

Press Release

Beauty and Home Care: Sought-after helpers during the Covid-19 year

Frankfurt am Main, 8 December 2020. In 2020, a year marked by the Covid-19 crisis and infection protection measures, beauty and home care products play an important role: they support consumers in everyday life, provide safety and stability. Hand hygiene products such as detergents, dishwashing products and cleaning agents are in a particularly high demand. Domestic sales revenues for cosmetic and home care products have risen by 2.3% versus prior year to EUR 19.3 billion. Foreign trade is suffering and has had declines in sales revenues of minus 15.8% to EUR 8.5 billion.

According to projections of the German Cosmetic, Toiletry, Perfumery and Detergent Association (IKW), the total value of beauty and home care products sold in Germany in 2020 reaches EUR 19.3 billion and hence 2.3% more than during the prior year period.¹ The two sectors are marked by different developments. For beauty care products consumers spent EUR 14.0 billion. With a minus of 0.1% this almost corresponds to the prior year value. Home care products were able to increase the value generated in 2019 at German cash registers from EUR 4.8 billion by 9.2% to EUR 5.2 billion in this year.

Handwashing as one of the central hygiene measures for infection protection has contributed to a 77% increase in sales revenues for soaps and syndets. There has also been a slightly higher demand versus prior year for hair care (plus 2.5%), mouth and tooth care products (plus 2.2%) as well as bathing and shower products (plus 1.4%). By contrast, sales revenues have been declining for decorative cosmetics (minus 12.7%) or fragrances (minus 7.3%). Overall, the business of beauty care products is on prior year level.

Compared to this, the home care product sector has recorded a 9.2% rise in sales revenues. The growth drivers include cleaning agents (plus 18.2%), dishwashing products (plus 15.1%), room scents (plus 12.9%) and detergents (plus 4.8%). This development reflects the changed life situation of many people during the Covid-19 crisis. As a result of contact restrictions, life takes place to a larger extent at home. This means that the own apartment is cleaned more often. The partial closing of canteens, refectories and restaurants means that people eat more often at home and also do more dishwashing.

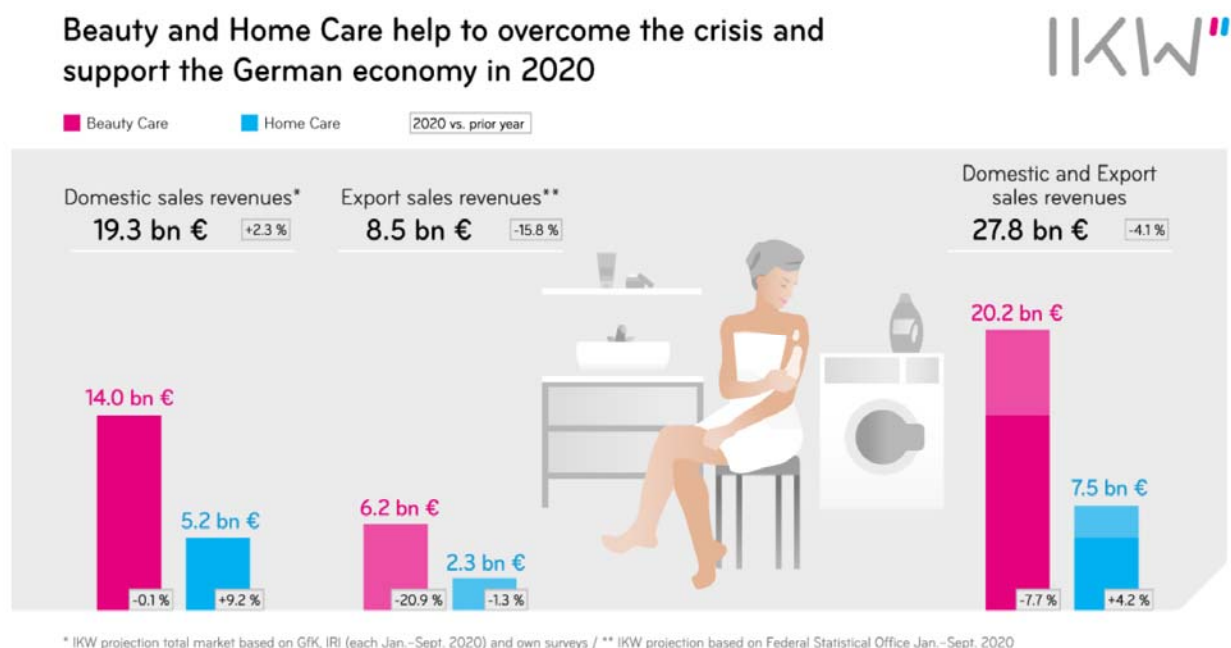
¹ IKW projection overall market based on GfK, IRI (January – September 2020) and own surveys

The export of products of the IKW sectors decreased by 15.8% to EUR 8.5 billion.² The value of exported beauty care products dropped by 20.9% whilst home care products reported a minus of 1.3%. The addition of domestic and export sales revenues results in a value of EUR 27.8 billion for 2020 or a minus of 4.1%.

On average, consumers continue to spend in Germany EUR 169 per year for body care, personal hygiene and good looks. By contrast, spending on detergents, polishing and cleaning agents rose by 10% to now EUR 98 this year.³

The member companies of the German Cosmetic, Toiletry, Perfumery and Detergent Association have different estimates concerning the current market development – depending on the market segments, as revealed by the membership survey on the economic situation. Whereas 38% of the companies surveyed rate the current market development as good or very good, little less than half (47%) believe that it is average, 16% rate it as bad or very bad. The readiness to invest next year is encouraging with 47%.

IKW Managing Director Thomas Keiser: “The beauty and home care product industry produces valuable everyday helpers during the crisis and supports the economic development in Germany. The need for ‘safety and wellbeing at home’ is reflected by an altogether solid sales revenue development. For 2021 we likewise anticipate a moderate growth of approximately 1.5%.”



² IKW projection based on the Federal Statistical Office Jan – Sept 2020
³ IKW projection per capita spending overall year based on GfK Jan – Sept 2020

About IKW

The German Cosmetic, Toiletry, Perfumery and Detergent Association, with headquarters in Frankfurt am Main, was founded in 1968. It represents the interests of more than 430 companies from the fields of beauty and home care on a national and European level. The industry generates sales revenues of more than EUR 18 billion and employs a workforce of approximately 500,000 people in the value chain. The member companies cover approximately 95% of the market.

IKW is the contact partner for its member companies, ministries, public authorities, consumers, institutions and associations as well as for the media as far as scientific, regulatory or business topics are concerned. Experts of the competence partners Beauty Care and Home Care within IKW provide competent answers on questions concerning skin and hair care, beauty and self-esteem as well as hygiene and cleaning. More information on www.ikw.org

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