

# Beauty Report 2016

Seventh report on the value of the cosmetics industry

48<sup>th</sup> analysis of the cosmetics industry and consumption in Italy



# “ Introduction

The seventh edition of the Beauty Report will be focused on two key factors, which effectively summarise the current scenario in the cosmetics industry in Italy - namely, the degree of recovery seen in the domestic market, and the further consolidation of competitiveness in foreign markets. As ever, the study carried out by Ermeneia, which, for the second year running, is paired with the forty-eighth statistical analysis by the Cosmetica Italia Statistics Dept., serves to maintain the "Progetto Reputazione", which has been built up over a number of years by the organisation. Over time, the disparity between the image and the actual reality of the cosmetics sector is increasingly fading, even though many stereotypes still exist. Moreover, this Report was designed to provide industry institutions, operators and the media with the key information and interpretations that distinguish the sector, rendering it relatively unique, based as it is on the universal and unifying "art" of cosmetics, which demands investment (which, by the way, has already reached significant levels) in research, creativity, safety and innovation, providing effective responses to the changing needs of consumers.

For 2016, the work of Ermeneia and the Statistics Dept. has once again served to confirm the impressive hold of the Italian cosmetics industry within the context of the current economic cycle, particularly if we take comparisons with other economic and productive sectors into consideration. In this regard, we must bear in mind that we are faced with the following:

- a sector which - despite the fact that it is still slowly emerging from the crisis - can count on revenue growth in excess of 10 billion euro, thanks to the increasing presence of Italian cosmetics companies on foreign markets: as a matter of fact, exports grew by more than 14 percentage points, hitting 3.8 billion euro and thus giving rise to a trade surplus of 2.0 billion euro; meanwhile the domestic market is also showing signs of recovery to the tune of +1.4%, surpassing 9.8 billion euro for products sold;
- a sector which takes a totally unique approach to promotion: the alliance with Cosmoprof, the world-leading Bologna Fiere event, allows the Italian cosmetics industry to make its presence felt, and to strengthen its competitiveness in the global market: it is no coincidence that 2017 will see both organisations celebrating 50 years since their establishment;
- a sector which, like the food industry, can rely on a unique daily relationship with the consumer, who, in turn, sees cosmetics as having an exclusive function in that, just like food, these products are incorporated into our daily lives, becoming both a daily requirement and an indispensable habit. This year's Report also reveals that the Italian cosmetics industry is a naturally "customer-sensitive" sector - much more so than many others - which is able to consistently respond to consumer attitudes and behaviours. Indeed, this year, these attitudes and behaviours have been characterised by a phenomenon of "exploratory stabilisation", with consumers consolidating existing habits, on the one hand, but also looking to expand their horizons with regard to information and knowledge horizon on the other;
- a sector which, as illustrated in the section dedicated to new roles, is adept at promoting the processes of connection between businesses and the market, encouraging the emergence of new professional roles;
- a sector that is the expression of a healthy and innovative industry, committed to social and environmental sustainability.

Despite the difficulties linked to the ongoing instability of economic policy indicators, the overall picture that emerges of the companies represented by Cosmetica Italia is largely satisfactory. The resilience of these companies over the last few years confirms their capacity to react to the challenges posed by the current economic situation.

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# Seventh report on the value of the cosmetics industry

# Summary of observations

As it has been the case for seven years now, the Beauty Report gives an account of the key developments in the cosmetics industry, from three fundamental perspectives: the first of these is the evolution of the basic indicators (industry revenue, consumption, export, investment in advertising, comparisons with the rest of Europe), the second is the development of cosmetics companies with respect to the economic cycle, while the third perspective looks at the ever-changing attitudes and behaviours of consumers. Each of these factors is interpreted as part of a transversal view, which compares the results of the analyses carried out, taking into account the evolution of the industry and its key players over the years in managing the challenges posed by the market, the changing consumer demands and expectations, and the process of weathering a somewhat tricky economic cycle.

In addition, this year we wanted to further explore the theme of human resources, with particular reference to the "new roles" in the cosmetics industry that are emerging, either as the natural evolution of those that have become established over time, or, as an (equally necessary) innovative response to the changing attitudes and behaviours of consumers, who are becoming increasingly engaged with communications processes emerging from the digital sphere. The interpretive statements pertaining to the industry can be condensed into the following four phrases.

The first is that *this sector demonstrates clear positive reactivity in and of itself, and even more so when compared with the national average for non-durable goods.*

Indeed, the first three sets of data in Table 1 show the following:

a) First and foremost, a significant growth in the value of the industrial output of the cosmetics sector in the year 2015 (+ 6.0%) compared with rise of just 0.8% in 2014, and other similarly limited increases in previous years. Moreover, the overall industrial production figures for the country, and particularly those regarding the manufacture of non-durable goods, only serve to highlight the steady improvement in the sector: as a matter of fact, the latter actually recorded positive annual increases, in contrast to the negative (or at least, less positive) results reported for the manufacturing industry as a whole, and with regard to non-durable goods in particular;

b) Secondly, we can observe that the value of exports was also subject to a double-digit increase in 2015 (+14.2%), compared to +4.5% for the durable goods sector as a whole. And, in any case, the dynamics from one year to the next place the cosmetics sector well above the dynamic national average for export of non-durable goods;

c) As a result of the positive export flows, the trade surplus rose again substantially in 2015 (up by 21.1%), returning to the sorts of figures seen between 2010 and 2013.

It is by no means easy to estimate the evolution of the export turnover for the year 2016, but on the basis of the figures for the first half of the year, representatives of industry operators have speculated that we will see a conservative increase of 5% in the first case, and 10% in the second.

The dynamics of the domestic market appear to be more limited, however (see 4th and 5th groups of data in Table 1), after positive figures were finally seen again in 2015 (+1.4%), after the negativity of the previous three years (-1.1% in 2012, -1.2% in 2013 and -1.1% in 2014). It does however appear that figures for cosmetic consumption (except in 2010 and 2014) have held up better than those seen for domestic consumption of non-durable goods in general.

In light of the observations above with regard to the evolution of the domestic market, it is understandable that investment in advertising appears to be struggling to recover to pre-crisis levels, and indeed, over the course of the last five years, figures have tended to keep the "-" sign (with the exception of 2014, when the budget remained virtually the same as in 2013, with an increase of just 0.1%).

In order to gain a better understanding of the dynamics of the domestic market for cosmetics (which grew by 1.4% in 2015), it is helpful to consider the behaviour of the various different sales channels in terms of increases/decreases year on year:

	Δ 2011/2010	Δ 2012/2011	Δ 2013/2012	Δ 2014/2013	Δ 2015/2014	Sales 2015 (millions of €)*
Pharmacies	1.9	-1.4	0.4	1.5	1.5	1,834
Perfume shops	1.0	-3.6	-3.3	-2.4	0.9	1,964
Mass market	0.7	-1.9	-2.4	-2.5	1.6	3,764
of which:						
- Supermarkets/ hypermarkets	-0.8	-3.2	-4.4	-4.1	-1.7	1,905
Herbalist shops	3.8	5.0	2.8	2.4	2.9	431
Single-Brand stores	50.3	26.6	11.9	-3.6	-2.6	370
Door-to-door sales	3.6	2.0	4.5	2.8	-1.5	462
Mail order sales	3.2	4.2	4.0	3.6	-0.8	69
E-commerce	200.0	55.6	81.0	44.7	54.5	170
Beauty institutes and beauticians	1.6	-5.2	-5.5	-3.7	-3.2	226
Hairdressing	-1.5	-6.0	-8.4	-3.6	-2.2	558
<b>Total</b>	<b>2.2</b>	<b>-1.1</b>	<b>-1.2</b>	<b>-1.1</b>	<b>1.4</b>	<b>9,847</b>

From this, we can assert that until the end of 2010, positive increases in sales of cosmetics were seen across all channels, and that only the super and hypermarkets showed a slight decrease over the previous year (-1.9 %). The impact of the crisis on the domestic market becomes visible from 2011 onwards, as demonstrated by the increased number of "-" signs: first and foremost with regard to beauty and hairdressing salons, followed close behind by perfume shops, which saw a slight recovery in 2015 (while super and hypermarkets continued to follow a consistent downward trend, despite slight easing of this dynamic).

But in the meantime:

- herbalist shops and e-commerce retailers have continued to demonstrate consistent growth - in five years (2010-2015), the respective turnover of the aforementioned has increased from 365 million to 431 million euro (+18.0%) in the first case and from 9 to 170 million euro (or +1,800%) in the second (the phenomenon of e-commerce is rapidly evolving in Italy);
- sales for single-brand stores have also increased significantly for four consecutive years, growing from 185 million to 394 million euro between 2010 and 2012, only to be re-calibrated at around 380-370 million euro over the course of the subsequent two years: however, in any case, this sector has grown by a total of 113% over the last five years (with considerable double-digit increases every year);
- door-to-door and mail-order sale figures have also risen (although the absolute dimensions of this sector have remained relatively modest), with 473 million euro of turnover in 2010 growing to 539 million euro in 2014, before falling slightly in 2015 to 531 million euro (the total increase for this period amounted to +12.3%).

Overall, therefore, the industry has experienced a relatively minor average drop in sales in the domestic market, which proved problematic for all goods and services, and has managed to claw back a largely positive year for 2015 (+1.4%).

Tab. 1 – Growth in production and export and decline in domestic consumption (val. %)

Phenomena	Data								
Industrial manufacturing output trend compared to previous year (percentage increases)	2007	2008	2009	2010	2011	2012	2013	2014	2015
-Total Italy <sup>1</sup>	2.0	-3.5	-19.4	7.1	1.5	-6.9	-2.9	-0.1	1.1
- Italy (non-durable consumer goods) <sup>1</sup>	0.4	-0.3	-4.6	2.4	-1.2	-4.0	-1.6	-0.3	0.2
- Cosmetics industry (export included) <sup>2</sup>	2.0	1.8	-2.6	5.7	4.4	0.9	2.7	0.8	6.0
Performance of exports over previous year (% Increase)									
- Italy (non-durable goods at current prices) <sup>1</sup>	5.6	-4.4	-22.9	10.8	4.3	2.8	1.9	2.2	4.5
- Cosmetics sector <sup>3</sup>	1.0	1.4	-11.8	17.2	11.0	7.1	11.1	4.9	14.2
Cosmetics industry balance of trade <sup>3</sup>									
- millions of euro at current prices	782	747	644.4	826.4	1,012.0	1,235.0	1,525.0	1,649.0	1,997.0
-% year by year (at current prices)	-4.8	-4.5	-13.7	28.2	22.5	22.0	23.5	8.1	21.1
Consumption trend for non-durable consumer goods in Italy									
- millions of euros at current prices <sup>1</sup>	328,728	320,018	309,978	310,769	308,423	294,622	288,875	284,307	285,102
-% year by year (at 2010 chain index prices)	n. a.	-2.6	-3.1	0.3	-0.8	-4.5	-3	-0.5	0.3
Trend in cosmetics consumption in Italy <sup>4</sup>									
- millions of euros at current prices	9,518.6	9,742.7	9,922.2	9,823.9	10,041.4	9,927.8	9,812.9	9,709.5	9,847.4
-% year by year (at current prices)	n. a.	2.4	1.8	-1.0	2.2	-1.1	-1.2	-1.1	1.4
Cosmetics industry advertising expenditure <sup>5</sup>									
- millions of euros at current prices	566.3	571.8	520.3	568.0	563.7	496.0	458.0	458.5	442.0
-% year by year (at current prices)	1.5	1.0	-9.0	9.2	-0.8	-12.0	-7.7	0.1	-3.6

(1) Source: Istat, data adjusted for calendar effects.

(2) See Chapter 1 of sector analysis, page 149

(3) See Chapter 1 of sector analysis, page 149

(4) See Chapter 2 of sector analysis, page 171

(5) See Chapter 4 of sector analysis, page 201

Source: Ermeneia for Cosmeitalia, 2016

The second interpretive statement to be made is *that consumers of cosmetic products have reached a point of "exploratory stabilisation" of their attitudes and behaviours.*

In this instance, the statement does not appear to be contradictory. Indeed, the survey conducted on consumers reveals a situation that goes beyond the simple "completion of the cycle" and "quality sobriety" as highlighted in the previous report, in light of the fact that (see. Table 2):

a) the propensity to purchase cosmetic products has shown a tendency to stabilise, as indicated by the growth and/or continuity of purchase indicators (see 1st group of data in Table 2), which is further supported by less "anxious" attitudes with regard to spending volumes and the price levels of products when compared to those seen in previous years (see 2nd group of data in Table 2). This serves to signify that the crisis has, to some degree at least, been assimilated, even if we cannot yet say that we have left it behind us entirely;

b) the increasing tendency to use a number of channels simultaneously has once again emerged as a more or less stable approach, but with a more selective slant, leaving behind the generic 360° approach: in other words, today, consumers have learned to make more choices, perhaps - as has been the case so far in 2016 - leaning less towards large retailers and more towards e-commerce and "door to door" sales; however, the desire remains to enjoy a light shopping experience within the channels most suited to this (see 3rd group of data in Table 2);

c) the consolidation of a-cyclical or even anti-cyclical attitudes and behaviours with regard to spending on cosmetic products has led to a further growth in percentages for 2016 - a phenomenon which bears further testament to the absorption of the crisis (see 4th group of data in Table 2);

d), however, we are also confronted with the desire to escape from a phase of "satisfactory completion of the cycle", inspired by the quality sobriety discussed last year, in order to consolidate our entry into the world of the Internet - not only through e-commerce, but also through active participation on social media platforms: as such, we find ourselves faced with a further phase of consumer empowerment. Indeed, consumers are already more informed today, but this has not served to "mollify" them - they are driven by a desire to constantly explore the world of cosmetics, including through peer-to-peer relationships, not only in order to compare opinions, but also to verify the experiences of others with various cosmetics in the field (for example through Instagram). The fact remains, however, that customers visiting a suitable point of sale with the objective of investing time and money in a quality product will want to be given an experience of corresponding value: not only with regard to the quality/price ratio, but also (and more importantly) to the meaningful engagement that is expected from an environment in which greater care and emotional involvement should be dedicated to the customer, above and beyond the sales process and the basics of politeness (see last group of data, Table 2).

Indeed, it is precisely to this that the phrase used above - "exploratory stabilisation" - is referred to: this process acknowledges the "metabolization" of the crisis, whilst highlighting the need to open up, just as consistently, to the new and improved experiences that we still have access to.

The third interpretive statement refers to the fact that *cosmetics companies are themselves demonstrating a sort of dynamic stabilisation, the result of the learning process triggered by the nature of the economic cycle in recent years.*

The signs of recovery in the country, the climate of confidence and trust that has been growing within businesses for the last twelve months, and above all the ongoing commitment of companies to day-to-day resilience have combined to usher the industry into a more stable, defined situation, characterised by an internal dynamics of permanent reactivity.

The results gathered are taken not only from the overall figures for the sector - especially in terms of exports - but also from the statements submitted by entrepreneurs, compared over the years (Table 3).

First and foremost, the figures recorded for the economic cycle reveal a drop in the numbers of those claiming to have

suffered "a lot and/or quite a lot" as a result of the crisis: from 42.7% in 2010, this figure fell to 37.6% in 2016 (see first set of data in Table 3). Furthermore, the analysis of the crisis also shows that today, 8 out of 10 entrepreneurs (compared to 6 out of 10 in 2012) consider their respective companies to have been affected very little (or not at all) by the ongoing crisis, or conversely, that they believe their company to have successfully emerged from this difficult period - or even that their business is subject to a process of continuous transformation, irrespective of the current economic phase (see second group of data in Table 3).

Moreover, trends pertaining to "fundamental" products have also shown an increase in orders and sales from 2012 to 2015, as well as exports in parallel to this: in the latter case, the period 2012-2013 saw a significant acceleration, with a still strong but obviously more stabilised growth dynamic in 2014 and in 2015 (see third group of data in Table 3). Secondly, we must remember that a-cyclical and anti-cyclical consumer behaviours and attitudes towards spending on cosmetic products, the features of which are set forth in the preceding pages, represent a timely response (an almost "mirror neuron" reaction ) to the attitudes and behaviours of entrepreneurs. In this regard, we only need to consider the following:

- the propensity of the latter to invest during the crisis: with an annual trend of more than 60% in the 2013-2015 period, and an acceleration in 2016 (see fourth group of data in Table 3);
- this approach is confirmed by the "thinking" of entrepreneurs, when they state that "we are continuing to invest as often as we can; the competition within the industry is very high" (with a significant a-cyclical mechanism) and that "the crisis represented an opportunity to invest more", confirming an anti-cyclical mechanism (see the fifth group of data in Table 3).

Thirdly, the "learning" process triggered by the crisis - which has called for increased resilience from businesses in terms of investment and with regard to a-cyclical and anti-cyclical attitudes - has grown and expanded, becoming more widely accepted over time, as conveyed by the opinions of entrepreneurs. In this regard, an increase in the degree of agreement on a number of statements pertaining to the (necessary) evolution of the modus operandi of businesses was seen between 2014 and 2016 (see last group of data in Table 3).

From the above points, the process of stabilisation of businesses with dynamic elements mentioned at the beginning seems fairly evident - partly due to the already-established approach, and partly due to the influence of the crisis - in the attitudes and evaluations of entrepreneurs.

The fourth interpretive statement relates to the *further study of the "new roles" in the cosmetics sector, from which a number of key processes emerge that serve to promote the emergence of new professional profiles*. We simply need to keep in mind:

- the increasing emphasis on traditional end customer-focused business by industrial cosmetics companies - seen today as more essential than ever - resulting in these organisations focusing all of their business functions and resources on this area, without distinction;
- the definitive transformation of the sales logic, which passes from the centrality of the sell-in to the centrality of the sell-out, and the resulting mental and operational transformations of all those involved;
- the (forced) increase in "fluidity" in the links between industrial companies, intermediate figures and retailers/hairdressers/beauticians etc.: this results in an improved ability to transmit the "energy" derived from customer demands and expectations to the retailer and to any intermediate figures, before finally engaging the manufacturer, and - vice versa - to pass the "energy" from the latter back towards the intermediate figures and subsequently to the retailer and the customer;
- the progressive incorporation of the digital world, not only through entry into the world of e-commerce, but also with regard to social media platforms, on which companies must be able to play an active role, if they want to take full advantage of the energy which must flow smoothly from top to bottom and from bottom to top (as mentioned in the previous paragraph);

- and finally, the growth of an increasingly virtuous collaborative relationship between third parties and customers, enriching the offering of the companies with increasingly advanced functions (and thus also influencing the precise content of the new professional roles).

In conclusion, it is essential that we recognise that the cosmetics industry is a vital, dynamic sector which, having faced the decline of the domestic market, has also demonstrated that it is made up of a network of particularly "reactive" industrial enterprises on the one hand, and a lengthy supply chain composed of a plethora of different channels aimed at the end customer on the other. The ability to promote and draw full benefit from the virtuous link between production, sales channels and consumers on a day to day basis is of tremendous value to the endurance and growth of the sector: the cosmetics industry is simultaneously the focus of an industrial, a commercial and a consumer culture, and this is constantly being interwoven, resulting in the achievement of significant economic results. Furthermore, this sector also succeeds in generating innovation within the various professions that together make the industry a rich and extensive employer, with roles not immediately associated with cosmetics in advanced research, marketing and new media.

**Tab. 2 - An "evolved" stabilisation of consumer attitudes and behaviours (val.%)**

Phenomena	Data						
A confirmation of the growing propensity for spending <sup>1</sup>	2012/ 2011		2013/ 2012		2014/ 2013		2015/ 2014
	17.7		11.6		12.4		12.2
They spent a lot and/or a little more than in the previous year	35.4		25.6		27.5		31.2
	2012		2013		2015		2016
They think they will spend a lot and/or a little more in the current year	18.4		9.3		11.2		10.7
They think they will spend a lot and/or a little more in the current year + like last year, with significant spending	39.4		25.9		26.9		27.1
The "assimilation" of the crisis in qualitative attitudes ("Strongly agree + I somewhat agree" responses) <sup>2</sup>	2012		2013		2015		2016
"The recession has forced me to be more prudent in making these kinds of purchases"	70.6		73.4		66.6		61.3
"The crisis has led me to buy cheaper products than before"	54.3		57.1		45.8		42.1
A selective maturity with regard to the channels used ("Strongly agree + I somewhat agree" responses) <sup>2</sup>	2013		2014		2015		2016
"The crisis drove me to purchase cosmetic products from a wide range of different channels, based on the best price/quality ratio"	30.5		47.2		47.6		37.7
"I bought more private label products for sale in large retailers"	-		41.5		38.5		35.8
"The crisis drove me to buy goods over the Internet"	19.7		29.0		22.0		21.0
"I purchased cosmetics from "door to door" salespersons"	-		27.2		14.8		20.5
"When buying cosmetics, I particularly appreciate the capacity of staff to be friendly, to give advice, to help me to try products, and to guide me in making the most suitable choices"	-		49.7		47.3		47.8
The strengthening of a-cyclical and attitudes and completion of the cycle ("Strongly agree + I somewhat agree" responses) <sup>3</sup>	2010	2013		2014		2015	2016
"The recession has not changed my spending habits significantly - I cannot and should not sacrifice taking care of myself, my well-being and my looks"	51.0	40.0		46.8		45.9	47.3
"Despite the crisis, I have perhaps bought even more, because I know that it's crucial not to let myself go, even during the most difficult periods" <sup>4</sup>	22.9	19.2		28.8		17.9	23.0
The desire to go beyond the completion of the cycle ("Strongly agree + I somewhat agree" responses) <sup>3</sup>						2015	2016
"Today I have a more restrained attitude towards cosmetic products - I am more aware of my own needs, and I buy products to meet these, at a fair price"						62.3	56.3
"I found a good balance between the type of products I want and the channels I use to purchase these"						66.2	60.7
"These days, I research cosmetics products on the internet, looking at the various applications and the results obtained, before choosing a store where I can try the product myself (but if the price is better, I buy it over the Internet"						-	34.0
"I increasingly check social media for opinions on cosmetic products shared by those who have used them, and I contribute with my views too"						-	27.8
"I feel pretty informed on the products available, and I am able to choose what suits, but I know that I have to stay up to date with the latest developments"						-	50.3
"If I want to buy a product that I particularly like, I will look for a sales point where I receive a warm welcome and high quality service, and where I can enjoy a pleasant shopping experience"						-	46.7

(1) See Second Section/Tables 1 and 2, page 62 and 63

(2) See Second Section/ Table 3, page 68

(3) See Second Section/ Table 4, page 70-71

Source: *Ermeneia for Cosmetics Italia*, 2016

**Tab. 3 - A dynamic stabilisation of companies**

Phenomena	Data							
MITIGATION OF THE IMPACT OF THE CRISIS	Spring 2012		Spring 2013		Spring 2015		Spring 2016	
The respondent's company felt the results "strongly + quite strongly" <sup>1</sup>	43.0		44.5		34.4		37.6	
The respondent's company felt the results "a little and/or not at all" <sup>1</sup>	57.0		51.1		62.6		62.4	
	Spring 2012		Spring 2014		Spring 2015		Spring 2016	
In reality, my company has been affected very little/not affected at all by the ongoing crisis <sup>2</sup>	13.9		21.0		23.9		18.6	
My company has now emerged from the crisis <sup>2</sup>	2.8	} 62.5	3.7	} 64.3	-	} 86.5	2.9	} 81.4
My company operates outside of the current economic crisis and is subject to a process of continuous transformation, which is necessary to remain competitive at all times <sup>2</sup>	45.8		29.6		62.6		59.9	
My company is still caught up in the crisis, but is showing positive signs of recovery <sup>2</sup>	26.4		25.9		9.0		15.7	
	2012		2013		2014		2015	
Orders in growth + steady but significant <sup>3</sup>	44.5		51.8		72.8		60.0	
Turnover in growth + steady but significant <sup>3</sup>	52.2		56.8		74.2		65.7	
Exports in growth + steady but significant <sup>3</sup>	83.3		75.5		50.0		55.8	
THE CYCLICAL AND ANTI-CYCLICAL NATURE OF INVESTMENTS	2013		2014		2015		2016	
Strong growth + moderate growth + steady but significant <sup>4</sup>	64.3		67.2		68.4		81.5	
Steady but modest growth + a little reduced + very reduced <sup>4</sup>	34.3		31.4		30.1		18.5	
	2012		2013		2015		2016	
In my company we continue to invest as often as we can, because the competition within the industry is very high	16.9		18.2		29.9		27.1	
In my company, the crisis represented an opportunity to invest more	15.5		15.9		20.9		15.7	
THE LEARNING PROCESS ARISING FROM THE CRISIS			2014		2015		2016	
"Companies must drive product innovation in order to grow, as well as providing more services to their customers"			93.8		95.4		100.0	
"The crisis has forced companies to make changes, and is continuing to do so"			95.1		92.3		100.0	
"The companies that succeed are those who know how to adapt their business model"			81.5		84.6		85.7	
"The crisis favours an increase in partnerships between companies"			55.5		60.0		64.3	
"We must take into account that the consumer has become more skilled in mixing their purchases of different products and in using different channels"					80.0		87.2	

(1) See First Section/ Table 1, page 21

(2) See First Section/ Table 5, page 26

(3) See Diagram in First Section/ Chapter 2, page 30

(4) See First Section/ Table 13, page 40

Source: *Ermeneia for Cosmetica Italia*, 2016

# 48<sup>th</sup> analysis of the cosmetics industry and consumption in Italy

# 1 Scenarios in the cosmetics industry

The turnover of the cosmetics industry, i.e. the value of Italian production, recorded an increase of 6% in 2015 over the previous year, which is equivalent to a value of 10,013 million euro. This serves as confirmation that the sector is an exception among other manufacturing industries, despite some uncertainty in the domestic market, and it is evident that the end of the lengthy crisis that has plagued the economy will increasingly drive the competitiveness that characterises the extensive nation cosmetics supply chain. 2015 was an important year, revealing not only whether the downturn is finally over, but above all confirming the major changes currently taking place within the various channels. In this regard, it should also be noted that in adapting the base data to the new situations, the Statistics Department has reshaped the values of both the market and the products of which it is composed.

The inversion of trends with regard to domestic demand has generated a positive impact on production volumes, with a growth of 1.5%, which is worth 6,207 million euro. Despite paying closer attention to the purchases they make than they once did, consumers nonetheless refuse to make sacrifices with regard to cosmetics and personal care, instead graduating towards new distribution methods and more advanced product types, whilst monitoring prices closely.

A breakdown of sales on the domestic market shows positive trends in direct sales, above all thanks to e-commerce - indeed, this sector has grown by 8.1%, and is joined by herbalist store sales, which, despite being incorporated within the category of mass market, has seen a rise of almost three percentage points. Also on the increase were pharmacy sell-ins (+1.5%) and perfume shop channels, which have also registered a positive inversion (+0.9%).

An analysis of the domestic market as a lever on turnover confirms that among the sales channels, professional channels have taken a negative turn and are down 2.4%, with a sell-in value of 494 million euro. Indeed, in 2015, although at a slower pace, this slowdown in visits to beauty and hairdressing salons has continued, and indeed this is the category that has suffered most from the economic crisis which erupted in autumn 2008.

Influenced by the general economic recovery, the domestic consumption of cosmetics has begun to breathe life into the turnover of domestic companies, which, along with the strong levels of performance achieved by exports, has generated a significant recovery in terms of profitability. Indeed, sales abroad increased by 14.3%, accounting for 3,806 million euro. Whilst rates were somewhat slower, the trend regarding imports was also positive, growing by 7.4%, confirming the recovery of domestic demand, which is still focused on products offering the best price/quality ratio. As a result of these trends, the trade balance remains largely positive, recording a record value of nearly 2,000 million euro.

The analysis of turnover percentages offers interesting new perspectives: mass market retailers still recorded a slight decrease, from 30% to 28.7% of the market, but this blow was softened by the incorporation of herbalist shops, which saw an increase of three percent. However, export figures continue to rise, accounting for 38% of turnover, direct sales (4.4%) and pharmacy sales (11.5%) also on the up. Perfume shops, with a share of more than 12.4%, remain an industry mainstay. Although the economic situation in general remains tense, sales trends reflect the health and competitiveness of the industrial cosmetic system and the effectiveness of the strategy which sees ongoing efforts in the field of research and innovation on the part of companies within the industry, who have been making industrial investments that are well above average. With regard to this, it is perhaps useful to recall that on the occasion of Cosmoprof Bologna 2016, the Statistics Dept. launched an analysis which has been extended to cover the cosmetics supply chain, with a view to proposing, with the necessary adjustments, an extended measurement framework which offers a dynamic and rational overview of the phenomena which affect the chain at various levels, upstream and downstream. From cosmetic ingredients to production machinery, packaging and the finished product, the intention is to provide an overview of the “long”

Italian cosmetics industry supply chain. Obviously at this stage a simplified model is being proposed: an exercise to collect reference values and the initial indicators of trends. The value of the total industry turnover is approaching the 14,500 million euro mark, with a positive trend in 2015, showing a recovery of more than two percentage points, which has been further reinforced by forecasts for 2016. The year is expected to close positively, with growth of more than 3%. From the analysis of the raw materials sector, which recorded a turnover of approximately 900 million euro, to machinery with around 200 million and packaging, which is approaching the 3,000 million euro mark, it is clear that the cosmetics supply chain has a number of common traits and particular characteristics. The companies further upstream, for example, clearly lean towards exports, and in the case of machinery, the export-production ratio is at 75%, while room for improvement is expected for the sector dealing with finished products. Over the course of discussions with operators from each individual area, a range of interesting factors have emerged, contributing to a greater understanding of the dynamics of supply chain transitions: constant investment in research and innovation is common to all, as are complaints by several parties regarding the difficulty of predicting scheduled, ongoing orders, a sign of prudence which continues to affect markets. Thus the strength of the Italian cosmetics industry's "long" supply chain demonstrates an exclusive dynamics, thanks to manufacturers both upstream and downstream, and companies in direct contact with the customer - all of which serve to reiterate the competitiveness and excellence of so-called "Made in Italy" cosmetics. This is confirmation that Italian companies have been able to react quickly to demand, implementing (among other things) adequate internationalisation policies, in order to record consistent significant positive trends. The Italian cosmetics industry is recognised worldwide for its innovative formulations and the dynamic service of its manufacturers; these characteristics have enabled the Italian supply chain industry to make a name for itself on both traditional and emerging markets.

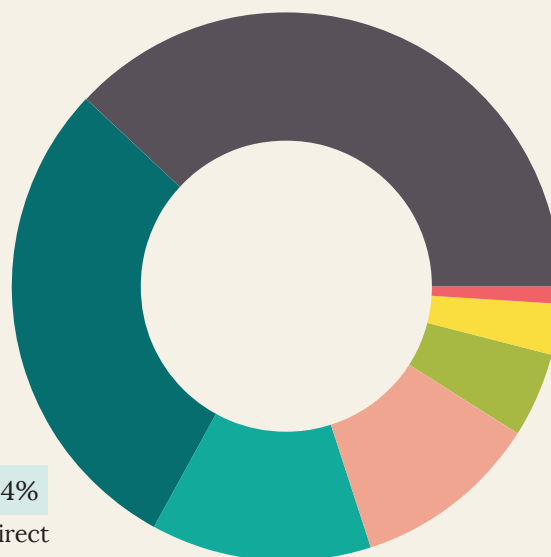
## Turnover of the cosmetics industry by distribution channel

	2014		2015	
	Value	Var. %	Value	Var. %
<b>Turnover Italian market</b>	<b>6,116</b>	<b>-1.0</b>	<b>6,207</b>	<b>1.5</b>
<b>Total - traditional channels:</b>	<b>5,610</b>	<b>-0.7</b>	<b>5,713</b>	<b>1.8</b>
• Pharmacies	1,138	1.5	1,156	1.5
• Perfume shops	1,227	-2.4	1,238	0.9
• Mass market and other channels (*)	2,838	-2.2	2,877	1.3
• Door-to-door and mail order sales	407	8.2	442	8.1
<b>Total - professional channels</b>	<b>506</b>	<b>-3.5</b>	<b>494</b>	<b>-2.4</b>
• Beauticians	147	-3.7	142	-3.2
• Hairdressing	359	-3.6	351	-2.2
<b>Exports</b>	<b>3,333</b>	<b>4.9</b>	<b>3,806</b>	<b>14.3</b>
<b>Global turnover of the cosmetics industry</b>	<b>9,449</b>	<b>1.0</b>	<b>10,013</b>	<b>6.0</b>

(\*) includes herbalist shops with a turnover of 431 millions euro for the year 2015, and single brand stores, with a turnover of 370 million euro for the same period

## Breakdown of sales for each destination channel

- Export 38.0%
- Mass market and other channels 28.7%
- Perfume shops 12.4%
- Pharmacies 11.5%
- Door-to-door and mail order sales 4.4%
- Hairdressing 3.5%
- Beauticians 1.4%



## Structure of the cosmetic supply chain

*Values in millions of euro*

	Industry	Raw materials	Machinery	Packaging	Total
<b>Turnover 2014</b>	<b>9,449</b>	<b>870</b>	<b>190</b>	<b>2,990</b>	<b>13,499</b>
(var.% '14/'13)	+1.0	+2.5	+2.0	+2.1	+1.4
<b>Turnover 2015</b>	<b>10,013</b>	<b>895</b>	<b>300</b>	<b>3,140</b>	<b>14,348</b>
(var.% '15/'14)	+6.0	+3.0	+2.0	+5.0	+5.5
Forecast % '16/'15	+5.0	+2.0	+3.0	+3.0	+4.3
<b>Export 2015</b>	<b>3,806</b>	<b>305</b>	<b>225</b>	<b>1,500</b>	<b>5,836</b>
(var.% '15/'14)	+14.3	+3.0	+1.0	+3.0	+10.3
<b>2015 exports/turnover</b>	<b>38%</b>	<b>34%</b>	<b>75%</b>	<b>48%</b>	<b>41%</b>

# ○ The Italian territory

The north of Italy has always been home to the largest concentration of cosmetic companies, with a weight of a little less than 82% on the geographical framework; the same percentage as last year.

Lombardy is the region with the highest density of cosmetic companies, with more than 51%, followed by Emilia Romagna, which comes in at close to 10%, the Veneto region with 8.2%, and Piedmont with 7.3%.

In Basilicata, Sardinia, Molise and the Aosta Valley, no industrial sites are registered, while with around 1.9% of the national total, Liguria has recorded a slight decrease in the number of cosmetic companies in the region in comparison with previous ISTAT findings.

In line with the findings outlined in previous reports, the study on the territory is focused on perfume shops, which with 5,000 sales points in Italy, play an important role within the cosmetics sector with regard to distribution. This traditional channel has suffered the worst from the economic crisis: it is therefore important to understand how the structure across Italy can be changed. According to data provided by Fenapro, Federazione Nazionale Profumieri (The National Federation of Perfumers) the top three areas with regard to concentration of Italian perfume shops are Lombardy (16.9%), Lazio (11.4%) and Emilia Romagna (9.1%). In terms of Nielsen areas, the data also confirms the close proximity of area 1 (29% of the total) and area 4 (26.9% of the total).

With regard to distribution of Italian perfume chains, according to the Beauty Business data, the regions occupying the top two positions have swapped places, with Lombardy still in first place with 18.1% of the total sales points, while Lazio takes the place of Emilia Romagna, with 11.6%. Emilia Romagna takes third place, with 11.4% of the total. A study of the Nielsen areas confirms that 29.6% of Italian sales points are found in area 1, the North-West, followed by area 3, the centre, with just over 29.3%, area 2, the North-East, with 25.6% and finally, area 4, the South, which has dropped to 15.5%. The trend for southern Italy is continues, with this region still rooted in a less evolved distributive layout, confirming the discrepancy between the market penetration of "traditional" perfume shops and those belonging to organised chains.

## Geographical distribution of companies in 2015

Percentage breakdown

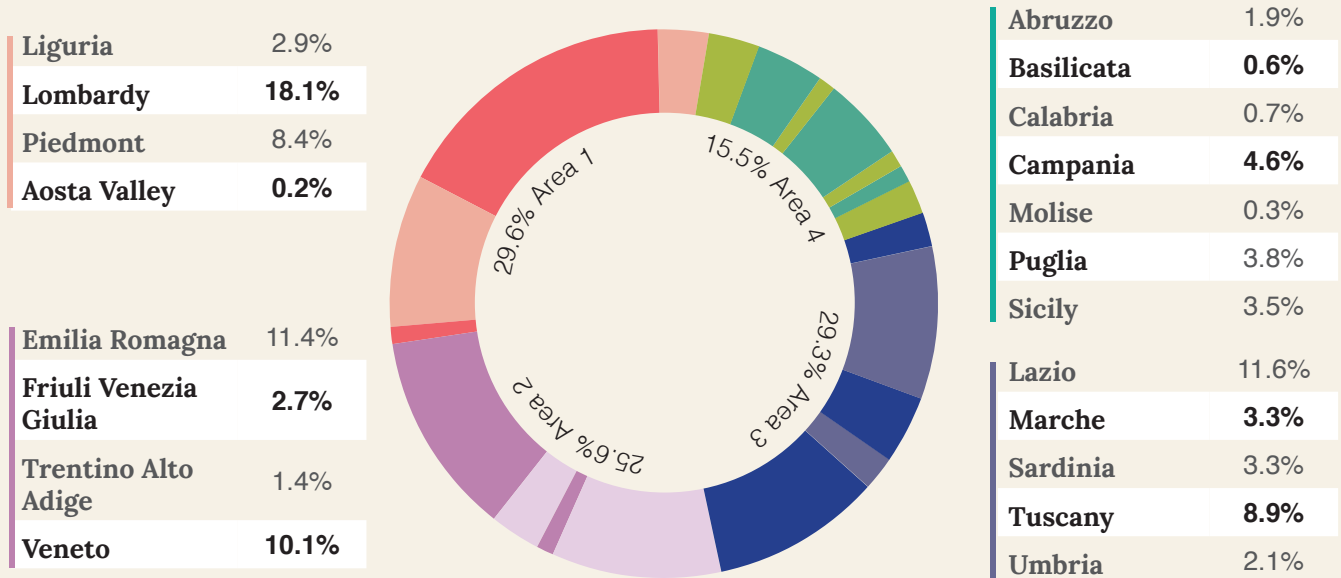
<b>Abruzzo</b>	<b>0.6%</b>	<b>Marche</b>	<b>1.3%</b>
<b>Calabria</b>	<b>0.2%</b>	<b>Piedmont</b>	<b>7.3%</b>
<b>Campania</b>	<b>1.7%</b>	<b>Puglia</b>	<b>0.9%</b>
<b>Emilia Romagna</b>	<b>9.7%</b>	<b>Sicily</b>	<b>0.6%</b>
<b>Friuli Venezia Giulia</b>	<b>1.5%</b>	<b>Tuscany</b>	<b>5.2%</b>
<b>Lazio</b>	<b>6.5%</b>	<b>Trentino Alto Adige</b>	<b>1.5%</b>
<b>Liguria</b>	<b>1.9%</b>	<b>Umbria</b>	<b>1.3%</b>
<b>Lombardy</b>	<b>51.6%</b>	<b>Veneto</b>	<b>8.2%</b>

## Top 3

<b>Lombardy</b>	<b>1</b>
<b>Emilia Romagna</b>	<b>2</b>
<b>Veneto</b>	<b>3</b>

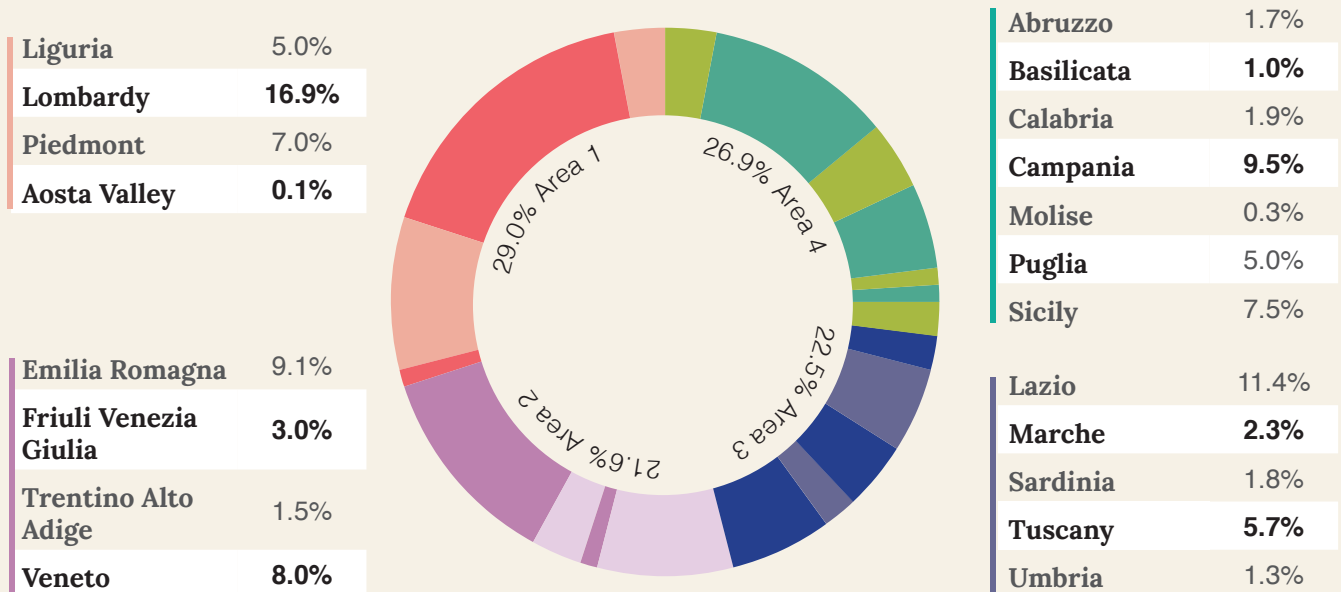
## Distribution of Italian perfume shop chains

Source: Beauty Business data (2015) processed by Cosmetica Italia, broken down into DMAs (Nielsen)



## Distribution of Italian perfume shops

Source: FENAPRO data processed by Cosmetica Italia, broken down into DMAs (Nielsen)



# ○ Distribution channels

In light of the most recent updates to the statistical analyses which focus first and foremost on online sales and specialist channels, we can observe that the consumption value for cosmetics in Italy in 2015 exceeded 9,800 million euro, an increase on the previous year of 1.4%. A significant result which bears testament to the dynamic evolving, particularly considering the effects that the global crisis in autumn 2008 had on purchasing propensity, with a significant influence on Italian consumers in subsequent periods. The consumption of cosmetics in Italy has long been considered an 'essential', and as such, while the negative economic situation of recent years has had a marginal effect on purchases in terms of value, it has not affected quantities: and today, we are also witnessing a significant increase in value, too. The tendency to rationalise consumer choices also continues; for some time, shoppers have been moving towards more economical channels and price ranges, without giving up premium products, leading to a weakening in the mid-price range and creating the so-called "hourglass effect", which provides an effective picture of the consumption polarisation process. If we look at the volumes in terms of value, this consumption suggests a general recovery, while the decline linked to reduced use of the professional channel has now been confirmed.

In 2015, the decline seen in all the traditional channels in recent years (albeit minimal) has come to a standstill: in addition to positive recovery of perfume shops and mass market retailers, pharmacies and direct sales channels have also confirmed improved results. Within this last category, it is worth noting that online sales have been the real phenomenon in recent years - indeed, the results have been revised and adjusted to place this channel at the top in terms of statistics, with strong growth, to the tune of around 170 million euro at the end of 2015. Despite the decline in door-to-door sales, direct sales as a whole have enjoyed above-average growth, thanks largely to the growth of the e-commerce dynamics, both as a new sales channel and as a means of strengthening business.

We must also remember that, although calculated in the past as part of the mass market and single-brand aggregate, consumption in the herbalist channel has grown by nearly 3 percentage points, preceded by direct sales at 33% - the best performance ever seen in this category.

The decline in figures for perfume shops has also halted, and this channel appears to be clawing back consumption values, curbing the involution and the downsizing of the channel, despite the transformation of selective distribution methods. However, this particular channel remains riven by a great divide, which continues to develop: on the one hand, we can observe a reduction in numbers and weight of consumption in traditional perfume shops, while on the other, the rationalisation of specialised chains is becoming increasingly prevalent, as the latter become more attentive to customer service and new consumer requirements.

Furthermore, in 2015, the reduction in absolute value of professional channels was abated somewhat: consumption in hairdressing and beauty salons also dropped by 2.2% and 3.2% respectively.

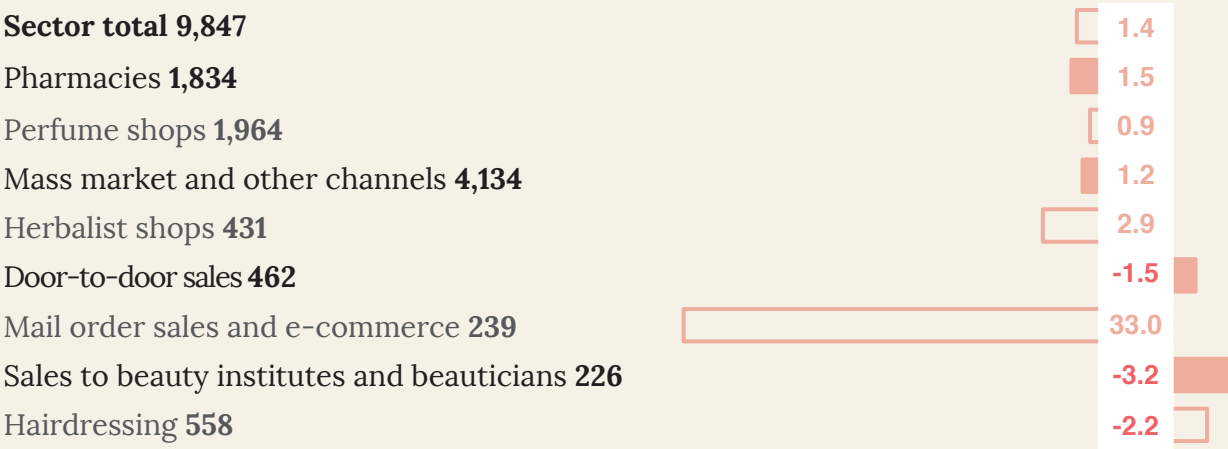
In 2015, prices remained substantially stable, linked as they are to the uncertainty associated with the recovery process; of all the traditional channels, perfume shops have demonstrated the most pronounced change, with sales up by 2.1%, while others appear to be holding firm, with the exception of super and hypermarkets, which have been subject to an (albeit marginal) decline. In professional channels too, the infinitesimal increase in margins did not appear to have produced any real effect, given the more marked drop in quantities.

2015 saw the continued evolution of new sales channels, as well as that within traditional channels, prompted by new consumer tendencies, with buyers looking to find a balance between their financial resources and the need to take care of themselves. Whilst awaiting confirmation of the move into a period of growth, consumers are remaining loyal to

more economical price categories and channels, as well as continuing to purchase premium products, leading to the marginalisation the mid-price range. We can therefore reiterate with some certainty that the cosmetics industry has only marginally felt the crisis, having long established itself as a category which is characterised by "physiological" consumption of goods, and one which is largely indifferent to economic downturns.

Total cosmetic products market in 2015

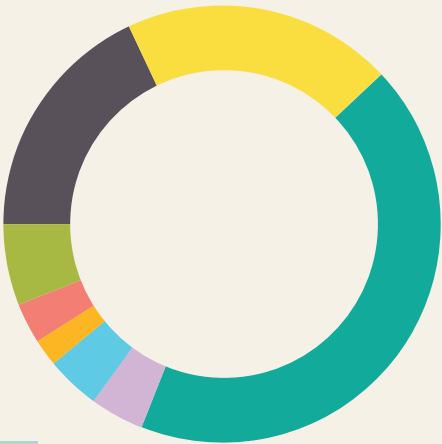
Retail prices VAT included, consumption in millions of euro - Var. % 2015/2014



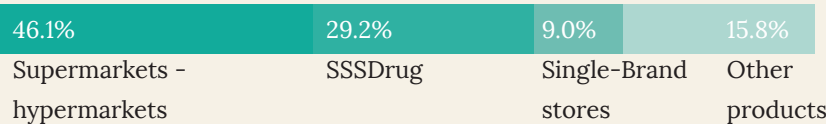
(\*) includes single brand stores

Percentage breakdown of consumption by distribution channel in 2015

- Pharmacies 18.6%
- Perfume shops 19.9%
- Mass market and other channels\* 42.0%
- Herbalist shops 4.4%
- Door-to-door sales 4.7%
- Mail order sales 2.4%
- Sales to beauty institutes and beauticians 2.3%
- Hairdressing 5.7%



Mass market retail and other channels



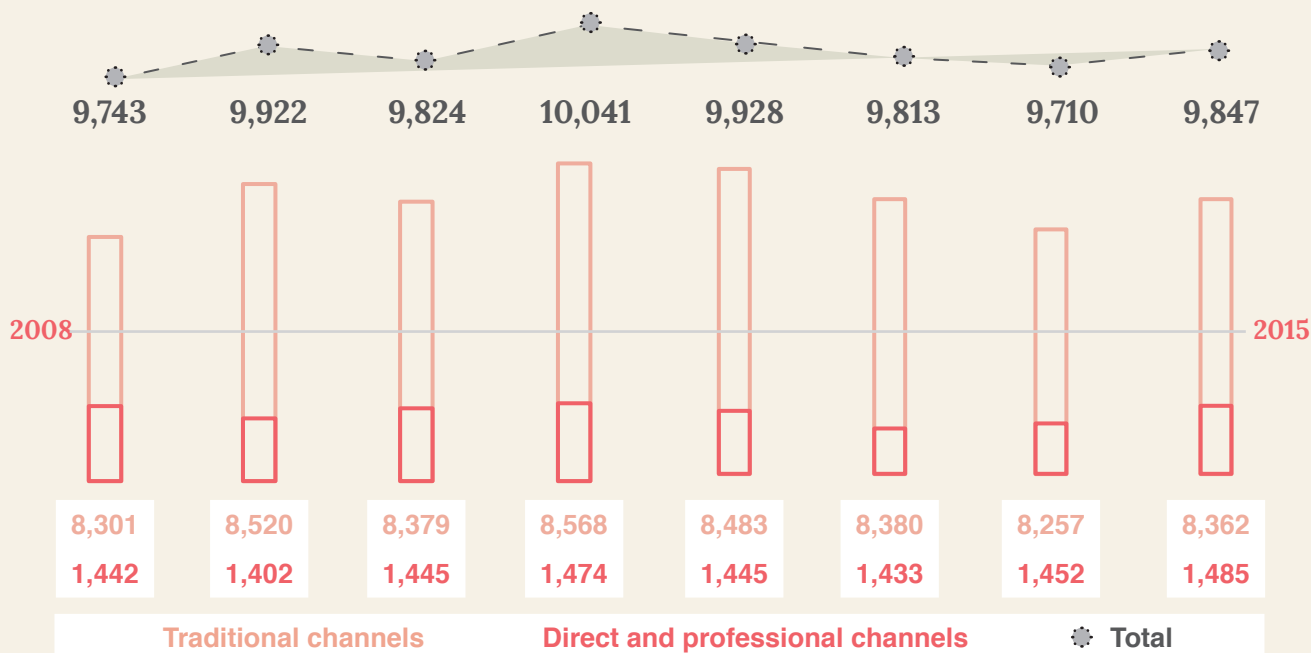
## Trends in distribution channels

Channel	Consumption	Quantity	Prices
Pharmacies	1.5	0.7	0.7
Perfume shops	0.9	-1.8	2.1
Mass market and other channels*	1.2	1.2	-
of which supermarkets and hypermarkets	-1.7	-1.5	-0.2
Herbalist shops	2.9	2.8	0.1
<b>Total - traditional channels</b>	<b>1.3</b>	<b>1.8</b>	<b>0.1</b>
Door-to-door sales	-1.5	-1.5	-
Mail order sales	33.0	27.0	2.0
Sales to beauty institutes and beauticians	-3.2	-3.0	0.2
Hairdressing	-2.2	-2.4	0.1
<b>General total</b>	<b>1.4</b>	<b>1.2</b>	<b>0.2</b>

(\*) includes single brand stores

## Developments in consumption of cosmetics 2008-2015

Retail prices VAT included, consumption in millions of euro



# ○ Pharmacies

Sales of cosmetics in the pharmacy channel serve to reiterate that trends in demand are positive overall, despite these being a little less dynamic than in recent periods. In 2015, sales exceeded 1,800 million euro, with a growth rate of 1.5%. The cosmetics sold in this channel represent 18.6% of the total volume, a proportion that is growing steadily, proving that consumers place a great deal of trust in pharmacies as sales outlets, relying on the degree specialisation and service they receive here - far superior to other distribution points. Compared to other sales channels, pharmacies are strengthening their investment in cosmetic products and in specialist training for sales teams, and indeed, this is reinforced by the impact of promotions and offers, in addition to an increasingly close relationship between companies and pharmacists, who are working together to invest in the identity of the pharmacy and its position within the market, as well as turning their focus to customers.

The pharmacy channel has been affected by the phenomenon of polarisation of consumption: indeed, consumers have only partly moved towards other channels, but are increasingly focused on products which offer the best price-quality ratio without necessitating excessive sacrifices, thanks to the fact that cosmetics in pharmacies have acquired an increasingly important role, often as the commercial element used to offset the drop in demand. In addition to this, more than in other channels, pharmacies operate policies which promote customer service and reward consumer loyalty.

In comparison to other retail channels, pharmacies have continued to invest more in cosmetic products (particularly dermocosmetics) and in specialist training of sales personnel, but there are still notable opportunities for extending the clientèle, especially in the over-50 age band.

Various surveys commissioned by the channel have confirmed some distinctive characteristics with regard to the consumption of cosmetics in pharmacies: direct, pragmatic motives push the consumer towards the pharmacy rather than, for example the perfume shop, even though in drawing attention to the future sales environment we see a cross-over between the purely pharmaceutical area and more attractive areas dedicated to beauty products.

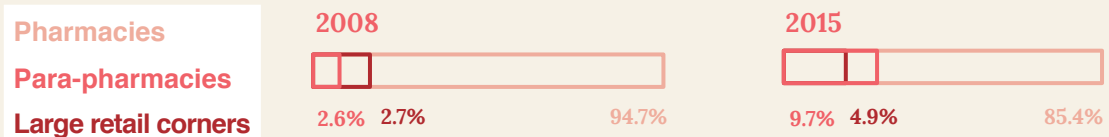
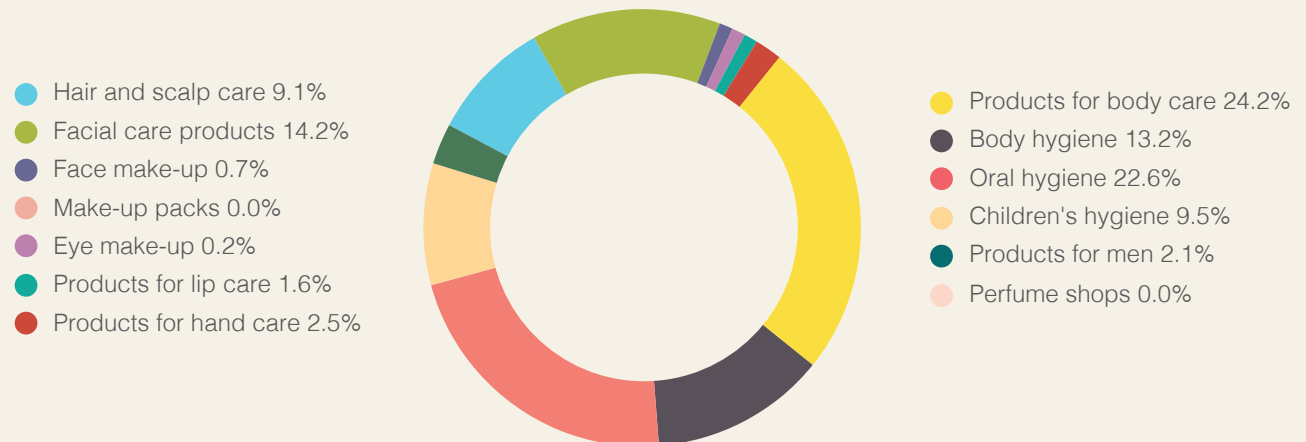
The data provided also include figures for cosmetics sold in para-pharmacies: this is a phenomenon that in recent years has been most characteristic of the distribution of cosmetics in this channel, jumping from 2.6% in 2007 to 9.7% in 2015 with reference to total consumption within this category, despite the recent measures concerning economic policy. Pharmaceutical "corners" represent a sub-group of the mass market which are also beginning establish some ground, rising from 2.7% in 2007 to 4.9%. In recent quarters, however, the figures for corners and para-pharmacies appear to be slowing down somewhat, partly due to the transformation of large retail outlets and the effects of the future decree - an expression of the institutional drive to liberalise distribution.

As always, the composition of sales, detailed for corners and para-pharmacies in IMS data, helps to provide further information on some key features: in para-pharmacies, sales facial and body care products represent nearly 54% of sales, while in corners, the distribution is somewhat more balanced, with body hygiene products, which represent 24.2%, just pipping oral hygiene products to the post (22.6%).

## Percentage composition of sales in para-pharmacies



## Percentage composition of sales in corners



## ○ Perfume shops

In perfume shops, consumption seems to bear testament to the slow-down of the economic involution and the downsizing of the channel, as well as the transformation of selective distribution methods: in 2015, the tensions in some types of retail outlet have left a degree of space for the (albeit slow) growth in consumption, which increased by a percentage point, with a sales value of 1,964 million euro, or 19.9% of total consumption in Italy - the second biggest channel after mass market retailers. The percentage of total sales has nonetheless dropped compared to previous figures, as a result of the statistical review, which served to shed more light on the phenomenon of e-commerce. For many independent retailers, the crisis continues, despite their best efforts, with new product launches, stock reduction and dynamic pricing policies. Indeed, the dichotomy remains between the static nature of many traditional/local perfume shops and the successful dynamics of the organised chains or indeed, smaller distribution companies, who have succeeded in capitalising on the concepts of niche products and exclusivity, with new distribution strategies and investments in the selective identity of the channel. The revival of the channel, albeit somewhat marginal, is a sign of ongoing transformation that cannot be relegated to a micro-economic explanations, but which is instead part of a more profound and dynamic evolution of buying habits, given that the view that cosmetics are an essential product rather than a luxury has now been confirmed. As in previous years, price increases - the highest in the sector - have essentially supported volumes, with repercussions with regard to the average purchase value and inevitably, on consumer numbers. Inevitably, consumers, who have been further put to the test by an economic situation that has put the brakes on, and who are alert to new distribution offerings (single-brand stores in the first instance) are spread across new and diversified distribution levels.

A number of positive signs have been seen from those organisations who have invested in the concept of selectivity. For many companies, this concept is a mission, although in many cases it fails to capture consumers looking for a broader "shopping experience". New launches, the reduction of stocks and dynamic pricing policies could help to sustain consumption levels in the channel, which must now do battle with new, much more aggressive and contemporary distribution channels, such as the aforementioned single-brand store.

As such, it is becoming increasingly necessary to develop innovative strategies to enhance the selectivity of the channel and perhaps to encourage partnerships within the industry in order to accommodate new consumer tastes.

## ○ Mass market and other channels

In line with the trends seen in recent years, sales in mass market outlets represent 42% of the total Italian cosmetics market, marking slow but substantial growth in terms of the weight of the country's total consumption - up 1%, with a value exceeding 4,100 million euro in 2015. From this year onwards, the values pertaining to herbalist shops will be separated, limiting the scope for comparison with the previous findings, in favour of a more realistic measurement of the channel, which will also benefit from the revision to the statistical bases used.

In 2015 again, companies working within this channel have made significant investments in products in this category, and have attempted to optimise price positioning. For years, the profound transformation of strategies designed to adapt to the new purchasing options available has been underway, giving rise to uneven trends across the various

types of distribution outlets: on the one hand, we note the success of the specialised mass market sector - i.e. chains dedicated to personal care and home (which have grown by nearly 13 percentage points, with a value of more than 1,200 million euro - a third of the entire channel) - while on the other, trends show that sales have slowed across most large stores, falling by nearly two percentage points, for a value of 1,900 million euro. After a few years of above-average positive figures, the growth and dynamic impact of the new single-brand stores has slowed down, hitting 370 million euro in 2015 - a decline of 2.6%. And even with the still-yet disparate dynamics of companies, and suffering as it is as a result of the current economic situation and price levels, the mass market sector is still able to satisfy broad groups of consumers who recognise the channel's ability to offer products with a high quality/price ratio. In mass-market channels too, the "hourglass" phenomenon also prevails, with consumers consequently being steered towards niche products, as well as items offering a high price/quality ratio.

The analysis of sales for large retailers for the last four years, over the course of the crisis, confirms the transformation of this channel which encompasses extremely diverse retail enterprises, which differ not only in their superficial characteristics. The total value of this category as a result of the separation of the value represented by herbalist shops and single-brand stores reached the 3,700 million euro mark in 2014 (this figure was 3,900 millions in 2012). The trends has declined by almost three percentage points, even with the partial recovery of the economy in the financial year. Among the various different types of store, the average trends over the last four years have revealed a couple of exceptions to the rule, with Discount stores achieving a value of 145 million euro in 2015, and the above-mentioned SSS Drug stores, i.e. shops selling household and bathroom goods. The Self Service category, whose size-wise is second only to super and hypermarkets, is declining at a worrying rate, losing more than twelve percentage points, while larger retailers, supermarkets and hypermarkets recorded a drop of 1.7%. This category, with 50.7% of the total, still constitutes the largest Italian drug aggregate group.

The analysis of the best performances by products sold across the different channels demonstrates that the most significant percentage growths have been seen in toilet waters, perfumes and female fragrances in SSS Drug stores, and by hair removal products in Discount stores, highlighting alternative approaches to distribution that were previously only the preserve of selective channels.

### Trends in consumption in mass market channels by type

Hypermarkets	retail outlet covering a sales surface greater than/ equal to 2,500 m <sup>2</sup>	-1.7%	Var %'15/'14
Supermarkets	retail outlet covering a sales surface between 400 and 2,499 m <sup>2</sup>		
Self Services	retail outlet covering a sales surface between 100 and 399 m <sup>2</sup>	-12.0%	
Discount	retail outlet characterised by an unbranded inventory	-0.5%	
Traditional grocery	retail outlet for fast-moving consumer goods covering a sales surface smaller than 100 m <sup>2</sup> . To be considered as "Self Service", the store must sell at least 3 of the fol- lowing products: toothpastes, lacquers, soaps, shampoos, shaving products, body deodorants, female sanitary items	-7.4%	
Self Service Specialist Drug (SSS Drug)	store which sells mainly household and personal care products	12.7%	

## Large retail profiles and associated turnover of cosmetic products

Values in millions of euro and variations %

	Value '12	share %	Value '13	share %	Value '14	share %	Value '15	share %	Var. '12/'11	Var. '13/'12	Var. '14/'13	Var. '15/'14
Hypermarkets + supermarkets	2,114	54.3%	2,020	53.1%	1,938	52.3%	1,905	50.6%	-3.2%	-4.4%	-4.1%	-1.7%
Self Services	556	14.3%	512	13.5%	436	11.8%	384	10.2%	-	-7.9%	-14.8%	-12.0%
Discount	129	3.3%	136	3.6%	146	3.9%	145	3.8%	2.7%	5.2%	6.7%	-0.5%
Traditional grocery	156	4.0%	143	3.8%	134	3.6%	125	3.3%	-0.1%	-9.1%	-6.4%	-7.4%
SSSDrug	942	24.2	991	26.1	1,052	28.4%	1,205	32.0%	0.9%	5.0%	5.8%	12.7%
<b>Total - Italian drug stores</b>	<b>3,896</b>	<b>100.0%</b>	<b>3,802</b>	<b>100.0%</b>	<b>3,705</b>	<b>100.0%</b>	<b>3,764</b>	<b>100.0%</b>	<b>-1.9%</b>	<b>-2.5%</b>	<b>-3.1%</b>	<b>1.6%</b>
Single-Brand stores*	352	8.3%	394	9.4%	380	9.3%	370	9.0%	25.9%	40.2%	7.0%	-2.6%
<b>Total OTHER CHANNELS</b>	<b>4,248</b>		<b>4,196</b>		<b>4,085</b>		<b>4,134</b>		<b>-0.2%</b>	<b>0.1%</b>	<b>-1.9%</b>	<b>1.2%</b>

(\*) Cosmetica Italia Statistics Dept. estimate

## Analysis of best performance

Modern distribution (hypermarkets, supermarkets and self service outlets)	Mouthwashes, breath fresheners and teeth whitening	5.5%	Var %'15/'14
Discount	Hair removers	18.3%	
	Deodorants and antiperspirants	5.3%	
	Liquid soaps	4.1%	
Traditional grocery	Mascaras	4.6%	
	Unisex alcohol-based perfume products	3.4%	
	Multipurpose creams	2.7%	
SSS Drug	Toilet waters, perfumes and female fragrances	21.9%	
	Toothpastes	12.3%	
	Shampoos	10.5%	

## ○ Herbalist shops

In 2015, the positive trend seen in cosmetics sold in herbalist shops in recent years continued, and indeed levels of internal growth rates in this area are consistently above average. The value of sales (close on 430 million euro, with a growth of nearly three percentage points) confirms the strength of this channel, which represents 4.4% of total Italian consumption. While it is true that more and more consumers are expressing an interest in the world of "natural and green" products, and are increasingly devoted to "naturally-derived cosmetics", it is also true that the attention is distributed across other channels too, where the range of "green" products on offer is growing. It is important to remember that the aggregate figure takes direct sales in herbalist shops into account, as well as those in specialist single-brand stores.

Like the sales of cosmetics in the pharmacy channel, those in herbalist shops also serve to confirm the trend for selective consumption for those customers who prefer stores in which they are assisted and "advised", as evidenced by the recent analyses conducted by Alias and Mintel; moreover, the growing prevalence of specialised corners and the opening of new stores, which often border on being categorised as single-brand, serve to demonstrate evolution of the channel, further reinforced at the highest levels of the price lists.

From the surveys carried out, it emerges that consumers who graduate towards herbalist shops do not take price or promotion into account - proof of loyalty to this well-rooted channel. Customers of herbalist shops confirmed that their key reasons for spending were the sales staff and their own focus on the ingredients in the products.

## ○ Hairdressing salons

The negative trends seen in recent years in hairdressing salons has slowed of late, with a decline of 2.2% to the tune of 560 million euro, 5.7% of the total cosmetics sold in Italy: the general decrease in visits to salons has been having a negative effect on the industry for more than five years, even though many professionals have reacted by proposing strategies to separate the services and treatments offered. This is the case for the hairdressers who responded to the online survey coordinated by the Camera Italiana dell'Acconciatura (Italian Association of Hairdressers), discussed later on.

As has already been mentioned, the market value includes both the products used for services and those sold in salons, as well as products sold and used outside: the latter constitutes a weight of about 16% of the aggregate value.

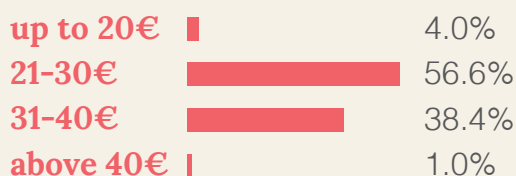
The online survey was sent to a significant number of hairdressers, and the results were compared with a similar exercise conducted in 2013, allowing for key indicators, such as prices in salons, to be updated.

Given that the participants in the survey should be considered as well-qualified, in light of their professional use of digital technologies, it is interesting to note how the current average prices for hair colouring was quoted at being between 21 and 30 euros by more than 56% of respondents, while 44% quoted the average price for styling as being between 31 and 40 euros.

Similarly to other channels, consumption trends differ greatly even within salons: some of them, in fact, have pursued major promotional activities, managing to attract a clientèle who, whilst definitely affected by the downturn, are eager to take advantage of qualified, reliable services.. This attitude is evident from the results acquired regarding reasons for purchase, which highlight the priority given to suggestions made by professionals, and, like in the pharmacy sector, reference was also made to the advice given.

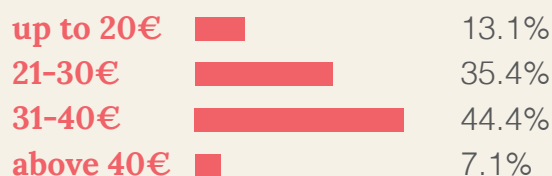
### Price charged for full head colour on medium length hair

(Online survey results)



**Price charged for perming  
and styling**

(Online survey results)



### Reason for purchase: the evidence for a few channels:

## SALONS

professional	36.6%
seen in store	8.9%
promotion	6.3%
advert in store	4.8%
new product	3.5%

## PHARMACIES

pharmacist	22.8%
doctor/dermatologist	14.0%
ingredients	7.8%
sales assistant	6.6%
friends with contacts	3.0%

## PERFUME SHOP CHAINS

sales assistant	19.0%
new product	4.9%
friends with contacts	4.4%
advert in store	2.5%
free sample	1.2%

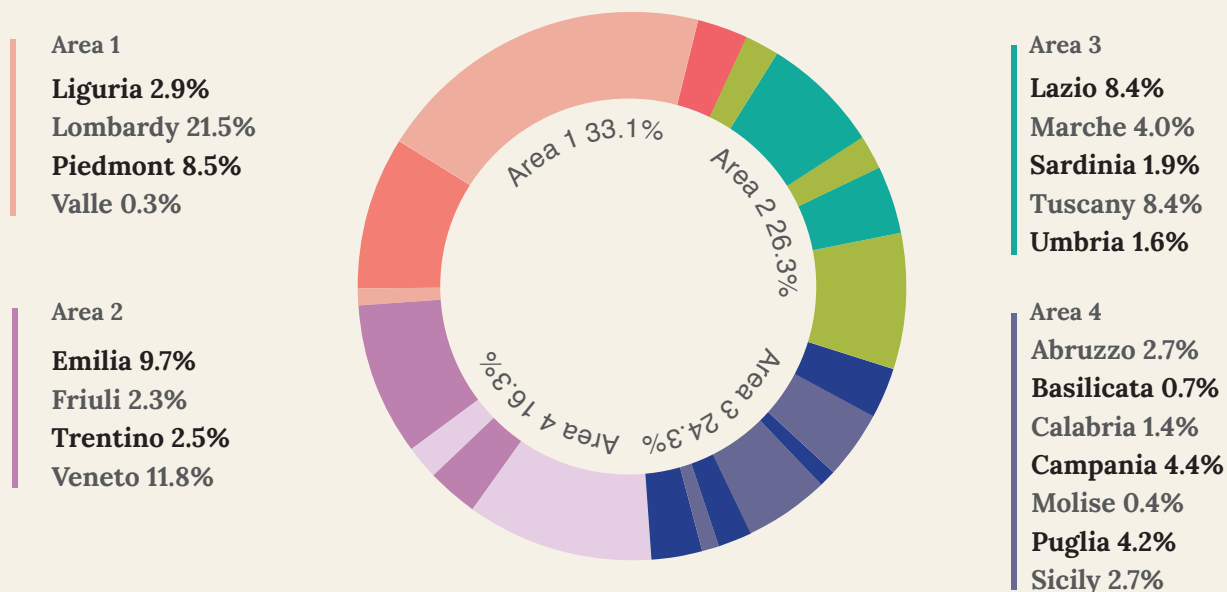
# ○ Beauty salons

Similarly to hairdressing salons, consumption at beauty salons also fell, dropping by -3.2%, for a value of approximately 240 million euro. Beauty salons, which account for 2.3% of consumption of cosmetics nationwide, have suffered more than the rest from an inability to redesign their identity, which, in the eyes of consumers, is increasingly geared towards the qualification of the service, of those who practice it and of the environment in which these services are delivered.

It is clear that beauty salons too have been hit by reduced customer response, with decreased attendance generating a decline in values both with regard to services and treatments, with an obvious impact on the use of cosmetics. For some time, this channel has been affected by tensions over prices, by the policies of some of the market's key players, but above all, by the new competition posed by products of dubious origin. As confirmed by recent surveys carried out by Alias and GFK, the lack of a clear retail identity coupled with inconsistent volume and price trends are affecting the development of the channel. In addition, a number of important phenomena are also emerging - spas and wellness centres, which dynamically tend to represent an increasingly large share of consumption of aesthetic/professional products.

## Distribution of Italian beauty salons

Source: Marketing and Telematics data (2014) processed by Cosmetica Italia, broken down into DMAs (Nielsen)



# ○ Cosmetics in Europe

In 2015 too, the data provided by Cosmetics Europe, the European Cosmetics Industry representative, show Germany in the lead with regard to consumption, with nearly 13,400 million euro, followed by the UK with more than 12,500 million euro, and a surprising growth of more than twenty percentage points. France was in third place, with a positive increase of 7.3% over last year, amounting to around 11,360 million euro. Italy confirms its position in fourth place with regard to European consumption, followed by Spain in fifth place with 6,450 million euro and a trend in line with the values recorded last year. The concentration index confirms that the top five countries account for nearly 70% of the European market, which in 2015 topped 77,000 million euro overall - a significant increase of 6.3%.

In the European cosmetics sales ranking, skincare products took first place, representing 25.8% of the total, followed by toiletries. With over 77,000 million euro in sales, Europe confirmed its position as number one in the world for consumption, followed by the US (62,000), China (41,000), Brazil (23,000) and Japan, with 20,000 million euro.

Composition of European consumption  
by macro-category  
Source: Cosmetics Europe, 2015

Category	2015	Values %
Skin care	19,915	25.8
Toiletries	19,355	25.1
Products for hair care	14,957	19.4
Alcohol-based perfume products	12,106	15.7
Make-up	10,734	13.9
	77,067	100.0

A comparison of the biggest markets  
Source: Cosmetics Europe, on the basis of data provided by Euromonitor, consumption in 2015 in millions of euro

Europe	77,500
EU 28	74,000
USA	62,000
China	41,000
Brazil	23,000
Japan	20,000
India	10,000
South Korea	9,000

## European consumption

Source: Cosmetics Europe - Values in millions of euro, retail prices and % var.

	2013	2014	2015	var. % '15/'14	comp. % 2015
Germany	12,811	13,012	13,388	2.9%	17.4%
United Kingdom	9,877	10,397	12,537	20.6%	16.3%
France	10,571	10,583	11,357	7.3%	14.7%
Italy	9,522	9,392	9,706	3.3%	12.6%
Spain	6,433	6,350	6,448	1.5%	8.4%
Poland	2,911	2,954	3,064	3.7%	4.0%
Netherlands	2,823	2,823	2,859	1.3%	3.7%
Belgium/Luxembourg	2,023	2,043	2,057	0.7%	2.7%
Switzerland	2,078	2,008	2,256	12.4%	2.9%
Sweden	1,863	1,797	1,952	8.6%	2.5%
Austria	1,334	1,345	1,346	0.1%	1.7%
Portugal	1,291	1,277	1,289	0.9%	1.7%
Norway	1,287	1,261	1,198	-5.0%	1.6%
Romania	1,070	1,089	1,188	9.1%	1.5%
Denmark	1,055	1,014	1,059	4.4%	1.4%
Finland	895	894	912	2.0%	1.2%
Greece	816	807	804	-0.4%	1.0%
Czech Republic	758	715	705	-1.4%	0.9%
Ireland	671	687	756	10.0%	1.0%
Hungary	647	635	682	7.4%	0.9%
Slovakia	512	518	531	2.5%	0.7%
Bulgaria	319	324	332	2.5%	0.4%
Lithuania	179	187	202	8.0%	0.3%
Slovenia	166	162	165	1.9%	0.2%
Latvia	142	144	155	7.6%	0.2%
Estonia	111	114	120	5.3%	0.2%
Total - EU	72,165	72,531	77,068	6.3%	100.0%

# European consumption - First ten countries, values and trends

Source: Cosmetics Europe, 2015 - Values in millions of euro



2014



61,359

72,531



0.5%

2015



65,624

77,068



6.3%

Consumption

Top 10

Trend % '15/'14

## 2 Trends in cosmetics consumption

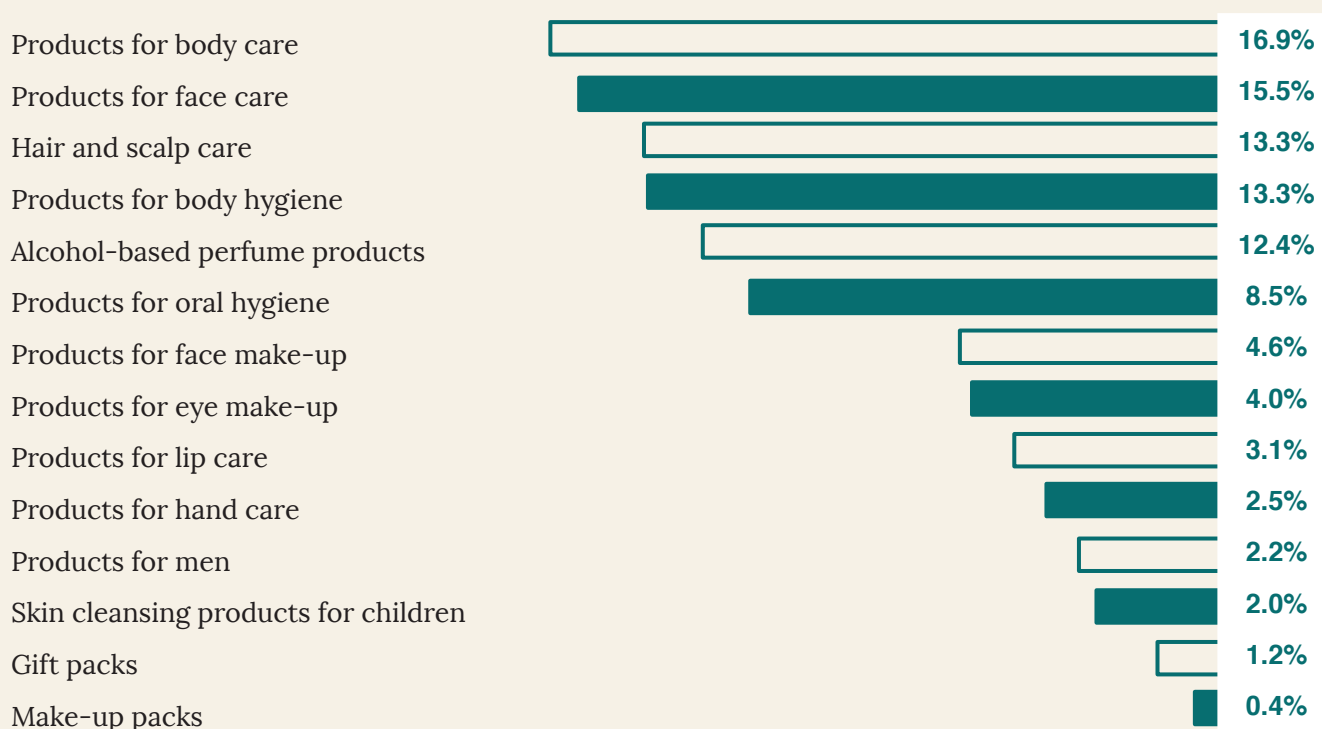
The closing values for 2015 demonstrated improvements when compared to the corresponding values recorded in recent years: cosmetics consumption in Italy was revealed to be on the up, increasing by 1.4% to 9,847 million euro - figures that are not far off pre-crisis rates of growth, a source of great relief for many.

Of the total cosmetics sales, 8,362 million euro are sold in retail channels, which have also seen a decrease of 1.3%, in part supported by the strong performance of pharmacies and specialised areas within mass market channels.

The trend for herbalist shops was also positive overall in the year 2015, maintaining more or less stable growth with an increase of 2.9%, whilst perfume shops (+0.9%) were also showing signs of recovery, after three years in decline. Above and beyond even the most optimistic of forecasts, the domestic market has seen superb performance with regard to exports, which are up +14.3%, confirming the increasing capacity of Italian cosmetics companies to adapt to the new characteristics of expanding markets and to the wide range of purchasing options now available for consumers. 2015 was a year of cross-channel purchasing behaviours by consumers - a defining feature of the Italian market.

### Breakdown of consumption by macro-categories - traditional channels in 2015

Percentage weight



## Total retail consumption of products - traditional channels in 2015

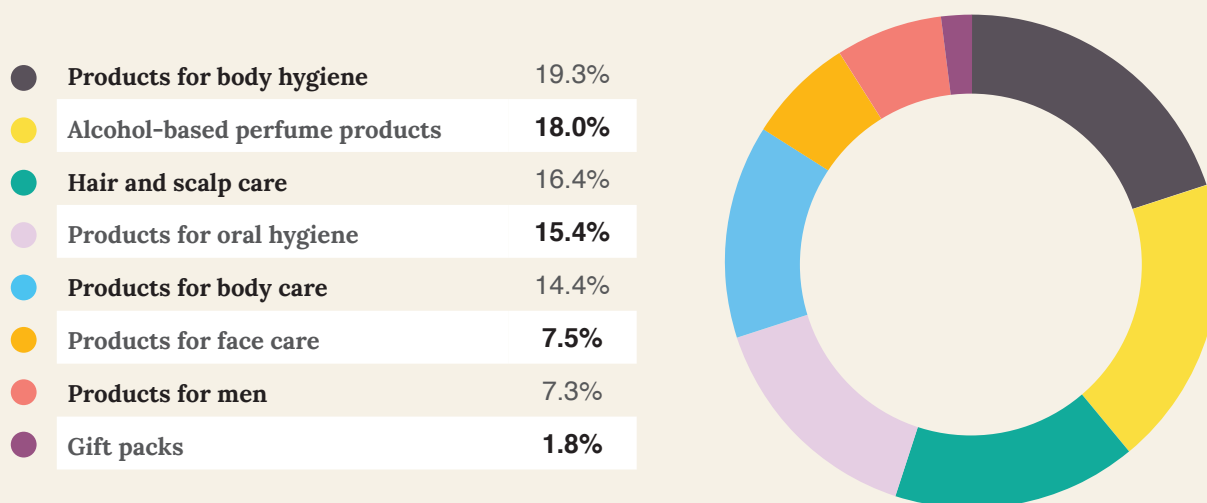
Retail prices VAT included - figures in millions of euro

	Total	Pharmacies	Perfume shops	Mass market and other channels	Total var %	Pharmacies var %	Perfume shops var %	Other channels var %
	<b>8,362.4</b>	<b>1,833.9</b>	<b>1,963.8</b>	<b>4,564.7</b>	<b>1.3</b>	<b>1.5</b>	<b>0.9</b>	<b>1.7</b>
Hair and scalp care	<b>1,108.5</b>	186.3	43.8	878.4	<b>-1.1</b>	2.2	<b>-10.9</b>	<b>-1.1</b>
Products for face care	<b>1,297.7</b>	488.2	395.5	414.0	<b>0.7</b>	1.2	1.6	<b>-0.4</b>
Products for face make-up	<b>386.3</b>	58.1	178.5	149.7	<b>2.7</b>	3.9	0.3	6.0
Make-up packs	<b>29.5</b>	0.1	28.1	1.3	<b>0.4</b>	18.0	0.5	0.0
Products for eye make-up	<b>330.8</b>	32.6	135.7	162.4	<b>6.4</b>	10.6	0.9	11.6
Products for lip care	<b>263.0</b>	43.7	88.1	131.3	<b>4.5</b>	1.0	<b>-2.2</b>	12.0
Products for hand care	<b>187.3</b>	37.8	33.3	116.2	<b>-1.7</b>	5.3	<b>-11.5</b>	<b>-0.4</b>
Products for body care	<b>1,413.2</b>	456.9	98.6	857.7	<b>2.1</b>	1.2	0.3	3.1
Products for body hygiene	<b>1,114.6</b>	270.2	31.2	813.1	<b>1.1</b>	1.5	<b>-3.7</b>	1.4
Products for oral hygiene	<b>713.9</b>	146.1	4.4	563.5	<b>1.4</b>	1.1	<b>-0.3</b>	1.7
Skin cleansing products for children	<b>209.6</b>	91.5	0.0	118.1	<b>-2.5</b>	<b>-2.5</b>	0.0	<b>-2.2</b>
Products for men	<b>168.8</b>	10.9	33.6	124.3	<b>-2.9</b>	<b>-9.1</b>	<b>-0.3</b>	<b>-2.8</b>
Alcohol-based perfume products	<b>1,039.9</b>	11.5	798.2	230.2	<b>2.6</b>	29.1	2.1	4.4
Gift packs	<b>99.3</b>	0.0	94.8	4.5	<b>5.2</b>	0.0	5.4	2.9

## Percentage composition of consumption of cosmetic products for women



## Percentage composition of consumption of cosmetic products for men (30% total)



# ○ In depth

## Online buyers of cosmetic products

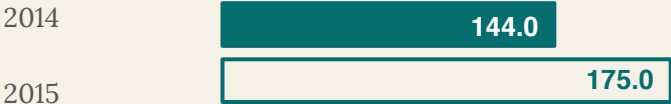
Research conducted by Human Highway for Cosmetica Italia has revealed that in Italy, 29.3 million adults access the internet at least once a week from any location and device, and of these, around 62% are online shoppers (just over 18 million individuals). With this in mind, for the year 2015, a total of 4.7 million individuals have been identified as having made at least one cosmetics purchase in the last six months, with 2 million repeat buyers - or in other words, individuals who have purchased more than one cosmetic product within a six month period. This is a significant number, especially if we consider that in 2014, the total number of buyers of cosmetic products was estimated at around 4 millions (+18%).

In terms of the value of online cosmetics purchases, the total for 2015 hit 175 million euro (+22%) - a faster rate of growth than that recorded for the entire Net Retail for Italy (+19% in 2015 over 2014) (Figure 1). The general attitude of online cosmetic buyers with regard to the online shopping experience tends to be guided by considerations relating to convenience (savings, offers) and availability (hard to find products, extensive catalogue available).

The ease of online shopping, a central element in the overall "distance" purchase experience, is of less consequence than in other product sectors, leading to 45% of buyers repeating online shopping experiences that they have already had previously. But should e-commerce be seen as the common enemy faced by all traditional channels? The answer is no - the watchword in this instance is cross-channel purchasing, a concept which allows for the overlap of sales within the same product categories, which, instead of leading to cannibalisation, can result in mutual satisfaction of demand.

### Online purchases of cosmetics

In millions of euro



### Online buyers of cosmetics

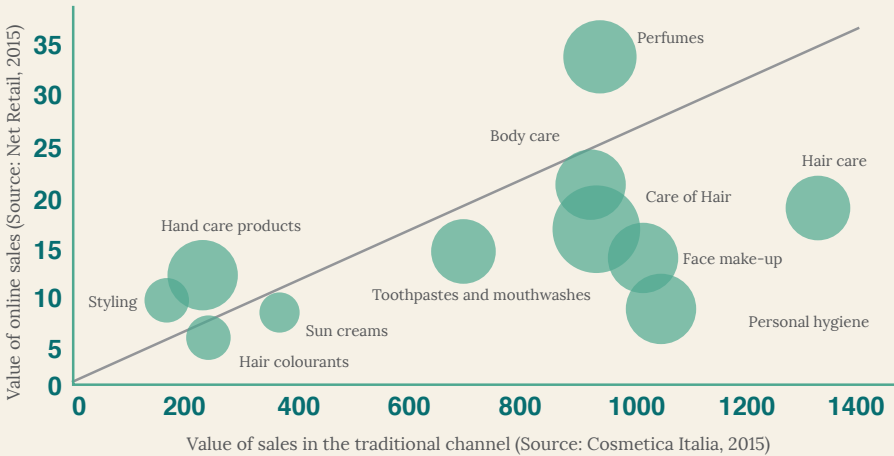
Millions of buyers



The comparison between online sales and the sales within traditional channels provides further insight into a trend which, for the latter, is still of limited value. However, the dynamics, in this case, is particularly interesting, with particular regard to certain types of product. Perfumes, hand care products and hair styling products, for example, find themselves positioned way above the average rate of consumption (Figure 2), although obviously with lower values for online sales than those seen in traditional channels.

## Map of categories by value of sales generated in traditional channels and online

In millions of euro



## 3 Imports and exports

For some time, the analysis of foreign trade data has been based on the statistics that are processed by the Statistics Dept. using data provided by ISTAT. Periodically, when applying the corrections which present themselves during the survey period, the Italian Institute of Statistics carries out a review of data from previous years: clearly, then, the statistics processed by Cosmetica Italia adapt the values relating to the financial years in question. With the exception of very rare occasions, however, deviations in figures are always marginal. For the sixth consecutive year, exports recorded a substantial increase, approaching the threshold value of four billion euro. Indeed, exports of Italian cosmetics reached 3,806 million, an increase of 14.3%. The overall value relating to this data is also significant: the growth of 10.7% serves as confirmation that the drive towards internationalisation is increasingly powerful, and is not only manifested marginally. The growth of imports was much more dynamic in 2015 than in previous years, reaching a total of 1,810 million euro, an increase of 7.4% over 2013, which was further offset by quantity, with more than five percentage points. The consolidated recovery of foreign markets has had a positive effect on the trade balance of the cosmetic industry, which has confirmed the upward trend which began in 1996, when the value of cosmetic exports exceeded that of imports. In 2015 the credit balance reached nearly 2,000 million euro, well above many similar market categories, confirming the status of Italian cosmetics as a key element in the country's economic system: The full recovery of some historical foreign markets, along with the evolution of new areas of consumption, has certainly contributed to the performance of Italian sales abroad, which are still increasing sharply after the physiological decline of 2008-2009. But it is the exports to "new" destinations - highly sought-after throughout the Italian business world - which have had the greatest impact.

### Trends in the trade balance

ISTAT data, processed by the Statistics and Business Culture depts., values in millions of euro



The safety of formulations, along with constant product innovation, have contributed to the maintenance of trade figures on individual markets and have prompted growth in new areas of excellence, confirming the quality of the Italian cosmetics industry.

Export constituted 38% of total turnover in 2015, the highest value seen in the last decade, which has certainly been helped by the improved performance of the major European markets and the rapid development of those in the Middle East and Asia. While this value is still too low to be able to hail the successful launch of the internationalisation process of the Italian cosmetics industry, It remains positive in terms of new development opportunities in foreign markets.

With regard to specific products, lip make-up (+47.8%, with a value of 170 million euro) and deodorants (+33.9%, or 96.5 million) achieved particularly good results. Other make-up products have also done extremely well: eye make-up closed 2015 with a growth of 12.6% (353 million euro), and powders and compact powders were up of 3.8%, to 125 million.

The first category of Italian cosmetics exports, including creams and other products, also did remarkably well, increasing by 17.9%, with a value of over 670 million euro.

Exports of hair products were still looking positive however: shampoos did well, +12.7 to almost 190 million euro, along with lacquers (more than 30 million in value) and the combined category covering hair lotions and other products for hair care, which exceeded 527 million euro in value, growing nearly 14.7%. In addition, hair preparations also grew by 7.5%, and are now worth just under 8 million euro.

Only bath preparations were down by 6%, to 71 million euro; along with products for beard care, down 8.1% to 41 million.

In 2015 too, flows in foreign trade have served to consolidate the drop in tensions in the economies of certain individual countries, which are united by their ability to overcome the financial crisis of recent years with remarkable dynamism.

As for imports, creams remain the products of greatest value, increasing by 6.5% and over 588 million euro, along with toilet waters and eau de cologne, up by 6.4% with a value of 236 million euro. The only (very marginal) declines were seen in imports of shampoos and other perfumes and toiletry products, at -1.4% and -0.4% respectively.

Europe confirms its position as the primary destination for cosmetics exports, to the tune of 2,518 million euro, thanks to a strong recovery in demand from historically important countries, such as Germany, France and the United Kingdom.

The growth of exports to the UAE also continues, and is up by 15.1% to over 135 million euro, and exports to Spain have also increased (+22.7%): the volumes of these countries are increasingly attractive, especially from a strategic perspective, in view of policies regarding the internationalisation of companies in the sector. On average, the growth for new players in the international cosmetics business has been more than 40% in the last three years.

For a while now, we have been witnessing an evenly-distributed expansion in export values of Italian cosmetic products: Asia, with a value of 593 million euro, has recorded an increase of 18.9% (it was at 7% in 2014); America recorded an increase of 27.8%, with a value of over 464 million euro, while Italian exports to Africa showed a minor recovery, increasing by 4.6% to just under 80 million. Further intercontinental growth was also recorded for Oceania (+16%), for a total value of 40 million euro, bringing this region close to 2010 levels.

The 10-year comparison of the major destinations within Asia as part of the Association's internationalisation plan is also of major interest: the total value of exports to China, Singapore and Hong Kong has jumped from 89 million euro in 2005 to 245 million last year; an increase of 175% in ten years if we analyse the entire ASWAN region, and which is unlikely to stop as long as the economies of these countries continue their impressive economic growth.

## Export of finished and semi-finished products

Surveys from January to December

	QUANTITIES (tons)			VALUE (thousands of euro)		
	2014	2015	var. %	2014	2015	var. %
<b>Shampoos</b>	83,492	94,202	12.8%	168,987	190,380	12.7%
<b>Hair preparations</b>	1,546	1,584	2.5%	7,380	7,935	7.5%
<b>Lacquers</b>	10,485	10,136	-3.3%	29,893	30,663	2.6%
<b>Hair lotions and other products for hair care</b>	89,696	99,211	10.6%	461,006	527,684	14.5%
<b>Powders and compact powders</b>	5,319	5,064	-4.8%	120,496	125,083	3.8%
<b>Creams and other products</b>	43,973	44,019	0.1%	570,054	671,905	17.9%
<b>Lip make-up products</b>	2,449	3,484	42.3%	114,933	169,896	47.8%
<b>Products for eye make-up</b>	8,227	10,000	21.6%	313,561	352,973	12.6%
<b>Nailcare products</b>	3,558	3,921	10.2%	48,142	56,227	16.8%
<b>Toilet soaps</b>	134,778	160,910	19.4%	208,181	242,705	16.6%
<b>Bath preparations</b>	35,433	33,359	-5.9%	75,354	70,841	-6.0%
<b>Body deodorants</b>	13,842	19,298	39.4%	72,067	96,526	33.9%
<b>Toothpastes</b>	4,269	4,779	11.9%	27,231	35,323	29.7%
<b>Other preparations for oral hygiene</b>	70,356	74,755	6.3%	134,852	138,169	2.5%
<b>Shaving, pre-shave and after shave products</b>	14,646	12,966	-11.5%	45,270	41,591	-8.1%
<b>Perfumes and eau de parfum</b>	10,434	10,856	4.0%	263,448	292,773	11.1%
<b>Toilet waters and eau de colognes</b>	19,472	21,085	8.3%	553,165	620,394	12.2%
<b>Other perfume and toiletry products</b>	21,494	25,143	17.0%	117,416	135,202	15.1%
<b>Total - exports</b>	<b>573,468</b>	<b>634,771</b>	<b>10.7%</b>	<b>3,331,435</b>	<b>3,806,269</b>	<b>14.3%</b>

ISTAT data, processed by the Statistics and Business Culture departments

## Import of finished and semi-finished products

Surveys from January to December

	QUANTITIES (tons)			VALUE (thousands of euro)		
	2014	2015	var %	2014	2015	var %
Shampoos	44,582	46,921	5.2%	87,614	86,422.0	-1.4%
Hair preparations	460	425	-7.8%	2,388	2,708.3	13.4%
Lacquers	1,443	1,502	4.1%	6,288	6,904.4	9.8%
Hair lotions and other products for hair care	32,877	34,203	4.0%	128,917	131,775.8	2.2%
Powders and compact powders	1,653	1,633	-1.2%	23,845	29,044.2	21.8%
Creams and other products	44,563	45,973	3.2%	552,373	588,597.6	6.6%
Lip make-up products	1,154	1,420	23.1%	40,269	56,104.6	39.3%
Products for eye make-up	2,443	2,832	15.9%	99,459	116,997.0	17.6%
Nailcare products	3,797	4,275	12.6%	59,414	68,453.8	15.2%
Toilet soaps	22,068	26,154	18.5%	44,927	51,951.1	15.6%
Bath preparations	9,129	11,945	30.9%	24,461	27,434.3	12.2%
Body deodorants	9,187	9,041	-1.6%	56,911	59,246.9	4.1%
Toothpastes	28,916	31,324	8.3%	87,698	91,215.3	4.0%
Other preparations for oral hygiene	10,561	10,758	1.9%	38,180	40,773.1	6.8%
Shaving, pre-shave and after shave products	4,919	6,964	41.6%	20,497	21,188.3	3.4%
Perfumes and eau de parfum	14,283	9,353	-34.5%	149,892	155,478.9	3.7%
Toilet waters and eau de colognes	10,126	11,739	15.9%	222,259	236,566.4	6.4%
Other perfume and toiletry products	6,898	5,746	-16.7%	39,301	39,130.7	-0.4%
<b>Total imports</b>	<b>249,057</b>	<b>262,210</b>	<b>5.3%</b>	<b>1,684,692</b>	<b>1,809,992.7</b>	<b>7.4%</b>

ISTAT data, processed by the Statistics and Business Culture departments

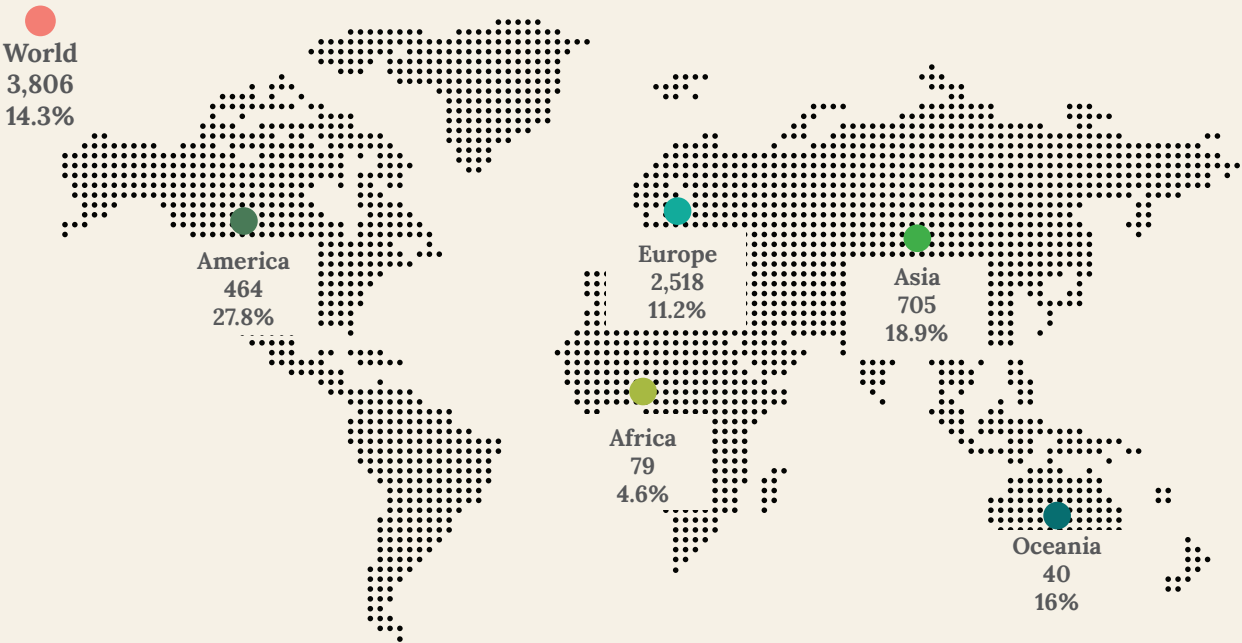
# Italian cosmetics industry exports - top 10

Value of exports in millions of euro

	Export 2014	Export 2015	var %'15/'14	Weight % on export total for 2015
France	390	436	11.7%	10.2%
Germany	393	420	6.9%	10.3%
United States	249	326	31.2%	6.5%
United Kingdom	268	318	18.6%	7.0%
Spain	214	262	22.7%	5.6%
Hong Kong	112	148	31.8%	2.9%
United Arab Emirates	117	135	15.1%	3.1%
Netherlands	117	129	11.1%	3.1%
Poland	107	123	14.9%	2.8%
Russia	139	120	-13.3%	3.7%

## International flows

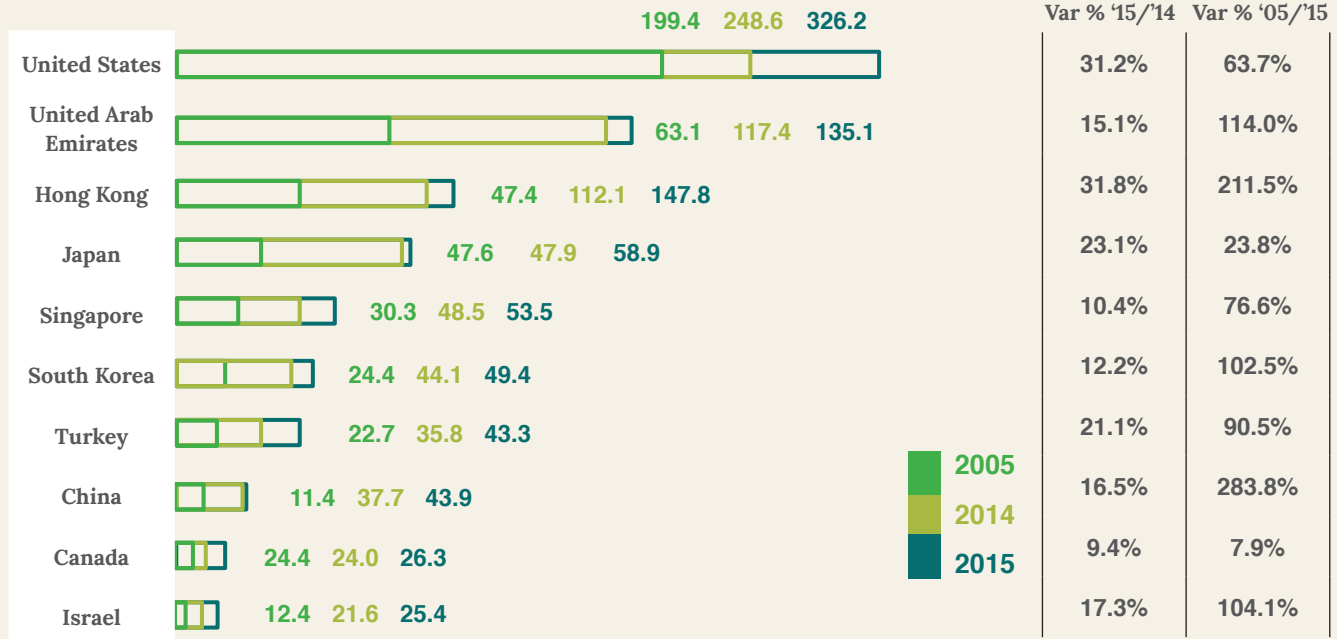
Exports- values in millions of euro and percentage variations 2015/2014



Population share %	Europe	Asia	America	Africa	Oceania
	10.2%	60.9%	13.1%	15.3%	0.5%

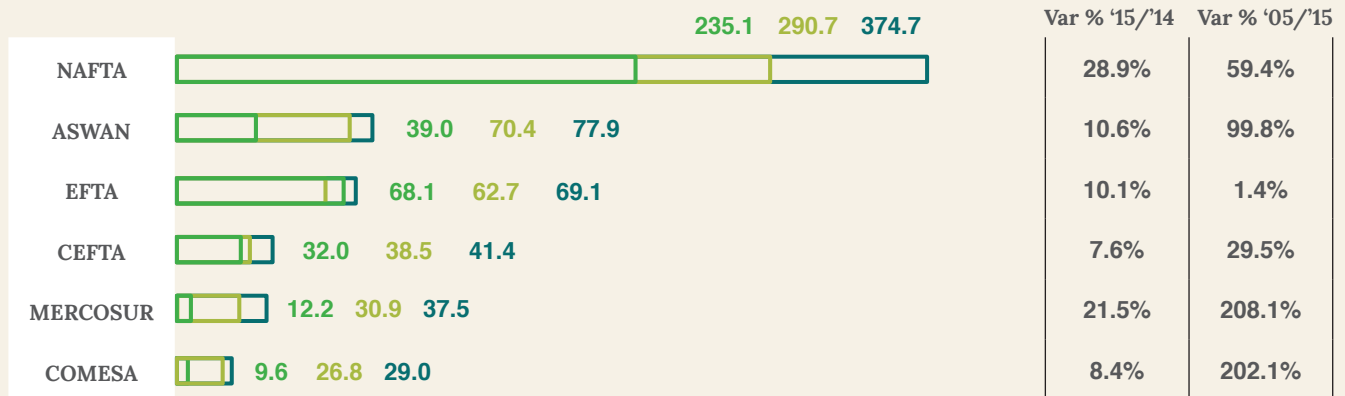
## Countries in the internationalisation plan 2005-2015

Value of exports in millions of euro



## Geo-economic areas

Value of exports in millions of euro



1. NAFTA comprises: Canada, Mexico, US

2. ASWAN comprises: Burma, Brunei, Cambodia, Philippines, Indonesia, Laos, Malaysia, Singapore, Thailand, Vietnam

3. EFTA comprises: Iceland, Liechtenstein, Norway, Switzerland

4. CEFTA comprises: Croatia, Macedonia, Moldova, Serbia, Bosnia and Herzegovina, Montenegro, Albania, Kosovo

5. MERCOSUR comprises: Argentina, Brazil, Paraguay, Uruguay

6. COMESA comprises: Burundi, Comoros, Congo, Egypt, Eritrea, Ethiopia, Djibouti, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, Zimbabwe

## Leading importers by macro-category

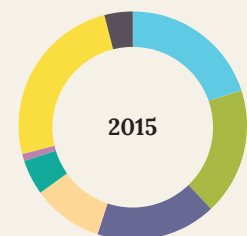
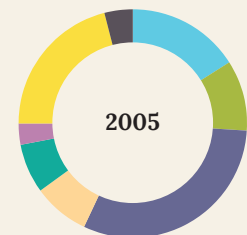
Italian exports in 2015 - values in millions of euro

Products for hair care		Products for make-up		Products for body care		Personal cleansing	
United States	66.9	France	141.3	Germany	58.7	France	72.3
Spain	57.7	Germany	88.4	Hong Kong	50.4	United Kingdom	44.4
France	57.2	United Kingdom	58.4	France	46.5	Germany	34.7
Germany	53.7	United States	54.1	United States	42.2	Spain	29.1
United Kingdom	39.6	Spain	38.1	Spain	34.8	Greece	14.6
Oral hygiene		Products for men		Alcohol-based perfume products		Other products	
United Kingdom	44.4	Germany	16.3	Germany	103.4	Netherlands	23.3
Germany	32.1	Netherlands	6.9	United States	72.7	France	15.6
France	13.9	Russia	2.9	United Arab Emirates	65.3	Spain	9.9
Slovakia	10.1	France	2.8	Hong Kong	53.6	Russia	6.7
Spain	9.2	United States	1.5	United Kingdom	44.9	Germany	5.9

## Breakdown of exports by macro category

Italian exports in 2005-2015, values in millions of euro

	2005	weight % '05 on total export	2015	weight % '15 on total export	Var % '15/'14
● Products for hair care	217	15.9%	757	19.9%	13.4%
● Products for make-up	145	10.6%	704	18.5%	17.8%
● Products for body care	430	31.4%	672	17.7%	17.8%
● Personal cleansing	111	8.1%	410	10.8%	15.4%
● Oral hygiene	88	6.5%	173	4.6%	7.0%
● Products for men	31	2.3%	42	1.1%	-8.1%
● Alcohol-based perfume products	291	21.3%	913	24.0%	11.7%
● Other products	55	4.0%	135	3.6%	15.0%
	1,369	100.0%	3,806	100.0%	14.2%



## 4 Advertising and claim investments

Thanks to the results of the surveys provided by Nielsen, the Cosmetics Italia Statistics Dept. has implemented a study of investments in advertising in the cosmetics industry, with a view to understanding the evolution of a key component of industrial investment. Continuous adjustments to the previous results may mean that it is not possible to guarantee an exact comparison with previous years. In particular, as of 2014, surveys have incorporated the speed of technological change with regard to use of media: advertisements aired on television, for example, now pass through new channels, via new processes, with subsequent new methods of use. In order to update the classifications and categories, even many of the tradition subdivisions are to be changed, although the quality of the detected trends and their absolute significance remains guaranteed. After a period of stability in 2014, investments in advertising by the cosmetics sector in 2015 dropped by 3.6%, for a value of 442 million euro, 44% of the personal sector, which in turn, thanks to a slight recovery of 0.9%, still constitutes 17.4% of the total investment in commercial advertising. At a time when economic uncertainty has been assimilated, the cosmetics sector has been displaying dynamics which are inconsistent with other segments of a similar size, confirming its continued positive support for investment in national companies. Within the context of the macro-sectors, we note a slight overall downturn (-0.3%), a knock-on effect of the decline in Activities Services, Durable Goods and Leisure.

However, the cosmetics industry's major investment in advertising is second only to that seen in the food, automobile and telephony sectors, with a level of advertising pressure (the relationship between consumption of cosmetics and investment in advertising) which dropped to 4.5% in 2015 - still higher than the value seen across other major "made in Italy" sectors such as fashion, eyewear and footwear. The effects of the international financial crisis have also taken their toll on the domestic tax burden, with inevitable constraints on investments which are now considered to be of secondary importance, such as advertising. However, the efforts made by companies attempting to maintain continuity are clear, with a view to supporting the demand for cosmetics with targeted advertising, often rationalising the planning diversifying and seeking specific opportunities within individual media outlets.

In 2015, too, the most commonly used medium for advertisement was once again television, despite a drop of 2.3%, with a final value of nearly 335 million euro, while the press continues the decline in recent years with a further drop of 8.5%, stopping at just over 75 million euro.

The value of investments in radio is currently at 4.7 million euro, with a sharp decline of 18.2%. Internet-based advertising trends have seen an improvement: From 2010 to today, investment in online advertising has increased significantly, now representing 4.3% of the total, with a dynamic performance in 2015 (+1.7%) worth over 19 million euro.

The detailed analysis of the main advertising distribution channel for the industry, television, has shown a positive counter-trend for a number of years, a result of the increasingly popular digital terrestrial channels (both free and paying channels, which have increased by more than 20 percentage points), as have satellite channels (+0.7%, with a value of almost 42 million euro).

With regard to the breakdown of investments by product category, perfumes are in first place, accounting for 22.5% of advertising spending, followed by hair care products (17%) and face care products (14%). Undoubtedly, the evolution of communications tools will have an increasing influence on the choices made with regard to investments and facilities, with new digital techniques. In addition to feeling the impact of the recent economic trends, advertising - and its impact on business strategies - is also changing. Now, new targets such as bloggers and web-TV specialists are dictating choices, and influencing decisions regarding corporate communications investments.

## Trends in macro-sectors - national advertising

Values in thousands of euro, data: Nielsen

	2014		2015		Var % '15/'14
	Net investment	Weight in %	Net investment	Weight in %	
<b>Activity/services</b>	<b>1,617,067</b>	<b>27.9</b>	<b>1,570,753</b>	<b>27.1</b>	<b>-2.9</b>
Durable goods	936,541	16.2	905,051	15.6	-3.4
Fast-moving consumer goods	1,524,116	26.3	1,613,246	27.9	5.8
• of which Food	1,058,607	18.3	1,134,932	19.6	7.2
• of which non-Food	465,509	8.0	478,315	8.3	2.8
Personal	996,007	17.2	1,004,801	17.4	0.9
• of which cosmetics	<b>458,485</b>	<b>7.9</b>	<b>441,989</b>	<b>7.6</b>	<b>-3.6</b>
Free time	712,483	12.3	677,148	11.7	-5.0
<b>Total national advertising</b>	<b>5,786,214</b>	<b>100.0</b>	<b>5,770,999</b>	<b>100.0</b>	<b>-0.3</b>

Sector details:

Activity/Sectors: Distribution - Bodies/Institutions - Finance/Insurance - Industry/Construction/Activities - Professional Services - Telecommunications - Miscellaneous

Durable goods: Homes - Cars - Household electrical appliances - IT/ Photography - Motorbikes/Vehicles

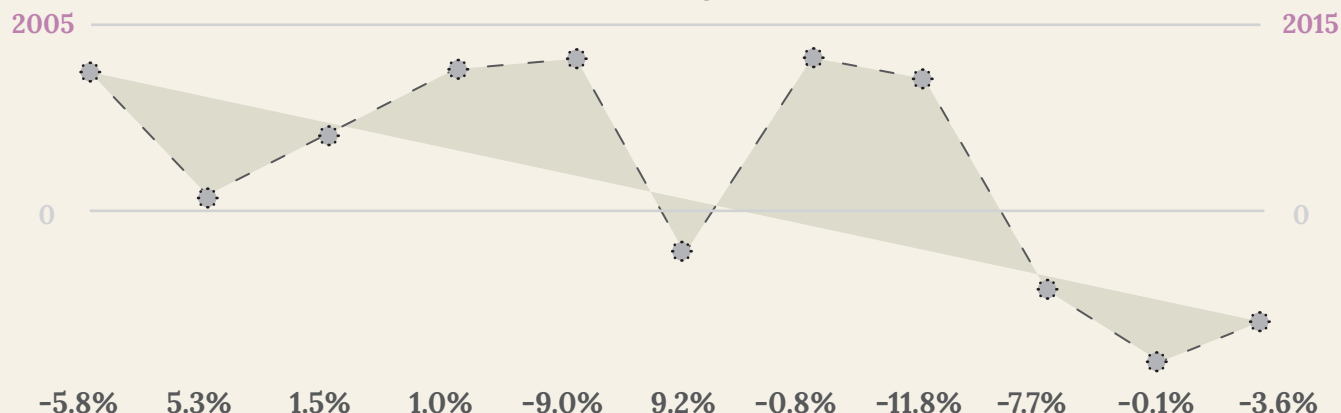
Fast-moving consumer goods: Food - Drinks/Alcoholic beverages - Home care - Toiletries

Leisure time: Games/school items - Media/Publishing - Leisure time - Tourism/Travel

Personal: Clothing - Personal care - Pharmaceuticals/Health - Personal objects

## Investment in advertising for cosmetics on traditional media

Annual percentage variation



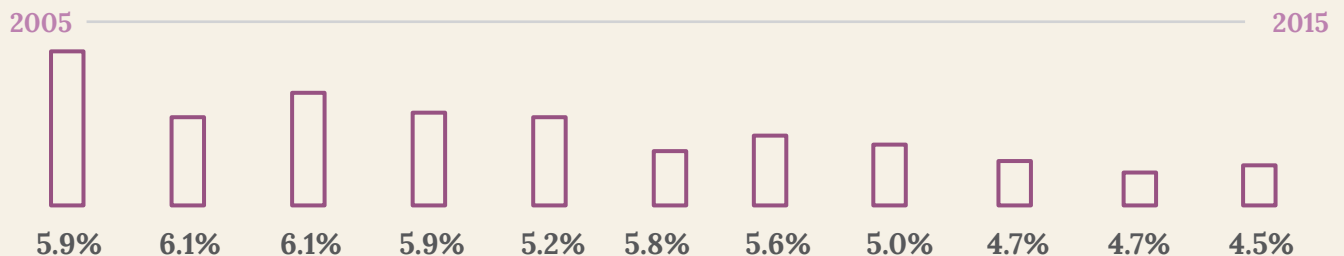
## Breakdown of net advertising investments by media, by cosmetic product

Values in thousands of euro, data: Nielsen

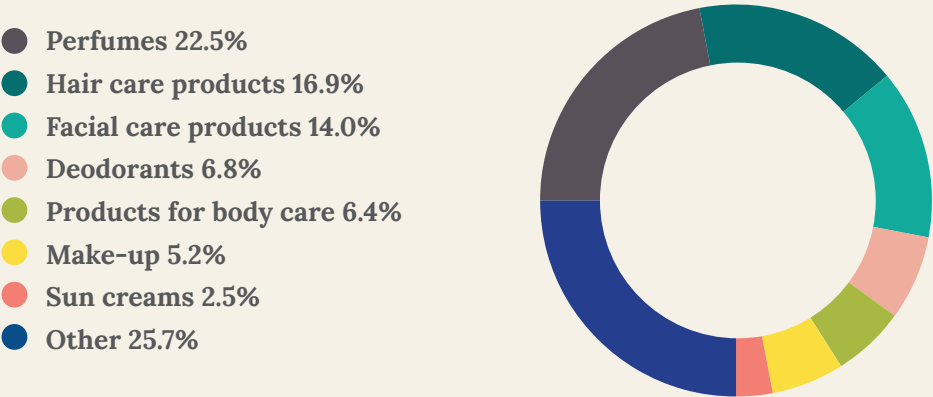
	2014	Weight in %	2015	Weight in %	Var %'15/'14
<b>Press</b>	<b>82,860</b>	<b>18.1</b>	<b>75,834</b>	<b>17.2</b>	<b>-8.5</b>
Dailies	12,502	2.7	12,801	2.9	2.4
Consumer periodicals	70,122	15.3	62,888	14.2	-10.3
Professional periodicals	235	0.1	145	0.0	-38.3
<b>TV</b>	<b>342,714</b>	<b>74.7</b>	<b>334,710</b>	<b>75.7</b>	<b>-2.3</b>
General TV	252,265	55.0	236,690	53.6	-6.2
Satellite TV	41,643	9.1	41,946	9.5	0.7
DTT free TV	43,137	9.4	48,068	10.9	11.4
DTT pay TV	5,668	1.2	8,006	1.8	41.2
<b>Radio</b>	<b>5,752</b>	<b>1.3</b>	<b>4,708</b>	<b>1.1</b>	<b>-18.2</b>
<b>Out Of Home</b>	<b>5,888</b>	<b>1.3</b>	<b>5,689</b>	<b>1.3</b>	<b>-3.4</b>
<b>Cinema</b>	<b>2,640</b>	<b>0.6</b>	<b>2,096</b>	<b>0.5</b>	<b>-20.6</b>
<b>Internet</b>	<b>18,632</b>	<b>4.1</b>	<b>18,952</b>	<b>4.3</b>	<b>1.7</b>
<b>Total - media</b>	<b>458,486</b>	<b>100.0</b>	<b>441,989</b>	<b>100.0</b>	<b>-3.6</b>

## Percentage index of advertising pressure

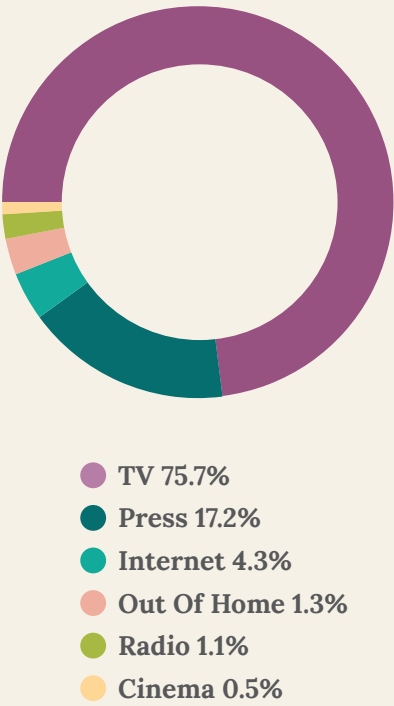
Advertising investment and consumption of cosmetic products ratio



Distribution of advertising investment by product category



Distribution of advertising investment by media

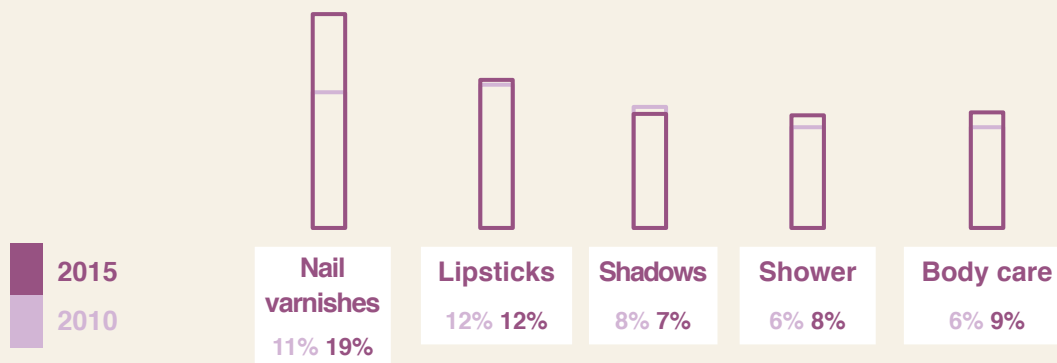


# ○ Release of cosmetics in Italy: types, claims and packaging

Through the use of Mintel's database, it is now possible to outline the reference scenario with regard to cosmetic products launched in Italy in 2015 (excluding prestige products) and the main claims featured on their packaging. Of the more than 4,000 total product launches (including colour variations), more than 16% were related to nail varnishes, followed by the two other major make-up categories - lipsticks (10%) and eyeshadows (6%), all of which have succeeded in recent years in gaining a significant market share in terms of consumption figures. The data relating to the type of launch is important: Three out of four products are derived from new entries on the market, while 16% are extensions of existing product ranges. New formulations represent just under 1%. In terms of claims, in Italy the most widely-used terms on cosmetics packaging relate to "green", environmentally-friendly connotations, the long-lasting nature of the product and its ability to moisturise/illuminate. Looking at the wider international scene, it is interesting to note that the ability to act quickly, as well as reference to ethical elements and animal welfare, are becoming increasingly widespread, in addition to claims regarding the "naturalness" of ingredients. Overall, these developments have increased competition, driving quality standards ever higher.

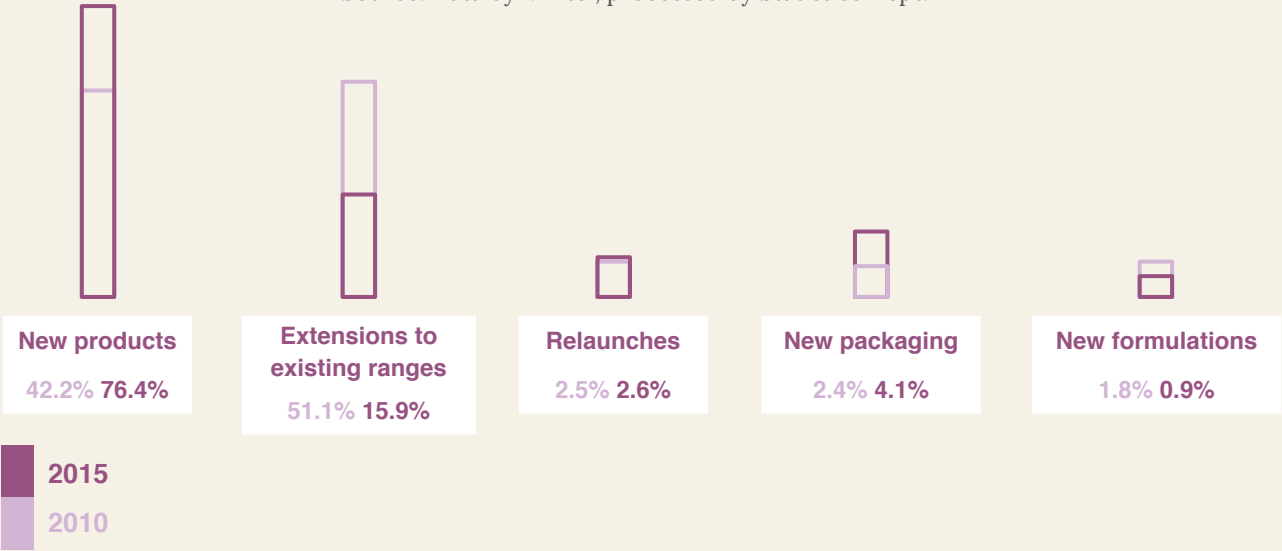
## Percentage weight of launch of cosmetic products in Italy (top 5)

Source: Data by Mintel, processed by Statistics Dept.



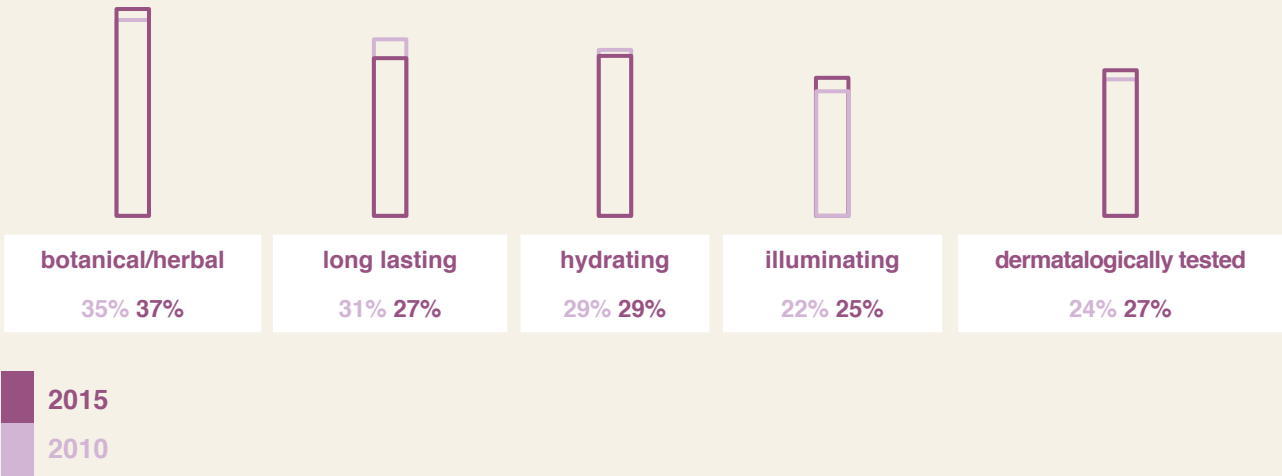
# Percentage weight of each type of launch for Italian cosmetics in 2015

Source: Data by Mintel, processed by Statistics Dept.



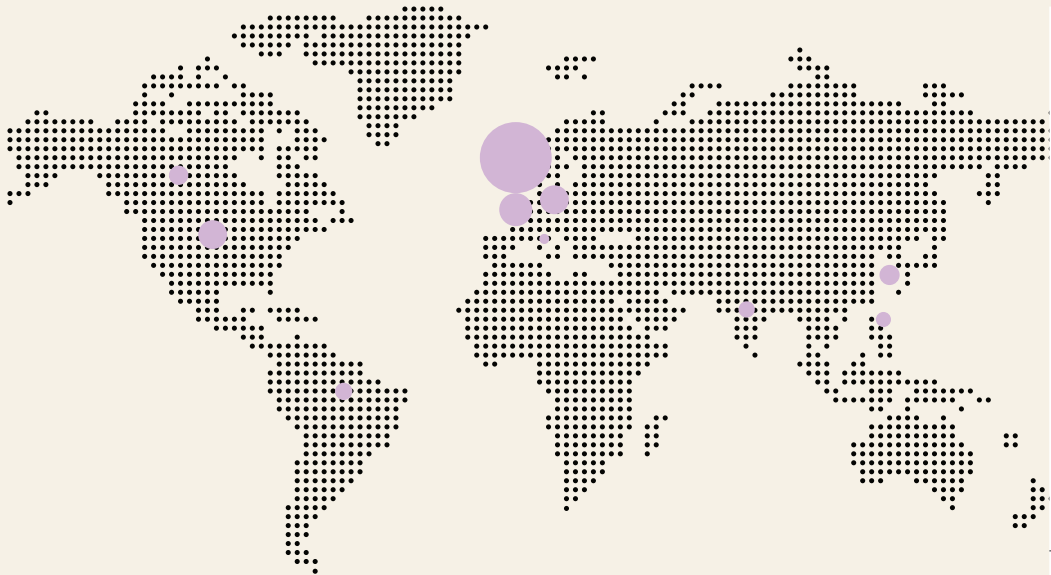
# Percentage weight of principal *claims* used across Italian cosmetics in 2015

Source: Data by Mintel, processed by Statistics Dept.



# Number of launches of cosmetic products in 2015

Data by Mintel (GNPD database), processed by Statistics Dept.



United Kingdom	13,176
France	10,506
Germany	9,207
United States	6,946
Japan	5,539
Canada	3,764
Brazil	5,233
Canada	3,764
India	3,858
Italy	4,009
South Korea	2,922
Rest of world	57,629
Total	126,553

Number of launches of cosmetic products with organic connotations	n°
2010	6,316
2011	5,651
2012	6,199
2013	5,410
2014	6,136
2015	6,648

Number of launches of products with organic connotations (top 5)	n°
Face and neck care	1,323
Body care	887
Shower	679
Shampoos	464
Lipsticks	448

## Total cosmetic products on traditional channels - Historical values and annual percentage changes

Retail prices VAT included - figures in millions of euro

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Cosmetic products - total	7,884.0	7,797.6	7,972.9	8,301.0	8,519.8	8,378.7	8,567.7	8,482.8	8,379.6	8,257.3	8,362.4
	3.0%	-1.1%	2.2%	4.1%	2.6%	-1.7%	2.3%	-1.0%	-1.2%	-1.5%	1.3%
Hair and scalp care	1,237.0	1,221.7	1,205.6	1,207.4	1,224.1	1,173.5	1,177.6	1,166.8	1,156.6	1,121.2	1,108.5
	1.6%	-1.2%	-1.3%	0.2%	1.4%	-1.2%	2.5%	-0.9%	-0.9%	-3.1%	-1.1%
Products for face care	1,183.0	1,206.7	1,254.9	1,302.4	1,311.6	1,275.4	1,304.2	1,294.9	1,295.2	1,289.1	1,297.7
	5.0%	2.0%	4.0%	3.8%	0.7%	0.2%	8.0%	-0.7%	0.0%	-0.5%	0.7%
Products for make-up	315.3	312.4	322.7	332.0	363.6	388.7	388.1	393.4	376.7	376.2	386.3
	6.7%	-0.9%	3.3%	2.9%	9.5%	10.2%	6.5%	1.4%	-4.2%	-0.1%	2.7%
Make-up packs	28.4	32.2	33.0	24.8	26.1	18.2	27.9	27.2	28.8	29.4	29.5
	5.6%	13.2%	2.6%	-24.9%	5.3%	-28.0%	52.7%	-2.6%	6.1%	2.0%	0.4%
Products for eyes	256.8	250.3	255.3	257.2	277.4	302.2	304.0	310.5	305.9	310.7	330.8
	5.2%	-2.5%	2.0%	0.8%	7.8%	12.3%	4.5%	2.1%	-1.5%	1.6%	6.4%
Products for lip care	315.0	298.5	289.1	282.5	278.4	284.1	280.4	275.1	259.4	251.7	263.0
	3.1%	-5.3%	-3.1%	-2.3%	-1.5%	5.2%	3.9%	-1.9%	-5.7%	-3.0%	4.5%
Products for hand care	155.5	146.9	148.3	162.0	178.2	199.5	214.7	211.8	201.6	190.6	187.3
	3.6%	-5.5%	1.0%	9.2%	10.0%	15.4%	11.1%	-1.4%	-4.8%	-5.5%	-1.7%
Products for body care	1,300.9	1,254.5	1,304.3	1,390.8	1,447.4	1,410.7	1,458.2	1,446.2	1,428.9	1,384.4	1,413.2
	2.3%	-3.6%	4.0%	6.6%	4.1%	0.4%	10.9%	-0.8%	-1.2%	-3.1%	2.1%
Products for body hygiene	1,118.9	1,097.8	1,109.1	1,140.8	1,150.3	1,113.3	1,145.7	1,132.6	1,118.0	1,102.8	1,114.6
	-1.6%	-1.9%	1.0%	2.9%	0.8%	-0.3%	8.8%	-1.1%	-1.3%	-1.4%	1.1%
Products for oral hygiene	606.7	601.1	627.7	669.0	693.8	672.2	693.5	691.0	700.0	704.2	713.9
	7.2%	-0.9%	4.4%	6.6%	3.7%	-0.2%	3.2%	-0.4%	1.3%	0.6%	1.4%
Skin cleansing products for children	166.7	174.0	181.5	206.1	233.7	238.6	240.6	235.2	223.7	215.1	209.6
	-0.1%	4.2%	4.3%	13.6%	13.4%	5.2%	2.5%	-2.2%	-4.9%	-3.9%	-2.5%
Products for men	262.1	208.6	209.9	216.3	216.5	205.7	203.0	193.1	183.7	173.8	168.8
	6.6%	-20.4%	0.7%	3.0%	0.1%	-2.1%	8.3%	-4.9%	-4.9%	-5.4%	-2.9%
Alcohol-based perfume products	954.4	926.3	956.6	1,021.4	1,029.2	1,002.1	1,030.6	1,009.2	1,000.4	1,013.7	1,039.9
	4.5%	-2.9%	3.3%	6.8%	0.8%	0.3%	7.0%	-2.1%	-0.9%	1.3%	2.6%
Gift packs	65.5	66.6	74.9	88.4	89.7	94.4	99.2	95.8	100.8	94.4	99.3
	2.8%	1.7%	12.3%	18.0%	1.6%	8.4%	5.1%	-3.4%	5.2%	-6.4%	5.2%

## DIRECT AND PROFESSIONAL CHANNELS - Historical values and annual percentage changes

Retail prices VAT included - figures in millions of euro

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total - direct sales	<b>399.5</b>	<b>407.3</b>	<b>410.3</b>	<b>436.7</b>	<b>447.0</b>	<b>482.8</b>	<b>517.7</b>	<b>544.0</b>	<b>600.3</b>	<b>649.5</b>	<b>701.8</b>
	3.4%	1.9%	0.7%	6.4%	2.4%	8.0%	7.2%	5.1%	10.3%	8.2%	8.1%
Door-to-door sales	316.0	333.4	355.4	376.7	390.6	413.3	428.3	437.0	456.7	469.5	462.4
	4.0%	5.5%	6.6%	6.0%	3.7%	5.8%	3.6%	2.0%	4.5%	2.8%	-1.5%
Mail order sales and e-commerce	83.5	73.9	54.9	60.0	56.4	69.5	89.4	107.0	143.6	180.0	239.4
	1.1%	-11.5%	-25.7%	9.3%	-6.0%	23.2%	28.7%	19.7%	34.2%	25.3%	33.0%

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total - professional channels	<b>1,004.8</b>	<b>1,025.3</b>	<b>1,038.4</b>	<b>1,003.8</b>	<b>954.2</b>	<b>962.4</b>	<b>956.0</b>	<b>901.0</b>	<b>833.0</b>	<b>803.0</b>	<b>783.1</b>
	-1.0%	2.0%	1.3%	-3.3%	-4.9%	0.9%	-0.7%	-5.8%	-7.5%	-3.6%	-2.5%
Sales to beauty institutes and beauticians	263.4	272.6	278.3	273.3	261.0	265.7	270.0	256.0	242.0	233.0	225.5
	-1.0%	3.5%	2.1%	-1.8%	-4.5%	1.8%	1.6%	-5.2%	-5.5%	-3.7%	-3.2%
Hairdressing	741.4	752.7	760.1	730.5	693.2	696.7	686.0	645.0	591.0	570.0	557.6
	-1.0%	1.5%	1.0%	-3.9%	-5.1%	0.5%	-1.5%	-6.0%	-8.4%	-3.6%	-2.2%

## DIRECT AND PROFESSIONAL CHANNELS - Actual values and annual percentage changes

Retail prices VAT included - figures in millions of euro

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total - direct sales	<b>469.0</b>	<b>468.8</b>	<b>464.0</b>	<b>478.6</b>	<b>486.4</b>	<b>517.1</b>	<b>539.9</b>	<b>550.5</b>	<b>600.9</b>	<b>648.8</b>	<b>701.8</b>
	1.6%	-0.1%	-1.0%	3.1%	1.6%	6.3%	4.4%	2.0%	9.1%	8.0%	8.2%
Door-to-door sales	371.0	383.7	401.9	412.9	425.0	442.7	446.7	442.2	457.1	469.0	462.4
	2.2%	3.4%	4.7%	2.7%	2.9%	4.2%	0.9%	-1.0%	3.4%	2.6%	-1.4%
Mail order sales and e-commerce	98.1	85.1	62.1	65.8	61.4	74.4	93.2	108.3	143.7	179.8	239.4
	-0.7%	-13.3%	-27.0%	5.9%	-6.7%	21.3%	25.3%	16.1%	32.7%	25.1%	33.2%

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total - professional channels	<b>1,179.6</b>	<b>1,180.1</b>	<b>1,174.4</b>	<b>1,100.1</b>	<b>1,038.2</b>	<b>1,030.7</b>	<b>997.1</b>	<b>911.8</b>	<b>833.8</b>	<b>802.2</b>	<b>783.1</b>
	-2.7%	0.0%	-0.5%	-6.3%	-5.6%	-0.7%	-3.3%	-8.6%	-8.6%	-3.8%	-2.4%
Sales to beauty institutes and beauticians	309.2	313.7	314.8	299.5	284.0	284.6	281.6	259.1	242.2	232.8	225.5
	-2.7%	1.5%	0.3%	-4.8%	-5.2%	0.2%	-1.0%	-8.0%	-6.5%	-3.9%	-3.1%
Hairdressing	870.4	866.4	859.7	800.6	754.2	746.2	715.5	652.7	591.6	569.4	557.6
	-2.7%	-0.5%	-0.8%	-6.9%	-5.8%	-1.1%	-4.1%	-8.8%	-9.4%	-3.7%	-2.1%

## DEVELOPMENTS IN EXPORTS OF ITALIAN COSMETICS THROUGHOUT THE WORLD

Historical values and annual percentage changes – Values in millions of euro, data from ISTAT

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total - exports	2,144	2,274	2,297	2,328	2,054	2,403	2,671	2,861	3,178	3,331	3,806
	7.0%	6.1%	1.0%	1.4%	-11.8%	17.0%	11.1%	7.1%	11.1%	4.8%	14.3%
Products for hair care	295	332	365	401	396	467	532	587	627	667	757
	0.4%	12.8%	9.8%	9.8%	-1.4%	18.1%	13.9%	10.4%	6.7%	6.5%	13.4%
Products for make-up	309	324	350	397	319	365	408	481	531	597	704
	8.4%	4.7%	8.3%	13.2%	-19.6%	14.4%	11.7%	17.9%	10.4%	12.5%	17.9%
Products for body care	505	542	516	469	423	493	523	540	565	570	672
	13.6%	7.3%	-4.7%	-9.2%	-9.8%	16.5%	6.1%	3.2%	4.7%	0.9%	17.8%
Personal cleansing	208	253	262	271	247	243	262	263	337	356	410
	-5.5%	21.3%	3.5%	3.7%	-8.8%	-1.5%	7.6%	0.4%	28.3%	5.4%	15.3%
Oral hygiene	64	64	54	47	91	99	113	117	149	162	173
	-5.8%	1.0%	-15.5%	-13.8%	95.2%	7.9%	14.9%	3.0%	27.9%	8.6%	6.9%
Products for men	36	38	41	42	41	45	49	48	40	45	41
	-0.8%	5.9%	6.5%	3.7%	-2.4%	8.6%	10.3%	-3.7%	-15.6%	12.9%	-8.6%
Alcohol-based perfume products	637	627	612	604	456	605	693	734	821	817	913
	13.9%	-1.5%	-2.5%	-1.3%	-24.4%	32.5%	14.6%	5.9%	11.8%	-0.5%	11.8%
Other products	90	94	97	98	81	87	91	92	108	117	135
	-7.2%	3.9%	3.2%	1.4%	-17.6%	7.9%	4.8%	1.2%	17.3%	8.4%	15.1%

## DEVELOPMENTS IN IMPORTS OF ITALIAN COSMETICS THROUGHOUT THE WORLD

Historical values and annual percentage changes – Values in millions of euro, data from ISTAT

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total - exports	1,369	1,453	1,515	1,581	1,409	1,577	1,660	1,626	1,653	1,685	1,810
	6.7%	6.1%	4.3%	4.4%	-10.9%	11.9%	5.3%	-2.0%	1.6%	1.9%	7.4%
Products for hair care	217	241	230	235	220	216	237	220	219	225	228
	7.7%	10.9%	-4.3%	1.8%	-6.1%	-1.9%	9.6%	-7.1%	-0.4%	2.7%	1.2%
Products for make-up	145	148	155	144	144	173	196	219	218	223	271
	11.1%	2.0%	5.2%	-7.2%	0.1%	20.1%	13.1%	11.8%	-0.6%	2.4%	21.4%
Products for body care	430	465	504	537	470	518	529	523	543	552	589
	6.3%	8.0%	8.4%	6.6%	-12.6%	10.2%	2.3%	-1.2%	3.9%	1.7%	6.6%
Personal cleansing	111	128	132	144	120	122	130	124	130	126	139
	-0.8%	15.3%	3.6%	8.5%	-16.8%	1.6%	6.7%	-4.1%	4.9%	-3.1%	9.8%
Oral hygiene	88	94	97	120	109	115	130	127	146	126	132
	4.6%	6.2%	3.1%	23.9%	-9.3%	6.1%	12.9%	-2.8%	15.3%	-13.8%	4.9%
Products for men	31	28	31	26	23	23	23	22	19	20	21
	14.5%	-10.5%	10.1%	-16.6%	-9.0%	-0.2%	-2.6%	-3.6%	-14.1%	8.6%	3.4%
Alcohol-based perfume products	291	300	311	329	279	359	374	350	336	372	392
	11.2%	3.0%	3.6%	5.7%	-15.2%	29.0%	4.2%	-6.5%	-3.9%	10.8%	5.3%
Other products	55	50	54	47	45	50	41	41	41	39	39
	-9.9%	-10.1%	8.5%	-12.3%	-5.1%	11.9%	-19.0%	1.8%	-0.9%	-4.3%	-0.4%

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