

## Markets & Trends

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# “Sustainability is the post-COVID era’s key challenge”, finds industry summit

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**Retail, professional events and, above all, sustainability were**

**identified as the main challenges for the beauty industry in the post-pandemic world during the first Openstreams Global Beauty Industry Summit, which was held online on October 23rd, 2020.**

Seventeen national beauty associations and fifteen trade organizations participated in the first **Openstreams Global Beauty Industry Summit**, hosted by the **Openstreams Foundation**, a nonprofit organization dedicated to education and collaboration in the global beauty sector, created by beauty trend platform **Beautystreams**. Originally slated to take place at the United Nations headquarters in New York, the event included video interviews and a lived Q&A session.

*“By understanding the industry’s current challenges, we can better determine which key topics to focus on globally. We hope that by openly sharing ideas, perspectives, and priorities, we can create an ongoing movement towards positive change and collaboration,”* said **Lan Vu**, founder and CEO of **Beautystreams** and the **Openstreams Foundation**.

**1** The **future of retail** was one of the first topic emerging from the discussions. **The pandemic has dealt retail a severe blow this year**, with consumers dialing back their spending across all product categories and expressing a marked preference for online shopping. Kunto Widarto, of the Indonesian beauty association PERKOSMI and senior executive at the Martha Tilaar Group, said the pandemic *“basically changes everything, with a significant decrease in the overall market spending and consumption, especially for color cosmetics.”*

Participants discussed **the substitution of in-store interaction with personalized virtual appointments**, as well as brands’ development of experiential content through livestreaming, and the need to reassure shoppers by boosting safety precautions in stores.

**2** Deeply impacted by the pandemic, **trade shows are also focused on further developing their digital experience**. Enrico Zannini, Show Director of Cosmoprof Bologna, remarked *“It is important to re-invent our activity, in order to better support the industry in a global restart. Digital tools and new technologies can be helpful to improve the experience of operators and exhibitors.”*

Many participants questioned **the future of in-person events** at a time when much of the world is masked and working remotely, while acknowledging that trade shows offer tangible benefits. *“We recently conducted a survey of more than 4,000 professionals which explored the impact of COVID-19 on the exhibitions industry. More than two-thirds of respondents said that in a post-pandemic world, the face-to-face interaction that can only be had at physical shows will be just as, or more important than pre-COVID-19,”* said Elaine O’Connell, Show Director at Beautyworld Middle East.

**3** Participants also highlighted **the urgency surrounding sustainable industry practices**, spurred by an increase in environmental activism worldwide - a trend that the pandemic has further accentuated. Consumers are rewarding businesses with a more explicitly *“purpose over profit”* model, while companies are working to reduce excess packaging, avoid unethical ingredients and overcome the longstanding notion that environmental-friendly products are necessarily more expensive.

*“Investing in sustainability in the context with which we are living can benefit the company both in terms of revenue and reputation,”* said **Renato Ancorotti, President of Cosmetica Italia**.

Carlotta Jacobson, President of CEW in the USA, noted the evolution of the clean product trend towards product safety. *“When you go through a pandemic, naturally you place importance on what’s safe.”* However, she emphasized the need for clear communications, *“there is a lot of misinformation and a lot of women are very confused about it.”*

**Christophe Masson, CEO of France’s Cosmetic Valley**, described a nascent awareness among consumers of the relationship between cosmetics and **biodiversity**, which he suggested the industry should promote. **Patrick O’Quin, President of FEBEA** in France, agreed. “*The crisis shows that we need to think differently. And thinking differently means certainly to have a broader vision of sustainability, and of biodiversity,*” which has often garnered less attention than developing a circular economy or reducing humans’ carbon footprint.

Indirectly related, but affecting sustainability, is how companies have changed **office policy**, allowing employees to work from home temporarily or permanently. “*We’ve already seen, for example, just the stay-at-home orders that have taken place around the world have resulted in better air quality in many cities, and this is a reminder that our transition to a low-carbon economy could have many public health benefits, including cleaner air,*” observed Francine Lamoriello, EVP Global Strategies for the Personal Care Products Council (PCPC) in the United States.

And on the COVID-19 crisis, **Matteo Moretti, President of Polo della Cosmesi in Italy**, conveyed a positive perspective, “*I believe with every difficult period, there are also unique opportunities.*”

The success of the first Openstreams Global Beauty Summit has led organizers to cast their eyes toward a second event in 2021. “*It quickly became apparent that there was a lot of desire for this kind of dialogue in the industry,*” said Lan Vu.

On November 25, the Openstreams Foundation will release the **Openstreams Global Beauty Industry Summit Official Report 2020**, a compendium of key insights from the first Summit, as well as the results of an **exclusive survey** of individual professionals from throughout the beauty supply chain.

The report will be complimentary to all beauty industry professionals worldwide.

