

Export Strategy For Beauty Preparation Products



Powering Ideas

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1. Executive Summary

According to the latest market research from Lucintel, rising consumer incomes and changing lifestyles are driving the global beauty care products industry, which is forecasted to reach around \$265 billion by 2017.

With the raising trend of global beauty care products, India's export to the World under beauty products category is also increasing and in last ten years India's export of cosmetic items has grown at a rate of more than 400%. India is acknowledged to be the second largest exporter of Herbal cosmetics to the world market after China, the range of products being exported are skin care products, including creams, lotions, lubricants, skin fresheners etc. UAE, Nepal, Bangladesh, Singapore and USA are five major importers of India's beauty products. Beauty products are divided into six digit HS code categories of lip make up, eye makeup and face cream etc. India has more than one RCA values for powders & skin care products (HS code 330491) and face creams (HS code 330499) based beauty products. Based on the rising RCA and market potential, we have selected beauty products under HS code 330499 for the export. India's export under HS code 330499 is around USD 150 million in 2013.

Based on India's trade agreements with other countries and TII data, we have selected five new markets that have potential to become one of the five main importing countries for India's beauty products. The five selected countries are Sri Lanka, Saudi Arabia, Haiti, Angola and Poland.

From product innovation, organic industry growth and continued growth into the beauty products of the male half of the population, the beauty industry continues to offer a diverse set of profitable business opportunities. For the interested entrepreneur this continuing growth and evolution offers a diverse menu of opportunity. Being a home of plenty herbal beauty products, India has a potential to export more by diversifying into export of organic beauty products and establishing India as the leader of herbal beauty products.

2. Objective

The report has been prepared with following objectives:

- Selecting top 5 new Market for the exports of cosmetic items under HS code 3304 in comparison with the existing top 5 destination countries
- Calculating RCA data and India's market share in the World trade under HS code 3304 and growth pattern in last five years
- Identifying the competitors in the new markets and the reasons for their competitive advantage
- Marketing strategy and promotional measures to improve our competitiveness in the cosmetic items export

3. HS Code 3304 – Beauty Preparation

ITC HS Codes better known as Indian Trade clarification based on Harmonised System of coding was adopted in India for import-export operations. Indian customs use an eight digit ITC-HS code to suit the national trade requirements.

HS codes contributes in harmonization of customs and trade procedures for non-documentary trade data inter-change and about 206 countries apply for HS code globally

ITC-HS codes are divided into two schedules:

- *ITC (HS) Import Schedule I* describes the rules and guidelines related to import policies. Schedule I of the ITC-HS code is divided into 21 sections and each section is further divided into chapters. The total number of chapters in the schedule I is 98.
- *ITC (HS) Schedule II* describes the rules and regulation related to export policies. Export Policy Schedule II of the ITC-HS code contains 97 chapters giving all the details about the guidelines related to the export policies. The chapters are further divided into sub-heading under which different HS codes are mentioned.

HS code 3304 lies under chapter 33 of ITC-HS code. Chapter 33 deals with the products related to essential oils and resinoids, perfumery, cosmetic or toilet preparations. Chapter 33 does not cover:

- (a) Natural oleoresins or vegetable extracts of heading 1301 or 1302;
- (b) Soap or other products of heading 3401; or
- (c) Gum, wood or sulphate turpentine or other products of heading 3805

HS code 3304 caters to products of beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or suntan preparations; manicure or pedicure preparations. HS code 3304 is further sub divided into 5 six digit HS codes:



330410 – Lip makeup preparation

330420 – Eye makeup preparation

330430 – Manicure & Pedicure preparation

330491 - Powders, skin care, whether or not compressed

330499 - Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), incl. sunscreen or suntan preparations

HS code 330499 is further divided into six other eight digit HS codes:

3304 99 10 – Face Creams

3304 99 20 – Nail polish or lacquers

3304 99 30 – Moisturizing Lotion

3304 99 40 – Sindur, Bindi, Kum Kum

3304 99 50 – Turmeric Preparation

3304 99 90 - Other

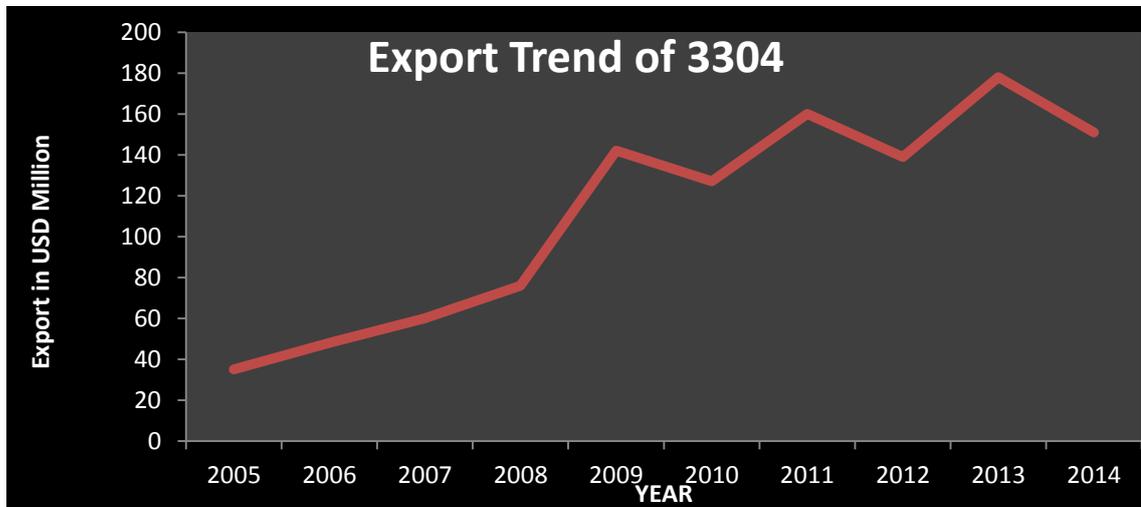
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4. Export – Import Stats

The Indian Cosmetic & Toiletries Industry has witnessed rapid growth over the last couple of decades. In that time the range of cosmetic and beauty products in India has widened tremendously. Beauty products manufacturers in India mostly cater to the great demand for cosmetics and toiletries that fall into the low or medium price categories as the greatest demand in India has always been for these economically priced.

Herbal cosmetics from India have a great demand in the overseas market and many cosmetic products that are manufactured in India, today are supplied to international suppliers to branded cosmetics products. The first being the increase for the demand in Indian cost-effective products and the second being the increased purchasing power of the average Indian.

Following graph shows the export trend of last ten years.



We can see that in last ten years the export has increased more than 400% in terms of the value of the export. Export of cosmetics items has increased both in terms of value and quantity. The export has increased from 13 thousand tons in 2005 to more than 52 thousand tons in 2011. Hence both in quantity and value terms the export has witnessed a more than 400% growth in the last decade.

India is acknowledged to be the second largest exporter of Herbal cosmetics to the world market after China, the range of products being skin care products, including creams, lotions, lubricants, skin fresheners, bleaches, medicated ointments, deodorants, sunscreens, face creams, toilet powder, lipsticks, mascaras, eye brow pencils, eye shadows etc., Hair cosmetics include shampoos, conditioners, hair dyes/color, Hair tonics, hairdressings, bleaches and depilatories etc., Oral cosmetics covers dentifrices, mouth wash, toothpastes, mouth fresheners etc., Recently,

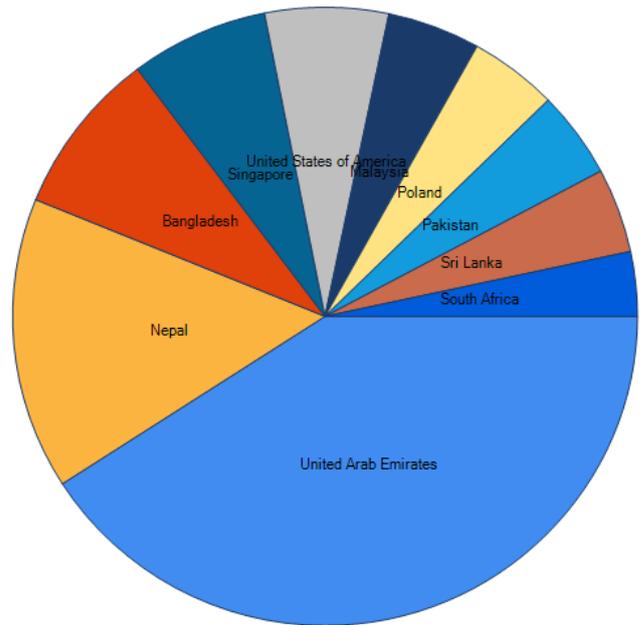
aromatherapy products have also achieved popularity for their medicinal values and perfumery attraction.

5. Existing Major Importers

World trade under HS code 3304 is of more than USD 34 billion in 2013. Top five exporter countries for cosmetic products are France, USA, Germany, UK and Singapore. France contributes more than 21% in world export of cosmetic items. India is a very small player in the export of beauty products. India ranks 27th in the World with approximately 0.5% share of the World export of beauty products. Worldwide export of beauty products has been increased by a rate of 9% in last five years whereas India's export has increased at a rate of 14%.



The above mentioned map shows the major importing countries for Indian beauty products. UAE is our major importer followed by Nepal and Bangladesh at second and third place. Top 10 importers (shown in the pie chart) account for more than 2/3 export from India. UAE has 28% share follow by 10% market share of Nepal. Bangladesh, Singapore and USA has share of 6%, 5% and 4% respectively. Malaysia, Poland, Pakistan and Sri Lanka each have a share of approximately 3% of India's export of beauty products.



Apart from exporting, India also imports beauty products from other countries. But the trade balance of under HS code 3304 is positive for India which shows that India is net exporter of cosmetic items. Among top 10 exporting countries, India imports majorly from USA and Singapore. But with USA India's trade balance under HS code 3304 is negative i.e. India is net importer of beauty products from USA.

6. RCA Data Analysis

The revealed comparative advantage is an index used in international economics for calculating the relative advantage or disadvantage of a certain country in a certain class of goods or services as evidenced by trade flows. It is based on the Ricardian comparative advantage concept. A comparative advantage is "revealed" if $RCA > 1$. If RCA is less than unity, the country is said to have a comparative disadvantage in the commodity or industry.

As mentioned under section 3, HS code 3304 is subdivided into 5 six digit HS codes:

330410 – Lip makeup preparation

330420 – Eye makeup preparation

330430 – Manicure & Pedicure preparation

330491 - Powders, skin care, whether or not compressed

330499 - Beauty or make-up preparations and preparations for the care of the skin

Now, we will check India's RCA for each 6 digit HS code and identify the best category of products that can be exported from India.

Following table shows the trade indicators for year 2013 for the above mentioned five six digit HS codes:

HS Code	Product label	Trade Indicators		
		Exported value 2013 (USD thousand)	Trade balance 2013 (USD thousand)	Annual growth in value between 2012-2013 (% , p.a.)
'330499	Beauty or make-up preparations nes; sunscreen or sun tan preparations	147,650	72,300	24
'330491	Powders, skin care, whether or not compressed	26,827	19,600	73
'330410	Lip make-up preparations	1,717	-14,521	68
'330420	Eye make-up preparations	1,552	-8,050	12
'330430	Manicure or pedicure preparations	465	-464	-36

From the above trade indicator table of year 2013, it is clear that India is net exporter of only two six digit HS codes (330499 and 330491) of four digit HS code 3304.

India has exported more than USD 178 million worth beauty products to different countries under HS code 3304. Major contribution under beauty products category is of six digit HS code 330499 which accounts for more than 82% share. HS code 330491 accounts for another 15% of the export under cosmetics product category. Other three categories are net importers. From the above table, it is evident that India is exporting most of the imported manicure and pedicure preparations.

For the calculation of RCA, we have used last 4 year trade data under HS code 3304.

Following table shows the export data of India in thousand USD:

HS code	2010	2011	2012	2013
3304	126,399	159,696	138,199	178,210
330410	585	863	1,025	1,717
330420	1,188	1,500	1,382	1,552
330430	1,503	1,607	728	465
330491	13,629	15,384	15,524	26,827
330499	109,494	140,343	119,540	147,650

Further the following table shows the export data of the World in thousand USD:

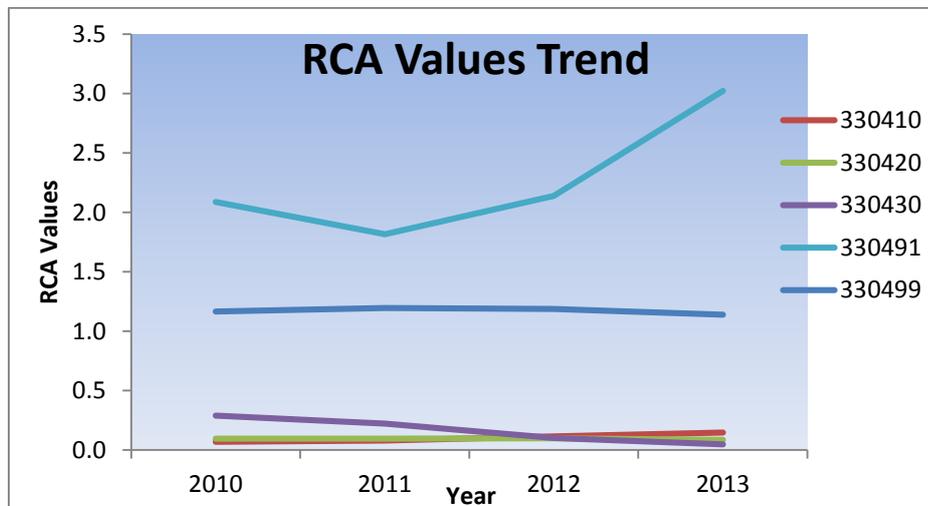
HS code	2010	2011	2012	2013
3304	27,688,550	32,403,243	32,319,618	34,232,280
330410	1,872,610	2,216,189	2,086,313	2,223,558
330420	2,697,774	3,181,563	3,299,632	3,486,700
330430	1,131,897	1,462,576	1,696,855	1,912,219

330491	1,429,507	1,718,819	1,697,489	1,705,438
330499	20,556,749	23,824,034	23,539,326	24,904,336

Based on the data of the above mentioned two tables, RCA has been calculated for all the five six digit HS codes. The following table shows the calculated RCA values:

RCA Values				
HS code	2010	2011	2012	2013
330410	0.0684	0.0790	0.1149	0.1483
330420	0.0965	0.0957	0.0979	0.0855
330430	0.2909	0.2229	0.1003	0.0467
330491	2.0885	1.8161	2.1387	3.0216
330499	1.1668	1.1953	1.1876	1.1388

Following graph shows the RCA trend over the years:



From the above mentioned graph and RCA table, it is evident that India has comparative advantage for 2 HS codes – 330491 and 330499. HS code 330499 corresponds to face cream related products and accounts for more than 82% share for the export of the beauty products from India. RCA value for 330499 is 1.13 and whereas RCA value for 330491 is 3.02 for year 2013. Though the RCA value of 330491 is more than 330499, but our team has **selected HS code 330499** for export, as it has larger share of India's export under beauty products category.

HS code 330499 is further sub divided into 12 sub fields of 8 digit HS codes. Out of these 12 eight digit HS codes, India exports only under six eight digit codes. All the mentioned values are in USD thousands.

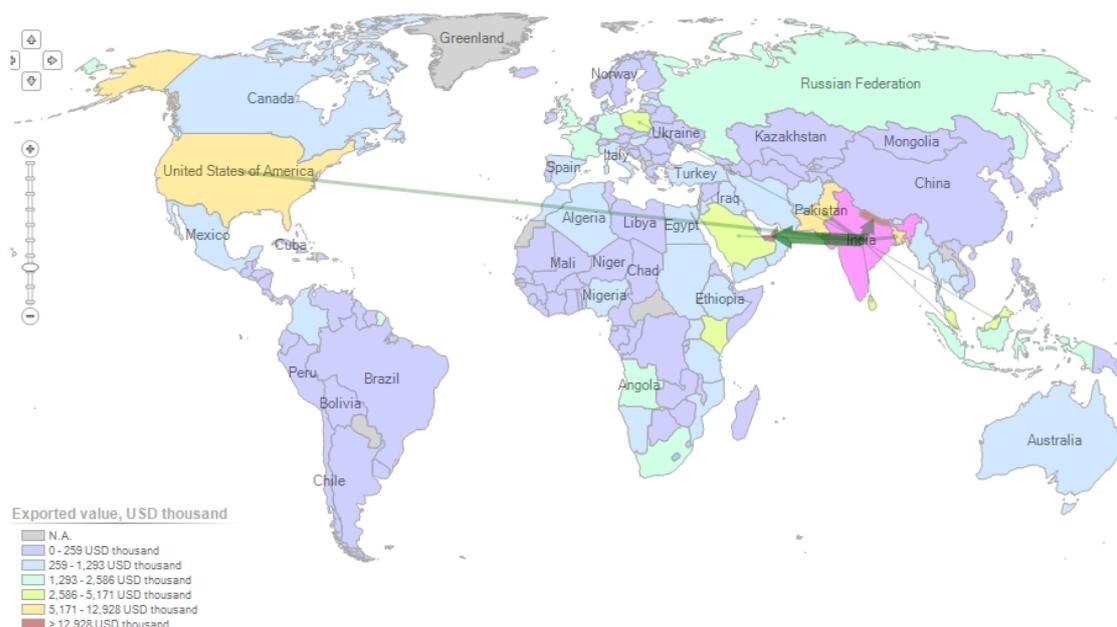
HS Code	Product label	Exported value in 2011	Exported value in 2012	Exported value in 2013
'33049990	Other	61,909	47,476	63,995
'33049910	Face creams	59,877	60,010	63,513
'33049930	Moisturizing lotion	10,800	7,250	8,209
'33049940	Sindur, bindi , kumkum	2,126	2,303	2,879
'33049920	Nail polish or lacquers	1,870	2,070	1,887
'33049950	Turmeric preparations	808	430	465
'33049901	(detailed label not available)	0	0	0
'33049902	(detailed label not available)	0	0	0
'33049903	(detailed label not available)	0	0	0
'33049904	(detailed label not available)	0	0	0
'33049905	(detailed label not available)	0	0	0
'33049909	(detailed label not available)	0	0	0

As mentioned in the above eight digit HS code table, India is exporting Face creams, moisturizing lotion, sindur, bindi, kumkum, nail polish, lacquers and turmeric preparation under different eight digits HS codes. However, there are many products which have not been adequately classified and mentioned as other category. India is exporting majorly under other category eight digit HS code.

7. Identification of New Markets for Export

India's export under HS code 330499 is around USD 150 million. The following map shows the major importing countries for India's beauty products under six digit HS code 330499:

List of importing markets for a product exported by India in 2014
 Product : 330499 Beauty or make-up preparations nes; sunscreen or sun tan preparations



Major importing nations for beauty products under HS code 330499 are UAE, Nepal, USA, Bangladesh, and Pakistan according to 2014 trade data. UAE accounts for around 25% share of India’s export of cosmetic products under HS code 330499 whereas second major player Nepal accounts for more than 10% share.

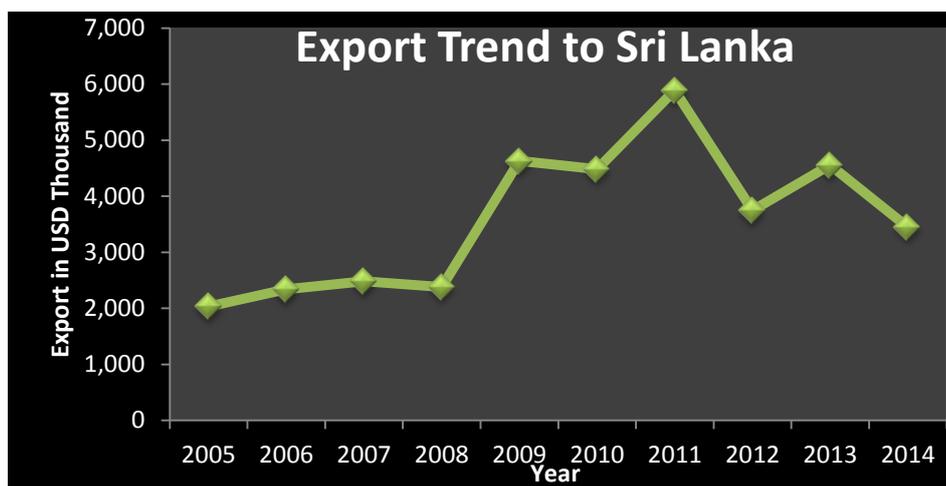
The five new markets, apart from the five top existing markets, which have potential to become major trading partner for India’s beauty products under HS code 330499 are Sri Lanka, Poland, Angola, Saudi Arabia, Indonesia and Latvia.

The following sections present the analysis of selection of the five new markets.

7.1 Sri Lanka

Sri Lanka is an island country near the south-east of India in South Asia. Sri Lanka is a diverse country, home to many religions, ethnicities and languages. It is the land of the Sinhalese, Sri Lankan Tamils, Moors, Indian Tamils, Burghers, and Malays etc. India and Sri Lanka are member nations of several regional and multilateral organizations such as the South Asian Association for Regional Cooperation (SAARC), South Asia Co-operative Environment Programme, South Asian Economic Union and BIMSTEC, working to enhance cultural and commercial ties. Since a **bilateral free trade agreement** was signed and came into effect in 2000.

Positive impact of India-Sri Lanka’s free trade agreement is also visible in the trade of cosmetic products. The following graph shows the export trend in last 10 years under HS code 330499:



As shown in the graph, India's cosmetic products export to Sri Lanka has increased significantly after 2008 and it has been maximized in 2011. Though the export has been declined in last 2-3 years but overall in last five years it has a positive growth rate.

The following table shows the export trend of different eight digits HS codes of 330499 to Sri Lanka.

Product code	India's exports to Sri Lanka		
	Value in 2011	Value in 2012	Value in 2013
'33049910	2,956	1,707	1,579
'33049990	1,574	1,313	1,424
'33049940	155	271	508
'33049920	234	252	329
'33049930	369	167	195
'33049950	35	36	0

Face Creams are the most exported products to Sri Lanka under the cosmetic items category. Face creams are followed by other cosmetic items that are not covered by other HS codes. Turmeric preparations are the least exported products under beauty preparation category that are exported to Sri Lanka.

Reasons for choosing Sri Lanka as potential market:

- Sri Lanka is net importer of the cosmetic items. Therefore the local cosmetic industry is not able to fulfill the demands of their domestic population.
- India is the largest exporter of the cosmetic items to Sri Lanka. India is followed by Thailand, France, Singapore, UAE and Switzerland respectively.
- India has a bilateral FTA with Sri Lanka therefore India's cosmetic products are entering at 'zero' custom duty in Sri Lanka's domestic markets. Other major exporters to Sri Lanka have to enter at 30% custom duty rate. Therefore Indian

cosmetic manufacturer has significant favorable customs arrangement in Sri Lanka.

- India is geographically closest to Sri Lanka than other major exporting countries of cosmetic products to Sri Lanka. Therefore, the logistic cost of exporting from India to Sri Lanka will be lesser in comparison to other countries.
- Recent political change in Sri Lanka is friendlier with India than other nations. It will have positive impact on bilateral trade between India and Sri Lanka.

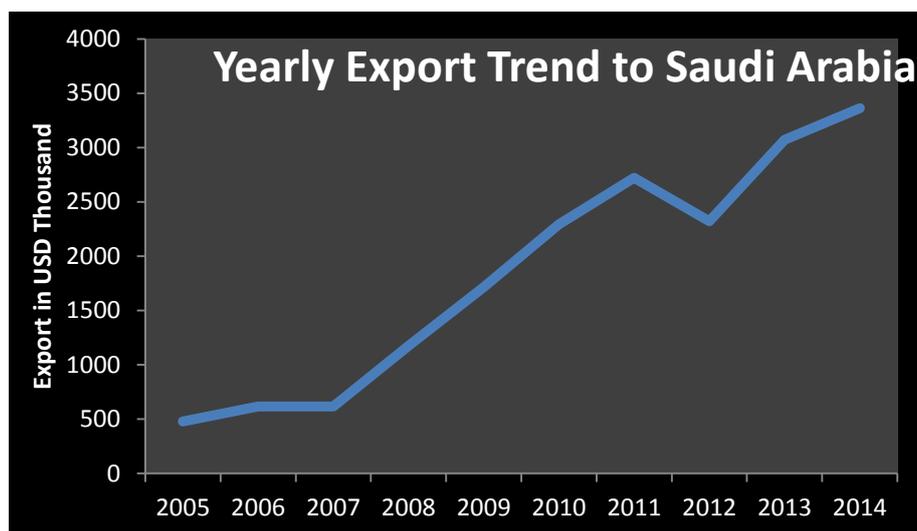
Hence Sri Lanka has a potential to convert into one of the top five importing country of cosmetic items from India.

7.2 Saudi Arabia

Saudi Arabia, officially known as the Kingdom of Saudi Arabia, is the largest Arab state in Western Asia by land area, constituting the bulk of the Arabian Peninsula, and the second-largest geographically in the Arab world after Algeria. Saudi Arabia is the world's dominant oil producer and exporter, and controls the world's second largest hydrocarbon reserves. Backed by its fossil fuels, the kingdom is categorized as a high income economy with a high Human Development Index (HDI), and is the only Arab country to be part of the G-20 major economies.

India and Saudi Arabia are old business partners; their trade relations go back several centuries in time. Today, the bilateral business ties are being steadily expanded and further strengthened by continuous interaction and cooperation, including regular exchange of business delegations. Saudi Arabia is the 4th largest trading partner for India. The value of two-way trade between the two countries in 2013-14 exceeded USD 48.62 billion and has reached USD 29.90 billion during April–November 2014.

Positive impact of India-Saudi Arabia's long term business relations is also visible in the trade of cosmetic products. The following graph shows the export trend in last 10 years under HS code 330499:



Cosmetic items export to Saudi Arabia is increasing continuously since 2005 and it has reached to its maximum level in 2014. The positive trend of export promises to further increase in volume and value of the export of cosmetic items to Saudi Arabia. In 2005 India was exporting to Saudi Arabia cosmetic items of worth approximately half a million which has increased to around three and half million in 2014. Therefore the export of cosmetic items to Saudi Arabia has increased more than six times in last ten years.

Further the following table shows the cosmetic items export trend to Saudi Arabia at eight digit HS code level:

Product code	India's exports to Saudi Arabia		
	Value in 2011	Value in 2012	Value in 2013
'33049990	1,001	1,030	2,147
'33049910	1,097	1,142	717
'33049930	425	139	158
'33049920	0	0	11
'33049940	14	9	0
'33049950	0	0	0

From the above mentioned trade table of Saudi Arabia, it is clear that Saudi Arabia is importing majorly face cream and other cosmetic products from India whereas the market for turmeric preparation, nail polish, lacquers, sindur, bindi and kumkum is almost zero or negligible.

Reasons for Choosing Saudi Arabia as Potential Market

- Saudi Arabia is net importer of cosmetic items and importing these items for domestic consumption.

- India has long term business relationship with Saudi Arabia. Saudi Arabia is 4th largest market in the world for Indian exports and is destination of more than 4.11% of India's global exports. Well established trading relations with India makes Saudi Arabia as one of preferred destination for Indian cosmetic items.
- Other three major exporting countries of cosmetic items to Saudi Arabia are France, Germany and Italy. All the four major exporting countries have same rate of custom duty. But India has a geographical advantage in comparison to other three nations.
- India and Saudi Arabia regularly organizes bilateral trade fair and exhibitions for promoting trade between two nations. It will provide more opportunities for Indian cosmetic industry players to interact with the importers in Saudi Arabia.

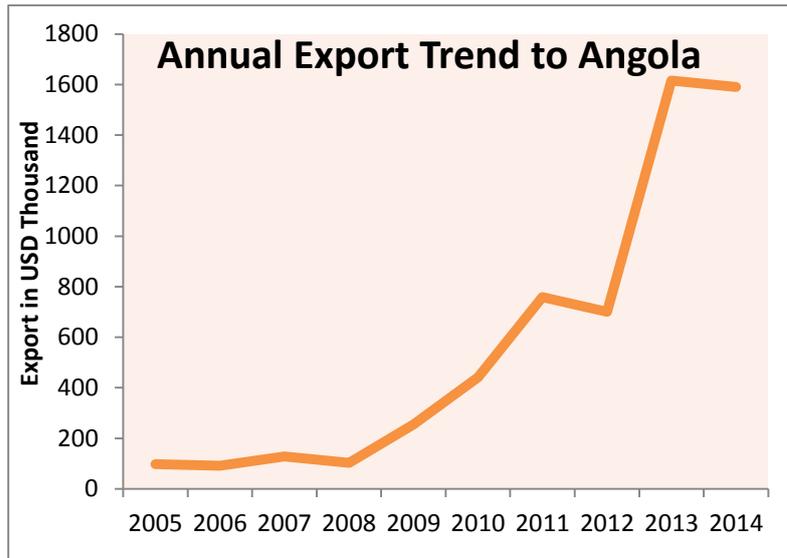
Hence Saudi Arabia has the potential to become one of the top five exporting destinations for Indian cosmetic items.

7.3 Angola

Angola is a country in Southern Africa and seventh largest country in Africa. Angola has vast mineral and petroleum reserves, and its economy has on average grown at a double-digit pace since the 1990s, especially following the end of the civil war.

India and Angola have traditionally enjoyed friendly and cooperative relations dating back to pre-independence era of Angola. Bilateral relations have substantially grown since Angola's independence in 1975. With the discovery of oil, Angola has become a major source of energy, for India. Angola is the 4th largest producer of diamonds in the world while 90% of world's rough diamonds are processed, cut and polished in India. Bilateral trade, which was only US\$ 1286.184 million during 2007-08 reached US\$ 8731.91 million in 2012-13. In fact, India has become the 2nd largest trading partner of Angola after China, sharing about 10.6% of Angola's external trade.

Angola is one of the most promising markets for the export of cosmetic items from India. Currently Angola stands at 18th position under the list of importing countries for cosmetic items from India. But the export to Angola under HS code 330499 has increased at a rate of 52% in last 5 years and at a rate of 131% between 2012 and 2013. This shows the tremendous export potential of Angola. The adjoining chart shows the exporting trend for HS code 330499 from India to Angola. As shown in the chart, the export of cosmetic items



has increased continuously from India to Angola. In 2005 export of cosmetic items was just of USD 98 thousands but it has increased to around USD 1600 thousands in 2013-14. Hence in last ten years the export of cosmetic items to Angola has increased more than 16 times and it is still increasing. Therefore, Angola is one of the most promising markets for the export of cosmetic items.

The adjoining table shows the export of cosmetic items to Angola at eight digit HS code level. All the trade values in the table are in USD thousands. Face creams and moisturizing lotion are the two most exported cosmetic items from India to Angola. Apart from these two, India is also exporting other cosmetic items under HS code 33049990. Moisturizing lotion export has increased more than four times between 2012

Product code	India's exports to Angola		
	Value in 2011	Value in 2012	Value in 2013
'33049910	237	320	799
'33049930	150	145	642
'33049990	281	219	268
'33049940	0	0	0
'33049950	0	9	0
'33049920	106	16	0

and 2013, whereas the export of face creams has more than doubled in the same time period.

Reasons for Choosing Angola as Potential Market

- For cosmetic items, India is one of the top five exporting countries to Angola. Currently India is at third position after Portugal and South Africa. India is followed by Spain and France.
- India and Angola has signed a trade agreement under which Angola is treating India's exports at Most favored nation's customs rate.

- India's cosmetic items export to Angola is increasing at a much faster rate than any of the top five exporting countries.
- There is not much significant difference between the **trade intensity indexes (TII)** of the top five exporting countries. Therefore, India has a chance to capture a larger share of export of cosmetic items to Angola.
- Angola is a net importing country for cosmetic items.

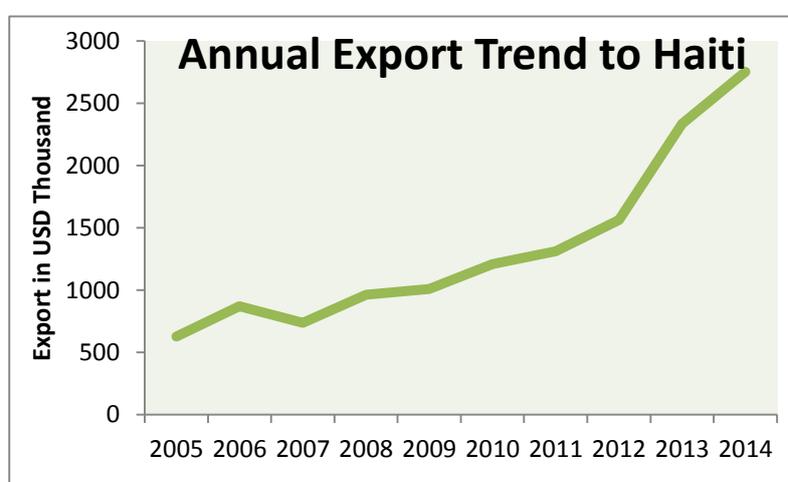
Therefore India has a potential to become the top exporting country to Angola for cosmetic items.

7.4 Haiti

Haiti is a Caribbean country. It occupies the western, smaller portion of the island of Hispaniola, in the Greater Antillean archipelago, which it shares with the Dominican Republic. With 10.4 million people, Haiti is the most populous full member-state of the Caribbean Community (CARICOM). The country is also a member of the Latin Union. In 2012, Haiti announced its intention to seek associate membership status in the African Union.

India's relations with Haiti have been friendly, though interaction between the two countries has been limited. India established diplomatic relations with Haiti on 27 September 1996. India's trade with Haiti is small but Indian exports to the country have been growing in recent years. The main Indian products exported are pharmaceuticals goods, textiles, rubber products and cosmetics and plastic and linoleum products. There is potential for further growth, particularly in the areas of drugs and pharmaceuticals and cosmetics.

The adjoining chart shows the exporting trend for HS code 330499 from India to Haiti. As shown in the chart, the export of cosmetic items has increased continuously from India to Haiti. Cosmetic Export to Haiti has increased from USD 626 thousand in 2005 to USD 2752 thousand



in 2014. Cosmetic export to Haiti from India has increased more than four times in last

ten years. Under the exporting countries list for cosmetic items from India, Haiti is at eleventh position, even though it is a very small country.

India is the biggest exporting country for the export of cosmetic items to Haiti. India is followed by China, USA, France and Spain respectively. In last five years, India's export of cosmetic items has increased at the rate of 21% whereas China's export has increased by only 10% in same time period.

The adjoining table shows the distribution of exported cosmetic items from India to Haiti under eight digit HS codes. India is exporting mostly Face Creams to Haiti. Nail Polish also has a significant portion of the export in 2012 but it has recorded zero export in 2013.

Product code	India's exports to Haiti		
	Value in 2011	Value in 2012	Value in 2013
'33049910	1,313	1,183	2,648
'33049930	57	359	0
'33049990	21	19	170
'33049940	0	0	0
'33049950	0	0	0
'33049920	0	0	0

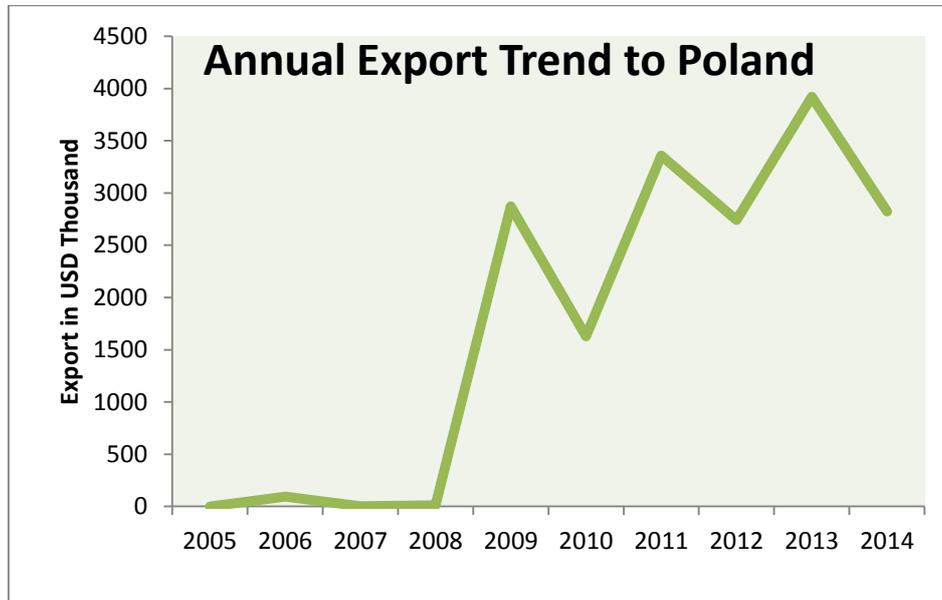
All the major cosmetic items' exporting countries to Haiti have the same rate of custom duty. India has an approximately 50% market share of cosmetic items' export to Haiti. India's export market to Haiti is increasing in last few years. Therefore, Haiti is also a promising market to capture more market share of exports of cosmetic items to Haiti.

7.5 Poland

Poland is a country in Central Europe with a population of over 38.5 million people. Indo-Polish relations are deep rooted and have traditionally been close, friendly and characterized by goodwill and cooperation. There are no major disagreements of a bilateral nature, and there has been cooperation between the two countries in the international forum. India and Poland had signed a new agreement on economic cooperation in 2006. The new agreement has led to increase in the bilateral trade between two nations. Despite fundamental changes in trade relations with the CIS region in the past decade, Poland has retained its status as India's largest market export basket and trading partner in East Europe (EU), after Russia. And now as a member of the European Union, Poland can truly act as a gateway to Europe as well as act as a supply base for penetrating markets in the CIS region and the Baltic States.

The following graph shows the exponential growth of the export of cosmetic items to Poland after the signing of new economic cooperation agreement. Till 2008 there was negligible export of cosmetic items to Poland, after that it has increased to more than USD

4000 thousand in 2013. In five years period from 2008 to 2013, export to Poland has increased more than 4000 times. Further, between 2012-2013 the cosmetic items export from India to Poland has increased at a rate of 43%. Recent positive trends in the export shows that there is still lot of market potential to increase India's cosmetic items export share in Poland.



Poland is among top ten importing countries of cosmetic items from India. But India is not in top ten exporting countries of cosmetic items to Poland. As India's export of cosmetic items is growing to Poland, in near future India can be among top five exporting countries of cosmetic items to Poland. Currently India is exporting maximum cosmetic items to Poland under other cosmetic items category of eight digit HS code.

8 Measures to Increase Cosmetic Items Export

Key factors to successfully entering the beauty and cosmetics markets include careful research and analysis of existing sales channels and consumer preferences, which will allow Indian companies to determine the pricing structure, the product mix and brand positioning; finding the right partners who have knowledge of the local/target market and procedural issues; good planning; maintain consistent follow-up and supply; aggressive due diligence to ensure that partners or distributors are credible and reliable; and perhaps more importantly, patience and commitment to the market.

Priority Markets Strategy

- Do the due diligence to find out target priority markets, be open and flexible towards alterations to match specific strategies for these priority markets.

Market Opening Strategy

- Focus on promoting business contact through Road Shows, Trade Shows and Purchasing Projects.

Market Consolidation Strategy

- Focus on extending sales volume distribution channels of existing company operations, including point of sale, brand activation, a purchasing project to develop training for commercial partners, image projection, trade shows focusing on contact disclosure with opinion makers.

Indirect Export Strategy (via Commercial Exporting Companies)

- Promote contact of project participating companies with trading companies and commercial exporting companies that operate in the target markets through business roundtables in sector national events, embarking on national road shows, promoting visits of trading companies to the manufacturers of personal hygiene, perfumery and cosmetics products.

There are several key trends driving the market. First is the need for multi-functionality as consumers no longer settle for a two or three-in-one product, All-in-one products are becoming mainstream and are expected in almost every beauty segment. Secondly, consumer preoccupation with image and how they are perceived by others is another important trend somewhat attributed to the 'selfie,' a buzzword for a photo taken of one's self and uploaded to social media. This concern for one's self-image means beauty companies will have to tailor to specific consumer needs with personalized and solution-

based products. Perhaps not as surprising as it once was, one of the fastest growing segments of the beauty industry is products and services aimed at men. Traditionally focused on female consumers, men today are gaining increasing attention from the beauty industry.



Powering Ideas

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