



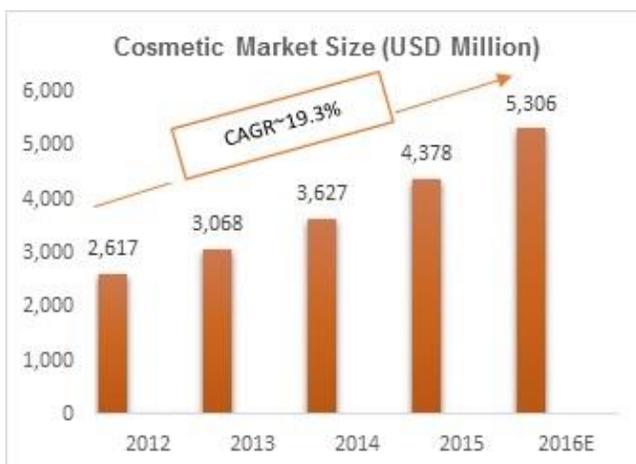
India Beauty & Cosmetics Sector

Market Opportunity & Investment

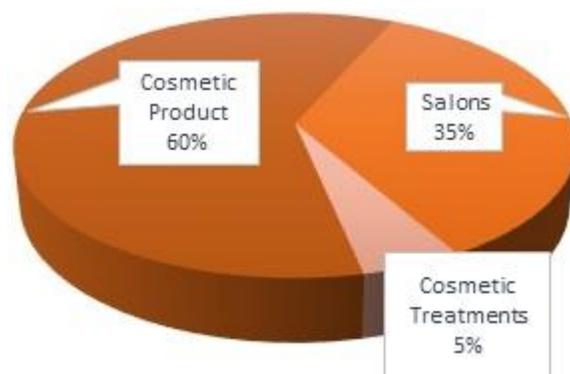
Overview

The cosmetics and beauty market in India has observed continued and sustained growth over the years due to a beauty conscious female population and the emergence of the metro-sexual male. Several other factors such as surging disposable income, rising awareness levels towards maintaining prolonged beauty, evolving lifestyle, changes in the taste and preference, emergence of online shopping model, and development of the distribution channel have continued to further bolster the demand and supply of the products.

there has been diversification across the product lines in terms of ayurvedic cosmetics, organic cosmetics, therapeutic oils, quick botox treatments, and others. These trends has led to an emergence of strong domestic brands, who may be potential partners for foreign companies. It is anticipated that several high profile brands will enter the Indian market through different arrangements including joint ventures, acquisitions and the single brand retail route in order to gain overall market share.



The industry has seen the extension of the distribution channel from mom & pop stores to salons & spas, hypermarkets and super markets. At the same time,



The key success factor for any brand or manufacturer in India will remain vested with its ability to sustain the market demand by introducing herbal, organic cosmetic product range, products for specific audience and competitive pricing.

Various key players: Hindustan Unilever Limited (HUL), L'Oréal, Revlon, Maybelline, Godrej Group, Procter & Gamble, Garnier, Patanjali and Dabur.

Direct sellers: Amway, Oriflame and Avon also play an important role in the Indian cosmetics market since

their direct selling systems manage to reach even remote areas.

Other international brands like H2O, Estée Lauder, MAC, Calvin Klein, the Body Shop, Davidoff, Marks & Spencer, Moschino, Mary Kay and many more are making their presence felt in the Indian market.

Investments

- Heaven on Earth (HoE), one of the largest wellness houses in India acquired Serena Spa in early 2016
- Godrej acquired complete equity stake in Frika Hair (South African hair extension firm) in 2015
- Godrej Consumer Products Limited (GCPL) acquired total equity stake in Strength of Nature LLC (SON), USA, through a wholly-owned arm in April 2016

Government Measures- Ease of Doing Business in India

- 100% FDI (Foreign Direct Investment) in single brand and multi brand retail, gives new scope to the contract manufacturing industry in the FMCG (fast moving consumer goods) sector* 100% FDI (Foreign Direct Investment) in single brand and multi brand retail gives new scope to the contract manufacturing industry in the FMCG (fast moving consumer goods) sector
- Implementation of the Goods and Services Tax (GST), which aims to replace a multitude of indirect taxes with a single GST rate is expected to benefit the sector enormously by reducing the overall incidence of taxation

About Sannam S4 and Our Experts

Sannam S4 is a global market-entry services firm that has supported the successful entry and expansion of over 250 companies and organizations into the Indian market alone. With expertise across 20 plus markets, the company is a strategic partner of the U.S. Department of Commerce in an effort to support exports and the success of U.S. companies operating globally. If you would like to understand more about market opportunities in India for your company, you may contact us to arrange an appointment or telephone call via connect@sannams4.com.