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Aging Gracefully, Or Not

Anti-aging products dominate the facial care market as consumers fight the signs of aging.

By Jill Rivkin

Aging gracefully is one thing. Preventing and fighting wrinkles, dark spots and dull skin is another, or so many women would agree. And this attitude is apparent in the facial care and cosmetics segments as anti-aging products are in high demand in recent years. Higher-quality, advanced skin care is driving the overall skin care segment, according to Chicago's Euromonitor, which reports sales of more than \$8 billion in 2007, up 3 percent.

"Demand for anti-aging skin care is still strong, and a rising number of aging Americans provides an expanding consumer base for products that claim to prevent and/or reduce the signs of aging," Euromonitor reports.

Ella Laboy, executive vice president at Marietta, Ga.-based Cosco International says, "[Trends point to] everything and anything to do with wrinkle filling and moisturization."

Baby Boomer Benefit

The baby boomers have been an asset to manufacturers and marketers in many segments and continue to be, in particular as they age. In facial care and cosmetics, baby boomers have influenced the anti-aging trend because of their desire and financial ability to fight the physical signs of aging. Demographically, this group may be having more birthdays, but baby boomers have indicated that they will



not age gracefully if it means sitting back and getting old. They have discretionary funds to spend as they retire and change their lifestyles, and spending on personal care continues to be a priority.

"Baby boomers have access to the most expendable incomes, and they are more susceptible to problematic skin conditions. In our business, baby boomers keep the segment fairly healthy," Laboy adds.

"This very large group of demographics has a well-defined sense of urgency to look younger," says Deborah Duffey, president of Dermazone Solutions Inc., St. Petersburg, Fla. "They are tuned into facial treatments and advancements that can help make them feel and look younger. Further, this aging group has a beauty budget that can support new trends in facial care."

According to Euromonitor, "mature consumers seeking effective treatments for aging skin" have boosted demand for premium skin care products, which accounted for 33 percent of skin care value sales in 2007. "The premium manufacturers' strategies of introducing higher and higher priced anti-agers with rare and exotic ingredients have proved successful."

And the future looks good, according to Euromonitor. "Anti-aging products will be the most dynamic in value terms, with anticipated growth of 21 percent in constant



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— PAUL LIEBER, ROYAL LABS NATURAL COSMETICS

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value between 2007 and 2012 to a total of approximately \$2.7 billion at constant 2007 prices."

But manufacturers, brand owners and retailers shouldn't rely on the baby boomers to drive the market on their own — there are other strong demographics making a noticeable mark.

"Teens and men make up important segments of the market and are the new target market as the baby boomers age," says Mary Swaab, chief executive officer and

inventor at Colorlab Cosmetics Inc., Rockford, Ill. And, she adds, that

despite economic hardships for most people right now,

"Although customers are more careful with their spending, they are willing to buy products that are high quality and effective."

Overall, Euromonitor anticipates 1 percent growth in retail sales of skin care between 2007 and 2012, driving the segment to more than \$8 billion.

Enhanced Cosmetics

Steps taken by consumers to combat aging helps safeguard skin, however, color cosmetics play a big role in helping consumers cover imperfections and highlight facial assets. And the desire for products with anti-aging capabilities has permeated cosmetics, as well.

"High-definition cosmetics is a trend in which we have incorporated anti-aging effects so that formulas have light-weight textures, have great light-diffusing properties and deliver active anti-aging ingredients," says Pinki Patel, director of product development for Toronto-based Cosmetica Laboratories Inc.

If skin care products and cosmetics can serve multiple purposes by taking care of the skin and providing aesthetic improvements through color and texture, this also can simplify the personal-care process, appealing to consumers' desire for quick and easy, as well as financially sound.

"Today the trend is for multi-functional product benefits and results in order to simplify one's daily facial care

regimen, and to trim one's beauty budget," Duffey says.

A Natural Beauty

Like in most categories, consumers have taken a closer look at what ingredients are in their skin care and cosmetics products.

While natural and organic took off in food and beverage first, natural and organic personal care products more recently entered the mix.

"A lot of people are becoming much more aware of chemicals in daily life," says Paul Lieber, chief executive officer at Royal Labs Natural Cosmetics, Johns Island, S.C. "Cosmetics have taken a little longer, but people are realizing that some products may get into their bodies and have effects. Consumers are much more aware."

So while herbal-based products in this segment have been around for quite some time, the interest is growing and thus creating new demand for products and the required — and sometimes scarce — raw materials. "The most challenging thing for us right now is finding the quality raw materials at the pricing we need to make even more natural products," Lieber says. "The products have to perform like the label says, and natural cosmetics are becoming more mass produced... Product performance is critical. More and more, people are demanding products that are natural, but they have to live up to the label."

Cosmetica Laboratories' Patel agrees, "A growing trend is the natural cosmetics sector," she says. "Our approach is to give a luxury, all-natural formulation that is not compromised with the limitations in raw materials."

Euromonitor's report points to an increased interest in products that tout food ingredients — natural elements, though ones that don't face as much supply pressure. In 2007, Garnier Nutritioniste, Be Fine and Yes to Carrots boasted food ingredients appealing to shoppers that are increasingly seeking healthier options in all of their consumables. Products like these are expected to do well as consumers continue to build their education and make educated and purposeful decisions about how they care for their skin. ■

