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The buying power of various ethnic populations is on the rise in the U.S., but many challenges still lie ahead for skin care companies. ACNieslen reported sales of skin bleaching and toning products fell 10.5% to \$27.3 million for the year ended Aug. 7, excluding Wal-Mart sales. Sales in the entire skin care category also declined 0.5% to \$2.7 billion. This suggests that ethnic consumers are buying skin care products in the mainstream. The question is how to tap into this tremendous buying power with ethnic-specific products.

The Selig Center, University of Georgia, Athens, noted in its "The multicultural economy, 1990-2009" report that all populations are growing by size and financial strength. Selig researchers said this reflects more than just population growth, a good economy and inflation.

African-American buying power has grown 6% a year since 1990 and will reach \$965 billion by 2009 due to more jobs, younger workers entering the market and more self-owned businesses. Asian-American spending power will quadruple from \$118 billion in 1990 to \$528 billion in 2009, largely due to strong immigration, higher education and retail businesses.

Hispanic buying power will grow 8.2% a year to \$992 billion in 2009. Due to high immigration and birth rates, more Hispanic youngsters will join the workforce by 2009. The 2000 U.S. Census showed 35% of the Hispanic population was under the age of 18, and by 2009, nearly 17% of the population will be of Hispanic origin.

A Female Thing

In all American households, it is women who often decide where money is spent, especially on groceries and personal care products, according to experts.

Ethnic women represent \$723 billion in purchasing power, according to New York-based Packaged Facts' "The U.S. multicultural women market" report. The African-American, Asian and Hispanic female population grew 40% between 1995-2003, and Packaged Facts estimates that by 2008, this group of 36 million women will have buying power of more than \$1 trillion.

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In terms of personal care products, Packaged Facts said ethnic women spend approximately \$118 million on ethnic-specific skin care products each year, excluding cosmetics.

"More and more ethnic women are working, attending college and earning better salaries," explained Don Montuori, acquisitions editor, Packaged Facts, a division of MarketResearch.com. "This is not to say that there's yet parity with non-Hispanic white women, but with the explosive growth in ethnic populations, especially among Hispanic women, the overall trend is for a greater percentage growth in income."

By 2009, Selig said Hispanics will account for 9% of consumer spending in the U.S.; however, they tend to be thrifty shoppers. Selig's "Consumer expenditure" survey revealed Hispanic consumers spend only about 84% as much as non-Hispanic consumers, and about the same amount on personal care products as others.

WSL Strategic Retail, New York, NY, said because 24% of Hispanics have lost their jobs in the past year, they have bought more generic personal care products (15% versus 7% of non-Hispanics), according to the "Hispanic shopping life" Pulse survey. Warehouse clubs, dollar stores and drugstores also receive more Hispanic visitors than other stores.

Brands that are recommended by doctors, speak to moms and give back to the community most influence Hispanic mothers when they shop for their families, according to Packaged Facts' "The U.S. Hispanic mom market" report.

African-American consumers also vie for community-supporting products, but they prefer special attention from marketers, according to The Hunter-Miller Group, Chicago. Selig suggests this attention is worthwhile since African-Americans spend higher proportions of their money on personal care products and services, even though they spend only 72% as much as non-black consumers overall.

The Y Chromosome

Men's grooming products have recently emerged as a growing segment of the ethnic skin care market. Mr. Montuori of Packaged Facts said ethnic men spend approximately \$88 million on skin care products each year in the "Market trends: the ethnic male personal care market" study. Overall, ethnic men spend \$1.4 billion a year on personal care items in the U.S. and sales are expected to grow 20% to \$1.7 billion by 2008.

Researchers said several factors are fueling the growth, such as the rise of the Hispanic population, increased grooming attention from shows such as *Queer Eye for the Straight Guy* and ethnic pride among younger consumers.

"That will fuel sales of HBC products designed to complement one's ethnic heritage," suggested Mr. Montuori. "Along those lines, there will be more openness among young men in general to 'nontraditional' grooming products, such as body sprays and hair coloring."

SPF is a Must

Recent reports show that all consumers should pay attention to their skin and sun exposure. The American Academy of Dermatology (AAD), Schaumburg, IL, reported that African-Americans who are diagnosed with skin cancer often have the condition in



Black & Beautiful helps skin sparkle with Shimmer body lotion.

areas of the body that are not exposed to the sun, such as feet, toenails and mucous membranes. Only 33% of African-Americans with skin cancer have the disease on sun-exposed skin, compared to 90% of Caucasians. Once diagnosed with melanoma, African-Americans have a lower long-term survival rate (58.8%) than Caucasians (84.8%). This is partly due to late diagnosis.

Also, the lack of products containing sun protection and the misconception that darker-skinned individuals have less risk for skin cancer result in higher mortality rates, said the AAD. The AAD added that most skin cancer warning messages are geared toward fair-skinned people with blue eyes and blond or red hair.



Nivea's Silky Shimmer lotion comes in two varieties, for darker or lighter skin tones.

A Glimmer of Hope

There may be other ways to get a tanned, glistening body than lying out in the sun. Black & Beautiful gives the skin some sparkle with its new Shimmer body lotion. Enriched with cocoa butter and vitamin E, the formulation is said to impart a dewy, youthful look to skin.

"As we age, all skin loses its natural luminescence and begins to look dull and dry," explained Debra Nichols, director of marketing, E.T. Browne & Drug. "Darker skin, when dry, can look ashy and can really benefit from a product which restores lost moisture and adds light-reflecting pigment."

The 13.5-oz. Black & Beautiful Shimmer body lotion retails for \$4.99.

In 2002, Beiersdorf launched the Nivea Body Silky Shimmer lotion to meet the trend for glamorous, jeweled-looking skin, especially in the warmer months.

"In the summer, women wear short dresses, shorts, skirts and tank tops and they want to look good from head to toe,"

explained Catherine Lair, director of marketing, Nivea Body, Beiersdorf.

However the shimmering pigments did not show up as well on darker skin as they did on fair skin. "We realized we were ignoring 50% of the female population in the U.S.," said Ms. Lair. So in 2004, Beiersdorf repositioned the brand with two varieties: Nivea Body Silky Shimmer lotion for Light to Medium Skin and Nivea Body Silky Shimmer lotion for Medium to Dark Skin.

The medium-to-dark variety is for women that have darker skin, such as dark African-American, Hispanic, olive or tanned skin, according to Ms. Lair. The formulas contain light-reflecting pigments to give skin a radiant glow and moisturizing ingredients to smooth minor imperfections.

Palmer's Cocoa Butter Bronze with Vitamin E, new from E.T. Browne & Drug Co., offers an instant tan without streaking. It can create a sun-kissed look or a less blotchy appearance. "Palmer's Cocoa Butter Bronze can give the appearance of even skin tone as it creates a bronzing effect," insisted Debra Nichols, marketing director of E.T. Browne.

In addition to healing and moisturizing vitamin E and cocoa butter, this quick-drying cream also has SPF 15 for outdoor sun protection. It is sold in a 5.25-oz. tube for \$8.75.

Moisture is Its Middle Name

E.T. Browne's Ms. Nichols said dry skin is never desirable, especially on darker skin that can look dull without proper hydration. The company's Palmer's brand offers the Cocoa Butter Formula with Vitamin E for Dry, Ashy Skin. The lotion contains cocoa and shea butters, vitamins and alpha and beta hydroxy acids to moisturize and soften skin, and help exfoliate dead skin cells.



"Natural ingredients such as cocoa butter and shea butter, along with vitamin E, are especially beneficial in delivering rich moisturization and smoothing and softening dull, dry skin," explained Ms. Nichols.

The 13.5-oz. bottle for dry, ashy skin retails for \$5.50.

Catalog-based Japanese skin care company DHC USA will launch DHC Seaweed concentrate to nourish dry skin. The lightweight serum contains fucoidan, a seaweed extract that replenishes and softens skin.

E.T. Browne said everyone needs moisture, however it is more apparent on dark skin.

Fading Away Uneven Tones

The AAD estimates that between 5 and 6 million Americans will experience a skin pigmentation condition at some point in their lives, the most common of which are melasma, vitiligo and solar lentigo. The AAD said melasma, often called the "mask of pregnancy," is most common in women who are of Caribbean, Asian or Hispanic origin and live in areas of intense ultraviolet radiation.

DHC USA will launch DHC Alpha-A-White powder in February. This brightening powder contains alpha-arbutin to create a more luminous complexion and lighten dark spots and uneven skin tone. It also contains moisturizing aloe.

DHC will also unveil DHC Vitamin C White stick in December, a lip balm designed to brighten lips with ingredients such as lightening vitamin C and mulberry extract and nourishing squalene, virgin olive oil and ginseng root extract.

In 2003, BioCosmetic Research Labs added Fade and Blemish products to its Black Opal brand and revamped the packaging to color-code categories: Fade (green), Blemish (blue) and Oil Control (purple).

Claudia Torelli, vice president of marketing at Black Opal, said ethnic women have several skin concerns: oily facial skin and scar-producing blemishes, sensitive skin, dry body skin, uneven skin tone and dark spots. "The dark spots and uneven skin tone are a concern primarily in the face, although they can happen all over the body," she said.

Black Opal's Body Fade system, set to launch in February, reveals spot-free, smooth and radiant skin, according to executives. Included are the Foaming Body polish, a lightweight and non-drying gel exfoliator, and two face creams with different formulas. The Body Face Crème Extra Strength contains 2% hydroquinone to lighten dark spots and Body Fade Crème Botanical formula contains a Citrus Lightening complex that gradually fades uneven pigmentation.

"Hydroquinone can be a little irritating for sensitive skin and that's why we also have a formula based on botanical ingredients," explained Ms. Torelli. "This formula would be used by people sensitive to hydroquinone or with very sensitive skin."

Palmer's Skin Success Eventone Brightening facial wipes combine kojic acid, licorice extract and other natural brightening botanical extracts to create brighter-looking, one-



Uneven skin tone can be erased with this new Bronze from E.T. Browne.

toned skin in a convenient wipe format. "These pre-moistened wipes are formulated with a blend of ingredients that exfoliate, reduce blotchiness and refresh skin," said Ms. Nichols of E.T. Browne. "These ingredients provide an immediate brightening benefit as well as a long-term cumulative effect of more even skin tone."

Bluefield Associates' new Clear Essence Platinum line imparts an even-toned, glowing complexion, according to executives. Executives said skin discoloration can occur from birth control pills, medication, pregnancy or the sun. The line includes the Medicated Face crème with sunscreen and the Maxi-Tone Beautifying Milk lotion for the body.

Cosmetic Choices

Several new cosmetic products geared toward darker-skinned women have recently come onto the scene. Black Radiance, a Markwins brand, will launch the Divine Diva lip and nail sets for the holidays. Each set contains two Black Radiance Radiant lip glosses and two Black Radiance Calcium Enriched nail colors. The sets are available in Regal Red or Vamp Red for \$4.99

each.

Black Opal will celebrate Black History Month in February with the Heritage collection. The palette includes four new and matching shades of long-lasting Patent Lips liquid lip and Patent Nail lacquer.

"Black Opal has celebrated Black History Month since it was launched back in 1994," explained Ms. Torelli. "We usually give our consumers a chance to try our latest products in terms of new formulas, new shades or latest treatments as well as convenient packages and value promotions."

For example, Black Opal will launch Lip & Eye and Cheek & Face kits. The Lip & Eye kits provide three crème eyeshadows, two lipsticks and one lip gloss for a complete look in plum or copper colors. Each of the three Cheek & Face kits offers one blush, one highlighting bronzer and an oil-blocking powder. The Skin Perfecting concealer, also soon to be launched, will be available in best-selling Toast, Bronze and Espresso shades. They contain 1% salicylic acid to heal and prevent blemishes.

Direct-selling company BeautiControl offers the new Secret AGent Undercover makeup. This full-coverage, liquid foundation hides imperfections and creates a flawless look. Shades are offered in three categories, neutral (N), pink (P) and yellow (Y) undertones, which range from Alabaster (N1) to Mahogany (P6). New shades include N4, N5, P5, P6 and Y5.

Astarté Cosmetics will launch its redesigned cosmetics line in the first quarter of 2005. The new logo features art-deco script, however the black, nickel and white heritage of the brand remains the same. Executives will replace compacts and jars with airless pumps and sealed tubes to extend product life span and reduce contamination from everyday use. "We try to educate our customers and stress cleanliness and taking care of the products," insisted Astarté president Mari Aldin.

Also, Astarté will add four new shades to its foundation collection: three pink-based hues and one dark shade. Executives said the 16 SKUs will match yellow, gold and red undertones. Other additions include new concealers, blushers and powders.

Astarté also offers the newly reformulated Brightening solution. It is hydroquinone- and kojic acid-free to prevent sun sensitivity. Other skin products include the Liquid skin

cleanser, Clarity lotion and Moisture Balance. They are all hypo-allergenic.

"The new Moisture Balance has moisturizing ingredients that generate and stimulate cell re-growth with vitamins," said J.T. Lescher, MD, chief operations officer of Astarté. "It is also oil-free."

An Interesting Move

Iman Cosmetics, distributed by Impala, Inc., has made the move from class to mass after JC Penney announced it would slim down its cosmetics counters in 2002. Executives said the move is actually beneficial due to a newer, wider audience.

"We wanted to let Iman customers nationwide find the cosmetics easily," said an Iman spokesperson. "The strength of Iman Cosmetics is our 17-shade foundation line. Our strategy to deliver products in the mass channel was right for this."

Executives acknowledged the importance of department stores and that the separate I-Iman brand will continue to be sold in Sephora. However, they insist that dynamics are changing and quality cosmetics can now be found in mass retailers, online, and in specialty boutiques. "Department stores used to be the last word in cosmetics sales, but that's no longer true," said an Iman spokesperson.

Executives at Iman Cosmetics said sales in the mass channels have been strong since the move a year ago. Now Iman is looking to increase its number of doors. New cosmetics will also roll out in the spring.

Along with the move to mass, Iman got a makeover. The packaging was designed to make selection easier, such as windows on boxes to show shades. An Iman spokesperson said other changes were customer-friendly as well, such as liquid foundations now topped with plastic airless pumps.



A model sporting Black Opal cosmetics.

A Pill for Youth

Active ingredients in popular supplements often find their way to the cosmetics counter. Clear Essence, a division of Bluefield Associates, Ontario, CA, introduced two vitamin supplements to promote health, wellness and clear complexions for men and women of color. Based on Bluefield research, the products contain various components such as grapeseed extract, burdock root powder and alpha lipoic acid, as well as vitamins.

Who's the Target?

So there are plenty of new products for darker skinned individuals. But how do marketers get the word out? Some companies advertise to everyone and do not single out ethnic groups, while others are strictly ethnic-specific.

"Advertising campaigns by consumer-products marketers with a broadly multicultural look, such as the 2003 Revlon campaign featuring Halle Berry, Eva Mendes, Julianne Moore and Jaime King, are becoming increasingly common," noted Packaged Facts' Mr. Montuori.

As a result, consumer dollars that once went to strictly ethnic brands may now be spent on products aimed at a broader audience. These tactics can also increase competition for personal care manufacturers. Black Opal's Claudia Torelli said, "Their success has been basically due to their having a good value proposition and they are taking

customers away from other existing budget brands."

Some companies target only specific ethnic groups. Mr. Montuori said cultural differences and language preferences continue to argue in favor of targeted marketing strategies.

"Although most Latinas and Asian-American women are either bilingual or speak English alone, research has shown that Asian-Americans and Hispanics continue to place a high priority on in-language media, especially in major markets dominated by multicultural population groups," Mr. Montuori suggested. "Moreover, the African-American press remains a vibrant institution in black communities."

But as the U.S. becomes more of a melting pot of different ethnic backgrounds and skin colors, some marketers are afraid to single anyone out. An Iman spokesperson said, "The face of the woman of color in the U.S. has changed dramatically since Iman first arrived here in 1975-more cultures and races have blended and a new generation of multi-global beauty can be found in cities throughout the U.S."

Packaged Facts' Mr. Montuori see the good and the bad of targeting specific populations. "It's a tough call-whether to treat ethnic groups as a separate entity, or to practice 'mainstreaming' and treat everyone as a valuable consumer, regardless of their ethnic background," he acknowledged. "Niche marketing will always have its place-people respond if the message resonates with something personal."

E.T. Browne & Drug executives have widened their scope by offering products that promote skin health in general. "With greater dialogue between the manufacturer and the consumer, there is a wider range of products targeting specific consumer needs, especially 'problem solvers,'" said Ms. Nichols.

Growing Awareness

Awareness of ethnic consumers has grown by leaps and bounds in recent years, mainly due to the population statistics from the 2000 U.S. Census. These expanding groups also mean more buying power.

"In the past, ethnic consumers did not get enough attention, but that is changing as marketers wake up to the fact that ethnic consumers command a considerable buying power," said Packaged Facts' Mr. Montuori.

This has in turn influenced the way mainstream marketers are now communicating with their audience, giving tried-and-true ethnic marketers a lot more competition.

"In the HBC arena, marketers of ethnic products have long given their consumers attention, no surprise there," quipped Mr. Montuori. "When Revlon and other 'mainstream' marketers take the plunge, you know that the light in corporate headquarters has gone on."



Black Radiance offers two Divine Diva sets this holiday season.