BEAUTY AND PERSONAL CARE MARKET IN INDIA

Introduction

The cosmetics and personal care industry is one of the fastest growing consumer products sectors in India with a strong potential for foreign companies. The personal care and cosmetics sector in India has shown continued strong growth, with increasing shelf space in retail stores and boutiques in India, stocking cosmetics from around the world.

Size and Growth Trends in the Domestic Industry

The Indian cosmetics and beauty products segment has been witnessing steady growth of late. It is primarily categorized into five major categories - body care, face care, hair care, hand care and color cosmetics. Indian beauty and personal care (BPC) industry is estimated to be worth USD 8 billion. India’s per capita spend on beauty and personal care is it is growing in line with India’s GDP growth.

Source: A.T. Kearney
Many international brands like Revlon (the first international cosmetics brand to enter India in the mid-nineties), Avon, Burberrys, Calvin Klein, Christian Dior, Estee Lauder, L’Oreal, Max factor, Max Mara, Body Shop, Maybelline New York, MAC, Bobbi Brown and many more have been present in India for an extensive period of time.

The top three players in the Indian market are international players, namely Hindustan Unilever, Colgate-Palmolive India and L’Oréal India. The other prominent international players with a strong presence in the Indian market include Gillette India, Johnson & Johnson (India), Reckitt Benckiser (India) and Procter & Gamble Home Products.

Domestic players were catching up over the review period with the emergence of the trends towards natural, herbal and Ayurvedic products. Prominent domestic players include Godrej Consumer Products, Dabur India, Marico, Wipro Consumer Care & Lighting, Emami and Patanjali Ayurved.
Industry landscape by Market Segment

Overall the market is moving towards premiumization, with premium segment growing at 6.3%, as compared to 1.1% for mass market. Indian brands (both regional and national) have a sizeable presence in the mass category, while premium markets are largely dominated by the international brands.

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Geographical segmentation

Imported cosmetics have had a major impact on the Indian market. Indian consumers tend to look towards international brands as lifestyle enhancement products.

Factors Expected to Drive the Rural Market

- Trend of growing consciousness about grooming, with 50% of rural population aged below 25 years
- With increased awareness, the rural lifestyle and habits have started mirroring urban aspirations and lifestyle
- This has brought about a shift from homemade solutions to branded products
**Distribution Channels and Marketing**

India has seen tremendous growth of modern organized retail channels like department stores, supermarkets, hypermarkets, specialty store chains, and shopping malls along with direct sales and a highly competitive e-commerce market for cosmetic brands. Amongst the multiple sales channels, grocery retailers continue to lead the pack. However, share of specialist channels such as chemists, beauty stores and modern trade is expected to grow in the next few years, with chemists and pharmacies expected to gain significant traction.

**Factors Driving Chemist Channel Growth**
- Offers uncluttered product spread
- Offers neat and clean environment
- Premiumization
- Reliable expert advice by pharmacies.

**Trends that are shaping the Indian Beauty and Personal Care Market**

- Shift towards mental and physical well-being through use of natural, organic, anti-fatigue, anti-pollution, anti-ageing products.
- Increased adoption of men’s grooming products.
- Higher spending on holistic bridal solutions such as year-long skin care regimes.
- Increasing use of beauty devices and technology infused products and services.
- Consumers opting for at-home services, online buying.
- Heightened sense of individualism in purchase and choice among Millennials.
- Interest and willingness to trade-up, increased use, bigger repertoire of products.
- Growing importance of peer feedback and product reviews in purchase decisions.
India: A land of opportunities

The swift growth of the beauty business has not only impacted Indian firms to encourage competition in the space, but has also lured numerous international brands to the country. To give an instance, today, India has very few professional make-up lines that can cater to the wide range of salons and professional make-up artists across the country. This gives an opportunity to international professional make-up lines to penetrate into the market.

Similarly, the skincare segment in the Indian market is flooded with natural ingredients based products at present. Demands are high for products that are formulated using key ingredients like seaweed extracts and sea salts and other mineral-rich elements. Since these ingredients being exotic are found majorly in premium skincare segment, international players can seek to occupy a large share of the total space in the premium mass segment in the future.

The key factors to successfully enter the beauty and cosmetics market in India include careful understanding and adaptation of Indian skin types and tones and customize products accordingly. During the initial years of entering the market, the volumes of sales are likely to be low while the cost of operations is observed to be high. Gradually the scenario will change as sales are expected to increase.

Regulations, Standards, Customs and Tariffs

The Indian licensing authority for mandatory registration of all cosmetics imported in India is the office of the Central Drugs Standard Control Organization (CDSCO) in the office of the Drug Controller General of India (DCGI). The DCGI’s office administers the Indian Drugs and Cosmetics Act of 1940, which governs the manufacture, sale, import, export and clinical research of drugs and cosmetics in India.

For information on Guidelines on Registration of Import of Cosmetics, please visit:

http://www.cdsco.nic.in/writereaddata/Guidelines%20on%20Registration%20of%20Import%20of%20Cosmetics.pdf

For more information on the DCGI for Cosmetics please refer to:

http://www.cdsco.nic.in/forms/list.aspx?id=1582&ld=1
Top Domestic Trade Fairs / Events in Beauty and Personal Care

1. **Home and Personal Care Ingredients**, 31 January - 01 February 2018, Mumbai
2. **Panacea -Natural Products Expo India**, February 7-9, 2018 at World Trade Centre, Mumbai
3. **HBS - Hair & Beauty Show India**, April 9-10, 2018, Mumbai
5. **Personal Care India Expo**, August 2018, Pragati Maidan, New Delhi

References:
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- [http://www.cdsco.nic.in/forms/list.aspx?lid=1582&Id=1](http://www.cdsco.nic.in/forms/list.aspx?lid=1582&Id=1)
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