

THE BOOTS COMPANY

The trials of developing and marketing
effective wellbeing products from natural
raw materials

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Introduction

- Who are Boots
- What is wellbeing
- Market trends
- Developing new products
- Legislation
- Environmental and fair trade issue
- Selling the products
- What can the agricultural industry do for Boots



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Who are Boots

- £5 billion turnover company
- R&D, Manufacturing, Marketing, Retailing
- Boots the Chemist Brands
 - No7, Botanics, Soltan etc
- Boots Healthcare International Brands
 - Nurofen, Stepsils, Sweetex, E45, Optrex, Clearasil etc
- Global marketplace



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What is Wellbeing

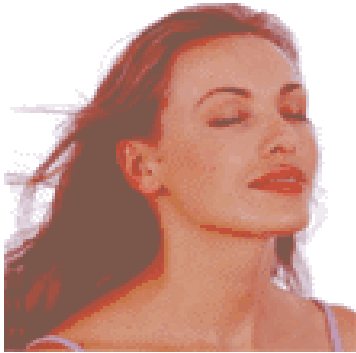
For Boots this means feeling great, looking good and being healthy. It is:-

- Cosmetics and toiletries
- Self medication/ pharmacist support
- Health supplements
- Some alternative therapies
- Opticians and Dentists
- Chiropractors and chiropodists
- Laser hair removal etc. etc



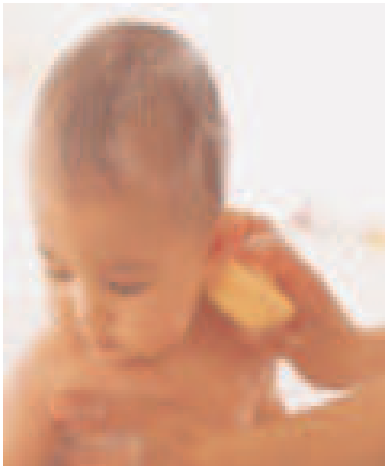
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The Customer's Needs



The customer is becoming more aware of the environmental issues

- she does not approve of animal testing
- she wants to avoid 'chemicals'
- she wants the products to be made from plant derived materials
- she does not want us to plunder the rain forests
- she is starting to think about sustainability

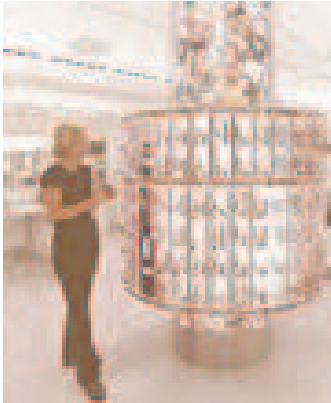


All of the above are starting to effect the customer's decision to buy



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Market Trends



- Holistic products
- Move away from animal ingredients
- Association of skin and hair health with things that are healthy to eat
- Internal/external combinations
- Personal care market growing at approx. 10% pa
- Natural personal care market expected to grow at approx. 25% pa for the next 5 years



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Developing new products

New products can come from a number of routes including:-

- 1) Developing new uses for existing technologies/materials
- 2) Developing new technologies/materials

Route 1 has the advantage that it can be quicker to market

Route 2 can deliver truly novel products



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Developing new products

Developing new uses for existing technologies/materials

There are many ways of finding other uses of existing materials including:-

- Evaluate existing product formulations to find alternative uses
- Identify secondary activity of current used herbs
- Identify use of material from an alternate product category



Boots D98 labs



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Developing new products

Developing new technologies/materials

Opportunities can come from a number of sources including:-

- Academic research groups
- Supplier partnerships
- Ethno-botanical searches

All sources are valuable however each has issues to overcome

- Academic research frequently requires financial backing for the research and pump priming money to convert the ideas into materials
- Suppliers partnerships requires source of ideas
- Ethno-botanicals has the most unknowns



Plymouth Marine Laboratories



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Developing new products

Proving the natural materials work

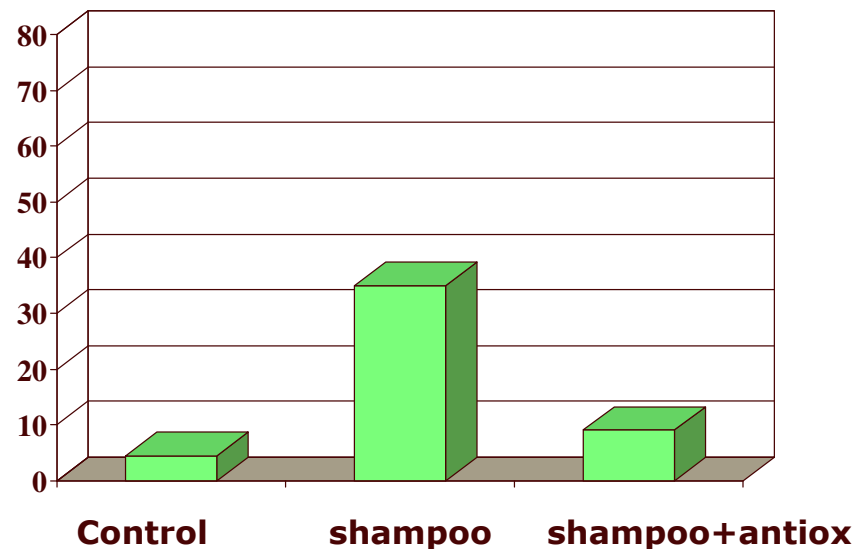
It is important to prove that a material works in as near to real consumer use situations as possible.

This slide shows a study of the novel natural antioxidant complex used in a shampoo to provide the hair with protection from sunlight.

The test used:-

- a finished shampoo formulation
- applied to human volunteers
- by trained hairdresser
- Solar simulator irradiation source

Peroxidation of hair lipid



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Developing new products

Consistency issues

For active products the natural raw material must deliver the same performance batch after batch. Many things can influence this including:-

- Seasonal changes
- Fertiliser type/application rate etc etc
- Location changes
- Different varieties of the plant
- Different extraction processes

It is important to know how these factors effect the active in your natural material and add controls where possible



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Legislation/regulation issues

- Impending EU legislation on the safety of chemicals seeks to extend tox testing requirements
- The 7th amendment of the EU Cosmetics Directive is seeking to restrict tox testing but require extensive efficacy testing
- Novel foods regulations/Traditional remedies
- Healthcare product licensing regulations
- Variation in regulations in different countries



Boots efficacy testing facilities



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Environmental Issues

Many issues to consider including:-

- Over exploitation of wild harvesting
 - Extinction of plant
 - Depletion of natural food/habitat for native fauna etc
 - Soil erosion
 - Reduction of material available for product manufacture
- Cultivation of cash crops
 - Rain forest clearance to provide land for cultivation



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Fair Trade

- The customer want to think that she is helping less developed/poorer peoples
 - Companies wish to be seen as ethical and caring
- Issues
- Exploitation of labour/child labour etc.
 - Exploitation of crops at unfair prices
 - Exploitation of ethno-botanical knowledge

This is principally seen principally as a Third World issue but European farmers needs must also be considered



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Trading/Advertising Standards

Wellbeing products are making stronger claims and consequently are being scrutinised more closely by Trading/Advertising standards authorities to determine amongst other things:-

- That the products contain what we say they contain
- That the claims are supported by appropriate test data
- That the product sold is the same as the product tested



Royal Botanic Gardens Kew



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Selling the product

Moving natural products upmarket

For long term success of a natural brand the products must evolve from ingredient lead to benefit lead. This will require:-

- extensive claims support
- active levels of herbs
- standardised quality herbs
- appropriate advertising and promotion

This will require the brand to be positioned in higher price bands than the majority of current products



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Opportunities for agriculture

- Academic research ongoing targeted at discovering valuable actives from current crops and crop waste streams
 - actives from cereals, beet, brassicas, legumes etc
- Research looking at alternative crops
 - research into a wide range of temperate plants
- Research into novel agricultural methods
 - Glasshouse production, phytoplankton culturing



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Conclusion

Successful natural wellbeing brands can be launched by:-

- Carefully controlling the quality of your natural actives
- Generating placebo controlled claim support
- Ensuring that legislative, environmental and fair trade
- Marketing the product in the appropriate market sector

The Agriculture Industry can help and benefit by working with Academia, The Natural Extracts Industry and the Wellbeing Industry to identify and grow crops that deliver innovative safe new materials



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