

# *Cosmetic Market Trends*

Steve Biding, MK Life Inc.

Guangzhou, China

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# Steve Biding

*Brand Creation, International Marketing & Sales*

## ✓ 25 years cosmetic experience

- *President, MK Life Inc.*
  - *Brand creation, distribution*
- *President, Bourjois Japan*
  - *Created \$30 million business*
- *VP, Revlon Japan*
  - *Created \$60 million business*
- *VP, Revlon US*
- *M&A, MacAndrews & Forbes*
  - *Revlon, Max Factor*

## ✓ Education

- *MBA, Harvard University*



# Market Trends

Natural & Organic	Less dependence on traditional retail
Sustainable	Luxury is less luxurious, less selective
Anti-aging and cosmeceuticals	Internet marketing and sales
Beauty inside and out	Video bloggers
Men's	Discovery retail
Beauty devices for salon and home use	Blow dry chains
Multi-functional products	On demand services
Packaging forms	Private label and “masstige” brands
Texture	Fashion and lifestyle brands
Animal testing	Cosmetic Valley type associations



## Natural ingredients

### Alban Muller of France

The “Natural Product Designer”

Natural ingredient supplier

Sustainable sourcing

Eco-friendly manufacturing

### Founder, The Herboretum

Biodiversity and consumer education

### President, Cosmetic Valley

Collaboration government, universities

Suppliers, brands



# Natural Substitutes for Synthetics

Lipolami<sup>®</sup>

(Milk Thistle)

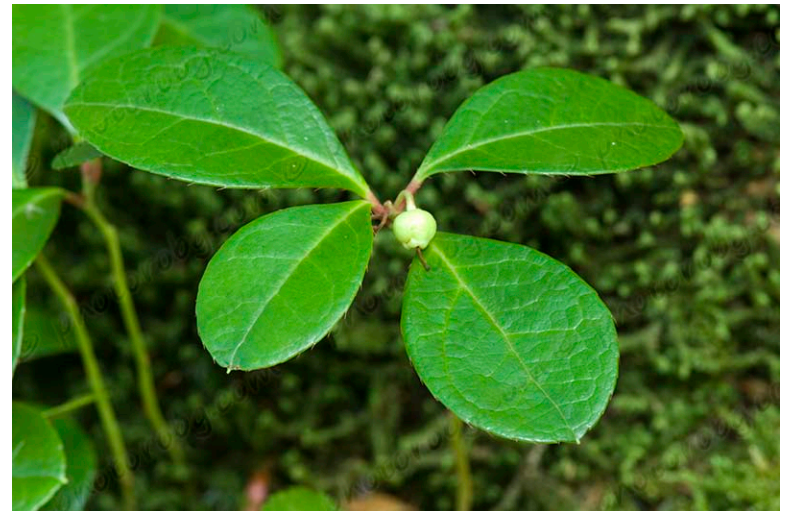
Replaces Silicon



Amipreserve<sup>®</sup>

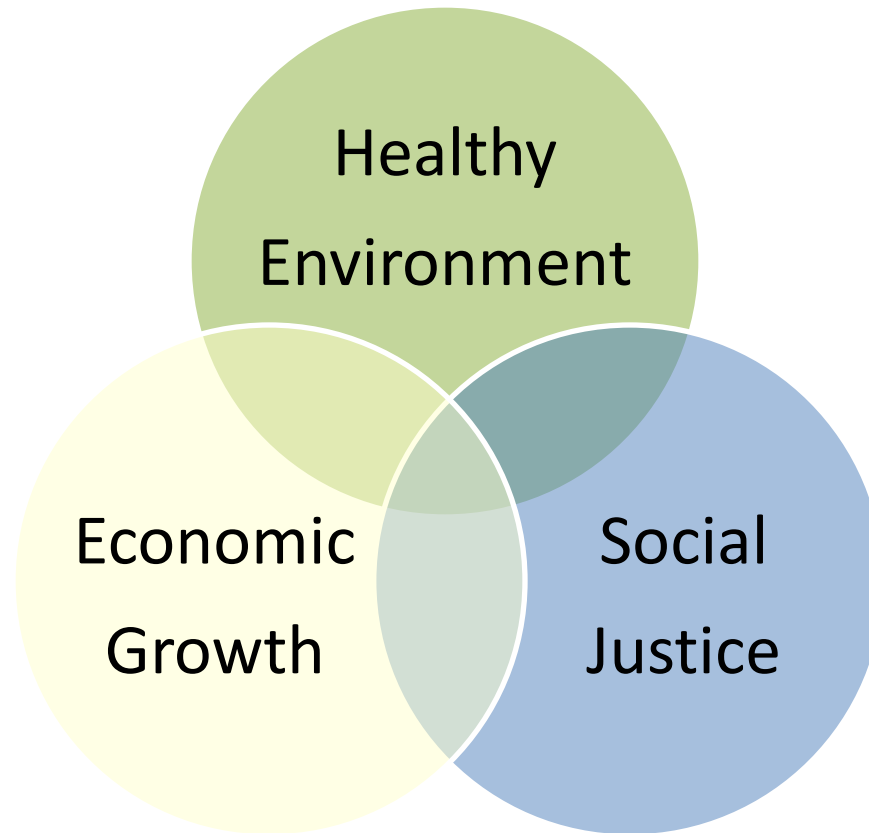
(Wintergreen)

Replaces Parabens



# Definition of Sustainability

United Nations



# Plant Cultivation

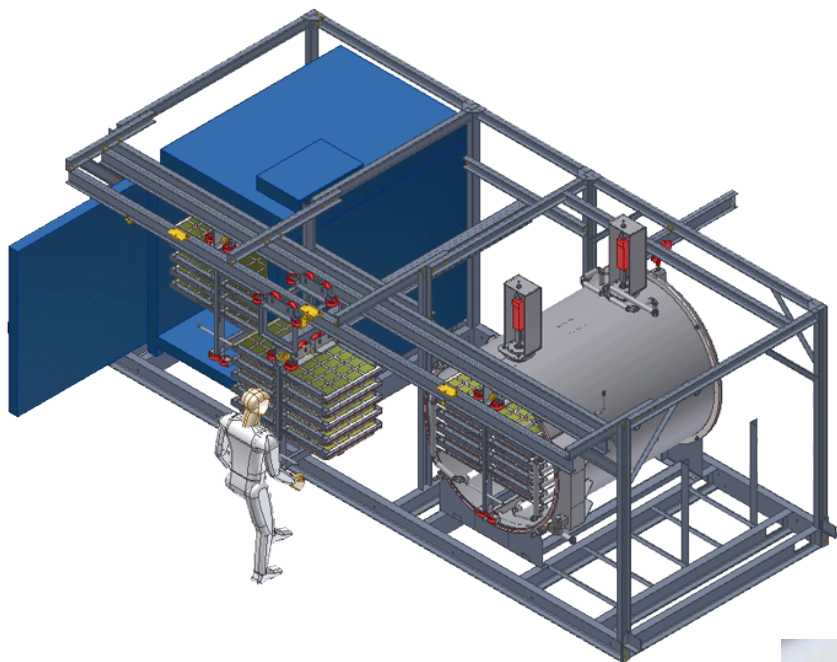
Maqui, a Super Fruit from Chile





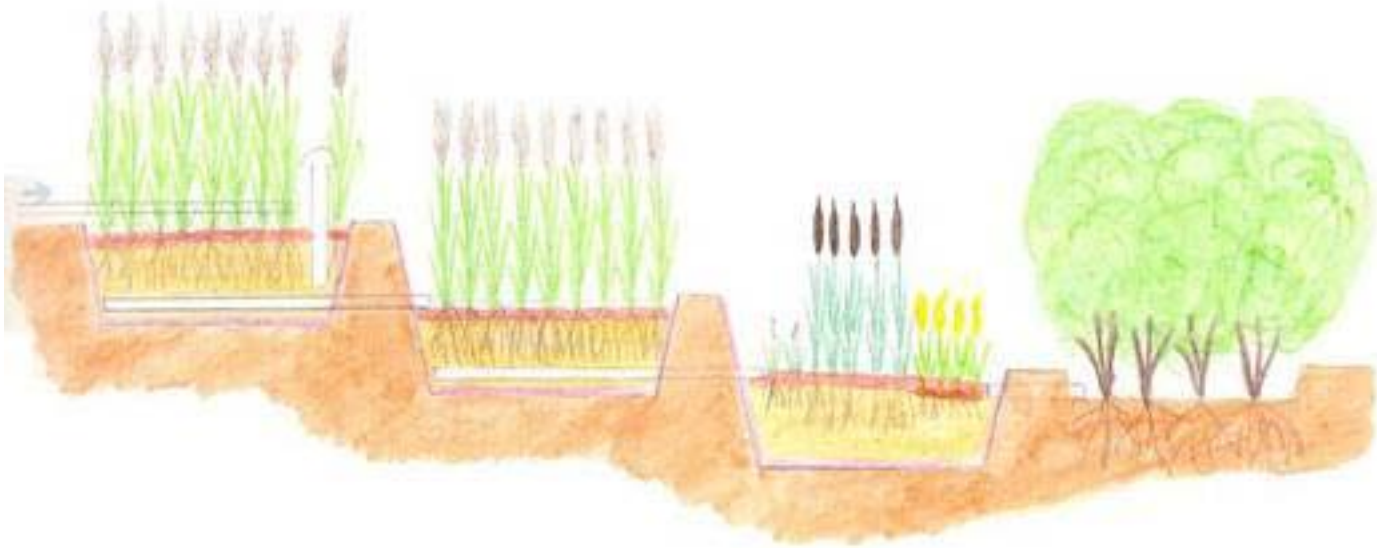
# Zeodration

Eco-friendly Plant Extracts



# Filtering Gardens

Plant Roots Clean the Factory Water



# Green Packaging

Use less Plastic / Re-use for Food



## Leading brand in US

### Nicholas Perricone, MD

- Inflammation theory of aging
- Science-based with 40+ patents
- Beauty inside & out
- 3 tier philosophy: food, supplements, topical skin care
- Three NYT # 1 best sellers

### Key ingredients & technologies

- Alpha Lipoic Acid, Vitamin C Ester, DMAE, Neuropeptides, Tocotrienols, Cold Plasma system, Acyl-Glutathione

### Perricone MD brand

- Multi-channel strategy
- TV, internet, prestige retail
- #1 selling doctor brand on QVC US
- QVC in US, UK, Germany, Italy, Japan

### New brand named “Super”

- Super foods as key ingredients
- For younger consumers
- Company branded stores

# FOREVER YOUNG



## Going mainstream

### Borba brand

- Cosmeceuticals and nutraceuticals
- TV, internet, and retail
- Evolving from prestige to mass retail

### Distribution

- Department stores and beauty stores (2004)
- TV shopping (2006)
- Drug stores, grocery stores, and convenience stores (2011)

### Product line for 2500 Walgreens stores

- 9 skin care + 1 kit
- 9 supplements
- 4 vitamin-enhanced waters
- 4 drink mixes



## Functional foods

### Medicine

#### Foods for specified health use

- Abbreviated as FOSHU
- Claims that maintain or promote human health, or that improve risk factors for lifestyle-related diseases
- Product-specific approval system

#### Foods with nutrient function claim

- Abbreviated as FNFC
- Nutrient claims from vitamins and minerals
- Standardized formula/labeling system

### So-called health foods

### Regular food





# Foods for Specified Health Use (FOSHU)

## Some of the categories

Gastrointestinal conditions, blood pressure, serum cholesterol, blood glucose, absorption of minerals, blood lipids, dental health, bone health

## Tsubaki by AFC Japan

Beauty drink for cell renewal and collagen production; Contains collagen, elastin, and hyaluronic acid



# Foods with Nutrient Function Claims (FNFC)

## Vitamins (12)

Vitamins A, C, D, E, B1, B2, B6, B12,  
Niacin, Folic acid, Biotin, Pantothenic  
acid

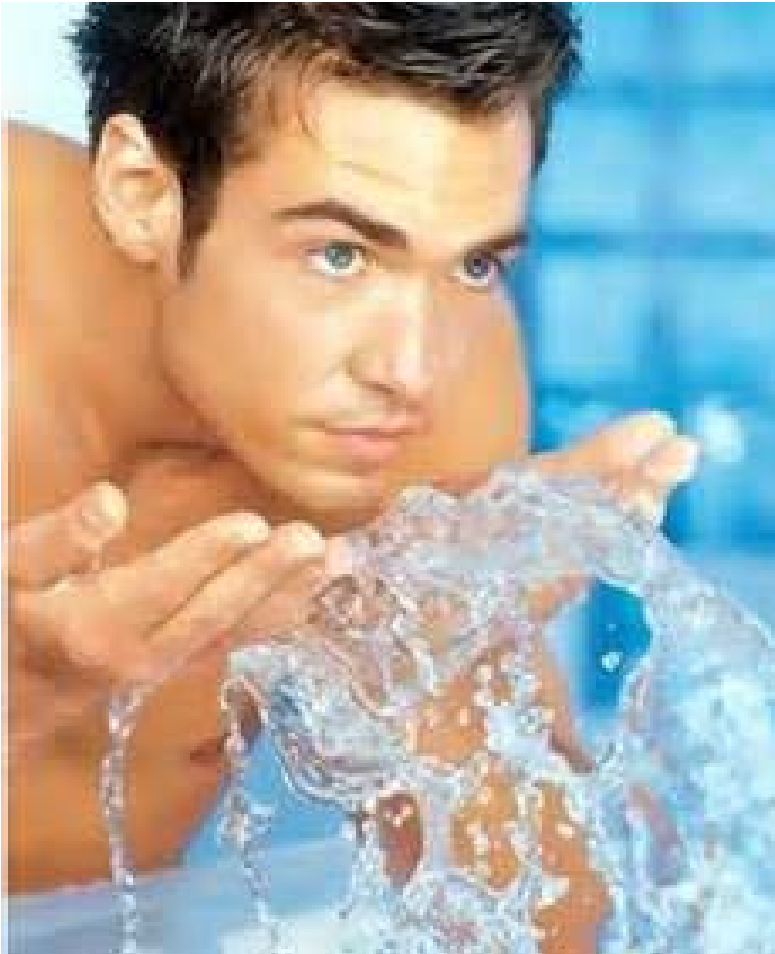
## Minerals (5)

Zinc, Calcium, Iron, Copper,  
Magnesium





# Men's Segment Growing Fast



# Beauty Devices for Home Use

Tria laser and Clarisonic cleansing brush



# Beauty Device for Home Use

La Vie IPL = Hair Removal + Skin Rejuvenation



# Beauty Device for Salon Use

Geneo = Exfoliate + Infuse + Oxygenate



# BB Cream



# Cuticle Oil

with Roller-ball Applicator



## Leading brand in Japan

### Dr. Ci:Labo brand

- Founded by Yoshinori Shirono, MD
- #1 doctor brand in Japan
- Natural ingredients
- Multi-channel strategy
- TV, internet, catalog, retail

### Aqua Gel Collagen cream

- 10 million units sold in 1<sup>st</sup> ten years
- Many products in Japanese regimen,
- 5 products in 1
- Mild, moisturizing gel for sensitive skin

### Key ingredients

- 4 ceramides, ATP complex (Japanese & Chinese plants), Vitamin H, Vitamin P



# Animal Testing in China

New rules from July 2014



cruelty**free**





# Department Stores



# Internet Shopping



# Amazon Beauty Store

The screenshot shows the Amazon Beauty Store homepage. At the top, the Amazon Prime logo is on the left, and navigation links for Lauren's Amazon.com, Today's Deals, Gift Cards, Sell, and Help are in the center. On the right, there's a Halloween Shop banner and a 'Hello, Lauren' greeting with links to Your Account, Your Prime, Cart, and Wish List. Below the navigation bar, a search bar contains 'Luxury Beauty' and a 'Go' button. A horizontal menu lists various beauty categories: Luxury Beauty, Luxury Makeup, Luxury Skin Care, Luxury Fragrance, Luxury Hair Care, Luxury Men's Grooming, All Beauty, and All Men's Grooming. On the left side, there are two sections: 'Shop by Feature' with links like 'Free Sample with Purchase', 'By Brand', and 'Editors' Picks'; and 'Shop by Category' with a list of sub-categories including 'Luxury Beauty', 'Luxury Makeup', 'Luxury Nails', 'Luxury Skin Care', 'Luxury Fragrance', 'Luxury Hair Care', 'Luxury Tools & Accessories', 'Luxury Men's Grooming', 'All Beauty', and 'All Men's Grooming'. Below these is a 'Shop by Trend' section with links like 'Bold Lips', 'Lush Lashes', 'Metallic Nails', 'Dewy Skin', and 'Smoldering Eyes'. The main content area features three large promotional banners. The first banner on the left is for 'cosmetic. CARE' and shows three bottles of hair care products. The middle banner is for 'BURBERRY BODY' and features a woman in a trench coat next to a bottle of body oil, with a 'SHOP NOW' button. The third banner on the right is for 'NARS' and shows several tubes of lipstick.

amazon Prime

Lauren's Amazon.com Today's Deals Gift Cards Sell Help

Shop by Department ▼ Search  Go

Hello, Lauren Your Account ▼ Your Prime ▼ Cart ▼ Wish List ▼

Luxury Beauty Luxury Makeup Luxury Skin Care Luxury Fragrance Luxury Hair Care Luxury Men's Grooming All Beauty All Men's Grooming

**Shop by Feature**

- Free Sample with Purchase
- By Brand
- Editors' Picks

**Shop by Category**

- Luxury Beauty
- Luxury Makeup
- Luxury Nails
- Luxury Skin Care
- Luxury Fragrance
- Luxury Hair Care
- Luxury Tools & Accessories
- Luxury Men's Grooming
- All Beauty
- All Men's Grooming

**Shop by Trend**

- Bold Lips
- Lush Lashes
- Metallic Nails
- Dewy Skin
- Smoldering Eyes

*LUXURY BEAUTY*

cosmetic. CARE

BURBERRY BODY

SHOP NOW

NARS

# TV Shopping



# Private Label & “Masstige”

Sephora



Olay



# Burberry



# Beauty Video Blogs

1 billion views for Michelle Phan



# Birchbox = Discovery Retail





# The Blow Dry Trend

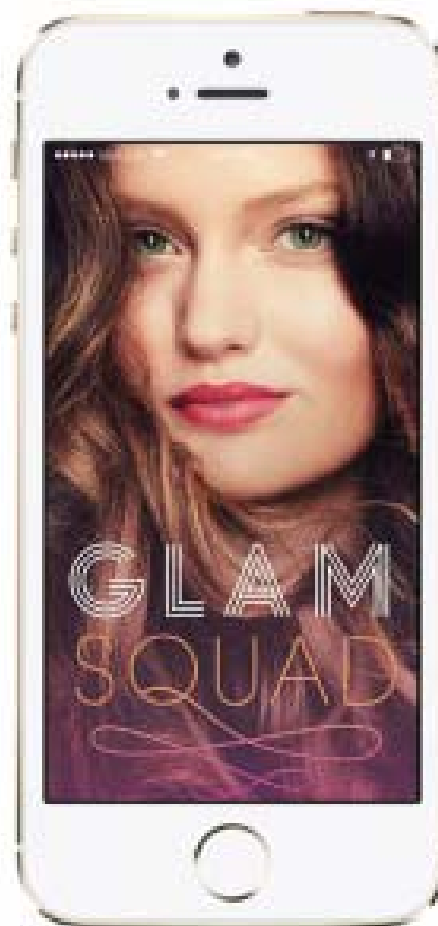


# Drybar

- ✓ **Specializes in blow dry hair styles**
  - Tagline: “No cuts. No color. Just Blowouts. Just \$35. (wash included)”
- ✓ **New concept**
  - Quick, convenient, affordable
  - Limited number of hair styles on menu
  - Bar-like room design (social experience like Starbucks), large screen TVs, phone chargers, free drinks & food
  - ✓ **40 locations across the US in 4 years**
    - Established October 2010 in California
- ✓ **Sells styling products & styling tools**
  - Online, Sephora, QVC
  - Priced from \$20-200
- ✓ **Hosts parties**
  - Bridal showers, birthday parties, girl’ s night out, corporate



# Uber-like On Demand Services



# Cosmetic Industry Development

## Japan Cosmetic Center

Southern Japan



## Lotus Valley

Shanghai



LOTUS VALLEY