

CONSCIOUS BEAUTY & THE CONSUMER

SUSTAINABILITY is a priority during the pandemic. In a consumer survey, conducted July 6-15, Mintel found that 54% of Brazilians put a higher priority on caring for the environment, demonstrating they are increasingly aware of the environmental impacts of packaging and ingredients, and they value brands that take an active role in saving resources. This increased consciousness, says Mintel Senior Analyst Amanda Caridad, creates demand for clean beauty brands. In Brazil, nearly half of Brazilians consider a product natural if it contains plant-based ingredients.

Despite ambiguity around the term “clean” and the lack of regulation in this area, brands increasingly use the word in their marketing campaigns. As a result, brands must be transparent regarding their interpretation of “clean;” e.g., detail of the ingredients used/not used and their offerings on the formulations, and that they offer solutions connected to ethical and natural claims.

Many brands are classified as “green”

or “sustainable,” using the terms to qualify their production process stages, according to Segmenta, a Latin American marketing intelligence and research company. Yet, lack of legislative consensus has left room for interpretations and can generate disagreement between what the consumer understands and what is actually said. That’s why Segmenta highlights the four key concepts to define green concepts:

- Natural formulations define products that contain at least 95% of raw materials of natural origin and they cannot contain any animal-derived ingredients.
- Organic products must be natural, but cannot grow with pesticides. They must contain at least 95% organic certified raw materials. The remaining 5% may consist of water and/or vegetable raw materials.
- Vegan defines products that do not contain animal-derived ingredients. A vegan product is not necessarily organic or natural as a product composed of 100% synthetic ingredients may be vegan.
- Cruelty-free defines products that are tested on animals. A cruelty-free product may contain animal-derived ingredients and so, a cruelty-free product cannot be vegan, as the opposite is also true; for example, products that not be tested on animals but contain beeswax.

A fragmented and ungoverned green beauty industry opened the door for the clean beauty movement, according to Euromonitor International, which argues that clean beauty brands claim to act as a translator for the consumer, placing emphasis on the safety and efficacy of the entire supply chain, regardless of the extent to which the formulation is natural, naturally-derived or synthetic.

On the other hand, clean beauty is controversial; brands have been accused of employing fearmongering tactics to sell products to consumers based on free-from claims and

unreliable ingredient exclusion lists.

Beautystreams, a global beauty consultancy, builds clean beauty on four pillars: ultimate safety, ingredient-centric, retailing clean and ethical. As health-conscious consumers become more sophisticated in their awareness and knowledge of ingredients, they scrutinize labels and drive demand for clean beauty. The focus is not just on ingredient transparency, but also how products are sourced and manufactured. In the absence of regulation of certain chemicals, or even the term “clean” itself, ingredient sourcing certifications and ethical partnerships become seals of trust. They imply that the future of clean beauty is more than just safe ingredients, it involves the entire product lifecycle.

Sustainability consumers expect “clean” across all production processes—sourcing, production, packaging, and retailing—so, brands must be ethical to build consumer trust. On a positive note, COVID-19 has consumers believing in science-backed safety more than ever.

The Search Is On...

According to a Segmenta survey, in partnership with Toluna, 94% of Brazilians conduct pre-purchase research; of these, 67% search digital media for beauty and personal care product formulas, 61% search for “natural” claim, 48% search for “cruelty free”, 30% search for “organic” and 24% search for “vegan.”

The study found that 71% stopped buying products for one of several reasons: 60% for animal tests, 55% unwanted formula components and 32% for not being natural. Consumer values are shifting toward meaningful consumption and there has been an influx of indie beauty and personal care brands; these two trends have converged, with new players catering to consumers seeking natural, ethical and vegan products. Vegan product demand is led by Millennial and Gen Z consumers;



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Green Claims in Beauty (2019)						
	Latin America		North America		Western Europe	
Total number of SKUs	865.244		2.138.321		6.525.774	
SKUs with Claim Natural	27.376	3.2%	109.851	5.1%	247.707	3.8%
SKUs with Claim Organic	14.093	1.6%	68.479	3.2%	161.491	2.5%
SKUs with Claim Vegan	11.336	1.3%	61.986	2.9%	166.029	2.5%
SKUs with Claim Cruelty-Free	6.182	0.7%	68.008	3.2%	57.635	0.9%

Source: Euromonitor

as a result, some bigger brands are removing animal-derived ingredients from their products to make them vegan, according to Euromonitor International.

The chart above reveals the most relevant green claims for beauty SKUs in 2019, monitored by Euromonitor, in Latin America, North America and Western Europe. Although interest in natural/organic beauty products is high among Brazilians, they remain price sensitive and these products are considered expensive. At the same time, essential oils and food ingredients play a prominent role in at-home beauty treatments, according to Mintel, which notes consumers are health-focused and willing to select clean label products that offer holistic benefits to cope with stress, as they prioritize mental wellness during the pandemic. As a result, more apps aimed at demystifying formulas and ingredients, like Think Dirty and GoodGuide, are available in Brazil.

Big Players Movements

In June, Natura &Co unveiled its Commitment to Life sustainability plan which tackles issues like climate crisis and Amazon protection, the defense of Human Rights and ensuring equality and inclusion throughout its network, and embracing circularity and regeneration by 2030. The actions to step up the protection of the Amazon includes collective efforts to ensure zero deforestation of the Amazon by 2025. Currently Natura preserves 1.8 million hectares of land, an area equivalent to half of the Netherlands. The group's goal is to preserve 3 million hectares by 2030. The company will ensure packaging circularity by 2030 with 100% of its packaging materials are either reusable, recyclable, or composable. The group will

also instill formula circularity, with the use of 95% renewable ingredients and 95% biodegradable formulas by 2030 across all four brands. Regarding supply chains, Natura &Co will enforce full traceability and/or certification by 2025. Finally, it will push programs for critical ingredients in the coming years, specifically for palm oil, mica, alcohol, cotton, paper and soy.

In June, The Body Shop launched a range of vegan bath products made from food waste. Bath foams are produced with fruits that would be discarded for sale in the food industry, as bananas and pears, as well as strawberry and mango seed oil obtained from fruit-juice manufacture. Packaging includes 50% recycled plastic.

Euromonitor calls Garnier the world's leading natural beauty brand. In July, Garnier made another commitment to green beauty via an end-to-end approach to sustainability that's designed to reduce or eradicate environmental impact in plastic and packaging, product and formula, factories and manufacturing, and sourcing. Garnier's green beauty initiative includes The Sustainability Progress Report, which provides complete transparency on Garnier's green beauty commitments, states where the brand stands today and maps how it will reach ambitious sustainability targets by 2025.

In Brazil, Garnier's sustainable transformation has started: 100% of the packages have Forest Stewardship Council certification and next year, packages will contain 30% recycled paper. All L'Oréal units in Brazil use 100% renewable energy and, by the end of 2020, L'Oréal Brazil will become carbon neutral.

O Boticário is the first major Brazilian cosmetic brand to earn Ecocert

certification, enabling it to produce and market Nativa SPA Orgânico, its first line of organic products, which reach shelves next month. The products contain natural, organic, vegan and animal-free ingredients. Certification include ingredient traceability and production site auditing—from the reception of raw materials to the shipment of finished products. To produce the line, O Boticário's plant in São José dos Pinhais revamped production.

"Organic raw materials must be stored in a separate place. Furthermore, they are weighed in a dedicated environment, to avoid any chance of cross contamination," explained Paulo Roseiro, R&D director, Boticário. "In accordance with the Cosmos standard, in the manufacturing area, even the cleaning of reactors and tools must be specific to this type of product. O Boticário has demanding consumers and high-quality standards, with this reliable and recognized certificate we can guarantee Brazilian consumers an innovative product of the highest quality."

Brazilian Indie Brands

According to Mintel, some indie brands have the upper hand regarding sustainable beauty as business is based on ethics and environmentally-friendly practices. Simple Organic is designed for consumers who want to adopt a lightest, natural, correct and sustainable beauty care routine. The best-selling items are high-performance products that feature vitamin C, retinol-like materials, niacinamide and glycolic acid, which, according to Founder Patricia Lima, proves that natural beauty is based on technology and innovation. Another noteworthy product is a CBD-like stick balm—even though Brazil does not approve CBD for cosmetic use. The brand may soon be available in the US.

Souvie is an organic, natural brand aimed at pregnant women and new mothers. Formulas are Ecocert- and Cosmos-certified, and best-selling products include whitening facial serum, stretch mark prevention cream and moisturizing deodorant. According to Founder Caroline Villar, the biggest challenge is to educate people about the benefits of organic cosmetics. ●