of Sub_Brands (8.7%) driving nearly 80% of total sales (p.28). Despite its popularity, Permanent color has the lowest unit price among the categories, while Artistry products have a smaller market share but offer the most Sub_Types and the highest unit price (p.29).

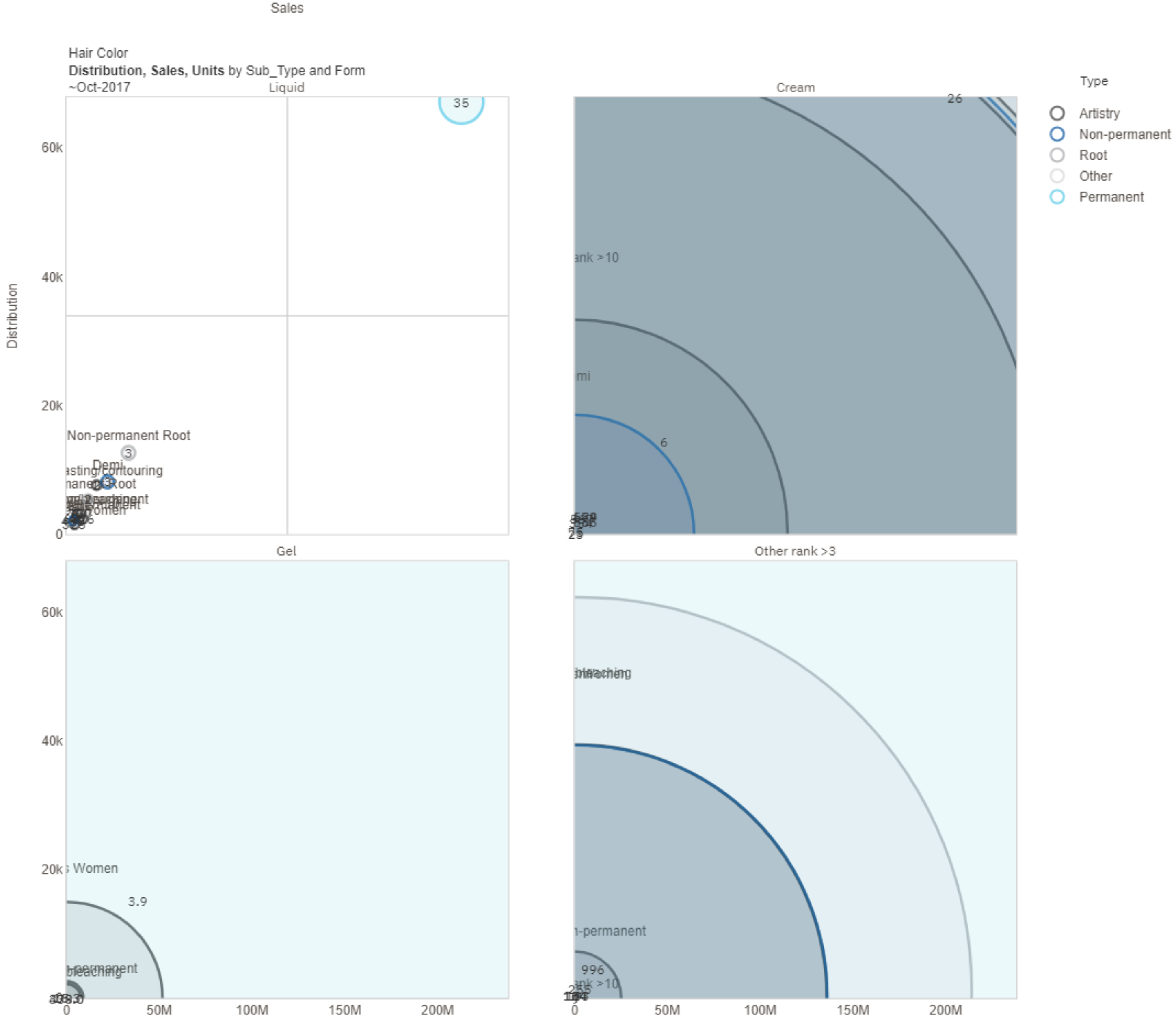
Different brands employ various positioning strategies, from premium to mass-market, impacting their sales volume and value (p.30). Permanent type products have the most diverse pricing and sales, while Root and Other types have less variation in unit sales but higher average prices (p.31). The top 9 brands (8% of total) contribute 80% of sales and 83% of units, indicating stronger control over product volume than revenue (p.32).

The hair color market is fragmented, with sub-brands distinctly positioned to target different consumer needs (p.33). The "Other rank >5" category is sizable, likely including varied hair color types that don't fit neatly into named sub-brand categories. Root Touch-up, Preference, Nutrisse, and Excellence are exclusive, possibly catering to specific needs or having unique compositions (p.33). With minimal overlaps among established brands, there is an opportunity to explore new products with cross-brand appeal and potentially increase market share for smaller sub-types if marketed effectively (p.26, p.33).

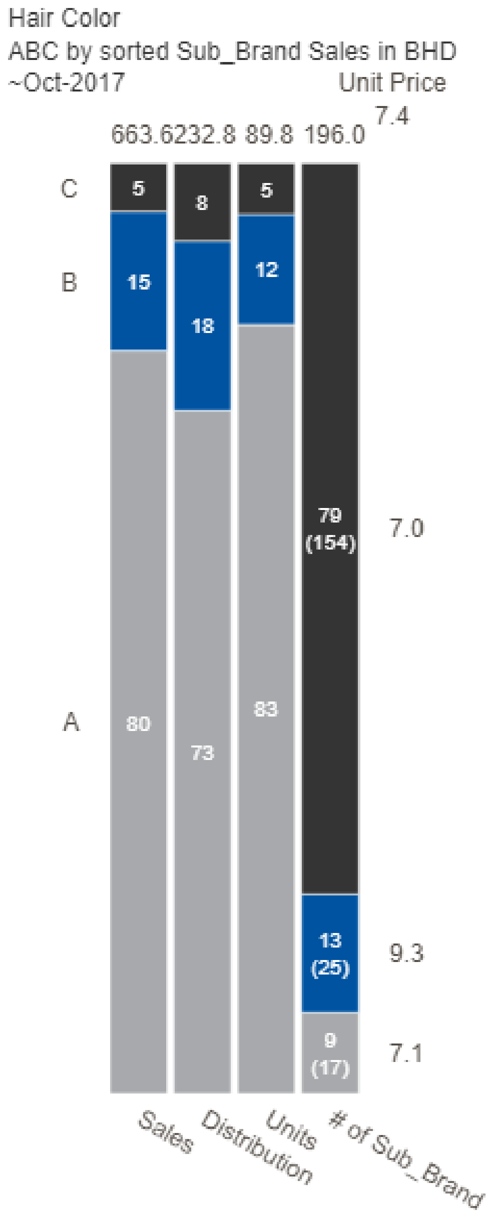
As of October 2017, Permanent All Over hair color products dominate the market in sales, distribution, and units sold, suggesting strong consumer preference for long-lasting, full-coverage solutions. Non-permanent and Artistry products cater to specific needs like temporary changes or specialized effects, but are less dominant. Numerous smaller sub-types in the 'Other rank >10' category could potentially increase market share if marketed effectively.



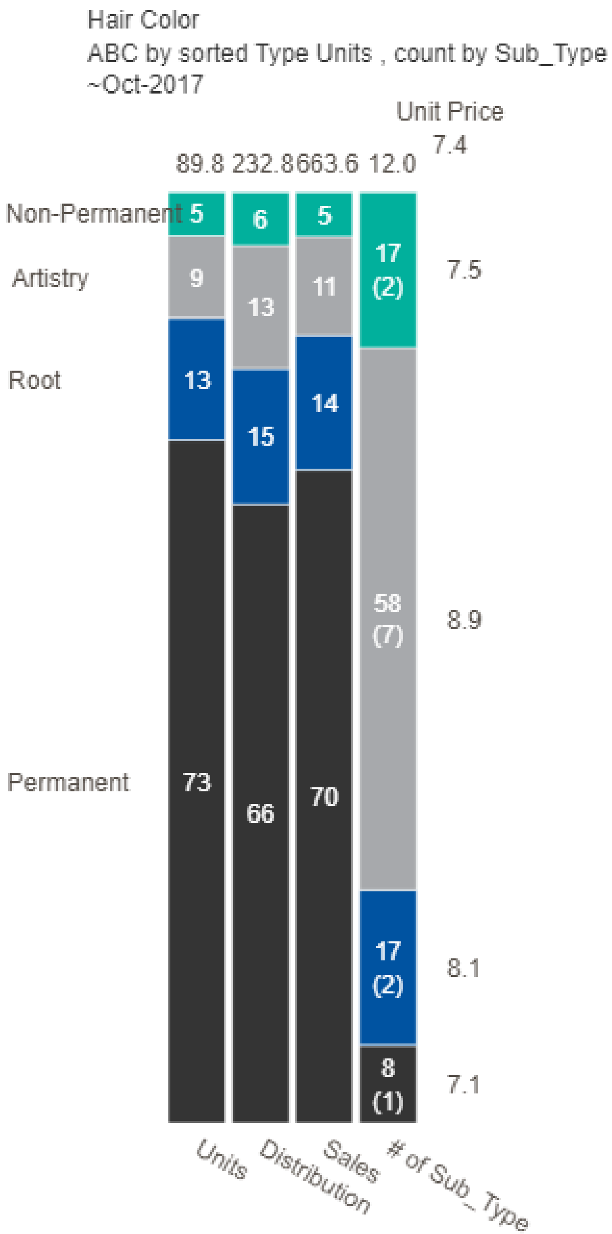
Hair color product performance varies significantly across Liquid, Cream, Gel, and Other forms. Permanent All Over consistently shows the highest performance in distribution, sales, and units, regardless of form. This suggests a strong consumer preference for permanent hair coloring solutions across different application types. Liquid and Cream forms generally show higher distribution and sales compared to Gel and Other forms, indicating variability in consumer preferences and effectiveness of these forms in the market.



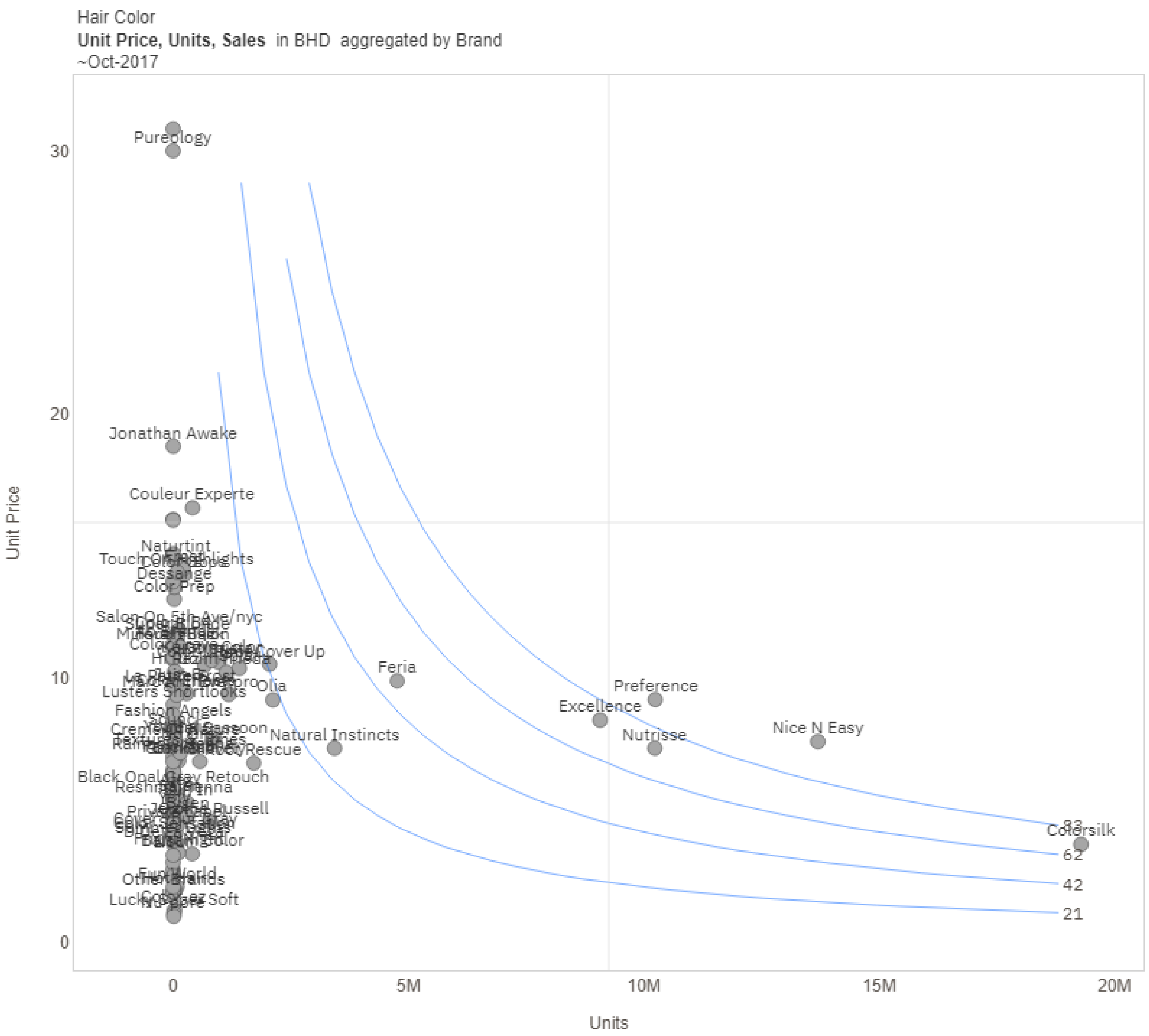
A small fraction of Sub_Brands (Class A), only 8.7% of the total, drives nearly 80% of total sales in the highly concentrated hair color market. This suggests a high dependency on a small group for the majority of the revenue. The large number of low-performing Sub_Brands in Class C presents an opportunity to review their shelf space and potentially introduce new, high-performing products.



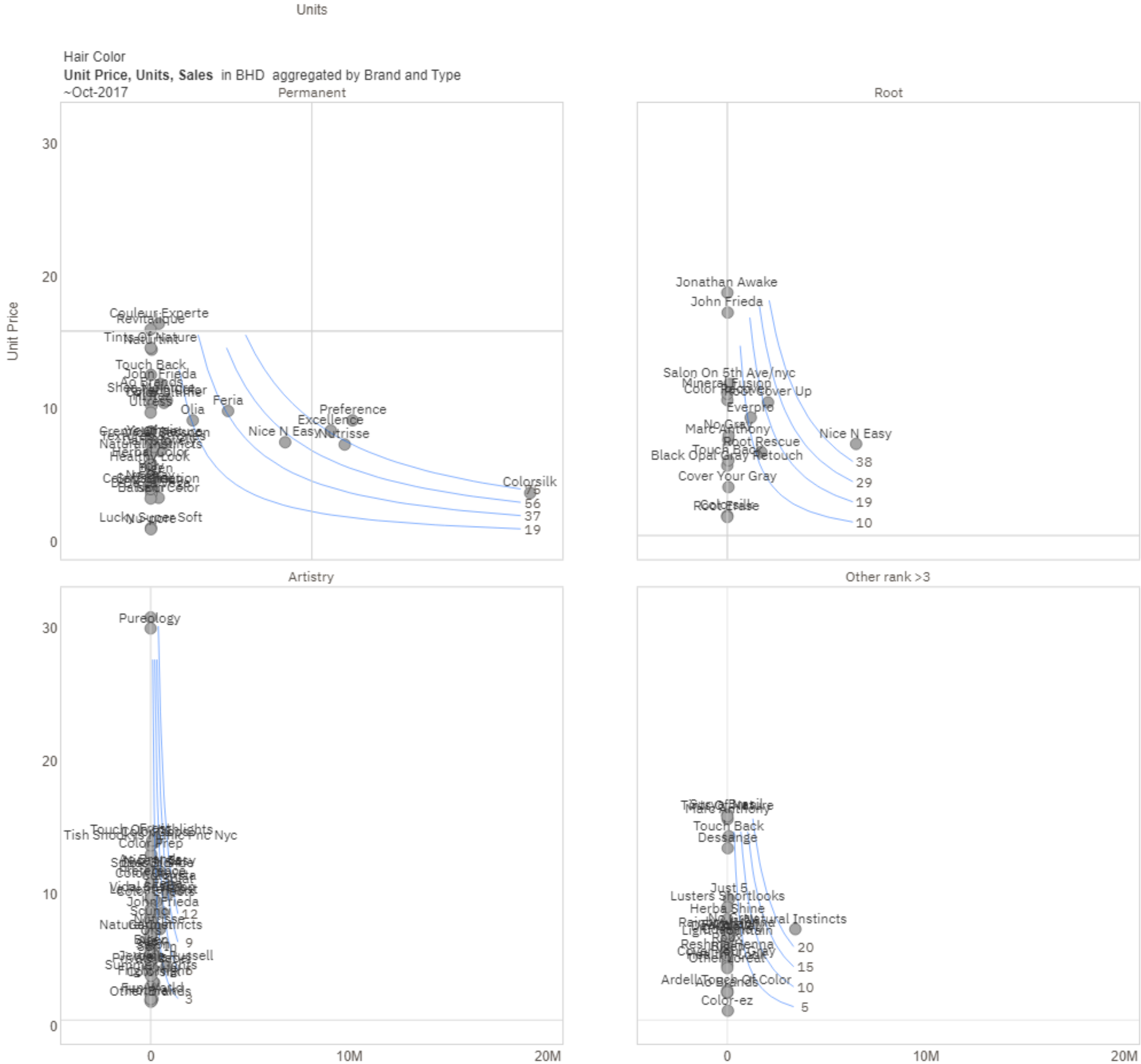
Permanent hair color dominates the market in units, distribution, and sales, making it the most popular and widely available type. Despite its popularity, Permanent color has the lowest unit price among the categories, likely to maintain market share through attractive pricing. Artistry products have a smaller market share but offer the most Sub_Types and the highest unit price, appealing to a niche market seeking specialized or premium options.



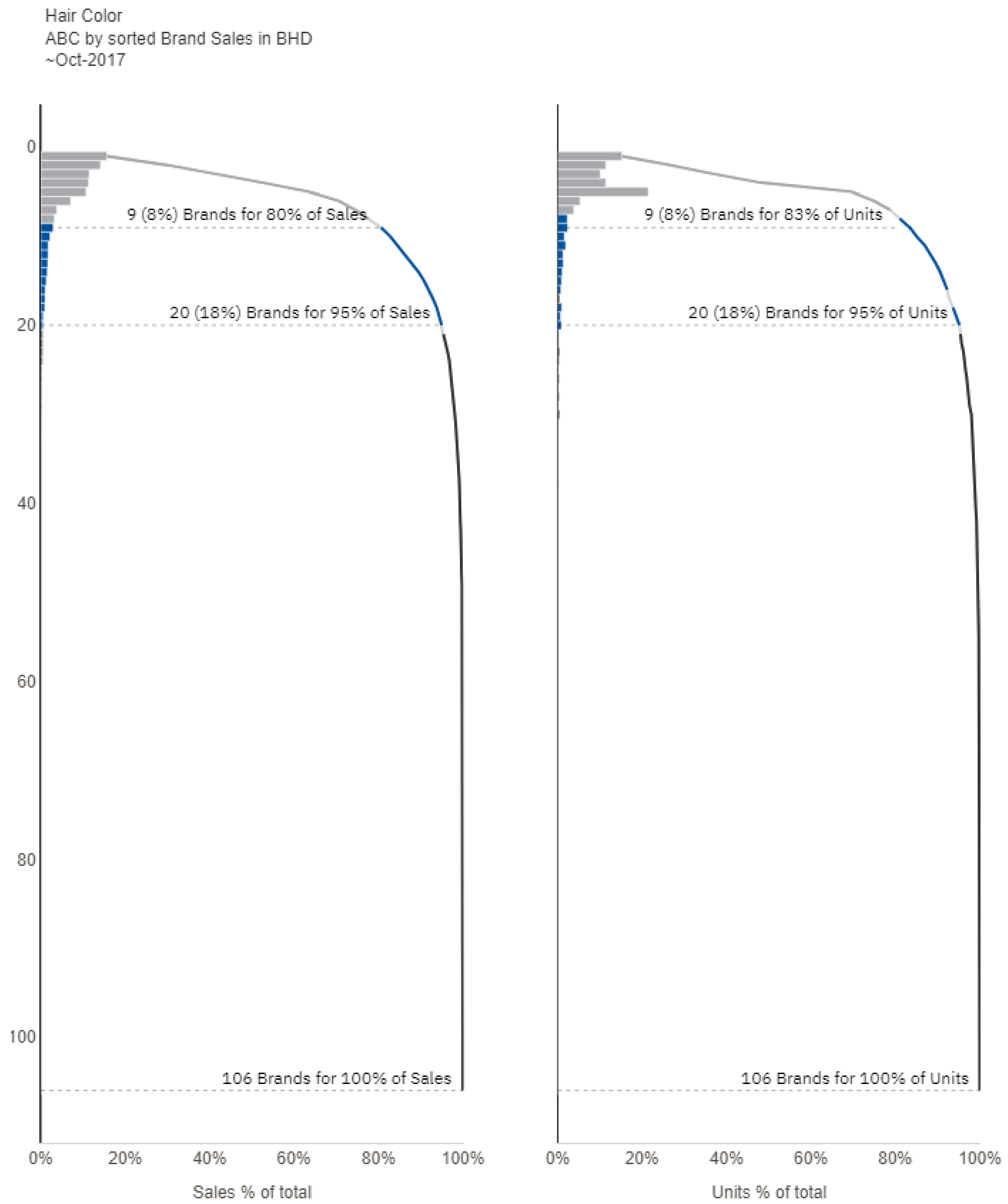
Hair color brands use different positioning strategies, from premium to mass-market, which impact their sales volume and value. PureOlogy has a high unit price but lower sales, suggesting a premium position. In contrast, Nice N Easy is more affordable with lower prices but much higher volumes. Many brands cluster around the lower price range with high sales, indicating a highly competitive segment where volume is critical.



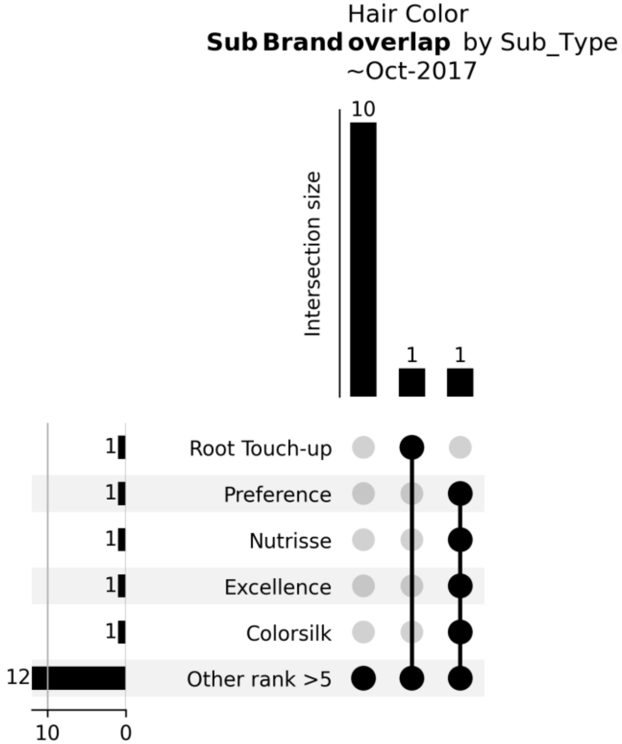
Products in the Permanent type have the most diverse pricing and sales, suggesting a wide range of consumer offerings. Root and Other types have less variation in unit sales but higher average prices, possibly due to niche or premium branding. The Punctuality type has a clear pricing outlier, which could be a specialty or limited edition product.



The top 9 brands (8% of total) contribute 80% of sales and 83% of units, indicating they have stronger control over product volume than revenue. The higher concentration of units versus sales for top brands might mean more competitive pricing or higher volume of lower-cost units sold, enhancing their market penetration and consumer base compared to revenue generation.



The hair color market is fragmented, with sub-brands distinctly positioned to target different consumer needs. The "Other rank >5" category is sizable, likely including varied hair color types that don't fit neatly into named sub-brand categories. Root Touch-up, Preference, Nutrisse, and Excellence are exclusive, possibly catering to specific needs or having unique compositions. With minimal overlaps among established brands, there's an opportunity to explore new products with cross-brand appeal.



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The business has experienced a concerning -2.8% sales CAGR over the past five years, suggesting challenges such as increased competition, changing consumer preferences, market saturation, or operational inefficiencies. A comprehensive review of internal operations and external market conditions is necessary to develop a robust strategy for returning to growth (p.36).

Consumer preferences in the hair color market are evolving, with significant growth in the 'Fashion' and 'Bleaching' categories (CAGRs of 13.4% and 5.9% respectively), while traditional 'Brown' and 'Blonde' segments have declined. This indicates a trend towards more vibrant and bold hair colors. Focusing on growing segments while innovating within declining ones could help adapt to the changing market dynamics (p.37).

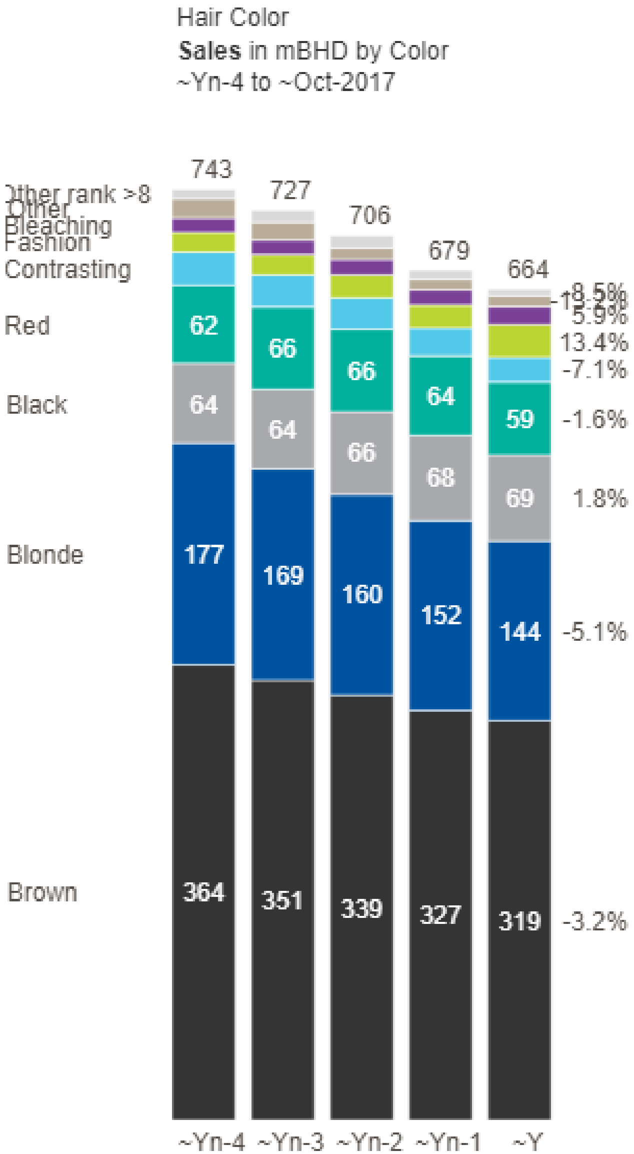
Most sub-brands have seen sales decline, with significant drops for Natural Instincts and the 'Other rank >10' category. However, Olia and Root Touch-up have grown, suggesting successful positioning or innovation, while Nutrisse sales have remained stable, indicating strong loyalty or effective marketing. One should investigate the reasons behind underperforming sub-brands and consider product innovation, rebranding, or better marketing, leveraging Olia and Root Touch-up's growth to boost overall performance (p.38).

Monthly sales decreased by 6% overall compared to the previous year, with significant fluctuations across months. Substantial decreases were observed in January (-27%) and October (-39%), while December and September saw significant increases of 15% and 22% respectively. These variations may suggest seasonal trends, but more data is needed to confirm. One should investigate the reasons behind the large monthly variances, especially the sharp declines in January and October, to understand the dynamics affecting sales and plan improvements (p.39).

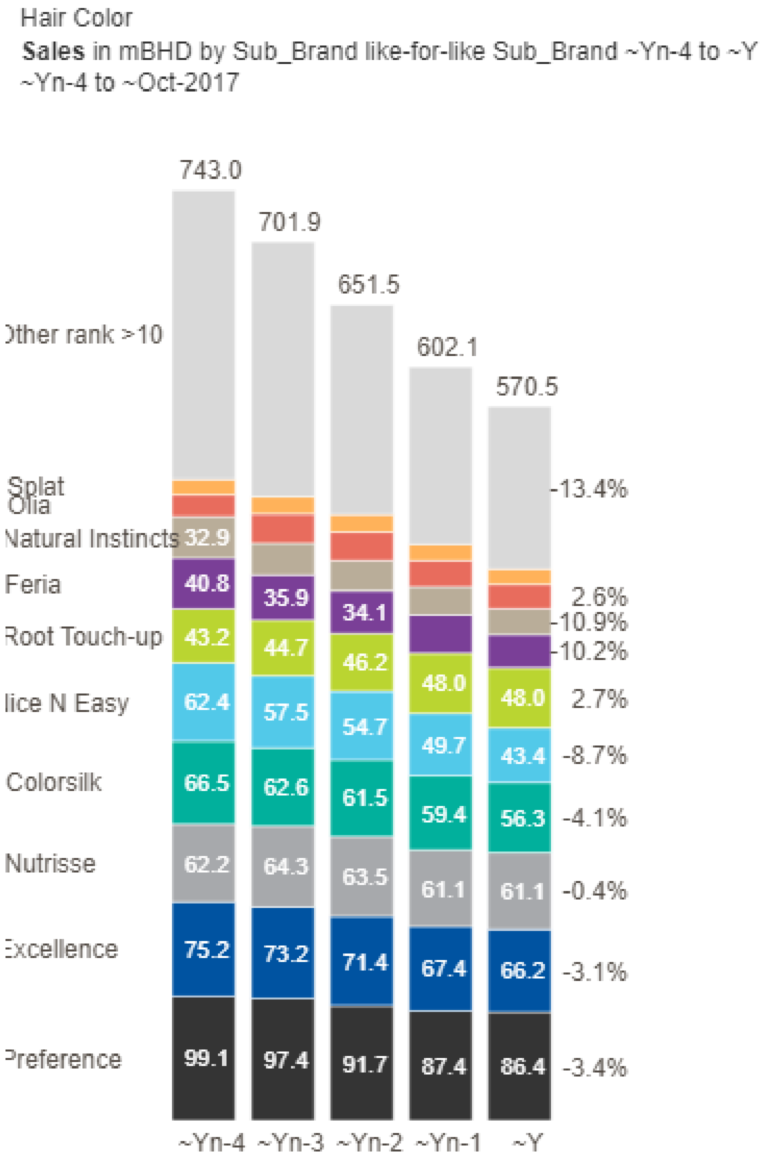
Year-over-year sales declined for Nice N Easy, Preference, Excellence, and the overall hair color category, with each brand experiencing significant monthly variability. January and October were the most challenging months, while some brands saw strong growth in December and September, up to 10.2% for Nice N Easy in September. The market should focus on these key months to counteract declines and capitalize on opportunities (p.40).

The business has seen sales and units sold drop over the past five years, with a -2.8% sales CAGR. This suggests challenges like more competition, shifting consumer preferences, market saturation, or operational inefficiencies. The ongoing decline raises concerns about the long-term sustainability of the current business model and market approach. A thorough review of both internal operations and external market conditions is needed to create a strong strategy to return to growth.

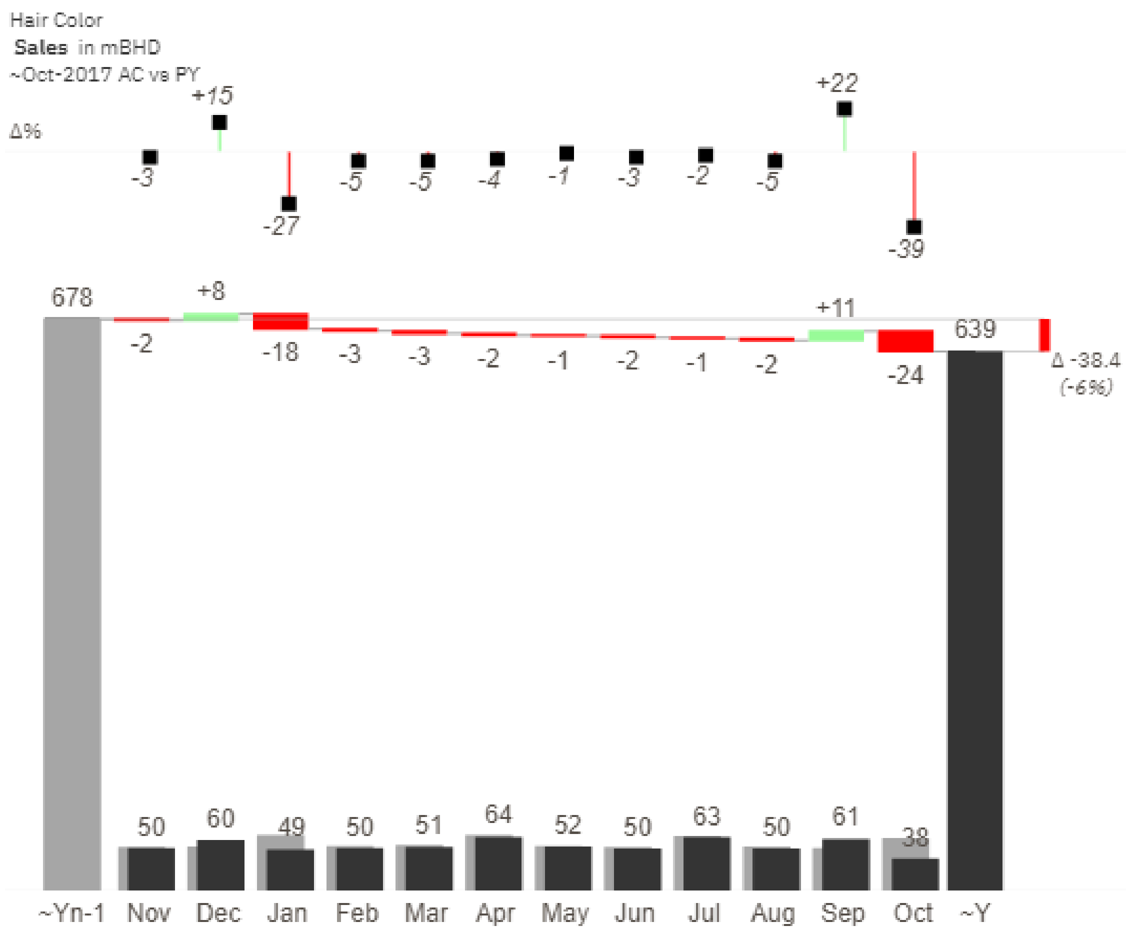
Consumer preferences in the hair color market are shifting. The 'Fashion' and 'Bleaching' categories have grown significantly, with CAGRs of 13.4% and 5.9% respectively, while traditional 'Brown' and 'Blonde' segments have declined. This suggests a trend towards more vibrant, bold hair colors. Increasing focus on the growing segments while innovating within declining ones could help adapt to the changing market dynamics.



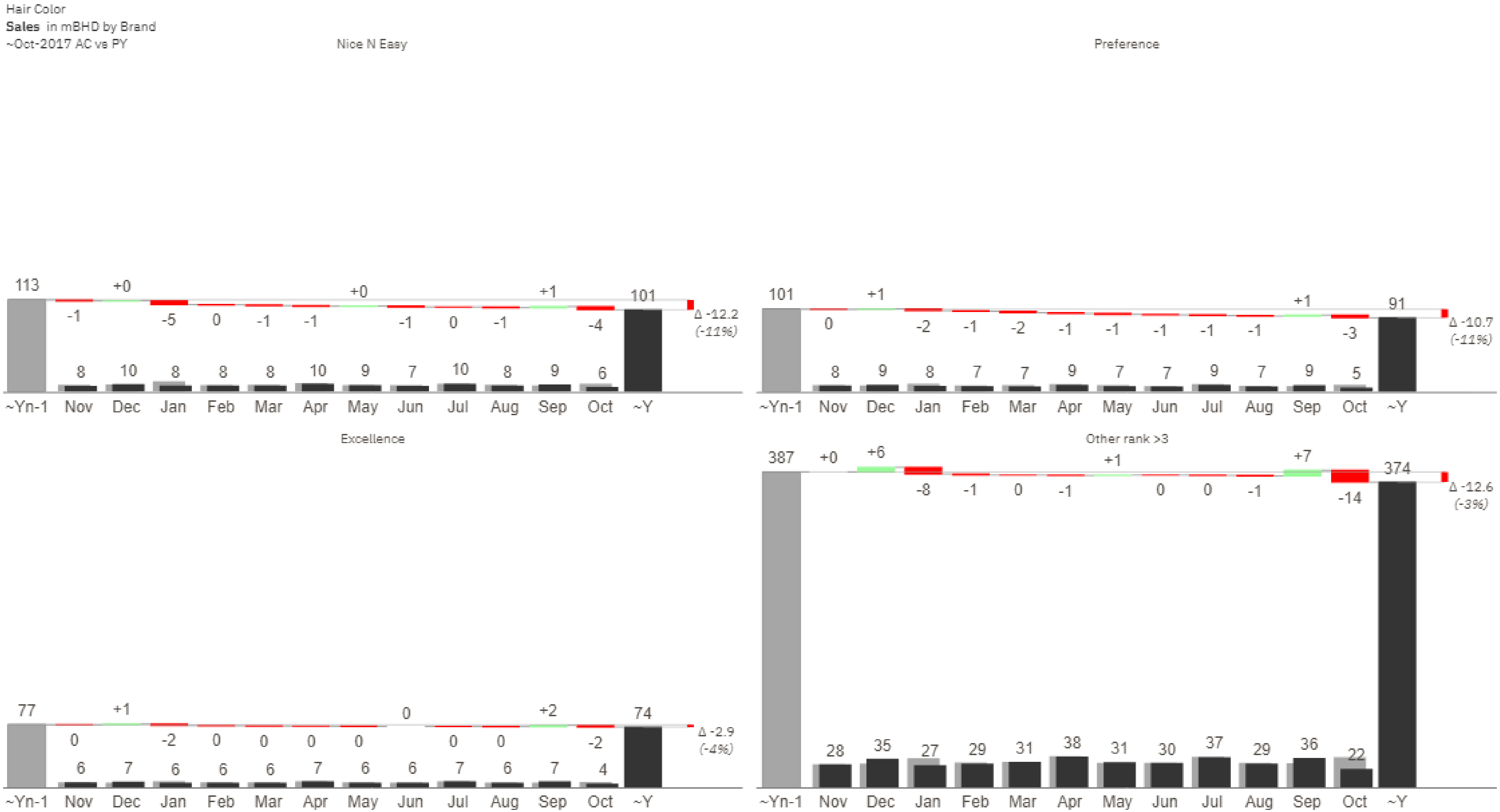
Most sub-brands have seen sales decline, with big drops for Natural Instincts and the 'Other rank >10' category. But Olia and Root Touch-up have grown, suggesting successful positioning or innovation. Nutrisse sales have stayed stable, indicating strong loyalty or effective marketing. Underperforming sub-brands should consider product innovation, rebranding, or better marketing. They could use Olia and Root Touch-up's growth to boost overall performance.



Monthly sales decreased 6% overall compared to the previous year. Performance varied significantly across months, with substantial decreases in January (-27%) and October (-39%), while December and September saw significant increases of 15% and 22% respectively. These fluctuations may suggest seasonal trends, but more data is needed to confirm. One should investigate the reasons behind the large monthly variances, especially the sharp declines in January and October, to understand the dynamics affecting sales and plan improvements.



Year-over-year sales declined for Nice N Easy, Preference, Excellence, and the overall hair color category. Each brand experienced significant monthly variability, with January and October being the most challenging. Despite this, some brands saw strong growth in December and September, up to 10.2% for Nice N Easy in September. The market should focus on these key months to counteract declines and capitalize on opportunities.



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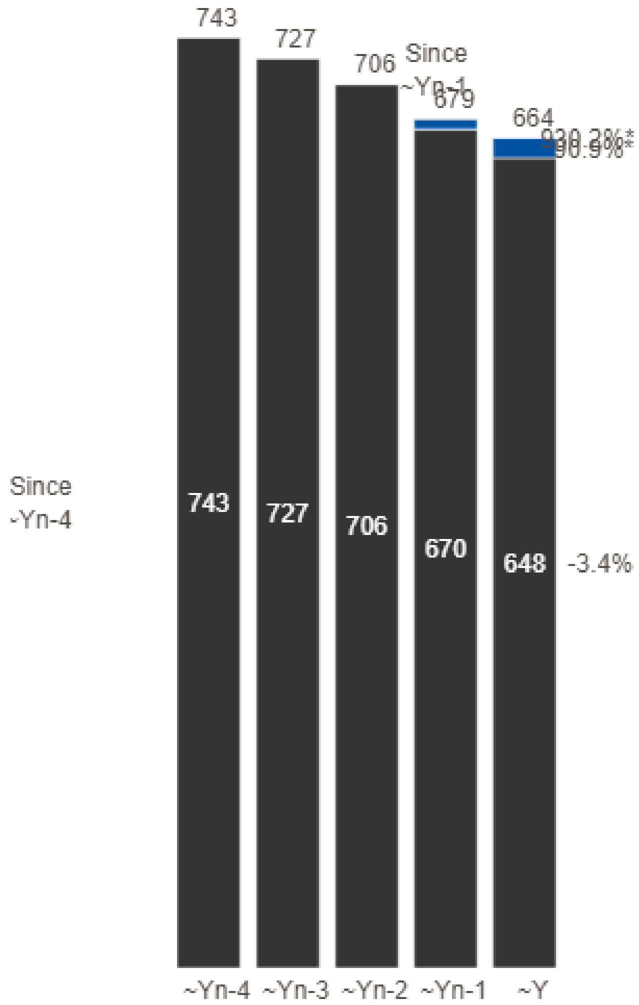
Hair Color

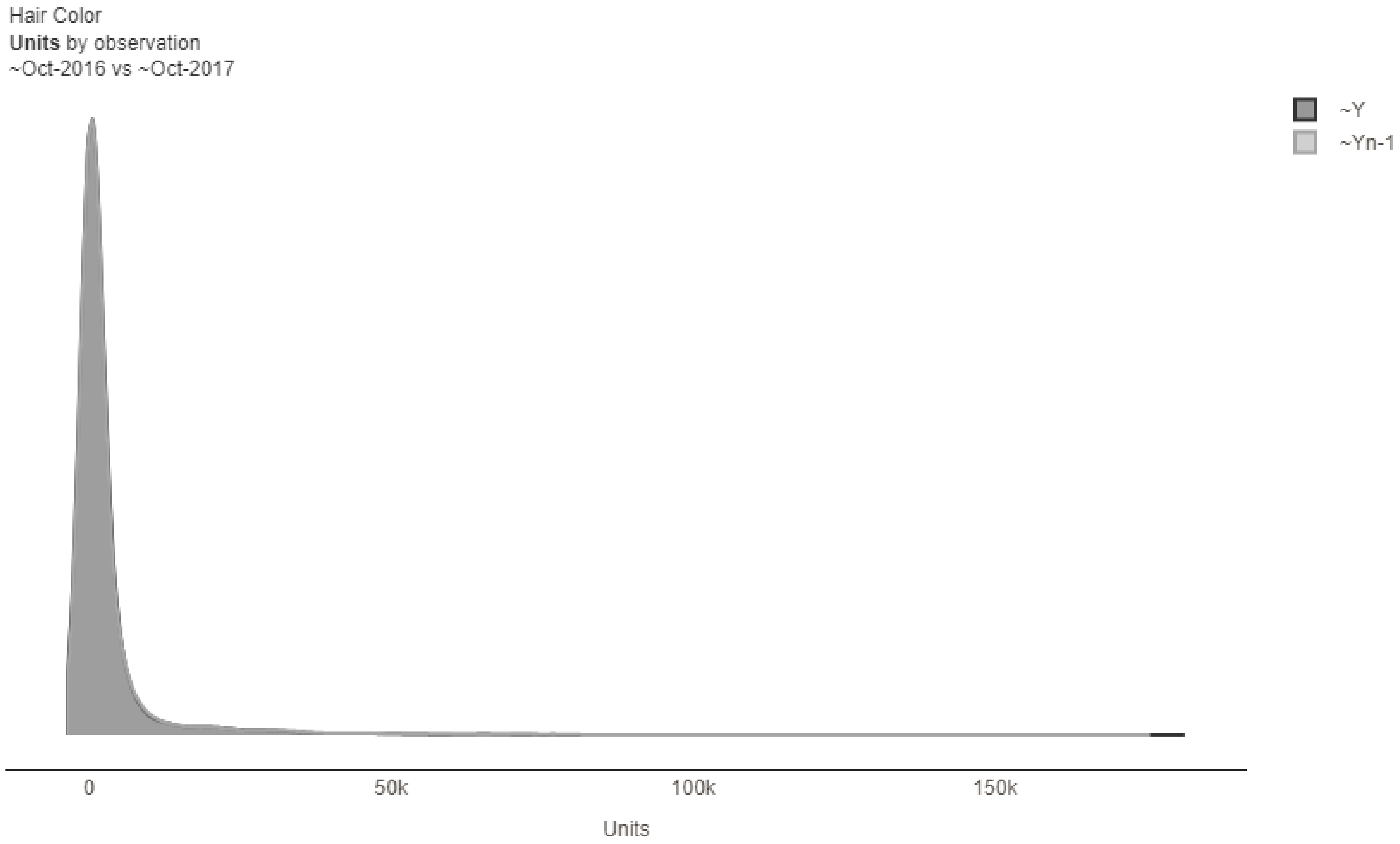
**Sales Growth Rate** in BHD by Channel

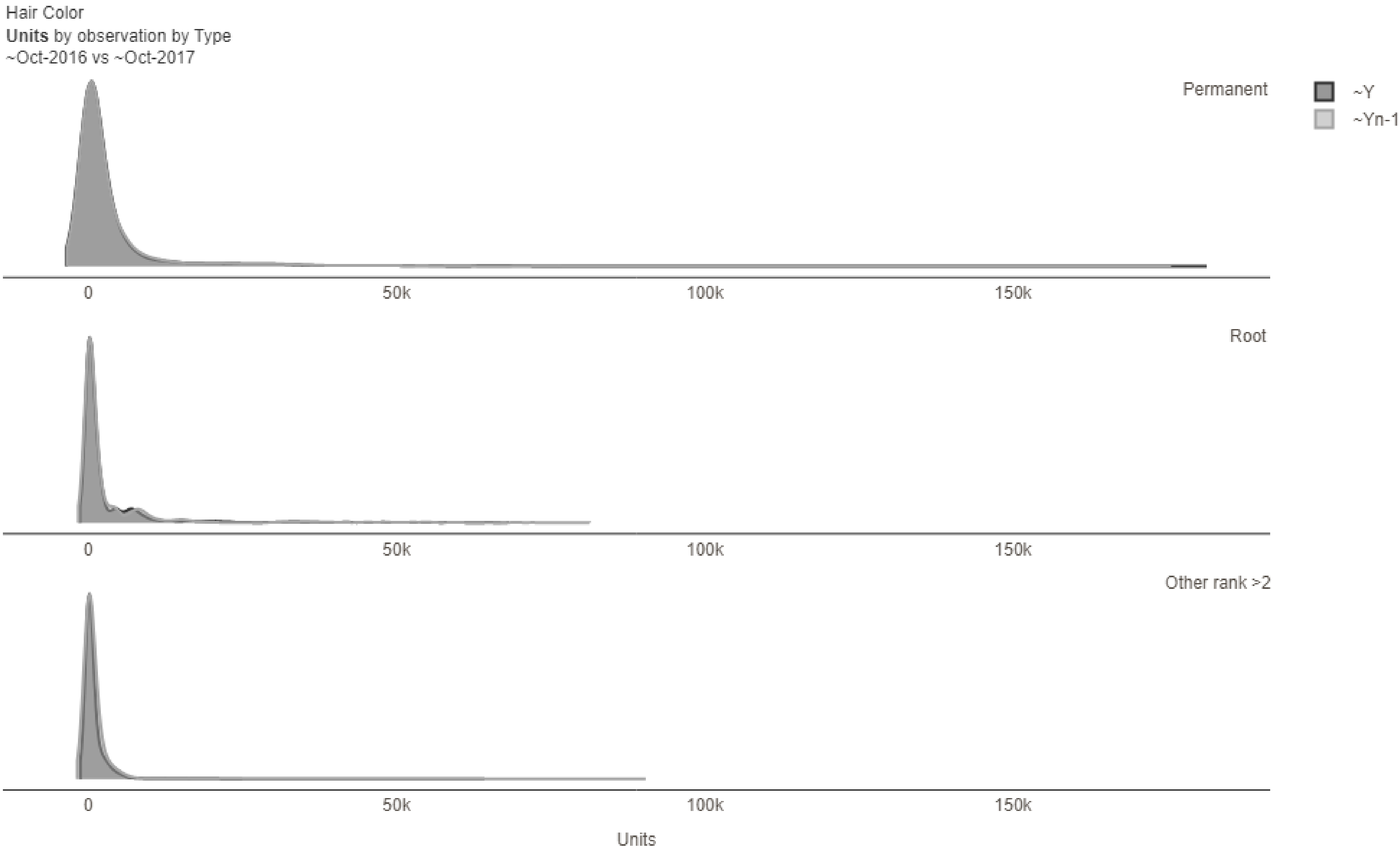
~Oct-2017

Hair Color
**Sales** in mBHD by Company_Since
~Yn-4 to ~Oct-2017




Hair Color
**Sales by Brand** in mBHD
~Yn-4 to ~Oct-2017
CAGR
-4.0%
7.36
6.61
6.42
6.17
6.26
~Yn-4
~Yn-3
~Yn-2
~Yn-1
~Y


Hair Color
**Units** by observation
~Oct-2016 vs ~Oct-2017
~Y
~Yn-1
0
50k
100k
150k
Units


Hair Color
**Units** by observation by Type
~Oct-2016 vs ~Oct-2017
Permanent
~Y
~Yn-1
0
50k
100k
150k
Root
0
50k
100k
150k
Other rank >2
0
50k
100k
150k
Units