LATIN AMERICA’S BEAUTY CARE REPORT
AGENDA

Brazilian Beauty Market

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BEAUTY IN LATIN AMERICA

“Emerging nations are showing some of the highest figures for growth, and Latin America is the region with the second highest,”

Jaime Concha Prada, president of the Council of Associations of Latin American Cosmetics Industry (CASIC)

Additional information: https://hbr.org/2012/07/the-growth-opportunity-that-lies-next-door
“Several Latin American countries are banding together in partnerships to help strengthen and further grow the beauty industry in Latin America. Latin America also seems to have a clear objective: to become the beauty industry’s second biggest market after the Asia-Pacific region.”

The cosmetics sector in Latin America had grown 314% in the last decade, a rate of growth bettered only by Eastern Europe.

Local beauty associations and governments are working to make the processes and application of regulations smoother.

Annual sales of approximately $80 billion in 2012.

Source: The Beauty of Latin America
BRITISH MARKET OVERVIEW
FACTS & FIGURES

“Today, we are the third biggest market in the world for personal care products, and our aim is to improve our position and overtake the current number two, [which is] Japan,” - ABIHPEC statement

- 5th largest country in the world
- GDP USD 2.2 trillion
- 201+ million inhabitants
- 7th biggest economy of the world

Over the past 10 years around 40 million Brazilians rose to the middle class
“According to a report from the Brazilian Association of the Cosmetic, Toiletry and Fragrance Industry (ABIHPEC), the country has seen a compound annual growth rate of 10% over the last 17 years, adjusted for inflation”
Brazilian women have increased their presence in the workplace in the last two decades, while the use of new technologies and the consequent increase in productivity has enabled the beauty sector to keep price increases below those of the general economic price indexes.
LONGER LIFE EXPECTANCY

The beauty market is in constant flux, new product launches are an everyday event and life expectancy has increased, leading to a greater demand for products that can combat the signs of aging.
According to data supplied by Euromonitor International, Brazil became the largest perfume market in the world in 2010, overtaking the United States. While U.S. sales held firm at $5.3 billion, revenue in Brazil jumped from $4.5 billion in 2009 to $6 billion in 2010, an increase of 33%. 
BRAZILIAN
BEAUTY MARKET
In addition, the ex-factory revenue in 2014 for personal hygiene products was approximately 7.9 billion euros, and the most popular products were disposable products, deodorants, and bath products.
As personal awareness of health continuously increases, the consumption of products used on a daily basis, increases simultaneously.
The cosmetic industry is continuously investing in the development of products that contribute to an improved self-esteem for the customer.

These products are related to: skin care, moisturizer, anti-aging, and sun protection aimed at preventing skin cancer.

The market demand for these products is driven by the men-, youth-, and children- categories.
Brazilian consumers prefer to buy online as they get access to a broader range of products and prices compared to buying in a physical store.

Also, they have a strong preference for online discount websites and coupons.
HAIR & SKIN CARE
The Hair Market in Brazil

Currently, Brazil represents 11% of the CT&F (Cosmetic, Toiletry and Fragrance) global market, and the hair care products represent 22% of this market, with a constant average growth.

**Market Size**
- 342,000 Beauty Salons
- €13 bi Revenue in 2012
- 80% of women go to beauty salon

**Spending**
- R$ 125 average
Approximately 70% of Brazilians have curly or wavy hair.

86% of Brazilian women dye their hair at least once a month.

Need for products containing specific treatments with active ingredients to protect the hair.

In 2013, shampoo and conditioner alone, turned over approximately €2.5 billion.
THE SKIN CARE MARKET IN BRAZIL

In 2014, Brazil was ranked the 5th largest market in the world for skin care products, growing from being the 7th largest in 2008.

Evolution of Brazilian Dermocosmetics Consumption
In Billion Euros (2013-2017)

Evolution of Brazilian Dermocosmetics Consumption

Consumption per Categories of Body Care Products

Hands and Nails
(5%)

Body & Face
(87%)

Feet (5%)
SKIN: HYDRATED AND CLEAN

The most important products within this segment are **moisturizers**, with **49% of people using it frequently**, and is followed by multifunctional products and face cleansers used frequently by **38%** and **36%** of users, respectively.

- **49%** of Brazilians point out that cleanliness, protection and treatment are the most important factors when choosing a skin care product.
- **37%** of Brazilians prefer products that protect the skin from external aggression e.g. sun and pollution.
- **25%** of Brazilians look for acne treatments. Considering that teens are the most loyal group for facial care, anti-acne producers can expand their product line to offer other products that are part of the customer daily routine.
Brazil accounts for 23% of the global sunscreen market. In 2014, the global consumption totalled €7 billion where 1.3 billion euros came from Brazil.

**Opportunities in the Sunscreen Segment**

- **Sunscreen** – products to sensitive skin and skin prone to allergic reactions from the sun.
- **After sun** – anti-aging moisturizing, enriched with vitamins and antioxidants
- **Self-tanning** – as tanning beds are prohibited in Brazil, the users of such will be the target consumers of self-tanning products.
BRAZILIAN BEAUTY MARKET & CONSUMER TRENDS
Beauty products remain strong despite economic slowdown

Even with the slowdown observed in 2013 and expected to continue in 2014, a number of products performed well with lipstick a prime example of an enduring product. During periods of economic crisis, consumers will reduce their consumption of many items, including beauty and personal care. However, Brazilian consumers still want to feel beautiful at all times and will purchase a new lipstick in a fashionable colour or a new release with a distinctive benefit such as longer lasting colour or extra moisturising for lips. For the colour cosmetics industry, this cultural behaviour is very positive, since even during periods of crisis, the investment in new colours and innovation in lip products will always see a return.

From: Euromonitor
Men’s grooming continues to show excellent growth in Brazil as the male consumer becomes more vain and willing to try products that go beyond shaving. Manufacturers are responding positively to this opportunity by introducing several launches for the men’s grooming category from hair and body shampoos specifically for men to exclusive lines of skin care products for the face and body. This category is very promising both in the short and long term as an opportunity for the industry to increase consumption and per capita spending by men.

From: Euromonitor

Additional Information: Male Grooming in Latin America: [http://migre.me/uUQBK](http://migre.me/uUQBK)
Deodorants in Brazil saw continued growth with a large amount of innovation over the past year. Consumers are increasingly seeking products with extra benefits and new technological advances, making the competition in the deodorants category very fierce. Notable innovations include Nívea, a deodorant offering anti-stress protection, and Garnier deodorants offering 72 hours of protection and a feeling of freshness. Unilever launched the Dove Dermo Aclarant, promising to lighten and soften underarm skin. It is expected that over the long term this multi-benefit trend in deodorants will continue to grow in strength, due to consumers responding well to innovations in this category.

From: Euromonitor
WHAT THE WORLD KNOWS BUT LATIN AMERICANS DOESN’T KNOW YET?

Market opportunities and consumer trends
BEAUTY + TECHNOLOGY
“The entire home is a working laboratory. Bathroom mirrors automatically assess what consumers need to put on their skin and hair, on-demand DNA analysis explains how products work in the short, medium and long term, devices whip up the perfect combination of ingredients and dispense them in the ideal format or pump them out via the shower head, and high-res scanners and 3D printers help users track results over time.

As consumers become more and more familiar with using technology to track their health and well-being, they are looking for beauty brands to offer products and devices that boast similar functionality. In fact, 30% of US women say they are interested in trying a facial skincare product with integrated diagnostic tools. As consumers rely more on technology to enable them to play a greater role in health and beauty management in the coming decade, it will be up to brands to guide them on their journey.”

Extracts From: Mintel’s Beauty and Personal Care Trends 2025
Brands will not only source water from different oceans, lakes, lagoons and glaciers, they will climb mountains and harvest fog to gain the purest possible droplets. Plant waters will also play a part, moving from traditional health drinks into beauty products. Younger consumers will be the key market for future innovations. Brands can tap into their youthful idealism, passion and desire to change the world with products that clearly state how they are addressing the issue of water shortages.

In a future where water becomes a protected resource, bubble baths and lawn sprinklers will become unthinkable luxuries and rationing will be second nature to people everywhere. Where water was once an essential part of any beauty regime, new formulations require little or no extra water in order to function.

Consumer awareness is on the rise, and water conservation is high on their agendas.

Water as a luxurious good
As the pace of modern life accelerates at a faster rate than consumers can cope with, energy levels are becoming a key concern for many and fatigue is an unwelcome companion. But consumers are fighting back. In the coming decade we will see a two-pronged approach from those opting for significant lifestyle changes to address low energy levels while also seeking out products with energy-centric formulations that give them a boost.

The first approach some consumers will adopt is a more holistic approach to health and wellness issues. Rather than addressing problems individually, they will pursue a more healthy lifestyle as a whole.
POWER PRODUCTS
Consumers are looking to improve their overall levels of health and wellness. Beauty brands will need to partner with food, drink and leisure brands to create healthy living product ranges with ingredients and claims that complement one another.

According to Mintel Global New Products Database (GNPD), facial skincare products featuring energy claims represented 12% of global launches from January to October of 2015, up from 10.5% in 2014, while eye care launches mentioning energy grew from 13% to 15% of global launches over the same period. Also during the same time period, shampoo launches with an energy claim increased from 2.7% to 3.2%.
GASTRONOMIA
A new focus on natural ingredients

Vlogger Michelle Phan’s YouTube tutorial on homemade face masks and scrubs reached nearly 3 million views in 2014, demonstrating the overwhelming number of consumers who are already looking for homemade beauty ‘hacks’.

“Products that can be made at the kitchen table (or merely look like they have been), but still carrying the latest cosmetic understanding – and is driven by a desire for consumers to feel in control of their beauty products.

We will no doubt that some brands will be borrowing inspiration from the meal kits developed by food companies, propelling the subscription beauty box model to the next level. Consumers would receive complete kits of ingredients or phases of products, which can be combined to create a nished product.
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