Medicated Skincare - US - December 2012

Scope and Themes

"The medicated skincare market can expect to see growth in the coming years due to skin irritations being a common occurrence for many consumers. However, the market faces some challenges: most consumers only purchase products to treat a single occurrence of an irritation, there are growing concerns around the use of chemicals in products, and consumers are still turning to physicians for help in identifying and treating problems. Companies and brands will need to explore ways to evolve the market."

– Gabriela Mendieta, Home & Personal Care Analyst

In this report we answer the key questions:

- **How can the market evolve beyond single-use purchases?**
- **How can medicated skincare product companies assuage growing consumer concern around the chemicals that are currently being used in products?**
- **Are there ways for products to compete more effectively with consumers' reliance on doctors when it comes to treating skin irritations?**

The medicated skincare market has seen steady growth in the past few years and Mintel expects that the category will continue to grow into 2017. The key driver for this market is a high incidence of skin irritations, which creates a need for products that provide pain relief and heal irritations. Most irritations have the potential to cause physical discomfort and most consumers cannot choose to ignore irritations, particularly skin rashes, due to the potential for the issue to worsen or be contagious to others. However, product innovation and accelerating category growth present challenges, as consumers have strong functional associations with these products. In addition, they are predominantly interested in performance and functional benefits, as they want skin irritations to heal quickly based on the discomfort they cause. Many consumers are only purchasing products for the

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This report is part of a series of reports, produced to provide you with a more holistic view of this market.

purpose of using them to treat a single incidence of a skin irritation.

However, the growth that the lip balm product category has seen over the last few years demonstrates the power of beauty and cosmetic benefits in driving sales. Lip balm has evolved from being viewed as a functional product to soothe chapped lips to being seen as a cosmetic product that delivers moisture, lip color, and even shimmer, along with consumer confidence. Consumers are now using lip balm beyond chapped lip treatment and they see it as a daily maintenance product. Other products in this medicated skincare market, namely anti-itch offerings, may be able to transition to being used more regularly if a focus is placed on including greater cosmetic benefits and offerings centered on preventive maintenance are explored.

This report analyzes U.S. sales performance of medicated skincare products in the last five years, the market forecast through 2017, and how different factors, such as a greater focus on cosmetic attributes and a focus on ingredient inclusion, have the ability to impact sales and consumer behaviors. The types of skin irritations consumers have experienced in the past year, how they identified them, how they treated them, frustrations that arise as a result of a skin irritation developing, as well as interest and attitudes toward new and existing product attributes are also explored in this report.

This report builds on the analysis presented in Mintel's *Medicated Skincare—U.S., May 2009,* as well as previous reports in April 2007, April 2005, February 2007, and September 2003 of the same title.

This market covers over-the-counter products that consumers can obtain to treat skin irritations. Following is a list of the specific product types and conditions that are addressed in this report and the conditions that these products treat:

- Anti-itch creams/treatments—itching of the skin caused by dry, cracked skin, eczema, psoriasis, poisonous plants, jock itch, ringworm, skin rashes, bug bites, or other skin itches
- Lip balms, cold sore treatments—cold sores, dry, cracked lips
- Wart removers—common warts (hand), plantar (foot), and flat warts (clusters). Does not include genital warts
- Insect first aid treatments—bug bites and stings

Not included are prescription medications or over-the-counter products that may be taken orally to treat these conditions (for example, non-prescription antihistamine tablets taken orally to treat skin rashes or irritations). Products with medicated ingredients or additions (e.g., foundation with acne-fighting ingredients, bandages with antibiotics added to the pad) are also excluded. Lice treatments are also excluded from this report.

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Contents

Medicated Skincare - US - December 2012

Contents

Medicated Skincare - US - December 2012

Contents

Medicated Skincare - US - December 2012

Contents

Contents

Medicated Skincare - US - December 2012

Contents

Medicated Skincare - US - December 2012

Contents

Contents

Contents

Medicated Skincare - US - December 2012

Contents

Medicated Skincare - US - December 2012

Contents

Medicated Skincare - US - December 2012

Contents