Sets/Kits

November 2011

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SETS/KITS IN THE UNITED ARAB EMIRATES - CATEGORY ANALYSIS

HEADLINES

- Current value sales of sets/kits grow by 10% in 2010 to reach AED91 million
- Demand for sets/kits increases amidst consumers' search for value-for-money products
- Sets/kits continues to be associated with fragrances
- Sets/kits remains highly fragmented, although largely in the premium segment
- Sets/kits is expected to register a constant value CAGR of 7% over the forecast period

TRENDS

- Even though sets and kits are premium purchases, they fared well during the economic downturn as people consider them a better option, particularly for gifts, than a single fragrance, which generally retails within the same price range. The year 2010 accordingly witnessed an active sets/kits category with several launches during the year. Sets/kits grew by 10% in current value terms in 2010 as sales reached AED91 million. This growth level is down on the review period CAGR of 19% in current value terms although the category continued to perform well despite the economic slowdown.
- Gift sets are the most popular in the United Arab Emirates, and they are mostly available in department stores, especially Debenhams and Harvey Nichols, and beauty specialist retailers like Paris Gallery, Areej, Sephora, Faces and The Body Shop. The arrival of new department stores in 2010 like Galeris Lafayette and Bloomingdale's has also boosted the presence of sets/kits. Multiproduct sets are on the verge of becoming popular as many female consumers appreciate the convenience such sets provide.
- Sets/kits are mostly available in three categories. Firstly, there are the fragrances-centred sets available through department stores and beauty specialist retailers. These sets usually include a bottle of premium fragrance in addition to one or two extensions of the same fragrance, like a deodorant, shower gel, aftershave, shaving foam, etc. The cost of such sets ranges between AED250-350 for men's fragrances and AED300-400 for women's fragrances, and they are available from many manufacturers/brands.
- Secondly, there are cosmetics sets that usually include a variety of skin care products and/or colour cosmetics, all wrapped in a gift box or a gift bag. These cosmetics-centred sets are particularly popular from brands like Clinique, Estée Lauder and Clarins. They are available at department stores and beauty specialist retailers.
- Thirdly, there are gift sets centred on bath and shower products, which usually include a variety of premium bath and shower products all wrapped together in a gift basket or box. These gift sets are available from bath and shower retailers like The Body Shop, Crabtree & Evelyn, L'Occitane and other similar retailers.
- In many cases, it has been found that the price of sets/kits is just slightly higher than that of individual products, which has, in turn, boosted demand for such sets/kits. Promotional activity including gifts with purchase (GWP) is also becoming popular in many department stores and beauty specialist retailers, and it usually involves a free bag and trial products with every

purchase of around AED400-500. Recently, most premium beauty and personal care brands have embarked on such GWP schemes, including Shiseido, Make Up Forever, Lancôme, Givenchy, Guerlain, Clinique, Clarins, La Prairie, Helena Rubinstein, Versace, Boss and Giorgio Armani, to name a few. Others like Nina Ricci and Ralph Lauren, for example, provide a certain gift with any 100ml fragrance.

- Sets/kits are available all year around, with a focus on major festivities like Christmas, New Year's Eve, Eid Al Adha and Eid Al Fitr, times at which many resident expatriates in the United Arab Emirates travel to their home countries and are highly likely to purchase such sets/kits.

COMPETITIVE LANDSCAPE

- As already mentioned, the market boasts three different categories of gift sets. For sets that are fragrances centred, there are a large number of sets on shelves from premium manufacturers/brands, where the most widely present are Hugo Boss, Polo Ralph Lauren, Giorgio Armani, Emporio Armani and Burberry, to name a few of the large variety of gift sets brands in the market. As for colour cosmetics-centred sets, these are normally available from premium manufactures/brands like Christian Dior, Chanel, Clinique, Clarins and Estée Lauder.

PROSPECTS

- Sets/kits will continue to perform well over the forecast period, albeit not achieving such high growth rates as in the review period, largely due to low tourist arrivals expected until the economic recovery strengthens in 2011/2012. Skin care and fragrances-based sets will continue to be the most popular, and value sales of these sets will also be higher as nail care and body care sets tend to retail at lower prices.

CATEGORY DATA

Table 1 Sales of Sets/Kits: Value 2005-2010

AED million

	2005	2006	2007	2008	2009	2010
Sets/Kits						

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 2 Sales of Sets/Kits: % Value Growth 2005-2010

% current value growth

	2009/10	2005-10 CAGR	2005/10 Total
Sets/Kits			

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 3 Sets/Kits Premium Vs Mass % Analysis 2005-2010

% retail value rsp

	2005	2006	2007	2008	2009	2010
Premium						
Mass						
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 4 Sets/Kits Company Shares 2006-2010

% retail value rsp

Company	2006	2007	2008	2009	2010
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 5 Forecast Sales of Sets/Kits: Value 2010-2015

AED million

	2010	2011	2012	2013	2014	2015
Sets/Kits						

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 6 Forecast Sales of Sets/Kits: % Value Growth 2010-2015

% constant value growth

	2010-15 CAGR	2010/15 TOTAL

Sets/Kits	[illegible]

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 7 Forecast Sets/Kits Premium Vs Mass % Analysis 2010-2015

% retail value rsp

	2010	2011	2012	2013	2014	2015
Premium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mass	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

BEAUTY AND PERSONAL CARE IN THE UNITED ARAB EMIRATES - INDUSTRY OVERVIEW

EXECUTIVE SUMMARY

Economy Slow To Recover From Crisis

The economic slowdown that hit the UAE in mid 2008 continues to dampen demand as population growth remains constrained and consumer spending is lower due to the uncertain climate. Nonetheless, all categories are forecasted to grow at higher rate than of the review period in constant terms, reflecting the expected recovery of the economy over the next five years.

New Products and Promotions Stimulate Demand

Manufacturers responded to lower consumer demand by stimulating the market with new products and promotional activities. New products were rife in skin care with anti-aging and antiwrinkle creams leading new launches. Promotions in oral care and in soap helped keep sales buoyant and were led by the major manufacturers keen to keep hold of market share.

Domestic Manufacturers Fall Further Behind International Brands

Domestic manufacturers continued to struggle in most areas of beauty and personal care, with little presence in baby care, bath and shower products, deodorants and oral care. Cosmetics and fragrances fared better, with stronger representation and competitive products from Kamal Osman Jamjoon (cosmetics), Ajmal International and Rasasi Perfumes (both fragrances).

Supermarkets/hypermarkets Remain in Control of Distribution

In addition to being positioned as the domain of weekly shopping, supermarkets/hypermarkets are reinforcing their lead in the distribution of beauty and personal care products. The low consumer confidence has clearly come to benefit these channels, particularly due to their regular promotions and growing interest in their private label beauty and personal care lines.

A Delayed Recovery

Although the global economy had showed signs of recovering by the second half of 2009, the United Arab Emirates has remained mired in recession. The Dubai debt crisis, which erupted in November 2009, has continued to slow economic recovery, and has accordingly fed through into the beauty and personal care industry. Nonetheless, this is expected to be reversed as forecast growth rates are higher than the review period reflecting the expected economic recovery.

MARKET DATA

Table 1 Sales of Beauty and Personal Care by Category: Value 2005-2010

AED million

	2005	2006	2007	2008	2009	2010
Baby Care						
Bath and Shower						
Colour Cosmetics						
Deodorants						
Depilatories						
Fragrances						
Hair Care						
Men's Grooming						
Oral Care						
Oral Care excl Power Toothbrushes						
Skin Care						
Sun Care						
Sets/Kits						
Premium Cosmetics						
Mass Cosmetics						
Beauty and Personal Care						

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources
Note 1: Premium cosmetic sales are additionally included within baby care, bath and shower, deodorants, colour cosmetics, hair care, fragrances, skin care, sun care and sets/kits.
Note 2: Sum of categories is greater than market size because the four men's toiletries categories are included in men's grooming as well as in bath and shower, deodorants, hair care and skin care.

Table 2 Sales of Beauty and Personal Care by Category: % Value Growth 2005-2010

% current value growth

	2009/10	2005-10 CAGR	2005/10 Total
Baby Care			
Bath and Shower			
Colour Cosmetics			
Deodorants			
Depilatories			
Fragrances			
Hair Care			
Men's Grooming			
Oral Care			
Oral Care excl Power Toothbrushes			
Skin Care			
Sun Care			
Sets/Kits			
Premium Cosmetics			
Mass Cosmetics			
Beauty and Personal Care			

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources
Note 1: Premium cosmetic sales are additionally included within baby care, bath and shower, deodorants, colour cosmetics, hair care, fragrances, skin care, sun care and sets/kits.
Note 2: Sum of categories is greater than market size because the four men's toiletries categories are included in men's grooming as well as in bath and shower, deodorants, hair care and skin care.

Table 3 Sales of Premium Cosmetics by Category: Value 2005-2010

AED million

	2005	2006	2007	2008	2009	2010
Premium Baby Care						
Premium Bath and Shower						
Premium Colour Cosmetics						
Premium Deodorants						
Premium Fragrances						
Premium Hair Care						
Premium Skin Care						
Premium Sun Care						
Premium Sets/Kits						
Premium Cosmetics						

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources
Note: Premium cosmetic sales are additionally included within baby care, bath and shower, deodorants, colour cosmetics, hair care, fragrances, skin care, sun care and sets/kits.

Table 4 Sales of Premium Cosmetics by Category: % Value Growth 2005-2010

% current value growth

	2009/10	2005-10 CAGR	2005/10 Total
Premium Baby Care			
Premium Bath and Shower			
Premium Colour Cosmetics			
Premium Deodorants			
Premium Fragrances			
Premium Hair Care			
Premium Skin Care			
Premium Sun Care			
Premium Sets/Kits			
Premium Cosmetics			

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources
Note: Premium cosmetic sales are additionally included within baby care, bath and shower, deodorants, colour cosmetics, hair care, fragrances, skin care, sun care and sets/kits.

Table 5 Beauty and Personal Care Company Shares by NBO 2006-2010

% retail value rsp

Company	2006	2007	2008	2009	2010

Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 6 Beauty and Personal Care Company Shares by GBO 2006-2010

% retail value rsp

Company	2006	2007	2008	2009	2010

Total		100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 7 Beauty and Personal Care Brand Shares by GBN 2007-2010

% retail value rsp

Brand	Company	2007	2008	2009	2010

Total	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 8 Sales of Beauty and Personal Care by Distr bution Format: % Analysis 2005-2010

% retail value rsp

	2005	2006	2007	2008	2009	2010
Store-Based Retailing						
- Grocery Retailers						
- - Discounters						
- - Small Grocery Retailers						
- - - Convenience Stores						
- - - Forecourt Retailers						
- - - Independent Small Grocers						
- - Supermarkets/ Hypermarkets						
- - Other Grocery Retailers						
- Non-Grocery Retailers						
- - Health and Beauty Retailers						
- - - Beauty Specialist Retailers						
- - - Chemists/Pharmacies						

- - - Parapharmacies/ Drugstores						
- - - Other Health and Beauty Retailers						
- - Mixed Retailers						
- - - Department Stores						
- - - Mass Merchandisers						
- - - Variety Stores						
- - - Warehouse Clubs						
- - Outdoor Markets						
- - Other Non-Grocery Retailers						
Non-Store Retailing						
- Direct Selling						
- Homeshopping						
- Internet Retailing						
- Vending						
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 9 Sales of Beauty and Personal Care by Category and by Distribution Format: % Analysis 2010

% retail value rsp

	BC	BS	CC	D	DP	F
Store-Based Retailing						
Grocery Retailers						
Discounters						
Small Grocery Retailers						
Convenience Stores						
Forecourt Retailers						
Independent Small Grocers						
Supermarkets/Hypermarkets						
Other Grocery Retailers						
Non-Grocery Retailers						
Health and Beauty Retailers						
Beauty Specialist Retailers						
Chemists/Pharmacies						
Parapharmacies/Drugstores						
Other Health and Beauty Retailers						
Mixed Retailers						
Department Stores						
Mass Merchandisers						
Variety Stores						
Warehouse Clubs						
Outdoor Markets						
Other Non-Grocery Retailers						
Non-Store Retailing						
Direct Selling						
Homeshopping						
Internet Retailing						
Vending						
Total	100.0	100.0	100.0	100.0	100.0	100.0

	HC	MG	OC	SC	SU	SK
Store-Based Retailing						
Grocery Retailers						
Discounters						
Small Grocery Retailers						
Convenience Stores						
Forecourt Retailers						
Independent Small Grocers						
Supermarkets/Hypermarkets						
Other Grocery Retailers						
Non-Grocery Retailers						
Health and Beauty Retailers						
Beauty Specialist Retailers						
Chemists/Pharmacies						
Parapharmacies/Drugstores						
Other Health and Beauty Retailers						
Mixed Retailers						
Department Stores						
Mass Merchandisers						
Variety Stores						
Warehouse Clubs						
Outdoor Markets						
Other Non-Grocery Retailers						
Non-Store Retailing						
Direct Selling						
Homeshopping						
Internet Retailing						
Vending						
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Key: BC = baby care; BS = bath and shower; CC = colour cosmetics; D = deodorants; DP = depilatories; F = fragrances; HC = hair care; MG = men's grooming; OC = oral care; SC = skin care; SU = sun care; SK = sets/kits

Table 10 Forecast Sales of Beauty and Personal Care by Category: Value 2010-2015

AED million

	2010	2011	2012	2013	2014	2015
Baby Care						
Bath and Shower						
Colour Cosmetics						
Deodorants						
Depilatories						
Fragrances						
Hair Care						
Men's Grooming						
Oral Care						
Oral Care excl Power Toothbrushes						
Skin Care						

Sun Care
Sets/Kits
Premium Cosmetics
Mass Cosmetics
Beauty and Personal Care

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Note 1: Premium cosmetic sales are additionally included within baby care, bath and shower, deodorants, colour cosmetics, hair care, fragrances, skin care, sun care and sets/kits.

Note 2: Sum of categories is greater than market size because the four men's toiletries categories are included in men's grooming as well as in deodorants, skin care, bath and shower and hair care.

Table 11 Forecast Sales of Beauty and Personal Care by Category: % Value Growth 2010-2015

% constant value growth

	2010-15 CAGR	2010/15 TOTAL
Baby Care		
Bath and Shower		
Colour Cosmetics		
Deodorants		
Depilatories		
Fragrances		
Hair Care		
Men's Grooming		
Oral Care		
Oral Care excl Power Toothbrushe		
Skin Care		
Sun Care		
Sets/Kits		
Premium Cosmetics		
Mass Cosmetics		
Beauty and Personal Care		

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Note 1: Premium cosmetic sales are additionally included within baby care, bath and shower, deodorants, colour cosmetics, hair care, fragrances, skin care, sun care and sets/kits.

Note 2: Sum of categories is greater than market size because the four men's toiletries categories are included in men's grooming as well as in deodorants, skin care, bath and shower and hair care.

Table 12 Forecast Sales of Premium Cosmetics by Category: Value 2010-2015

AED million

	2010	2011	2012	2013	2014	2015
Premium Baby Care						
Premium Bath and Shower						
Premium Colour Cosmetics						
Premium Deodorants						
Premium Fragrances						
Premium Hair Care						
Premium Skin Care						
Premium Sun Care						
Premium Sets/Kits						
Premium Cosmetics						

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Note: Premiumcosmeticsales are additionallyincluded Withinbaby care. bath and shower. deodorants, colour cosmetics, hair care, fragrances, skin care, sun care and sets/kits.

Table 13 Forecast Sales of Premium Cosmetics by Category: % Value Growth 2010-2015

% constant value growth

Premium 8aby Care	Data removed from sample
Premium 8ath and Shower	
Premium Colour Cosmetics	
Premium Deodorants	
Premium Fragrances	
Premium Hair Care	
Premium Skin Care	
Premium Sun Care	
Premium Sets/Kits	
Premium Cosmetics	

Source: EuromonitorInternationalfrom trade associations,trade press, companyresearch,trade interviews, trade sources
Note: Premiumcosmeticsales are additionallyincluded Withinbaby care. bath and shower, deodorants, colour cosmetics, hair care, fragrances, skin care, sun care and sets/kits.

DEFINITIONS

This report analyses the market for 8eauty and Personal Care in the United Arab Emirates. For the purposes of the study, the market has been defined as follows:

~ 8aby care
~ 8ath and shower
~ Colour cosmetics
~ Deodorants
~ Depilatories
~ Fragrances
~ Hair care
~ Men's grooming
~ Oral hygiene
~ Skin care
~ Sun care
~ Sets/kits

Sources

Sources used during research include the following:

Summary 1 Research Sources

Official Sources	Abu Dhabi Chamber of Commerce & Industry
	Ajman Chamber of Commerce & Industry
	Dubai Chamber of Commerce & Industry
	Dubai Statistics Center

	Fujairah Chamber of Commerce & Industry
	Shaqah Chamber of Commerce & Industry
	Umm Al Quwain Chamber of Commerce & Industry
Trade Associations	Al Khaimah Chamber of Commerce, Industry & Agriculture
Trade Press	Arabian Business
	Gulf News
	Khaleej Times
	Noozz
	Red Hot
Company Sources	Ajmal Perfume
	Al Shaya Group
	Alberto-Culver
	Alphamed Group
	Avon Al Hathboor
	Avon Products Inc
	Beiersdorf Middle East
	Colgate-Palmolive
	Coty
	CPO
	Himalaya Drug Co, The
	Johnson & Johnson Middle East FZE
	Jordan AS
	Kamal Osman Jamjoom Est
	L'Oreal Middle East
	MAF Carrefour Hyperrnarl<ets
	MH Alshaya Co
	PZCussons
	Rasasi Perfumes Industry LLC
	Sara Trident Emirates LLC
	The Himalaya Drug Co
	Unilever Arabia FZE
	Unilever Group
	Ameinfo.com

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