

MICHELE SUPERCHI  
BEAUTYSTREAMS, Paris, France

## Make ingredients come alive

### KEYWORDS:

#### ABSTRACT

The beauty industry is in constant evolution and the most recent export booms and the consumers' research of personalization have forced companies to improve the type of tools used for support. Storytelling has become the way-to-go type of communication at all levels of the industry and most of the manufacturers and brands have already embraced this style to be more in line with their clients' needs. The era where inspirational communication will influence raw material companies has already begun and that is the reason why it is fundamental to learn how to make ingredients come alive.

Today's global cosmetic industry is valued over €532 billion (1) and Italy plays a major role with its vast landscape of innovative manufacturers. In the latest *Congiunturale, Trend e Investimenti nel Settore Cosmetico*, presented by the Centro Studi di Cosmetica Italia this July in Milan, Italian manufacturing companies represent the main engine of international new product development, producing 67% of the European cosmetic products (2). In 2017, the Italian contract manufacturing sector was valued at €1500 millions (2) and in coming years projected to grow further. Face make-up has been the most lucrative product category to manufacture, representing 30.1% of the total value in 2017, with eye make-up and lip products following shortly after with 18.7% and 11.1% respectively of the total value (2).

Export plays a fundamental role for Italian manufacturers. Strategically, exporting has helped companies reach markets with less competition and hence expand their client base. In the last 20 years, Italian beauty exports have risen, mostly thanks to the growth of non-EU markets such the United States, Hong Kong and the Emirates that represent together 17% of the total Italian exports (2). Despite the impressive rise in exports to non-EU regions, European countries like France, Germany and the UK still represent the top 3 export areas, counting 31.3% of total exports (2).

It is through this export boom and the increasing pace of the industry, that Italian manufacturers need to readjust their approach in order to meet the new market demands.

To keep up-to-date with the ever-evolving market and its rapid changes, they require specialized and easy-to use information tools. Expert platforms with trends forecasts, images and concrete product directions are extremely needed in the beauty manufacturing sector.

More exports to different regions of the world also create a need for the diversification of product offerings, with savvy, well-informed end consumers putting pressure on brands to customize products and adapt to their needs. Brands, in turn, require manufacturers to offer a larger variety of colors and textures which can then be adapted to regional skin tones, tastes, and climates.

In addition, storytelling becomes an important method of communication for ingredient suppliers, manufacturers, brands and end consumers, creating a cohesive, exciting world around new concepts. These concepts fuel marketing campaigns and new product development, and they require frequent change and update. In this way, communication for manufacturers has evolved from "These are the products we can make for you" to "Look at these beautiful innovations, at all the trends they tap into, and imagine how great they would look on your shelves!".

Many brands today look to manufacturers to proactively propose new marketing and product concepts. This is confirmed also in the statistics displayed by the Centro Studi di Cosmetica Italia, who found a raise of 5% points in communication investments compared to 2017 (2).

This need extends to all areas of the cosmetics supply chain. In fact, we are constantly inundated with information and options. The market is saturated with products that all seem the same in the eyes of consumers and clients. Social media channels allow us to be informed of new product launches within seconds. So against this hectic, rapidly evolving atmosphere, it has become increasingly more important for companies to differentiate themselves in order to gain and also to maintain clients.

Furthermore, because attention span and time are so short nowadays, clients at all levels want pre-packed marketing and product solutions. With the advent of specialized beauty companies like BEAUTYSTREAMS nearly 10 years ago, the cosmetics industry has embraced the concept of trends. As we have seen above, manufacturers have been using trends and clever branding to continually attract clients each season and now they expect the same from their suppliers: Ingredient companies. In fact, the new generation of decision makers, raised on digital information, social media, and interactive marketing, will not be seduced only with dry charts and graphs indicating technical formulations and lab performance. Of course the certified quality and stability of an ingredient will always play a fundamental role in the ultimate sale, but in an industry with all competitors claiming to be the best, this cannot be the only factor.

Nowadays, marketing managers and even laboratory executives want the ingredients to come alive with exciting stories and colors that they, in turn, will utilize to communicate to their final consumers. They expect the ingredients to evoke emotions. For example, a blue pigment can suggest distant adventures on a glassy arctic lake or glistening reflections on the windy, tropical seas. Then somehow, the story must also connect to the current economic and social landscape to have a reality-based foundation. The blue pigment, for example, might relate to the issues of gender fluidity and self expression. Millennial marketing executives are very connected to social causes and environmentally aware, and they want all things to connect on that level.

Ingredient companies are at the top of the supply chain, and thus are uniquely positioned to impact the rest of the industry. With strong concepts and storytelling, they can influence brands and manufacturers each season and encourage massive trends like metallic make-up to take root. All working together, thanks to a unified story, the flow will be smoother and message clearer to the final consumer and everyone can benefit. In the end, it's all about making your clients dream and continually providing new dreams.

#### REFERENCES

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#### ABOUT THE AUTHOR

**Michele Superchi** – Business Development Manager at BEAUTYSTREAMS



With a background in market analysis and a strong interest in strategy, since several years, Michele has worked in the beauty industry to help companies develop new products and improve communication to their clients.

