

Shifts in trends and market share growth: Liquid body wash

Market data reflects growth in the liquid body wash category for 2014 as compared with 2013. DSN has partnered with Competitive Promotion Report and IRI to create an exclusive report, "Shifts in Trends and Market Share Growth: Liquid Body Wash." The analysis looks at market performance of the top five brands within the liquid body wash category for the past 24 months. Following are the major findings in the analysis.

Axe is currently the leader in the liquid body wash category in terms of retail dollar sales; however, a closer look at the market share and change in retail sales shows a different perspective. In the last 52 weeks, Axe's market share change has been declining as much as 1.42%. Old Spice has consistently increased in retail sales since March 2014, with aggressive promotion of up to 28% in average percentage discount on promotion. This has resulted in dollar sales growth for both promoted and non-promoted products. Old Spice Body Wash has shown accelerated growth in market share consistently since September 2013 with 27.88% change in dollar sales compared with the previous year.

On the other hand, Softsoap has shown a decline in both dollar and unit sales in the last 52 weeks. In July 2014, Softsoap displayed a sharp drop in market share with a 5.03% reduction in market share compared with the previous year (see Figure 3). With the current competitive market, the analysis shows that other competing brands are starting to gain market share with greater retail sales attributed to Old Spice and Dove Men Plus Care Liquid Body Wash.

Dove Men Plus Care significantly increased promotional spending in the last 24 months ended October 2014 with total promotional spending of \$4.5 million. Dove Men Plus Care greatly increased average discount on promotion from 6% in August 2012 to almost 20% in October 2014. This aggressive promotional strategy has resulted in increased retailer margins (18.3%). Year-over-year, market share growth for Dove Men Plus Care has averaged 0.18%.

Other findings include:

- Softsoap promotional spending was approximately \$2.5 million with an average discount of 15.39%. Despite promotional spending, Softsoap shows a drop in retail sales of 11.79% compared with 2013.
- Axe has total promotional spending of \$3.1 million in the last 24 months. This promotional spending showed a direct correlation with total retail sales for promoted products with a peak in December 2013 at \$1.6 million in retail sales.
- For the past 24 months ended October 2014, Axe has the highest average retailer margin (21.42%) among the five top brands. In terms of margin growth, Dove Men Plus Care and Old Spice have displayed consistent increases in margin. Softsoap and Suave sustained declines in retailer margin, with average margins of 9.04% and 8.43% respectively.

LIQUID BODY WASH CATEGORY

% CHANGE IN RETAIL SALES

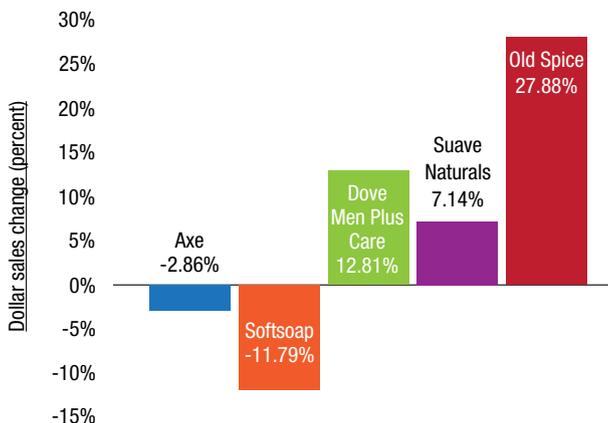


Figure 1: Between 2013-2014, there has been sales growth for Old Spice that is twice the percentage change in retail sales than the second highest brand (Dove Men Plus Care).

AVERAGE RETAILER MARGIN BY BRAND

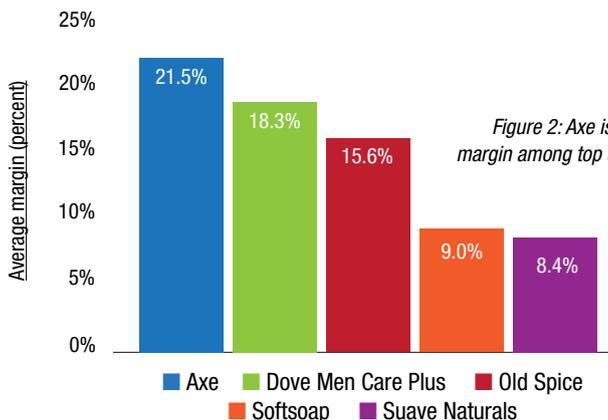


Figure 2: Axe is the leader with highest average margin among top 5 major brands in the liquid body wash category, 2012-2014.

MARKET SHARE GROWTH

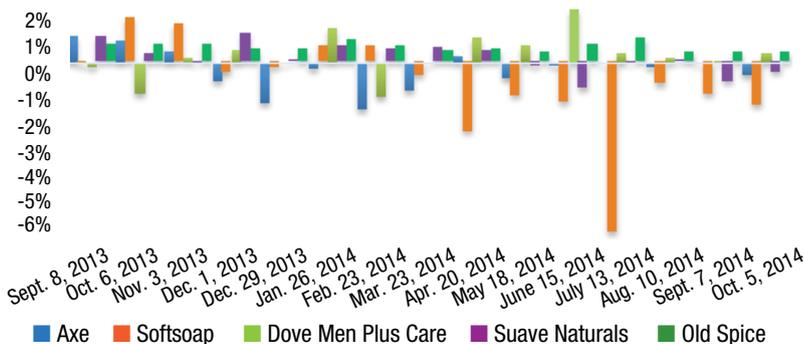


Figure 3: Market share growth for top 5 brands in liquid body wash category, 2013-2014.

Source: IRI data for liquid body wash for 24 months ended Oct. 5 across U.S. drug stores and CPR Database for 24 months ended Oct. 2014

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