



THE NEW SENIORS

A strategic opportunity for L'Oréal



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The demographic revolution is under way. Increasing numbers of us are living longer, and this trend is set to continue. The frontiers of old age are being pushed back. More affluent and in good physical shape, baby boomers are the first generation of “high potential” seniors. As consumers with a focus on their well-being, they are ready, willing, and able to take full advantage of these extra years of life. For L’Oréal, this crucial market represents a strategic trend, a trend for which L’Oréal has been planning for to meet this market’s needs.

Good growth ahead

Increasingly numerous

The world’s population is getting older. By 2050, the number of people over 50 will have been multiplied by 2.5, and they will **represent 33.4% of the world’s population⁽¹⁾**.

All geographic zones will be affected by this trend, including the most heavily populated countries, such as **China**.

With 20% of their population aged over 60, **developed countries are already coming to terms with this trend**.

It is particularly visible in Europe and Japan: **by 2025** the proportion of the population in Europe aged over 60 should be 28%, while in Japan the figure should be more than 35%. Women clearly outnumber men in these categories. But although women’s life expectancy in 2005 was four years greater than men’s, the difference is gradually diminishing.

High standard of living

Today, both baby boomers and seniors are less focused on savings than they used to be and have a high purchasing power. In developed countries, these generations have earned high salaries during their working lives, and have pension systems that remain favourable.

Who are today’s seniors?

The term “seniors” covers a wide range of ages which can be divided into three categories:

- “baby boomers”, today aged between 50 and 60, most of whom are still employed and are active consumers;
- “true seniors” aged from 60 to 85, who have a fulfilling existence in retirement and are increasingly in good health;
- “older seniors” are over the age of 85.

The medical profession encourages them to take care of themselves in order to live longer and better lives.

Health and well-being are the objectives

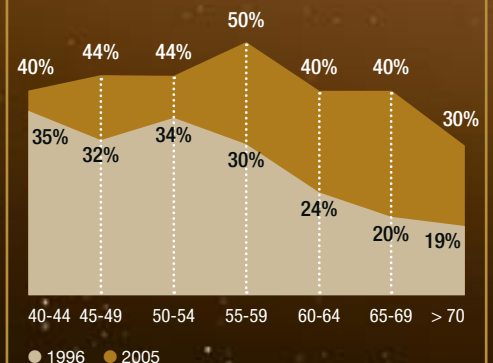
As children of the consumer society, the new seniors have developed a more hedonistic lifestyle than that of their elders, and they have no intention of changing their consumption habits just because of their age.

Aware that life expectancy is increasing, seniors (and women in particular!) are adopting preventive behaviour patterns whilst maintaining their own “health and beauty equity” in the most effective way possible.

Women in this age bracket have retained the youthful and unconventional state of mind of their twenties (from the early 1970s). They want to be attractive and see themselves as “modern” and in tune with today’s lifestyles.

Seniors pay more attention to beauty

The effect is generational: today’s seniors consume more beauty products than their elders. Increasing numbers of women regularly use a specific skincare product (see chart below). In 1996, peak consumption was between the ages of 40 and 60. Ten years later, in 2005, peak consumption was between 45 and 70. Another telling sign is that the use of eye make-up in this age bracket is becoming increasingly popular on a yearly basis: 15% of European women over 60 regularly used it in 1997, compared with one-quarter in 2005 (source: *Health & Beauty panel*).



● 1996 ● 2005
> Percentage of women regularly using anti-ageing skincare products, by age bracket (Source: growth 1996-2003, International RISC Survey UK FR SP IT GER)

(1) Source: UN, *World Population Prospect, The 2004 Revision*.



Staying young in mind and body

Strong investment in haircare by Seniors

Haircare plays a core role in personal appearance. Seniors in Europe visit hair salons more frequently than their younger counterparts (11 times a year on average in Europe and up to 17 times in Spain⁽¹⁾). A short and feminine cut, with volume, can work magic, creating a sense of freshness and dynamism. Although hair lacquers and sprays are useful for the finishing touch, haircare products are by no means neglected. Beauty conveys itself naturally, and having beautiful thick and shiny hair becomes increasingly important with age.

Studies have shown that after the age of fifty, hair becomes less dense and the fibre tends to dry up. For many years now, L'Oréal has offered real innovations to meet the needs of seniors. **Ceramid R**, a major L'Oréal molecule, which targets and repairs damaged hair, first opened up the anti-ageing haircare segment in 1996. Since 2003, **KÉRASTASE** has been offering a range of innovative technical haircare products, called **Age Recharge**, which not only treats hair fibre but also ageing of the scalp.



Hair colourants: increasingly natural

As time goes by, women aspire to a more natural hair colourant effect, and opt for lighter tones. They prefer shaded effects with highlights so as not to darken the face or harden the features.

The core hair colourant products, such as **Excellence Crème** from **L'ORÉAL PARIS**, are constantly being revamped with two aims in mind: to offer even more natural shades and improve fibre quality.

Launched at the end of 2006 by hairdressers, **Color Suprême** by **L'ORÉAL PROFESSIONNEL** is the first hair colourant which fully covers grey hair, producing highlight and hair-thickening effects thanks to the ingredient called **Densilum R**.

Some women accept their grey hair, and 34% of European women over 60 have white or grey hair⁽¹⁾. This explains the international success of the revitalising shampoo **Silver** in the Expert Series of **L'ORÉAL PROFESSIONNEL**.



(1) Source: *Health & Beauty 2005/Europe 5*.



Skincare products to meet new physiological needs

Compensating for the effects of hormone deficiency

Reaching 50 brings a real change in women's skin. As a result of hormonal changes, **the skin becomes drier and less bright**. It loses density, and the first signs of sagging appear. During this transitional period, a multitude of new needs emerge. L'Oréal offers support for women between 50 and 60 with its comprehensive, multi-functional skincare products. As early as 2001, the **LANCÔME**, **VICHY** and **L'ORÉAL PARIS** brands were the first to target the whole range of effects from hormone deficiencies with **Absolué**, **Novadiol** and **Age Perfect**, three products, which have become worldwide successes with women over 50. In 2004, the most sophisticated women discovered **Life Pearl Cellular**, by **HELENA RUBINSTEIN**, a core luxury product for cell and tissue longevity. In 2006, the discovery of Pro-Xylane™, a revolutionary anti-ageing molecule for mature skin, was a major step forward: a new generation of specific skincare products has been developed, with **Absolué Premium Bx** by **LANCÔME** and **Néovadiol** by **VICHY**.

Giving new strength to skin

From the age of 60, the skin becomes increasingly dry and fragile, the epidermis grows thinner, and the need for anti-sagging skin care is now self-evident. Leading the way in meeting these needs, in 2005 **LANCÔME** created **Platinéum Hydroxy(a)-Calcium™**, based on calcium hydroxyapatite, the first skincare product formulated for people over 60. As it outlines, the product can boost the epidermis with calcium and thus improve its strength and tautness. In 2006, **Age Perfect**, the skincare range for mature skin from **L'ORÉAL PARIS**, strengthened its product offer with **Age Re-Perfect**, a pro-calcium skincare product dedicated for women over 60.

It also includes a new kind of foundation, which is particularly soft and made out of silicone elastomers. The **L'ORÉAL PARIS** ambassadors are Jane Fonda in Europe and Diane Keaton in the United States—who embody the new kind of radiant 60-something women.

The radiant sixties: a new winning attitude

From the age of sixty, women are experiencing a new freedom. They often talk about a rebirth, without of course expecting spectacular rejuvenation. They are serene and lucid, and want to remain "at their best for their age". The efficiency, ease of use and smooth texture of products are essential considerations. Beauty routines are one of the everyday pleasures, helping to push back the frontiers of old age.



Men: getting in on the act

Men are increasingly using cosmetic care, and the same trend applies to mature men. To meet this new need, **L'ORÉAL PARIS** now offers the anti-sagging product **Vitalift**. Enthusiastically welcomed by seniors, **Vitalift** skincare for men is one of the best-selling items in the Men Expert range of **L'ORÉAL PARIS**, which accounts for a large proportion of men's skincare sales in mass-market retail outlets (almost half in Europe and almost one-third in the United States). From 2004, **Redken for Men** has offered through hair salons the first offering of natural grey hair camouflage. In 2005 in the premium market, **BIOThERM Homme** launched **Age Refirm**, a skincare product for mature skin. This has been a real success for the brand, which has been reinforced this year by a high-tech eye-care product. This clearly demonstrates that specific skincare products for men, including seniors, are a genuine opportunity.

