

Natural cosmetics

Double-figure growth despite the crisis

Elfriede Dambacher of Naturkonzepte Elfriede Dambacher has published the first Natural Cosmetics Yearbook 2009 in association with media partner COSSMA (see page 50). The practical reference work contains an extensive overview of the sector, as well as data on current market developments and more than 500 useful addresses. Here Elfriede Dambacher describes what makes the natural cosmetics market tick.



Own-label products and premium products are the winners in the natural cosmetics market

Photo: S. Schmid

The natural cosmetics market is a market experiencing strong growth, and is far from being saturated. Even in 2008 the market for natural cosmetics in Germany grew strongly and achieved sales of 672 million Euros within a total cosmetics market turnover of 12.605 billion. This gives natural cosmetics a 5.37 percent market share and together with quasi-natural products the market share is about 9 percent.

In 2008 about 60 million Euros more was spent on natural cosmetic than in 2007. This growth, of some 10 percent, makes it clear that the market for natural cosmetics is hardly affected by the financial crisis and appears to have its own business model. For five years in succession natural cosmetics

sales have grown by 10 percent per annum. "Demand keeps growing and the consumer profile continues to expand rapidly. The market is one that is mainly driven by drugstore chains", confirms Daniela Volkmar of GfK Panel Service. And it can be seen that the market is clearly differentiated. The winners include retailers' strong own-brand products as well as premium products.

The highly successful own-brand products offered by drugstores and hard discounts, which almost without exception carry the "Controlled Natural Cosmetics" seal issued by the BDIH, already account for about one fifth of natural cosmetics sales and are continuing to exhibit an upwards trend.

Classification

What is and what is not a natural cosmetics product is subject to some widely different interpretations. For manufacturers, distributors and consumers it is virtually impossible to find a clear definition. There is no clear legislation to say what constitutes natural cosmetics. This also means that the market for natural cosmetics is not

able to be clearly defined and identified – either for manufacturers or distributors.

In collaboration with some leading market research organisations – namely Information Resources (IRI), Gesellschaft für Konsumforschung (GfK) and IMS Health – the concept of natural cosmetics developed by me in 2008 was fine-tuned such that it is now possible to clearly define the market. The databases of the market researchers have also been redefined in line with this.

Different market sectors have been defined on the traffic-light principle:

- Cosmetics
- Quasi-natural cosmetics
- Natural cosmetics

Red means conventional cosmetics products, amber means quasi-natural cosmetics and green means natural cosmetics. These classifications cover luxury products as well as everyday consumer products.

It is interesting to note that the quasi-natural sector in Germany is less significant than it is on a global basis. Sales in 2008 were 425 million Euros. Globally the term natural cosmetics is



Details for ordering the extensive reference work on the subject of natural cosmetics can be found on page 50

less rigidly defined than in Germany and for this reason one should take into account the fact that the databases can be widely different in their definitions when evaluating the size of the international market.

A trend analysis in Germany, which looked at the 15 biggest natural cosmetics brands, showed that even in 2009 a steady growth of 5 percent in the national market can be expected.

Internationally the decision makers of these brands are expecting as much as an 8.5 percent increase.

First reference work on natural cosmetics

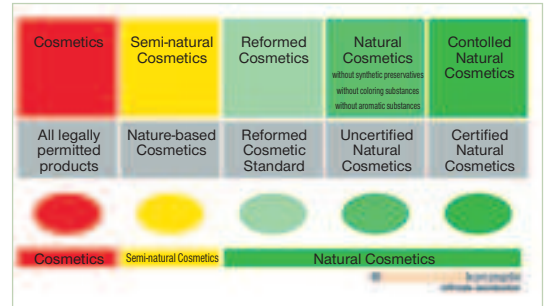
The first natural cosmetics yearbook is a practical guide which not only gives facts and figures but backs these up with editorial articles by experts from the sector. For instance, there is an up-to-date assessment of

progress in the certification of ingredients and ingredients suppliers. In addition a wide range of different aspects, including the actual manufacture of natural cosmetics, are closely examined

“The situation in the ingredients market reflects the dynamic development of the general natural cosmetics market. More and more certified ingredients and effective plant-based actives with proven efficacy are appearing on the market,” explains Angelika Meiss, senior editor of COSSMA, the cosmetics trade magazine and publishing partner of the yearbook.

A review of the top brands, international niche brands and service providers, plus a calendar of international exhibitions, round off the book’s contents.

The yearbook is aimed at manufacturers, service providers, agents and dis-



Classification of cosmetics

tributors of natural cosmetics and quasi-natural cosmetics as well as all those market players who want to get involved in the natural cosmetics market.

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Events

In-Cosmetics 2009:
Green alternatives
set the scene

Marketing

Natural cosmetics
enjoyed double-figure
growth in 2008

Packaging

Retail cartons:
Sensory effects
much in demand



VIP of the Month

Dr. Sophie Viala of
Bayer Material Science:
Filming agents for
visually striking eyes