GPT-4 Sales Report
Hair Color, ~Yn-1 vs ~Y
Prepared: 02 May 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 and Performance

L'Oréal is excelling in the hair color market with strong pricing and product strategies, leading to its outperformance, particularly in permanent and darker shades which enjoy robust brand loyalty. In contrast, Nice N Easy is facing sales declines due to less effective pricing strategies, although it still holds a significant market share in the permanent color category. The overall market is experiencing modest growth, reaching 164.8 million CHF.

Emerging Trends and Consumer Preferences

There's a noticeable shift towards semi-permanent and male-specific products, with sub-brands like Olia and Magic Retouch showing substantial growth. Temporary and root touch-up colors are increasingly popular, growing by over 100%, indicating potential areas for targeted marketing and product development, while traditional permanent and tone-on-tone colors are seeing a slight decline.

Sales Insights and Strategic Implications

Dark Brown and Light Blonde remain the top-selling shades, but vibrant "Fashion" colors are gaining traction, particularly in retail outlets like 7-eleven and Jc Penney. The Pareto principle is evident here, with 20% of shades accounting for 80% of sales, suggesting a focus on these top shades could significantly boost revenue. Affordable pricing strategies are proving successful, as seen with brands like Nutrisse and Nice 'N Easy balancing price and volume effectively.

Challenges and Opportunities

The market is competitive with a trend towards lower-priced items. Some older brands are struggling to maintain their market share, with one brand experiencing a 14.7% drop. However, products like root touch-ups are surging by 98.4%, contrasting with declines in permanent and remover products. Seasonal sales fluctuations and a growing consumer interest in niche hair color brands highlight the need for strategic adjustments in inventory management and marketing.

At a glance: L'Oréal is outperforming in the hair color market with effective pricing and product strategies, while Nice N Easy struggles with sales declines due to pricing issues. The market is resilient, showing modest growth to 164.8 million CHF, driven by strong brand loyalty, especially in permanent and darker shade products. Consumer preferences are shifting towards semi-permanent and male-specific products, with sub-brands like Olia and Magic Retouch seeing significant growth, suggesting areas for targeted marketing and strategic focus. Pages 8 to 14.

Sales breakdown: Temporary and root touch-up hair colors are seeing a surge in popularity, growing by 103% and 101% respectively, while traditional permanent and tone-on-tone colors are declining slightly. Smaller brands are successfully entering niche markets like root and remover products, challenging major brands like 'Nice N Easy', which still leads in permanent categories with significant sales but lacks presence in emerging segments. Overall, pricing strategies play a crucial role in this competitive market, with more affordable brands achieving higher sales volumes. Pages 16 to 21.

Data insights: Dark Brown and Light Blonde lead hair color sales, but vibrant "Fashion" colors are emerging as popular choices, especially in stores like 7-eleven and Jc Penney. Top shades in Class A dominate the market, and focusing on these can boost revenue, supported by Pareto charts showing that 20% of shades generate 80% of sales. Brands like Nutrisse and Nice 'N Easy excel by balancing price and sales volume, whereas Bumble & Bumble targets a niche market with higher pricing. Pages 23 to 29.

Trends: The business saw a modest 1.9% growth in a competitive market, with shifts towards lower-priced items and challenges in integrating new brands, as older brands struggled to maintain sales. A particular brand experienced a significant downturn, losing 14.7% in market position, while product types like Root products surged by 98.4%, contrasting with declines in Permanent and Remover products. Seasonal sales fluctuations and a consumer trend towards niche hair color brands suggest the need for strategic adjustments in inventory management and marketing. Pages 31 to 38.

Executive summary

Index

At a glance

Sales breakdown

Data insights

Trends

Backup

L'Oréal and Nice N Easy are significant players in the hair color market, with L'Oréal showing strong performance possibly due to effective pricing strategies and a favorable product mix. In contrast, Nice N Easy faces challenges that may stem from pricing issues and reduced sales (p.12). The market is characterized by strong brand loyalty and deep penetration, particularly for permanent hair color products, which are preferred for their long-lasting effects. Darker shades like Dark Brown and Medium Brown are popular, indicating potential regional or seasonal trends (p.9).

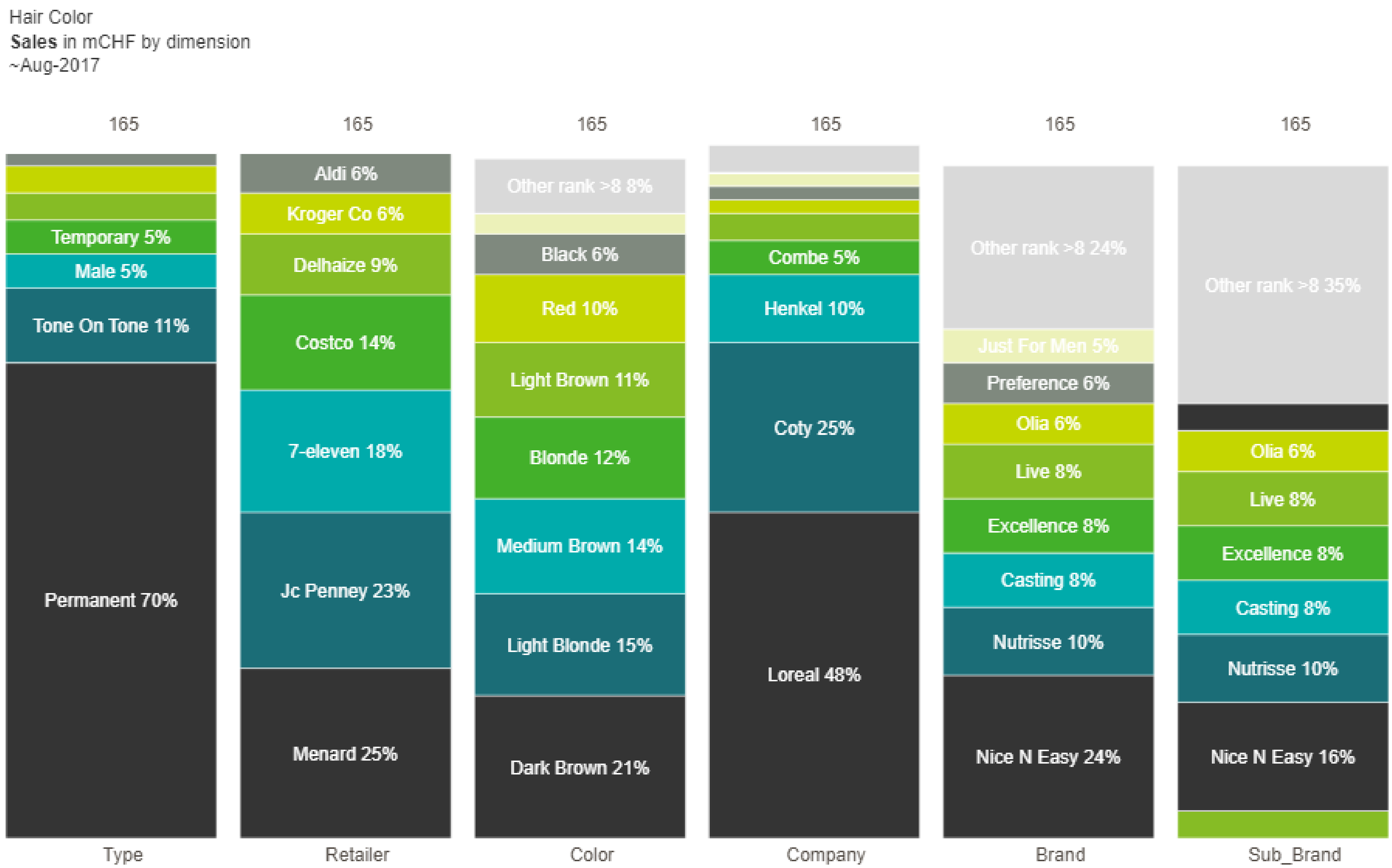
Sales in the sector have seen a modest increase from 161.8 million CHF to 164.8 million CHF, driven by higher unit sales or a better mix of higher-priced products, despite negative impacts from price changes (p.10). This suggests a resilient market where strategic product placement and pricing can lead to growth even in challenging conditions.

There is a mixed performance among brands, with Magic Retouch and Colorista showing strong growth, while Feria and Vs are in decline. The "Others" category is performing well, indicating that smaller brands continue to find opportunities in the market (p.11). This highlights the importance of strategic focus to boost underperforming brands and leverage successful ones.

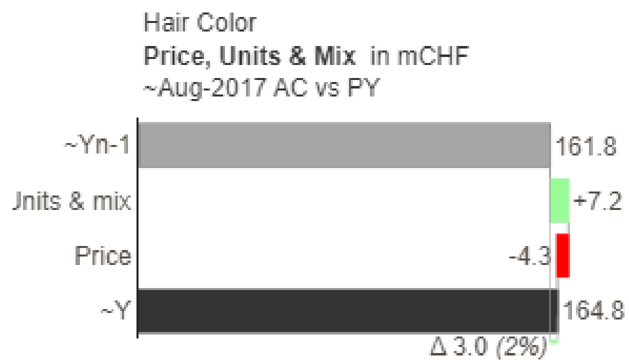
The market for hair color products is also seeing shifts in consumer preferences, with semi-permanent and male product types gaining popularity. This is particularly evident with brands like Henkel and L'Oréal, while permanent products and brands such as Nice N Easy and Casting are seeing declines (p.13). Retailers like Jc Penney and Menard are reporting better sales, which could be due to effective marketing strategies or these shifts in consumer preferences.

Sub-brands like Olia, Live, and Magic Retouch are experiencing strong growth and could be key focuses for future marketing and distribution efforts. However, brands in the "Other rank >8", Nice N Easy, and Extra Strength categories are facing significant declines. The male category is notably volatile, suggesting a need for targeted consumer research to better understand these market dynamics (p.14). This indicates a market that is both competitive and rapidly evolving, requiring continuous adaptation and strategic planning.

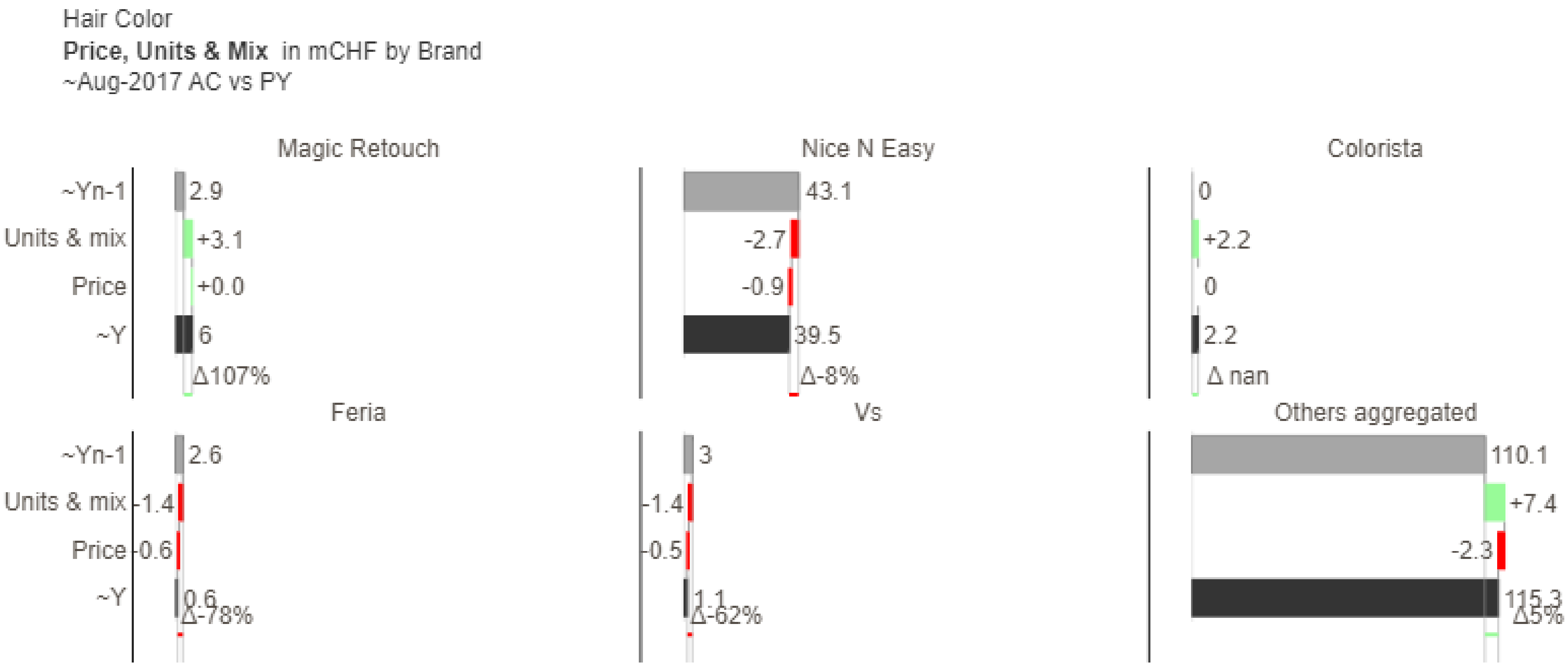
L'Oréal and Nice N Easy are prominent in the hair color market, showing strong brand loyalty and deep market penetration. Permanent hair color products are preferred by consumers for their long-lasting effects. Major retailers like Menard and Jc Penney are key in distributing and selling these products, underscoring the importance of partnerships with retailers. Darker shades such as Dark Brown and Medium Brown are especially popular, possibly due to regional or seasonal trends. The market also features a diverse 'Other rank >8' segment, pointing to a fragmented industry with many smaller players and products.



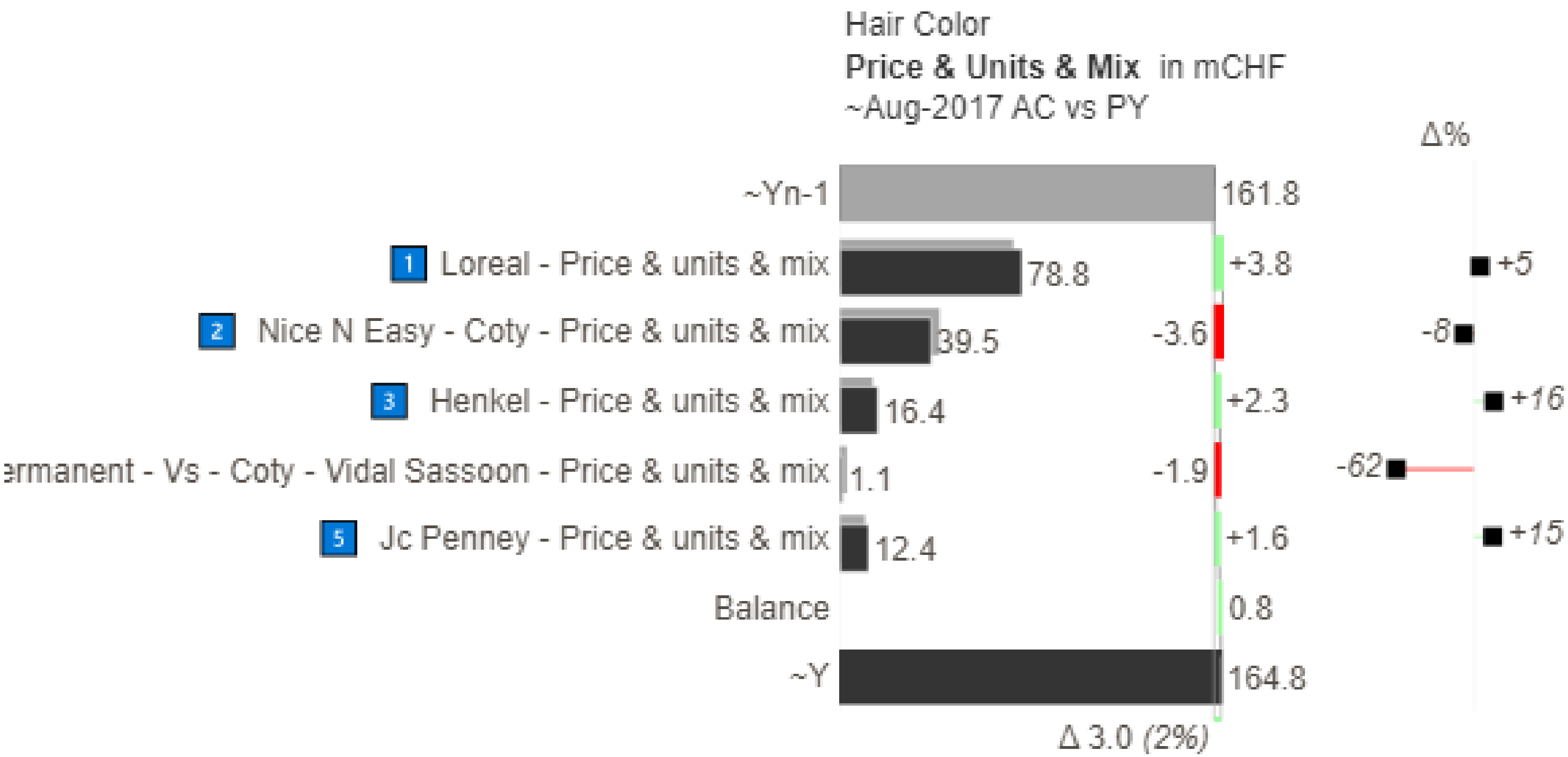
Sales increased from 161.8 million CHF to 164.8 million CHF, a growth of about 3 million CHF. This rise was due to selling more units or a better mix of higher-priced products. Despite a negative impact from price changes, the strong performance in units and product mix not only compensated for this but also drove overall sales growth.



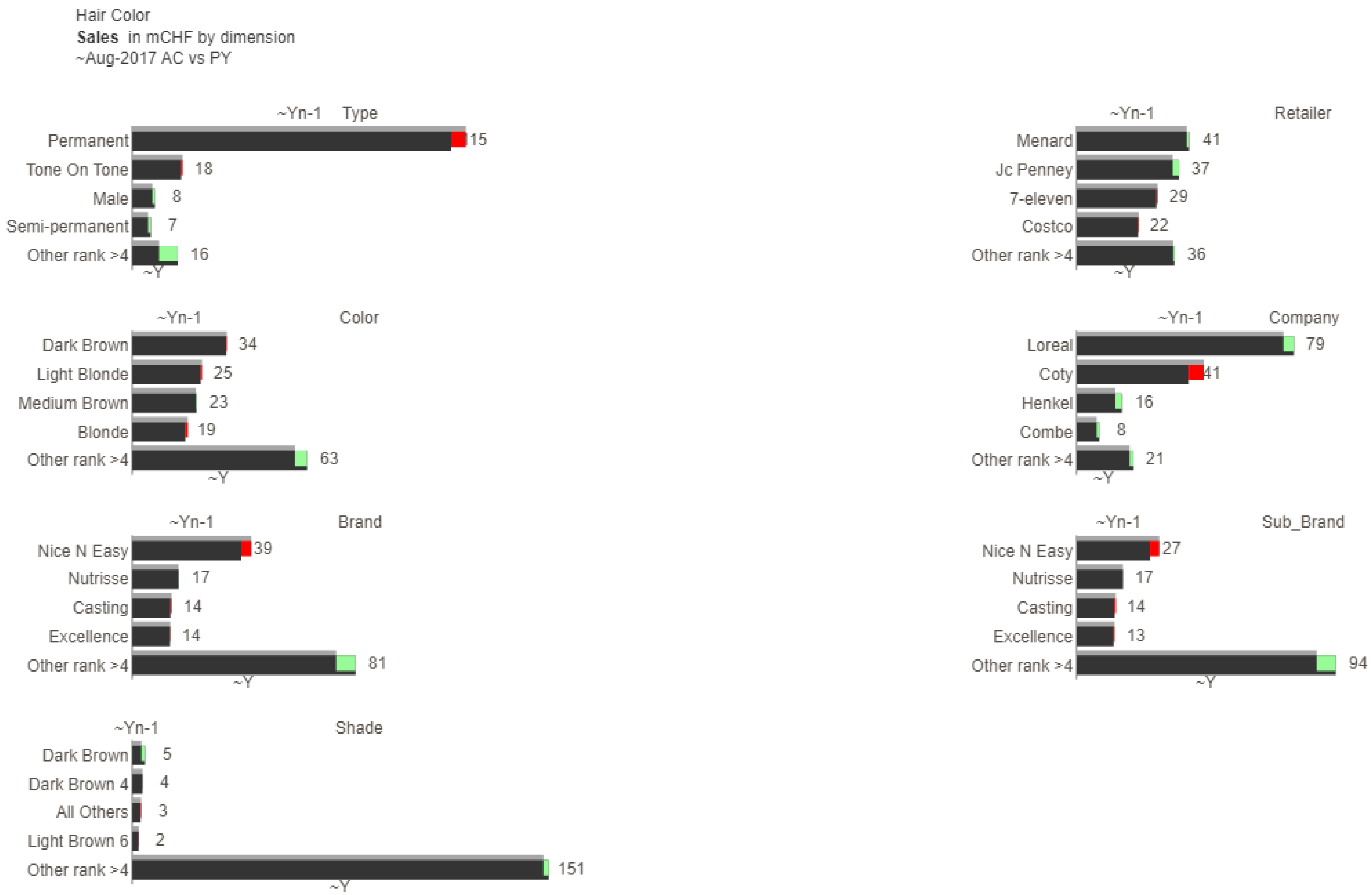
Magic Retouch and Colorista are experiencing strong growth, while Feria and Vs are seeing declines. The "Others" category is performing well overall, suggesting that these smaller brands could offer additional opportunities.



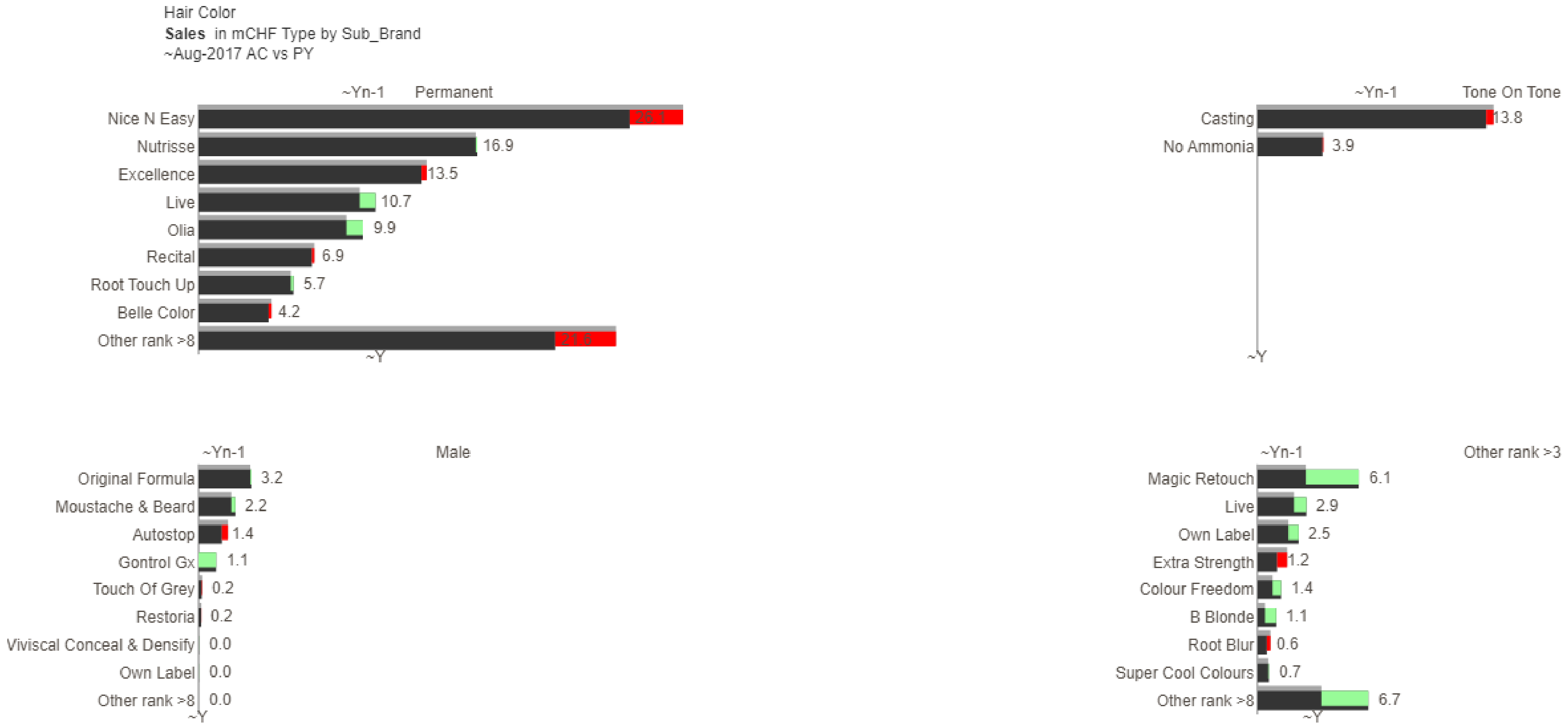
L'Oréal shows strong performance. In contrast, the Nice N Easy brand from Coty faces significant challenges. The gains from L'Oréal and Henkel are almost canceled out by losses from various Coty brands, highlighting a competitive market where specific strategies and brand performance are key to sales outcomes.



Semi-permanent and male product types, along with. Conversely, permanent products and brands such as Nice N Easy and Casting are seeing a decline, suggesting a shift in consumer preferences or increased competition. Retailers like Jc Penney and Menard are reporting better sales.



Sub-brands like Olia, Live, and Magic Retouch are experiencing strong growth. These brands could be key focuses for future marketing and distribution efforts. On the other hand, brands such as Other rank >8, Nice N Easy, and Extra Strength are seeing significant declines. The Male category is particularly volatile, with both sharp increases and decreases in sales. This suggests the need for targeted consumer research to better understand market dynamics.



Executive summary
Index
At a glance
Sales breakdown
Data insights
Trends
Backup

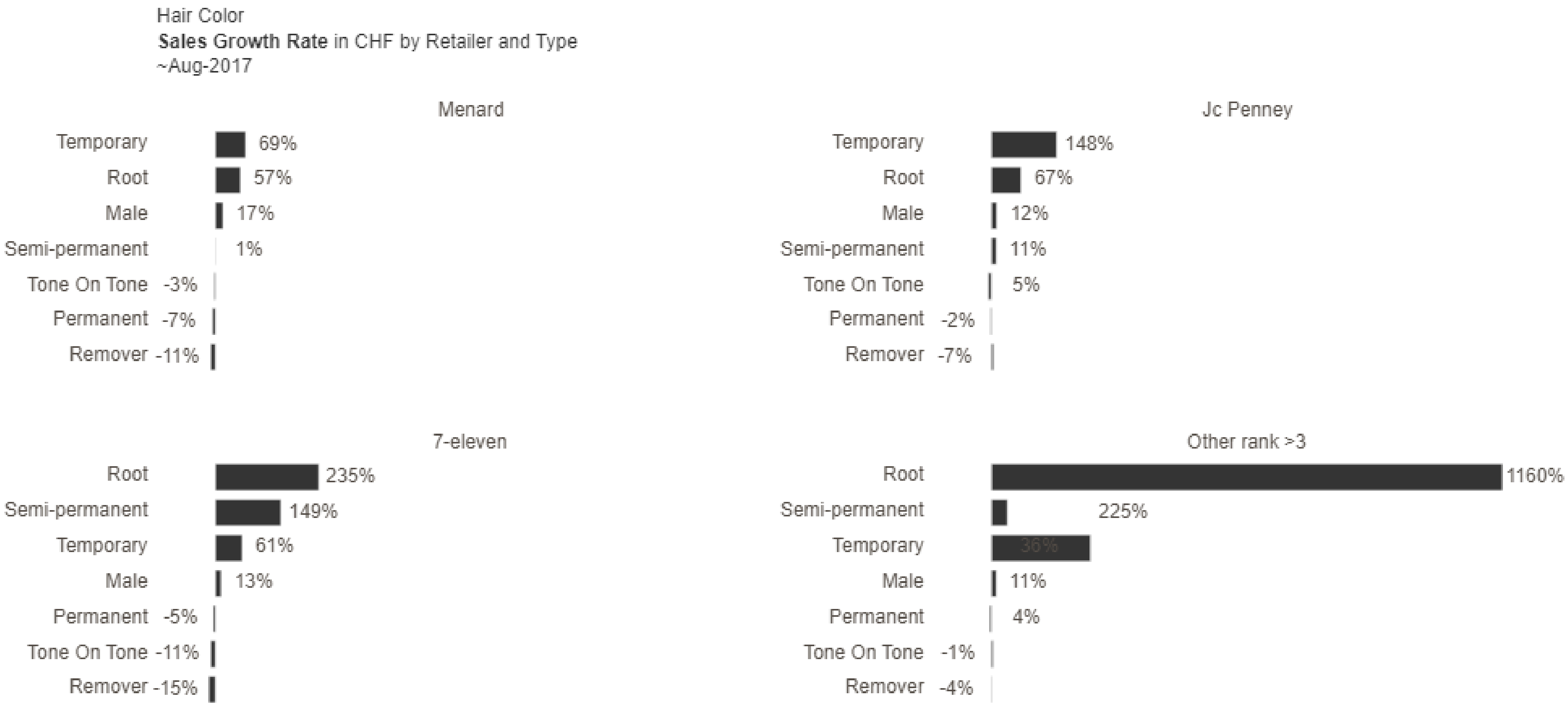
Significant shifts in consumer preferences within the hair color market. Temporary and root touch-up hair colors are experiencing a surge in popularity, with growth rates of 103% and 101% respectively, while traditional products like permanent and tone-on-tone hair colors are seeing a decline in sales by 4% and 3% respectively (p.17). This trend is further supported by the high growth rates of root and temporary hair color products across various retailers, with root products showing an exceptional growth rate of 1,160%, indicating a strong market demand or effective marketing strategies. Conversely, removers and permanent hair color products are facing negative growth rates (p.18).

In terms of market competition, smaller or less dominant brands are carving out strong positions in niche segments such as remover, root, and male products, primarily represented by brands ranked beyond the top six. This suggests that major brands have yet to fully capitalize on these markets. Despite some declines, permanent and tone-on-tone products continue to hold consumer interest (p.19). 'Nice N Easy', a leading brand, dominates in the permanent and tone-on-tone categories but is less prominent in the remover, root, male, and temporary categories (p.20).

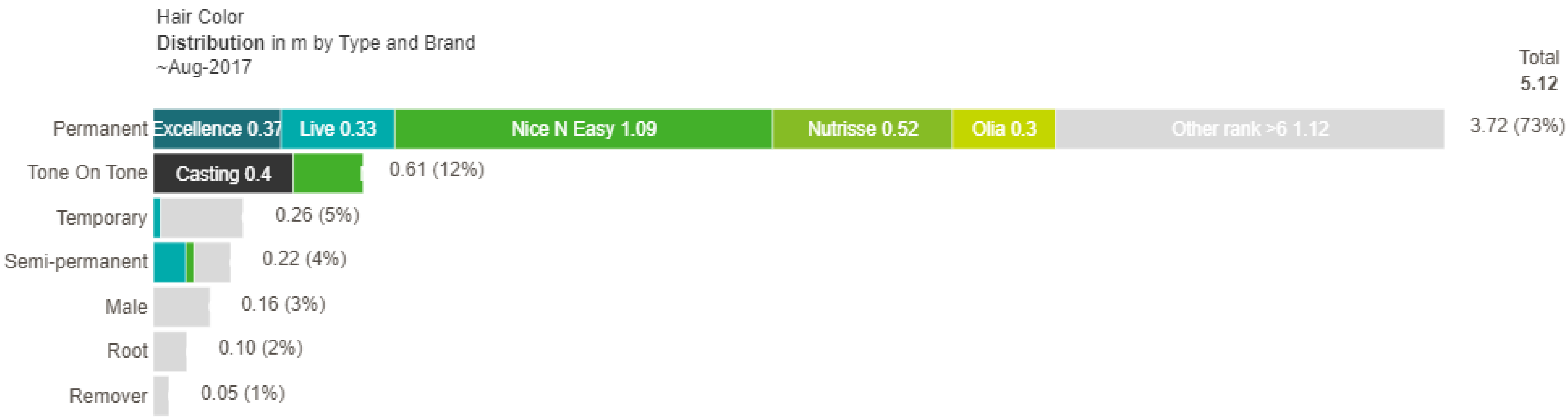
More affordable hair color brands tend to achieve higher sales volumes. 'Nice N Easy' leads with CHF 39.5 million, followed by 'Nutrisse' at CHF 16.9 million, indicating that a few popular brands are dominating the market by focusing on volume to boost total sales (p.21).

The market is seeing a shift in consumer preferences, with temporary and root touch-up hair colors becoming increasingly popular, showing growth rates of 103% and 101% respectively. On the other hand, traditional hair color products like permanent and tone-on-tone are experiencing a decline, with sales dropping by 4% and 3% respectively.

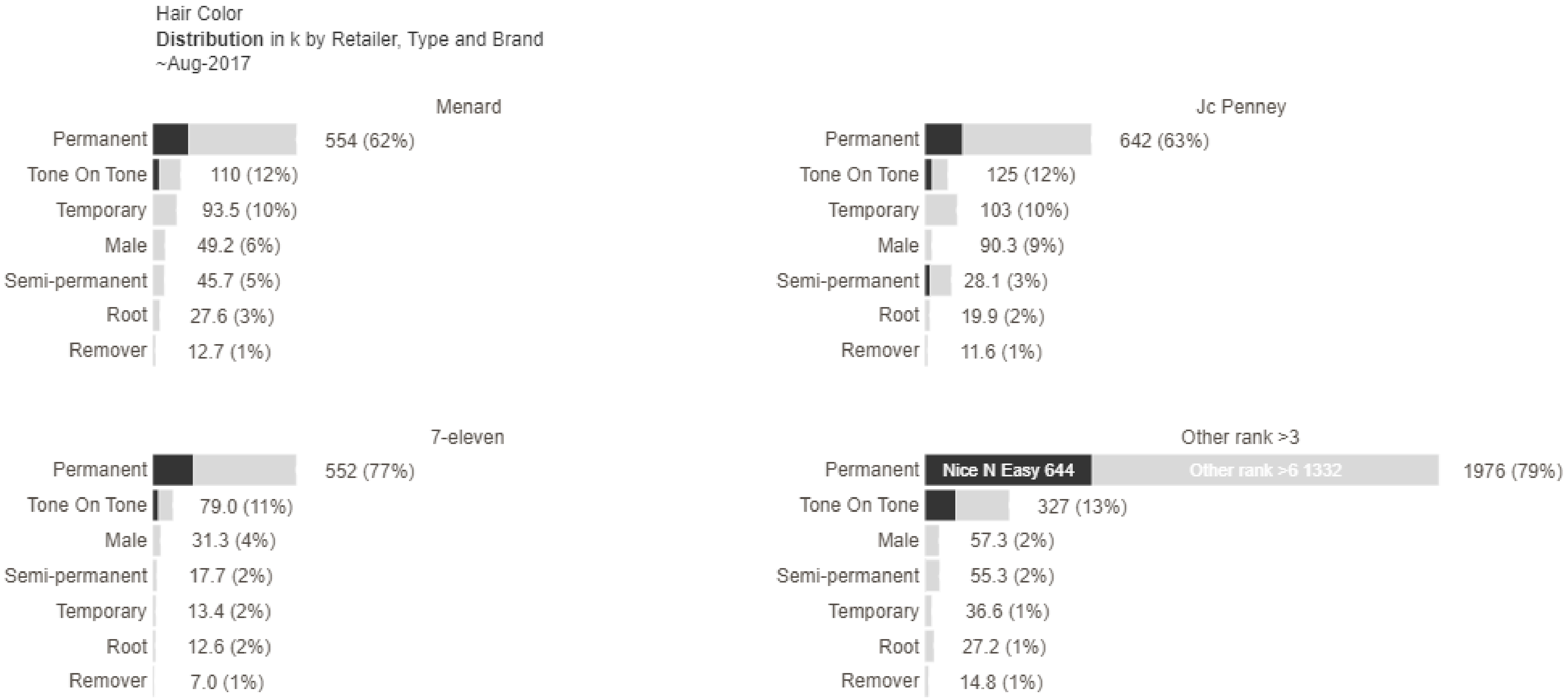
Root and Temporary hair color products are seeing high growth rates across various retailers, indicating strong market demand or effective marketing strategies. For example, Root products have an impressive growth rate of 1,160. On the other hand, Removers and Permanent hair color products are experiencing negative growth rates, which might reflect a decline in consumer interest or satisfaction.



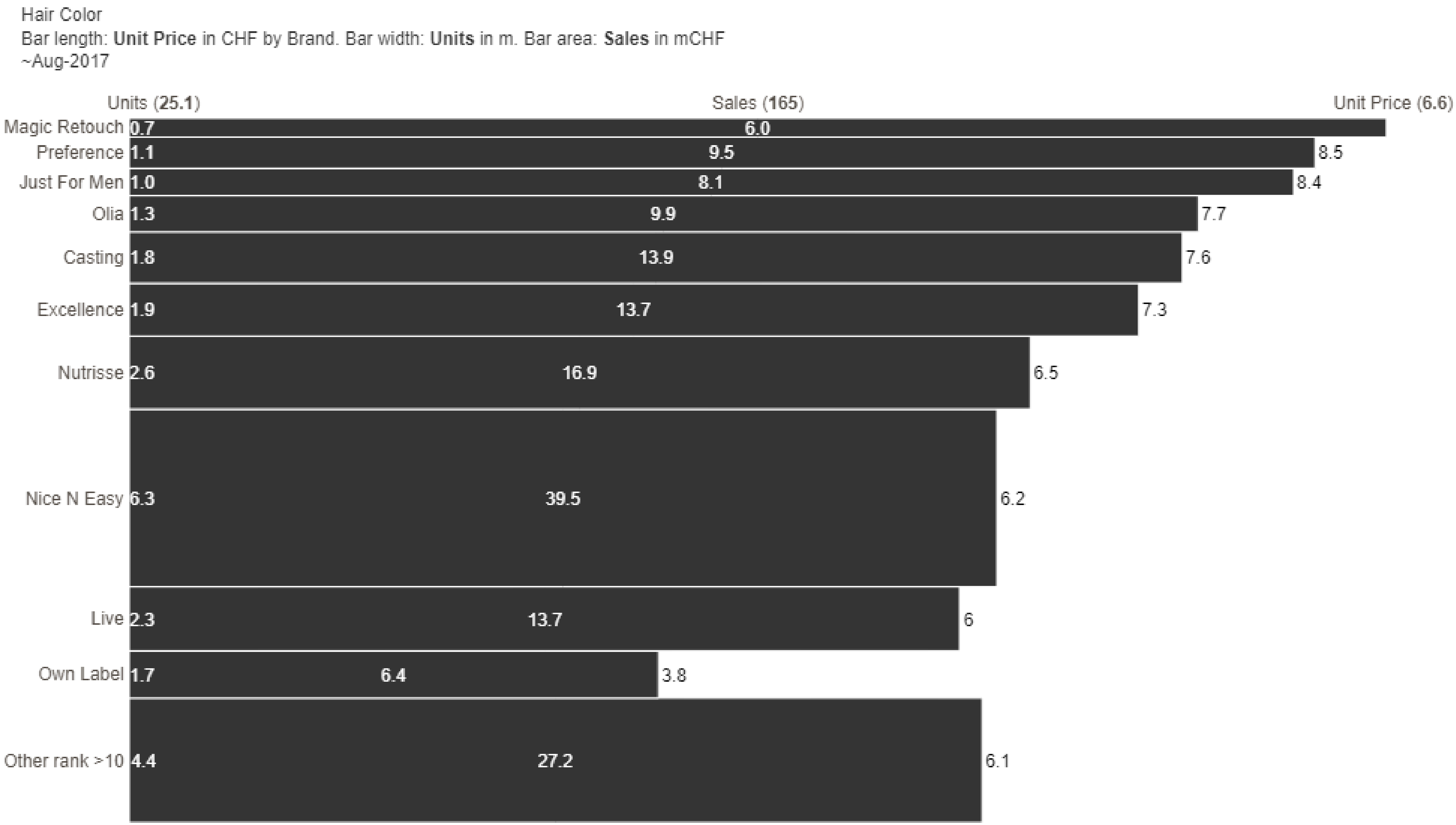
Smaller or less dominant brands have a strong presence in niche segments like Remover, Root, and Male products, which are primarily represented by brands ranked beyond the top six. This suggests that major brands have not fully tapped into these markets. Meanwhile, Permanent and Tone On Tone hair color products continue to be popular among consumers, despite a decline in some traditional products.



'Nice N Easy' is highly favored in the Permanent and Tone On Tone categories at various retailers, showing a clear preference for these products. However, in categories like Remover, Root, Male, and Temporary, 'Nice N Easy' is less prominent, often ranking below the top six. This could indicate either limited offerings from 'Nice N Easy' in these areas or stronger competition from other brands.



More affordable options often see higher sales volumes. 'Nice N Easy' is the top seller with CHF 39.5 million, followed by 'Nutrisse' at CHF 16.9 million. A few popular brands dominate the market, benefiting from a strategy that focuses on volume to boost total sales.



Executive summary
Index
At a glance
Sales breakdown
Data insights
Trends
Backup

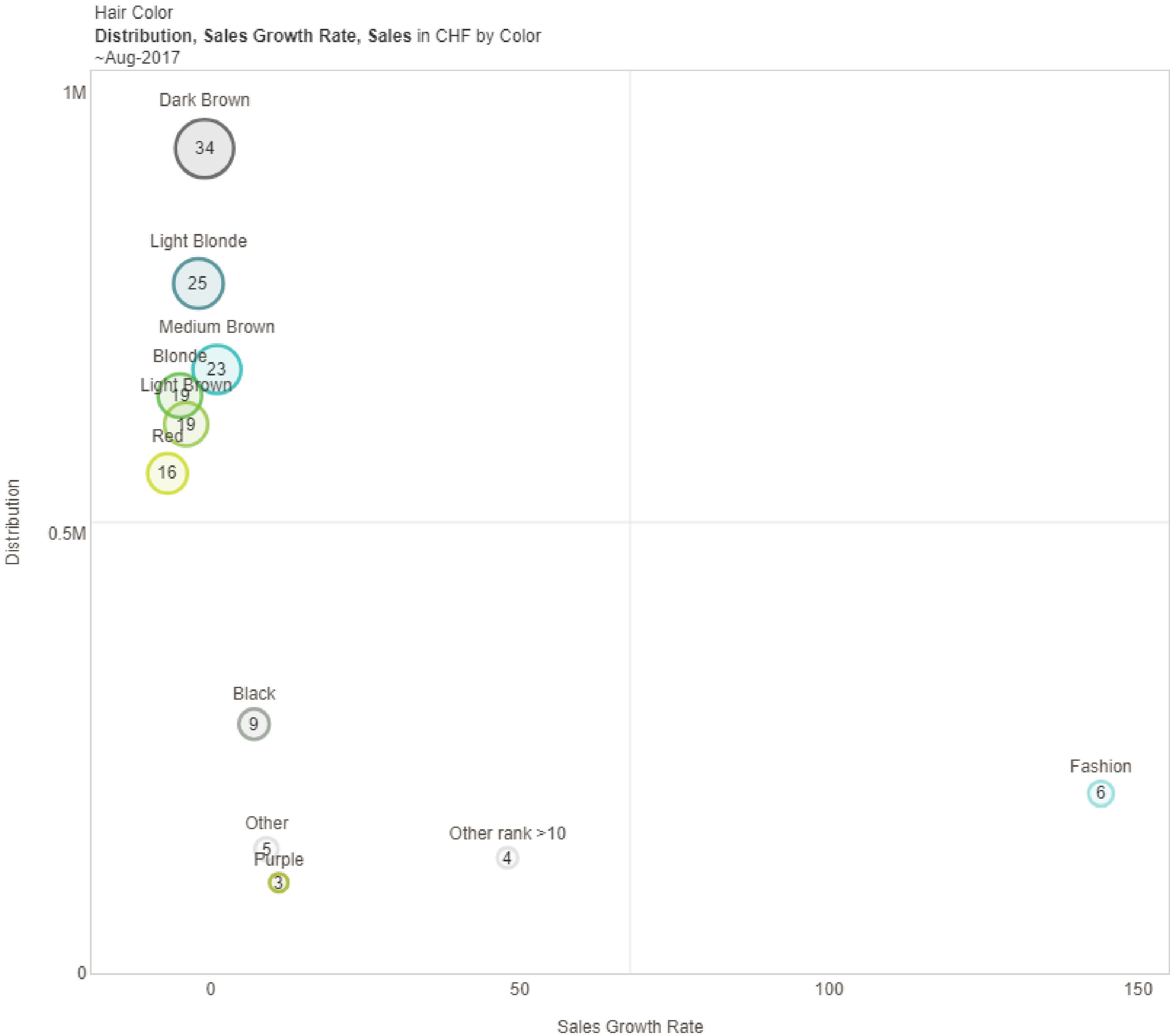
Dark Brown and Light Blonde are the most popular hair colors, consistently leading sales across various retailers (p.24, p.25). However, there is a noticeable shift towards more vibrant and unconventional "Fashion" colors, which are gaining popularity, particularly in stores like 7-Eleven and Jc Penney. This trend is also supported by the rising sales of less common colors, suggesting the emergence of potential niche markets (p.24, p.25).

In terms of product performance, the classification of hair color shades into categories A, B, and C reveals that a few top shades in Class A dominate sales. Concentrating on these shades could significantly boost revenue and optimize sales and production processes (p.26). Additionally, Pareto charts indicate that 20% of the product shades generate 80% of the revenue, highlighting the importance of focusing on these top-performing shades in inventory management, marketing, and product development strategies to enhance revenue efficiency (p.29).

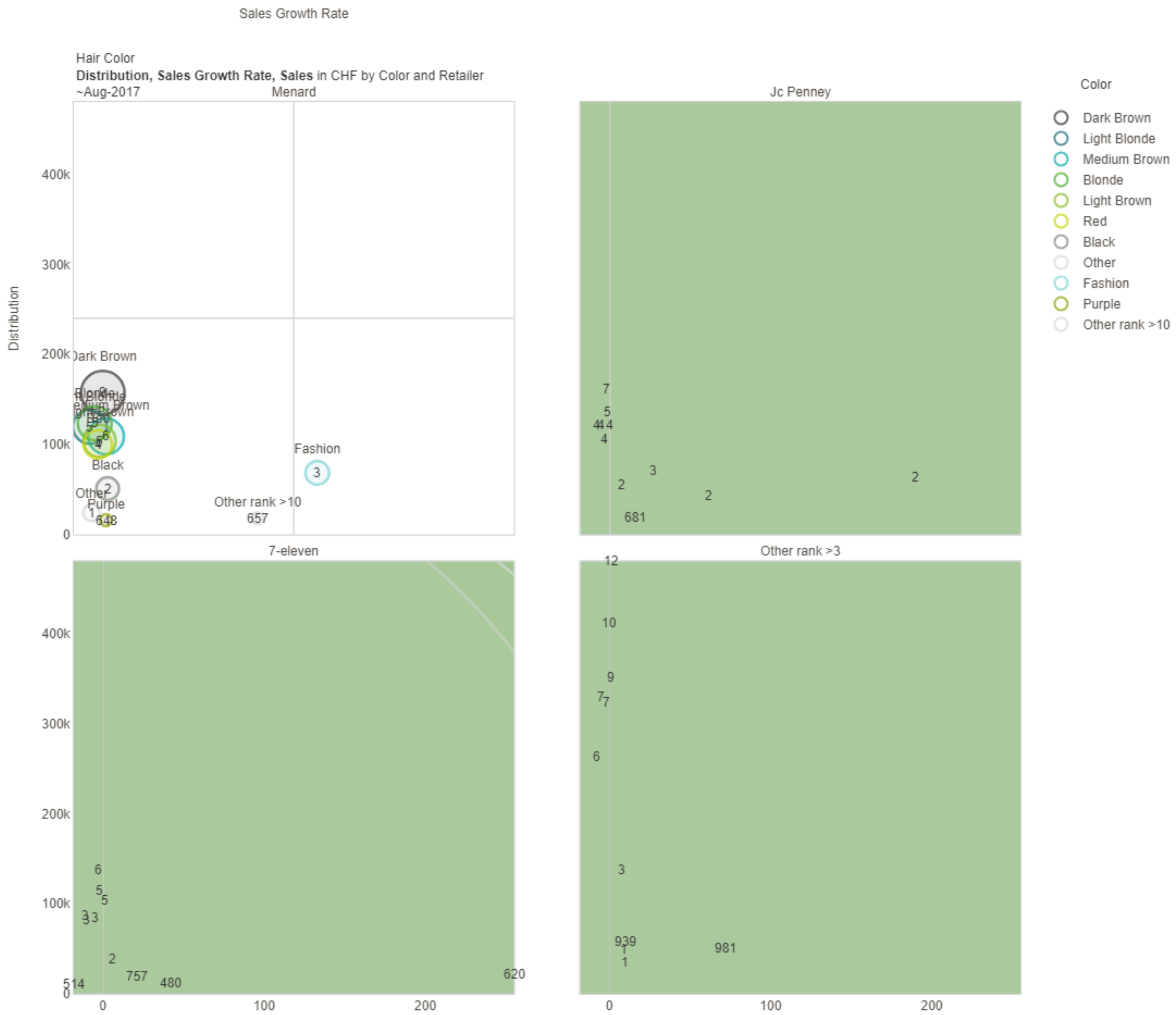
The scatter chart analysis provides insights into brand strategies, showing that brands like Nutrisse and Nice 'N Easy excel in balancing price and sales volume, which positions them favorably on higher sales isoline curves. Conversely, Bumble & Bumble, despite its higher pricing, caters to a more niche market with limited sales reach (p.27). Nice N Easy, in particular, is noted for its consistent high sales across various retailers, affirming its status as a strong market performer due to its effective balance between unit price and volume sold (p.28).

Overall, the data suggests a dual strategy for hair color brands: maintaining strong sales of traditional colors while also capitalizing on the growing interest in vibrant, fashion-forward shades. This approach will cater to both mainstream consumers and those seeking more unique, personalized options, potentially expanding market reach and consumer base.

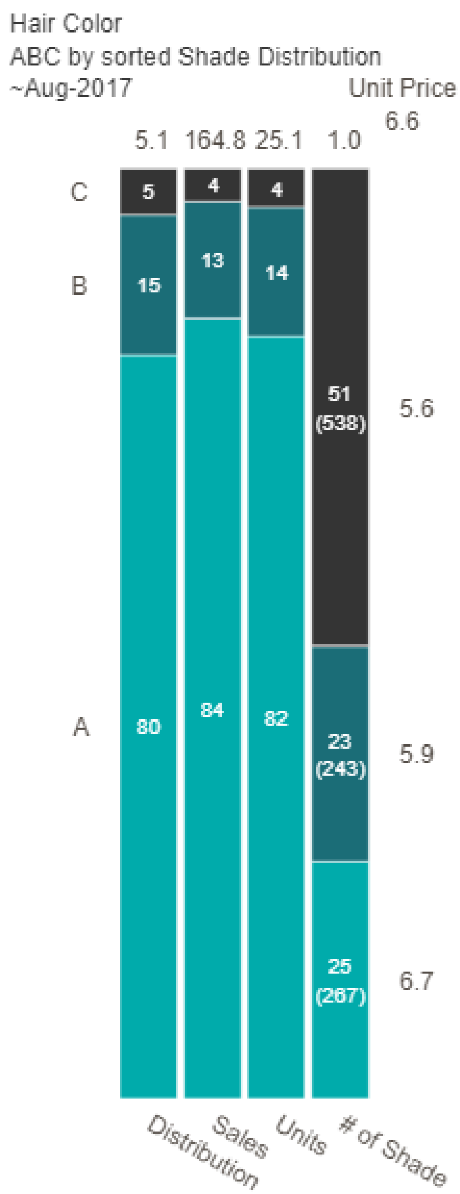
Dark Brown and Light Blonde are the top-selling hair colors, showing a strong preference for traditional shades. However, there's a growing trend towards vibrant and unconventional colors, as seen in the significant sales increase of Fashion colors. This shift may be influenced by changing fashion trends and demographic changes.



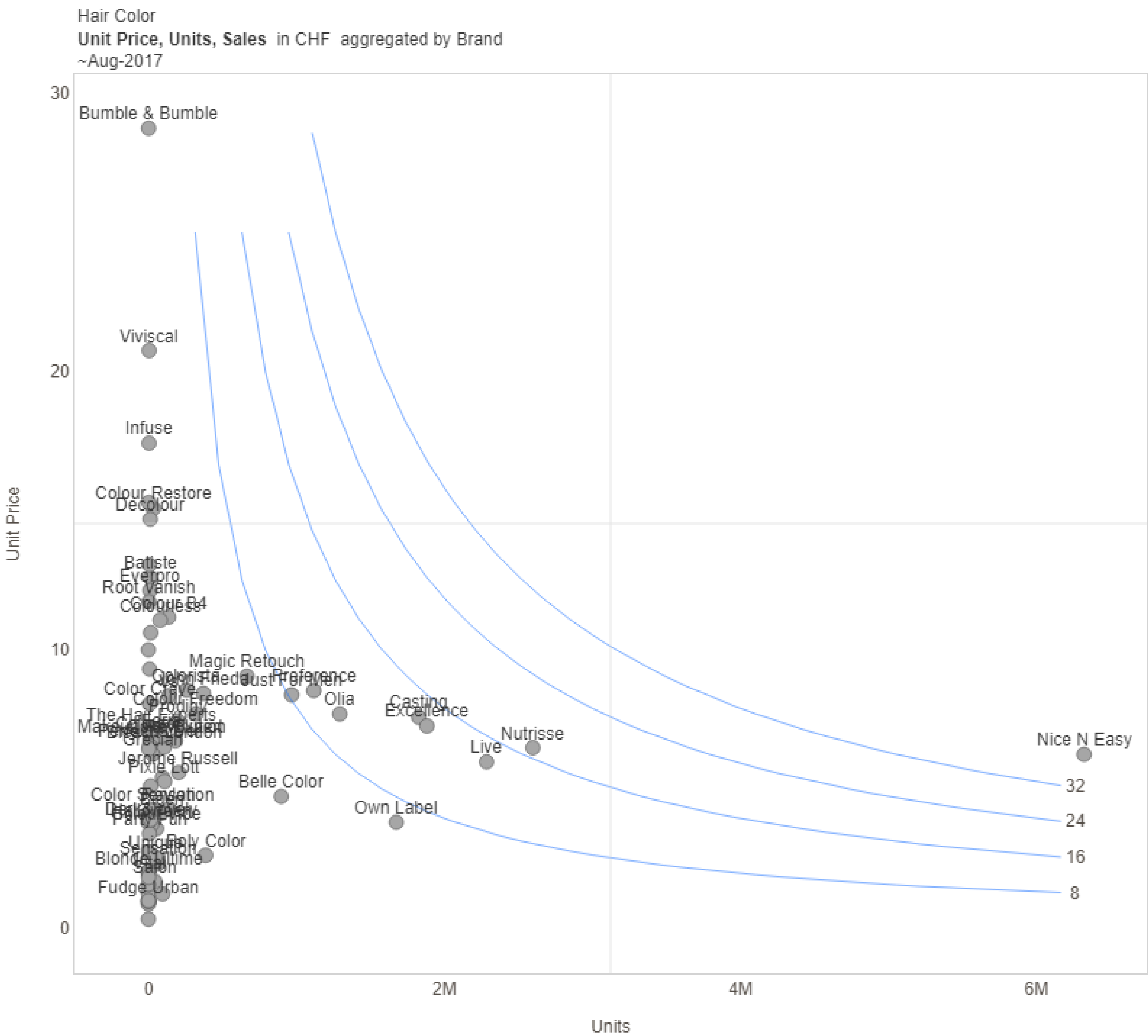
Dark Brown is the top seller across various retailers, highlighting its widespread appeal. Meanwhile, the Fashion color category is gaining traction, especially at stores like 7-eleven and Jc Penney, indicating a shift towards more vibrant hair colors. This shift is also evident from the rising sales of less common colors, pointing to potential niche markets worth exploring.



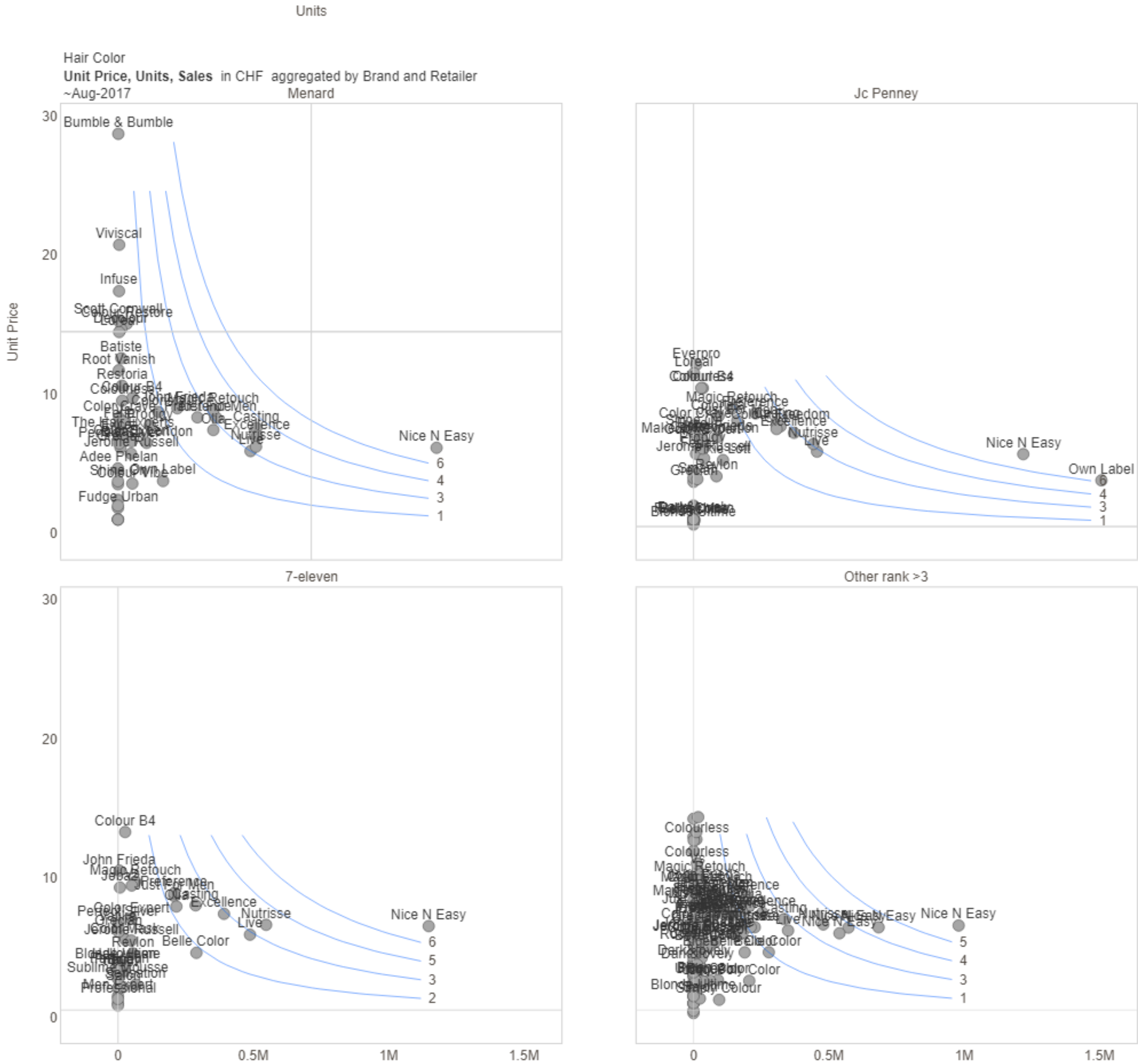
The few top-performing shades in Class A significantly lead in sales. Focusing on these shades could greatly enhance revenue and streamline sales and production processes.



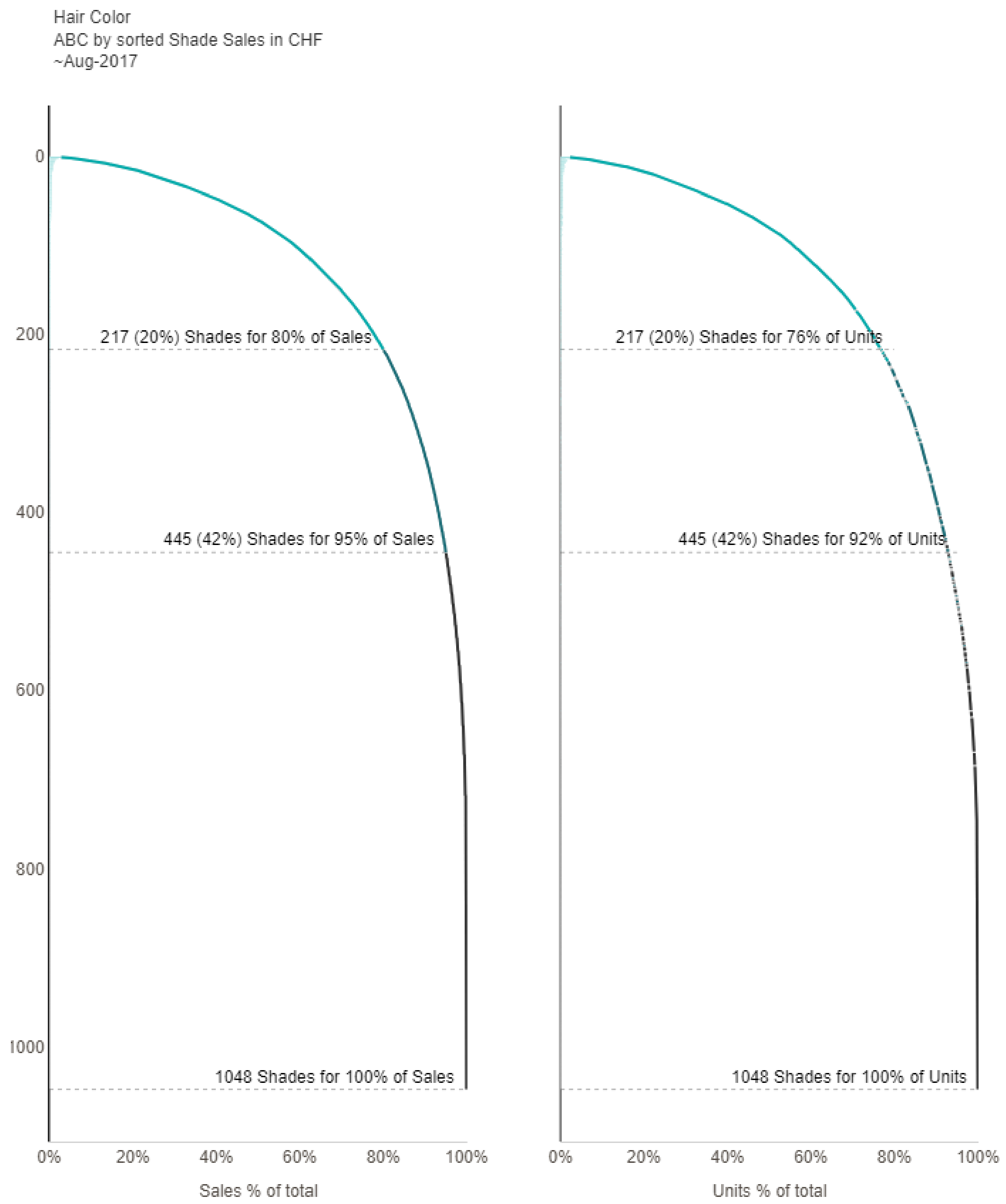
Brands employ different strategies, with the most successful ones balancing price and sales volume effectively. Products like Nutrisse and Nice 'N Easy excel in sales, as indicated by their positions on higher sales isoline curves. On the other hand, Bumble & Bumble, despite its high prices, records lower sales, pointing to its appeal in a niche market with limited reach.



Nice N Easy consistently achieves high sales across various retailers. It strikes a good balance between unit price and volume sold, making it a strong market performer.



20% of our product shades bring in 80% of the revenue. It's crucial to focus on these top-performing shades in inventory management, marketing, and product development to boost revenue efficiency.



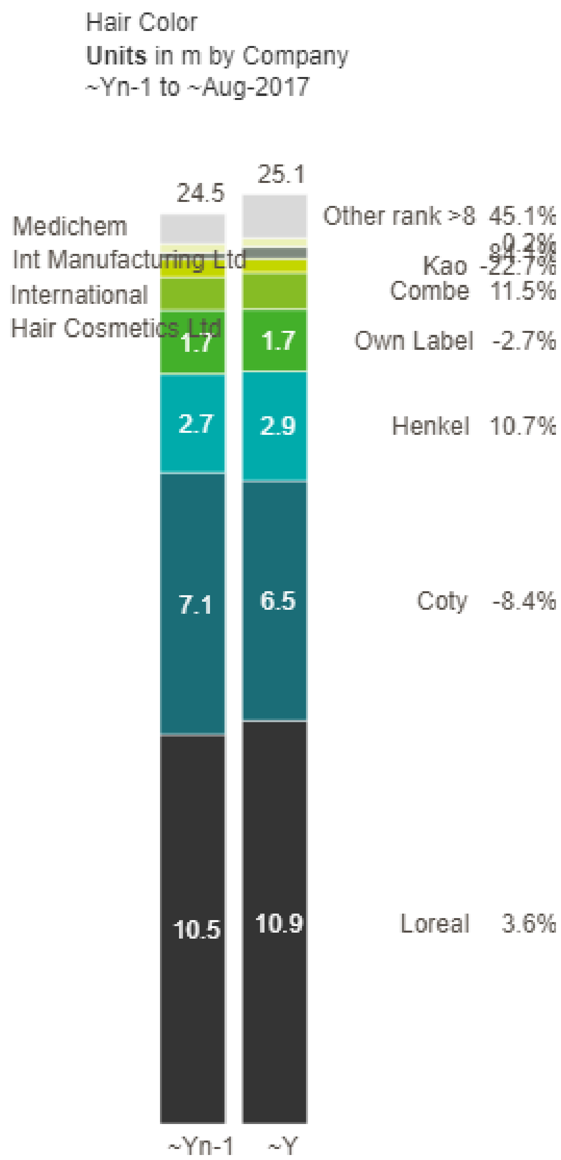
The business experienced modest growth with a 1.9% CAGR, indicating a steady market demand and effective sales strategies, though there was a shift towards lower-priced items or changes in the product mix (p.32). In contrast, companies like Combe and Henkel saw significant unit sales growth, while Coty and Own Label faced declines, highlighting the competitive and varied nature of the industry which demands tailored strategies (p.33). Challenges were noted in maintaining sales for older brand cohorts and integrating new brands effectively, as evidenced by a decline in sales for the cohort that joined last year and minimal contributions from the newest cohort (p.34).

A particular brand faced a severe downturn with a -14.7% CAGR, signaling major market position and financial stability issues, necessitating a strategic review (p.35). Product type performance varied significantly, with Root products seeing a dramatic increase in CAGR at 98.4%, while Permanent and Remover products declined, suggesting shifts in consumer preferences or increased competition (p.36).

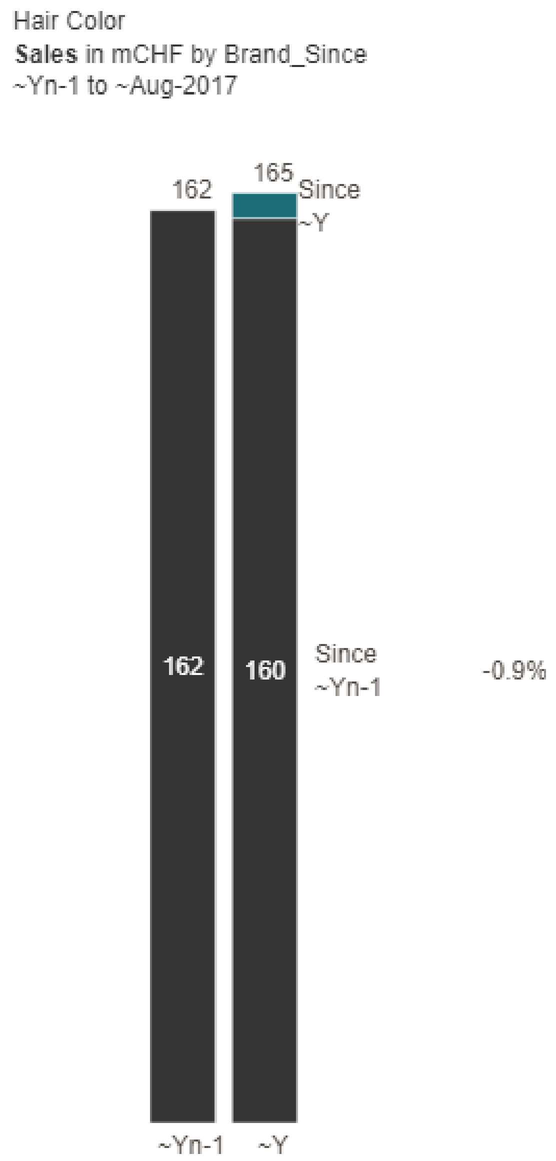
Seasonal fluctuations impacted hair color product sales, which overall dropped by 4% year-over-year. Sales peaked in December but dipped notably in January and August, indicating the need for adjusted inventory management, promotions, and sales strategies to cope with these changes (p.37). A decline was observed in well-known hair color brands, whereas smaller or niche brands saw growth, pointing to a potential shift in consumer preferences towards these brands (p.38).

The business saw modest growth from last year, with sales increasing by approximately $3 million and units by 525.8k. The sales grew at a Compound Annual Growth Rate (CAGR) of 1.9%, indicating steady, though slow, progress. This suggests strong market demand and effective sales strategies. However, the slower growth in sales revenue compared to units might suggest a shift towards lower-priced items or changes in the product mix.

Companies like Combe and Henkel have shown impressive growth, with unit sales increasing by 11.5% and 10.7% respectively. On the other hand, Coty and Own Label saw their sales drop by 8.4% and 2.7%. This variation underscores the competitive nature of the industry and emphasizes the importance of strategies that are specifically tailored to each company's performance.

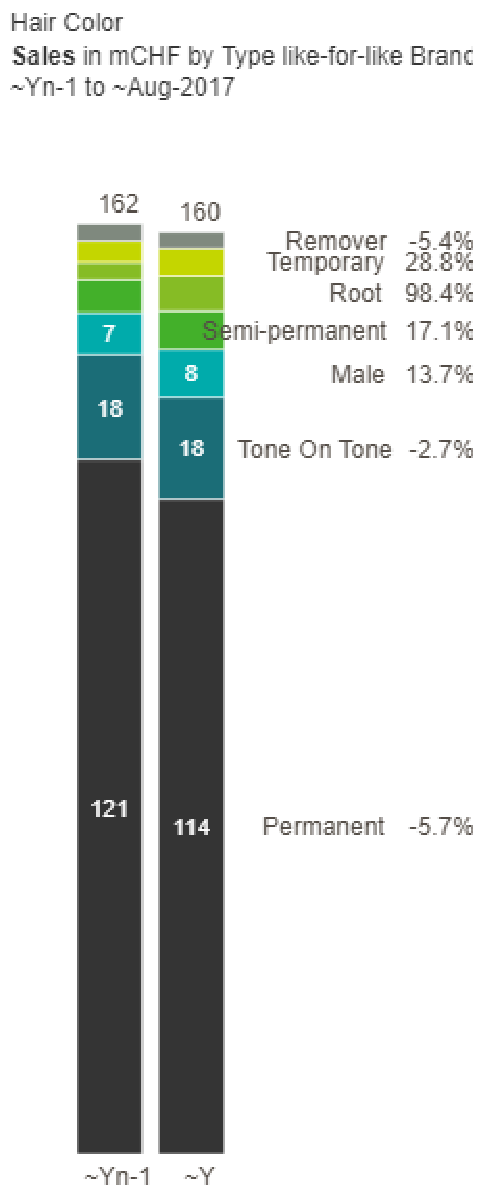


Sales analysis shows a decline in purchases from older brand cohorts and minimal contributions from newer ones. Specifically, the cohort that joined last year experienced a 0.9% decrease in sales, while the newest cohort added less to the overall sales figures. This highlights the challenges in keeping sales steady for established brands and underscores the need for effective integration of new brands to drive growth.

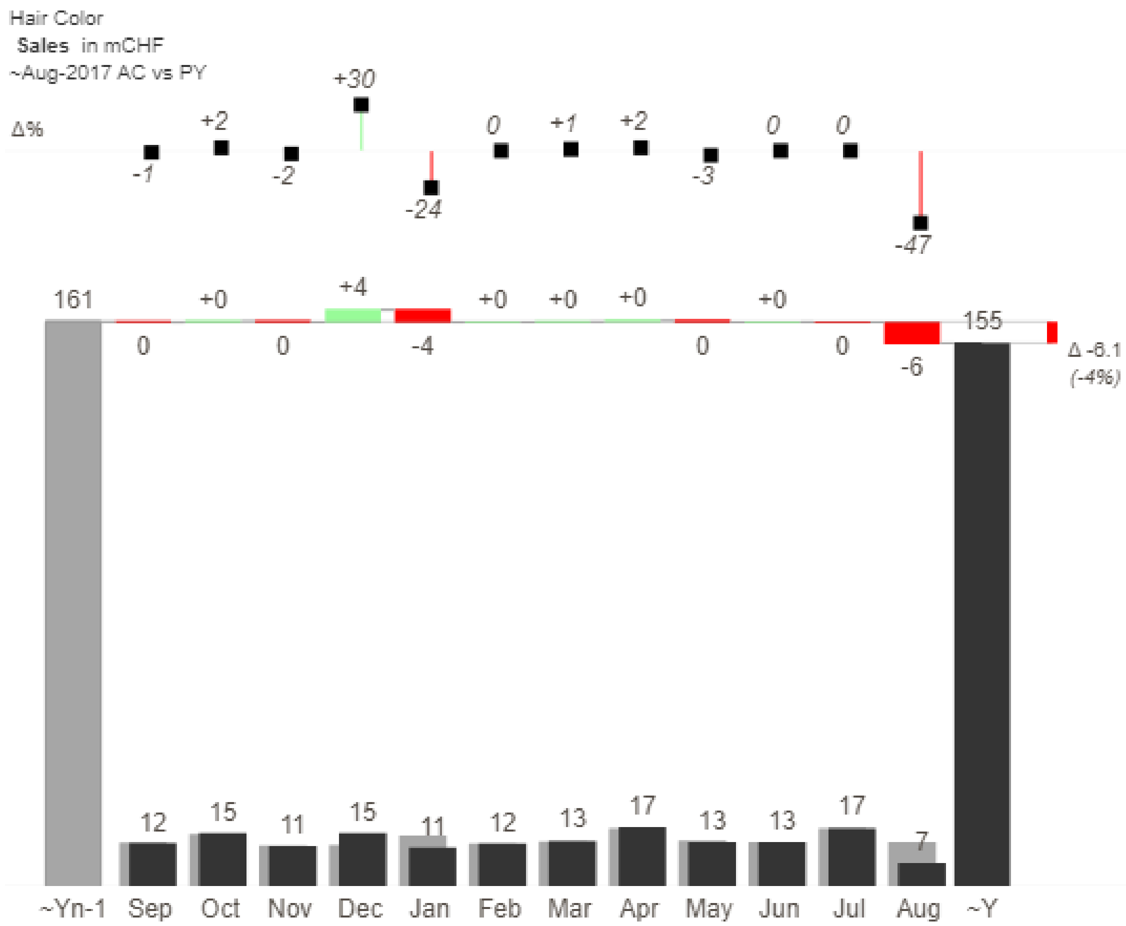


A specific brand saw its sales drop significantly, with a compound annual growth rate (CAGR) of -14.7% from the previous year to this year. This sharp decline suggests serious challenges that could be impacting the brand's position in the market and its financial stability. A strategic review is needed to tackle these issues.

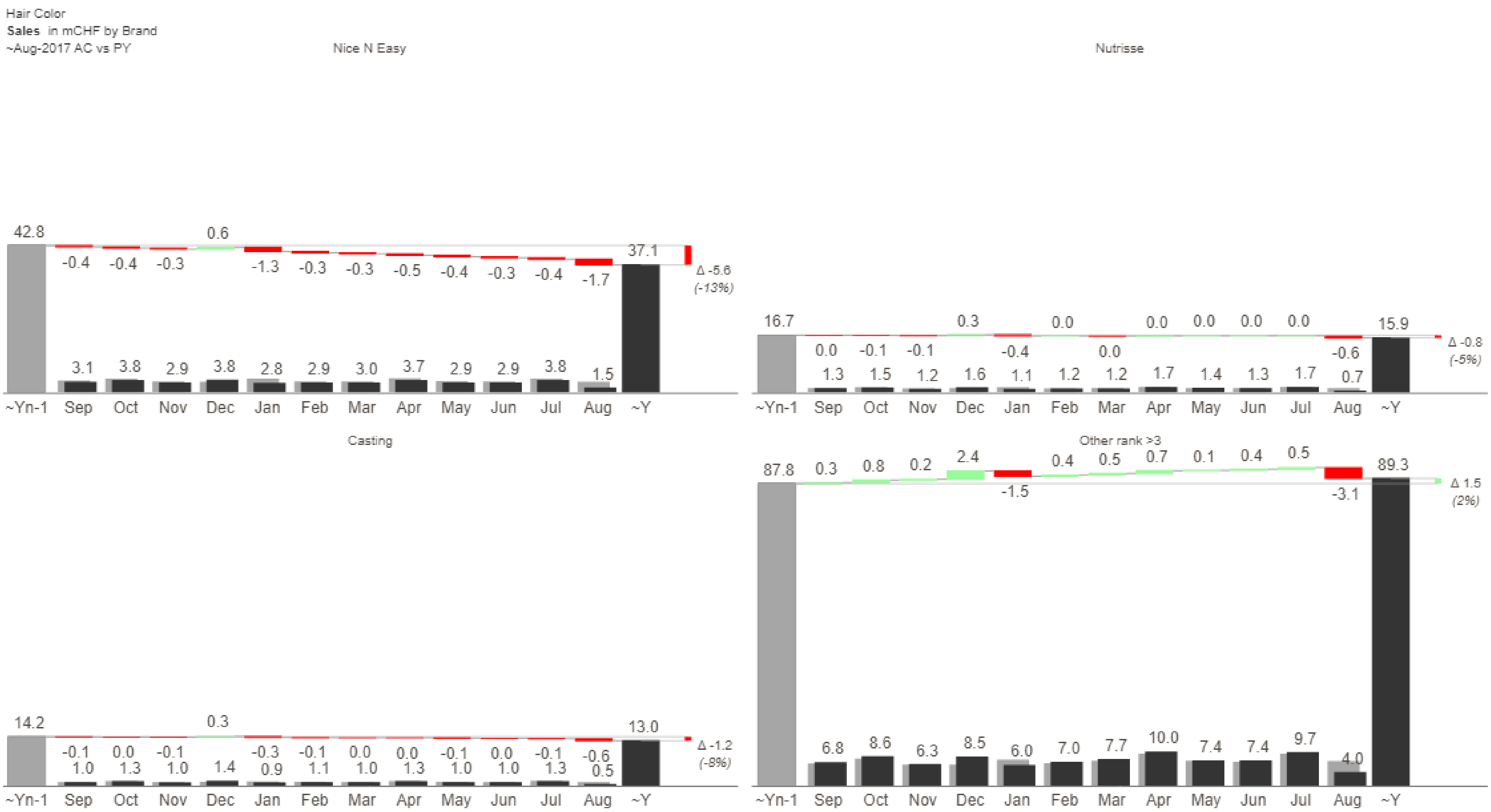
Sales performance varied across different product types. Root products experienced the most growth, with a compound annual growth rate (CAGR) of 98.4%, showing a strong shift in consumer interest or market reach. On the other hand, Permanent and Remover products saw significant declines, indicating changing consumer preferences or more competition. This dynamic market calls for companies to adjust their strategies to leverage growing segments and tackle the challenges in declining areas.



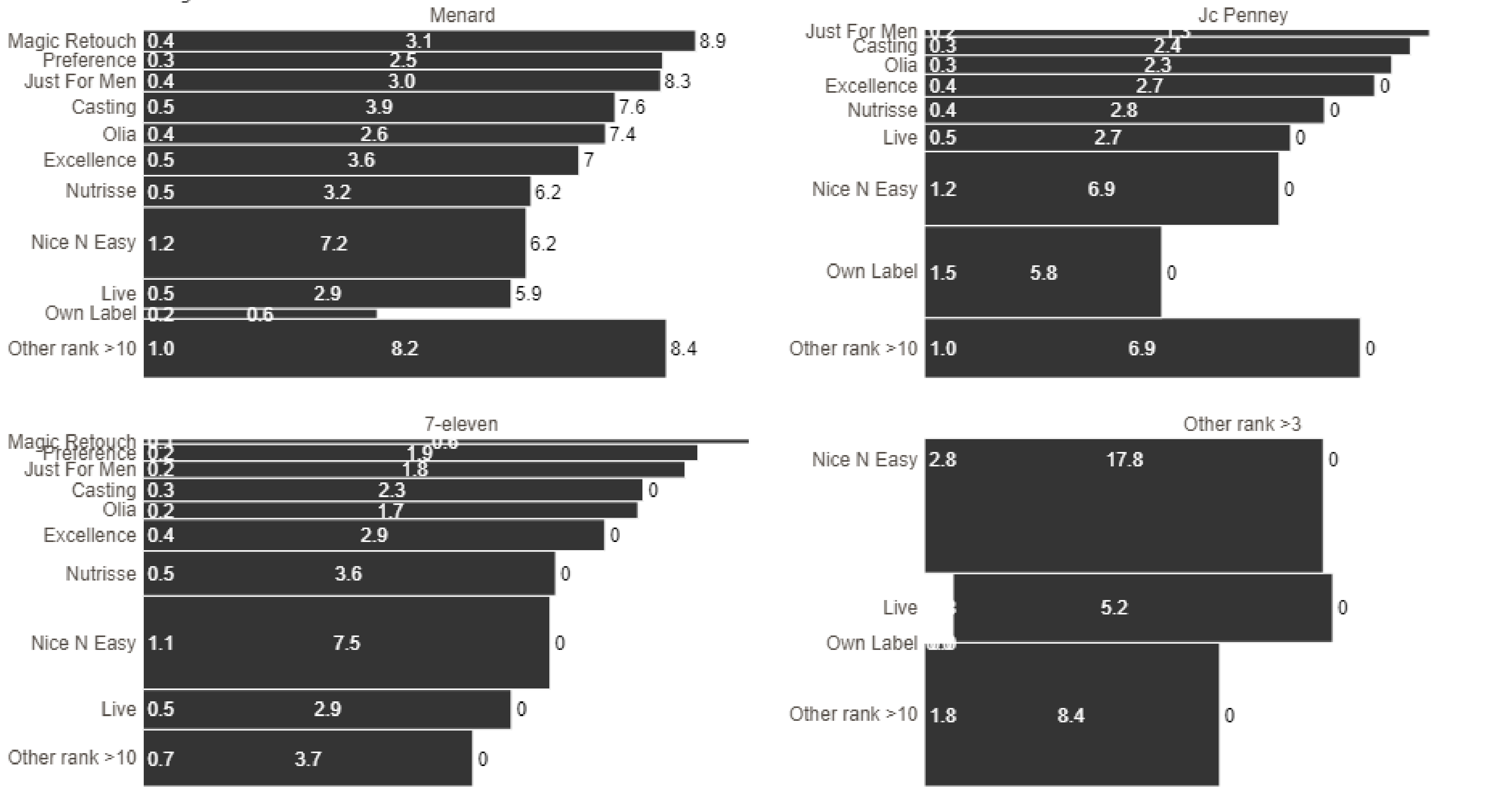
Hair color product sales dropped by 4% year-over-year, with notable fluctuations each month. Sales spiked in December but remained stable in other months, while January and August saw significant drops. This trend highlights the impact of seasonal changes and other external factors on sales, suggesting adjustments in inventory management, promotions, and sales strategies could be beneficial.



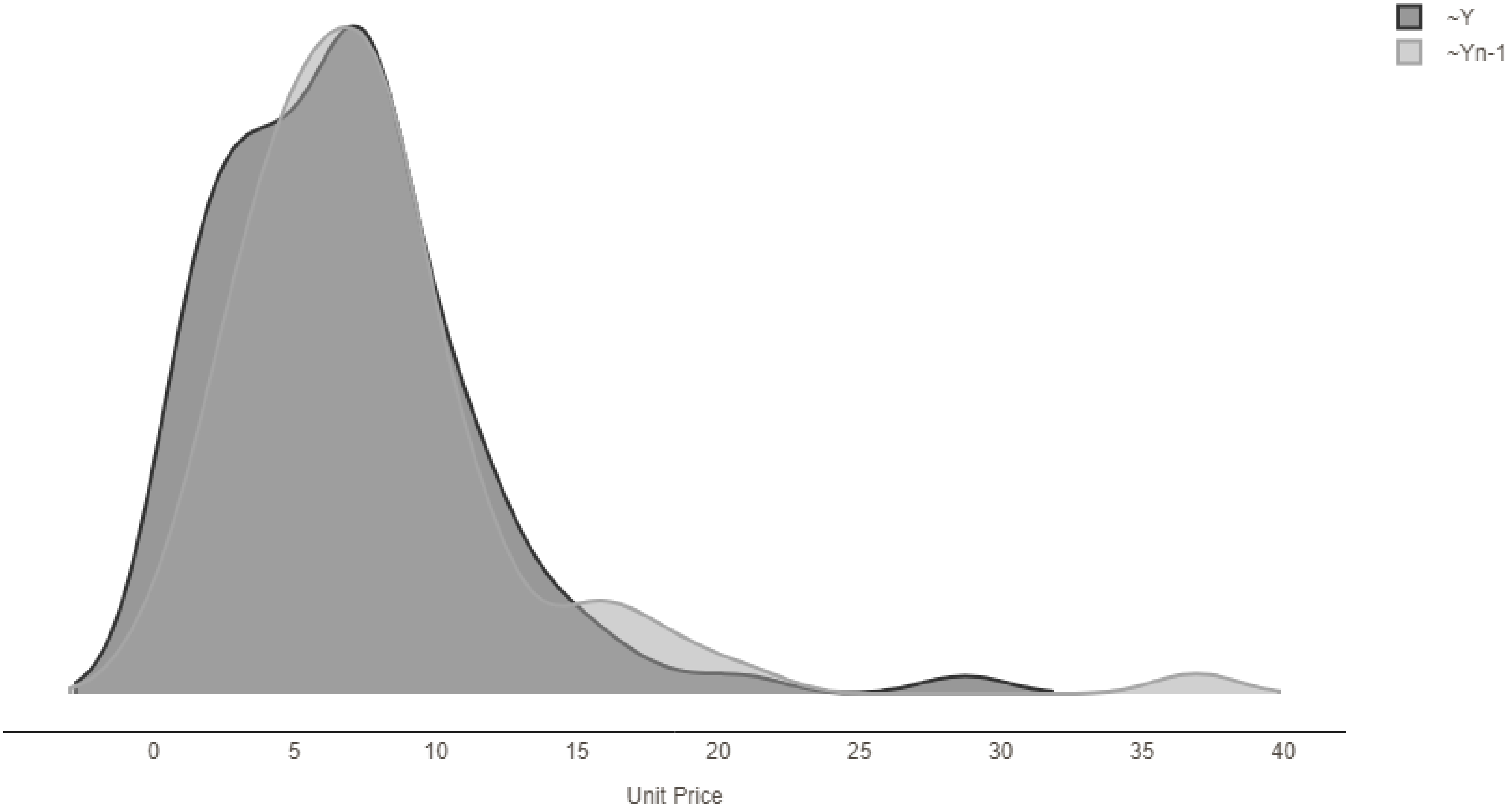
Decline for well-known names like Nice N Easy, Nutrisse, and Casting. However, smaller or niche brands categorized under 'Other rank >3' are experiencing growth. This trend suggests that these smaller entities might be better meeting consumer needs or gaining market share. Notably, sales dips in January and August highlight the necessity for strategies to address these seasonal slumps.



Hair Color
Bar length: **Unit Price** in CHF by Retailer and Brand. Bar width: **Units** in m. Bar area: **Sales** in mCHF
~Aug-2017



Hair Color
Unit Price in CHF, aggregated by Sub_Brand
~Aug-2016 vs ~Aug-2017



Hair Color
Unit Price in CHF, aggregated by Sub_Brand by Retailer
~Aug-2016 vs ~Aug-2017