New laser hair removal system to impact depilatories

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Gillette's new laser hair removal system could threaten sales of traditional depilatories.Â

The US Food and Drug Administration approved the first at-home laser hair remover in December 2006, developed by Procter & Gamble's Gillette and Palomar Medical Technologies. The new system will capitalise on the fast-growing professional light hair removal market, estimated at around US$2.7 billion by industry experts, and will open the way for other at-home laser cosmetic procedures, including wrinkle removal and cellulite treatments. It is a savvy way of maintaining brand value too, marking Gillette as a true innovator and enabling it to expand beyond a stagnating market; Euromonitor International forecasts that depilatories in the US will have a CAGR of just 1% to 2010.

Will OTC laser hair removal ever eliminate razors, waxes and creams? Some industry sources say no, suggesting it will only appeal to a high-end niche. In reality however, it is too soon to tell, a sentiment echoed by Procter & Gamble itself, and until price and user-friendliness is known the fate of the US$871 million depilatories sector is uncertain.

Hair todayâ€¦

There is a price ceiling beyond which consumers will not be willing to go for Gillette's new laser hair removal system. In the professional salon channel, laser hair removal has not proven to be the threat to depilatories that was once feared; costing into the thousands, the treatment is prohibitive to most, even among the US' affluent consumers. Cheaper salon waxing services bring in around twice the sales annually. If at-home laser treatments prove too difficult to use or too time consuming, consumers could be turned off the product. Despite waxes and depilatory creams claiming longer-lasting results, the handiness of razors makes them the dominant subsector in depilatories, accounting for 74% of sales of hair removers in the US, according to Euromonitor International.

Yet consumers could be prepared to pay more than even the most expensive razors if the laser hair remover offers convenience, efficacy and comfort and is still within a reasonable price range. Critics scoffed when Gillette launched its five-blade Fusion men's razor in early 2006, suggesting the extra efficacy provided by the extra blade did not warrant the price increase (US$2 above its market leading Mach3 brand). Yet company estimates now predict it will be a billion dollar brand within three years of launching.

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Procter & Gamble is proving tight-lipped about the product, although it is known that limited test launches will be rolled out across the US over 2007. The company is said to be looking into a male version that would target men's hair, which grows at a different rate and thickness to women's, as well. A second manufacturer too, SpectraGenics, is said to be developing a similar OTC hair removal device, and Procter & Gamble's partner Palomar has existing agreements with Johnson & Johnson to develop at-home light technology to treat cellulite, reduce the appearance of wrinkles, and reduce or prevent acne. Regardless of the outcome of the Gillette launch on depilatories, it seems that the cosmetics and toiletries industry is set to be transformed by this new technology.

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