

The Growth of Cosmeceutical Market



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Introduction

The desire to look good, younger, toned, and healthy has caught on across the global population in a big way. Cosmeceuticals are the products having benefits of cosmetic and pharmaceutical both, and can be obtained without a prescription, thus cosmeceuticals signify a new category, of cosmetics and pharmaceuticals, intended for the enhancement of health and beauty of the skin. The term "Cosmeceutical" was popularized by Dr. Albert Kligman, of the University of Pennsylvania in 1980s (1). It contains cosmetic agents with therapeutic and healing properties, thus serving as a bridge between cosmetics and pharmaceuticals. Although cosmeceuticals are topically applied, but they contain ingredients which influence the skin function by providing nutrients and promoting it to a healthy skin. As the global population's median age increases, cosmeceutical market is expanding continuously and becoming the fastest-growing segment of personal care industry. The label on cosmeceutical products describes them as "natural" or "organic". These terms are not recognized or regulated by the United States (US) Food and Drug Administration (FDA). The cosmeceutical category is also not recognized by FDA, declaring that "a product can be a drug, a cosmetic, or a combination of both, but the term 'cosmeceutical' has no meaning under the law" (2-4). Cosmeceuticals are typically cosmetic-pharmaceutical hybrids, intended to enhance the health and beauty of skin. Some cosmeceuticals are naturally-derived while others are synthetic, but all contain functional ingredients with either therapeutic, disease-fighting or healing properties. Use of cosmeceutical products during the post-operative period is now becoming popular in cosmetic surgery to achieve optimal outcomes and patient satisfaction (5,6).

Global Market of Cosmeceuticals

Due to increasing consumer awareness about their physical appearance and the rising desire of people to sustain healthy skin by avoiding chemicals, the potential growth in the market of cosmeceuticals has been observed globally. These are commercially available as either medicinal products or over-the-counter products. Active ingredients used in cosmeceuticals are continuously being improved by nearly all companies involved mainly in pharmaceuticals, biotechnology, natural products, and cosmetics. The advancements in the field and knowledge of skin biology and pharmacology have improved the growth of cosmetic industry. The global cosmeceutical market was estimated around 42.8 billion USD and is projected to reach 80.67 billion USD by 2028, growing at a compound annual growth rate (CAGR) of 8.64 % from the year

2021 to 2028. According to a study published by “In-sure Insights” on the cosmeceuticals market, the major factors which drive its market growth are consumer awareness and rise in income among individuals. Moreover, the increase in the investment made by different companies to develop efficient and effective products for treating various skin and hair related problem is powering the growth of this market (7).

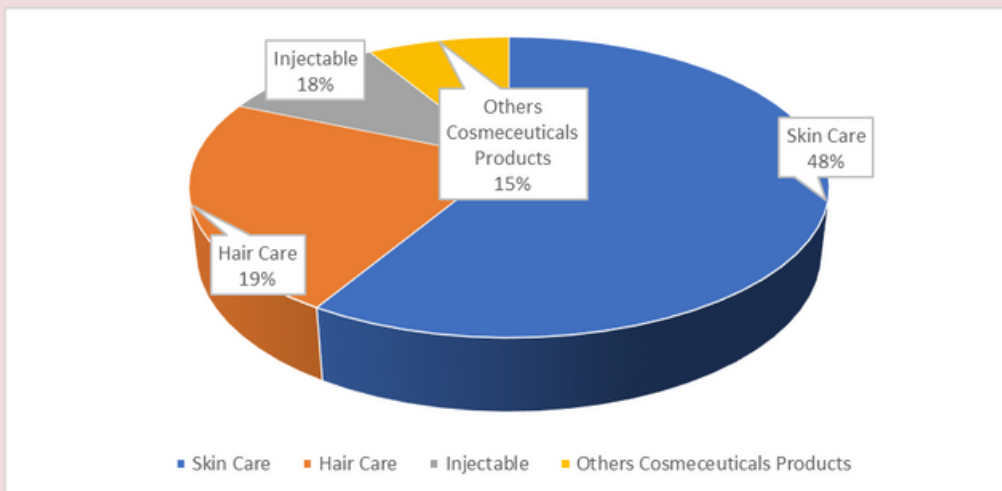


Figure 1. Global cosmeceutical market by product type

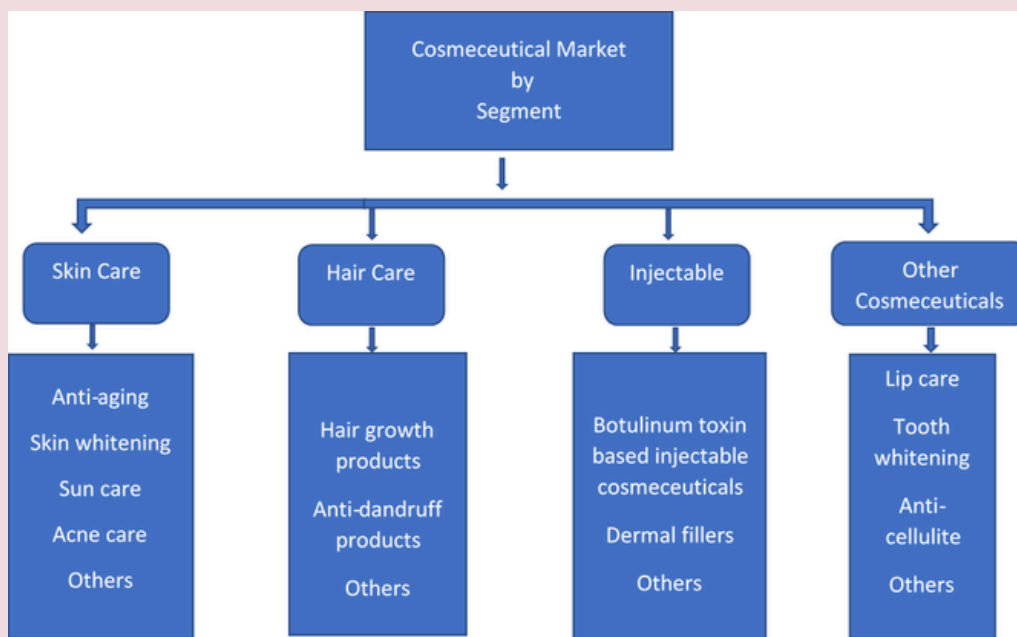


Figure 2. Different segments of cosmeceutical market

Cosmeceutical industry has grown up significantly due to life styles changes and increased awareness. The global market of cosmeceuticals is principally driven by the increasing awareness regarding physical appearance of the consumers. The emergence of cosmeceuticals has completely transformed the industry related to cosmetic and personal care. These products, unlike makeup products, can determine the origin of defects rather than just treating them. In addition, the rising desire to maintain healthy skin without using chemicals among people is also adding fuel to this market growth.

The United States, Canada, United Kingdom, Germany and some European countries, hold a significant portion in cosmeceuticals worldwide. Due to growing millennial population, other nations like China, India, and Vietnam also have considerable growth opportunities in the cosmeceuticals market. This market includes a wide range of skincare, haircare, lip care, and oral care products, and not only covers the availability of products but also their distribution channels in supermarket, online retailer and speciality stores. Global cosmeceuticals market is further supported by various factors such as presence of superior quality and premium priced cosmeceuticals products. Increasing demand from middle age and urban population are expected to drive this market globally.

Cosmeceutical Market in India

India cosmetics market was valued USD 13191.23 million in recipient's fiscal year (FY) 2020 and is forecasted to grow at double digit CAGR of 16.39% through FY 2026 to reach 28985.33 million USD by FY 2026. Increasing demand for herbal cosmetic products among Indian consumers is also creating a wide growth opportunity for manufacturers. Rising awareness towards body aesthetics, especially among women is making India one of the largest consumers of cosmetic products around the world (8).

The beauty business in India is growing rapidly with the cosmetics industry growing around 15-20% annually. According to Media India Group, the Indian beauty and cosmetics industry which was 11 billion USD in 2017 is likely to reach 30 billion USD in 2025. The beauty market in India is likely to become the main promoter of the Indian health industry's growth and includes trade fairs, embellishing goods, cosmetic treatment facilities, and cosmetic products. The Indian cosmetics industry has experienced huge growth in recent years “due to increasing concerns amongst both the sexes. The cosmeceutical and cosmetics sector of India has a total market share of 6.5 billion USD in the 274 billion USD global market (9,10).

Major players in cosmeceutical industry

The most active companies in the market include key players, such as Procter & Gamble, Unilever, L'Oréal S.A, Shiseido Co. Ltd, and The Estée Lauder Companies Inc. L'Oréal is one of the most active and the world's largest cosmeceutical company, followed by Unilever, and P&G. It offers a broad range of cosmeceuticals, across the world. According to report from Cosmetics-Technology, four out of ten biggest cosmetics companies of the world are in United States, while Japan and France have two each.

Table 1. Some major players in cosmeceutical industry

Globally	India
L'Oreal S. A	Colorbar Cosmetics Pvt Ltd
Procter & Gamble	Lotus Herbals Pvt Ltd
Unilever	Unilever Limited
Avon Products	L'Oreal S. A
Shiseido company limited	Revlon Inc

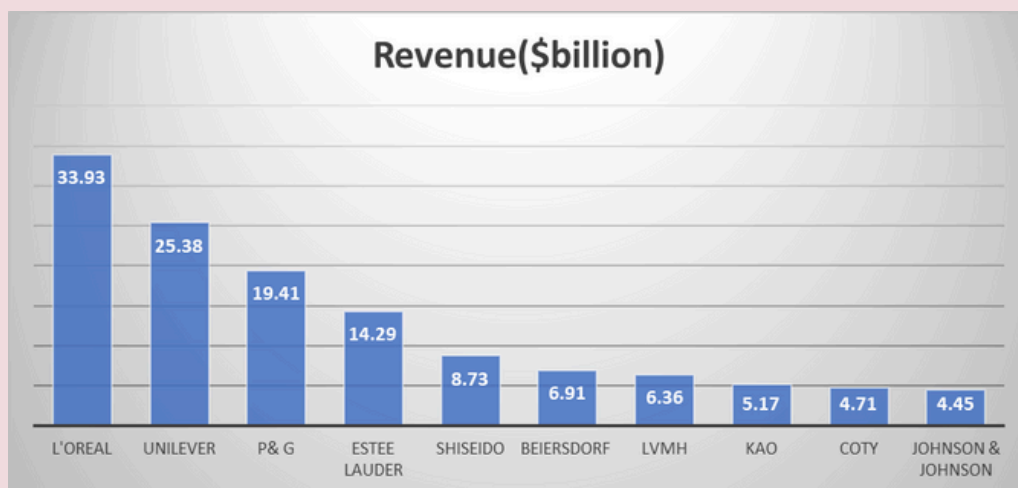


Figure 3. Top ten cosmeceuticals' companies by revenue in 2020

Conclusion

The growth of cosmeceuticals market indicates, that the future of cosmetics is towards more joint ventures between drug companies, cosmetic companies and nutritional companies. The development of easy consumer accessible e-commerce, on-click available brand websites, and promotional social media platforms tend to bring tremendous growth in the cosmeceutical industry. The future regarding growth of cosmeceuticals seems good but it will have to keep pace with the ever-changing consumer demands. The approach should be more consumer-centric, providing more personalized products that are backed by scientific research.

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