



INDIA Beauty Products Market Overview

Market Facilitation Services (MFS): A Trade and Investment Consultancy by CII

Market Facilitation Services

Market Facilitation Services (MFS) is an initiative of CII towards enhancing competitiveness and creating business opportunities for Indian industry.



100+

Years of cumulative consulting experience



50+

Years of strategy and operations advisory experience



8

{ Australia, Egypt, Germany, Indonesia
Singapore, the UK, the USA and the UAE

Global Representatives for ground level insights

Our Approach & Methodology

Industry Knowledge

Leveraging of experience from past projects and network of subject matter experts and sector specialists

Global Network

Leveraging of on-ground connects with foreign government stakeholders, sectoral associations, IPAs, etc.

Subscribed Database

- D&B Hoovers, Commodities Intelligence Center (CIC)
- Thomson Data, ISI Markets

Research and Analysis

- Primary data from CII Members
- Secondary data from multilateral agencies

Why CII ?

- Industry connect with 9000+ members
- 65 Offices in all regions of India
- Institutional partnerships with 350 counterpart organizations in 133 countries

Our Services



Assessment of Export Markets



Market and Sectoral Analyses



Market Entry/ Investment Advisory



Potential Partner & Buyer Identification

MFS is a fee-based, bespoke market research advisory platform offering a wide spectrum of services.

Geographies Addressed in Past Projects



Canada
Market Entry



Philippines
Market Entry



Netherlands
India Market Entry



USA
Investor Targetting



Vietnam
Market Entry



Ethiopia
Market Entry



Egypt
Sectoral Analyses



Indonesia
Sectoral Analyses

Projects Installed
as Recommended **75%**

Projects Delivered
on time **98%**

Topics to be Covered

- **India's Market Overview**
- **Consumer Behavior Analysis**
- **Analytics on Distribution Channel**
- **India vs Global Market Overview**
- **Future Market Scope in India**



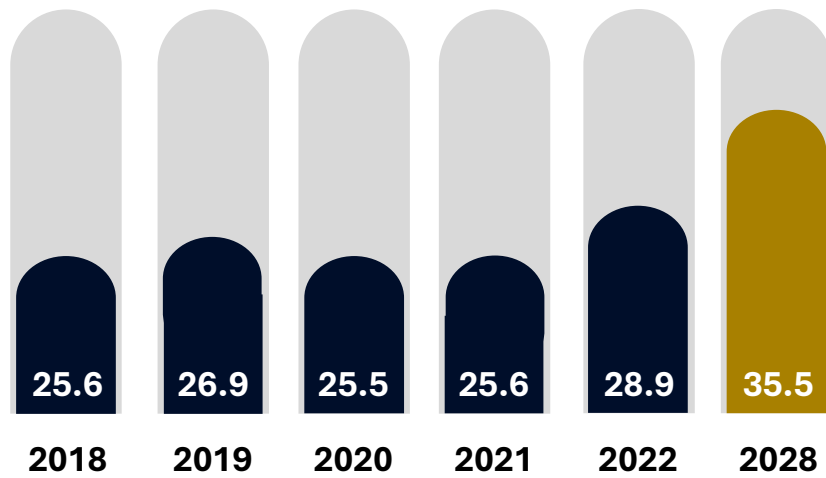
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Indian Market Overview

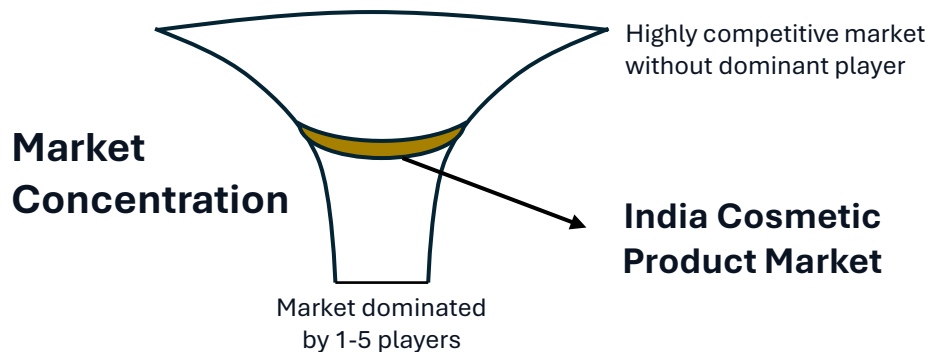
- Market Size and Growth Trend
- Market Overview by Company Size
- Market Overview by Revenue
- Manufacturer Segmentation by Region

With around 2.5k startups in beauty and cosmetic sector, India represents a moderate competitive market in this sector, anticipating a 3% growth by 2032.

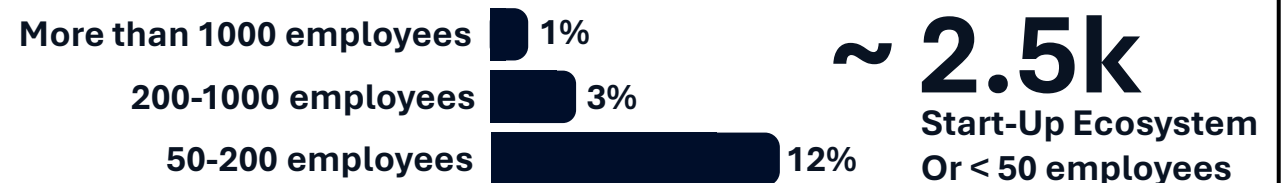
India's Revenue from Beauty & Cosmetics Products (in US\$ billions)



- The accounted market size for beauty and cosmetic products in India stands at \$6 billion, representing roughly 3% of the global market, which totals around \$270 billion.
- Assuming CAGR of 3% from 2023 to 2032, India is projected to reach approximately \$18 billion, capturing 5% of the global market share.
- In revenue terms, India achieved \$28.9 billion in 2022, securing its position among the top five global markets alongside the US, China, Japan, and Singapore.
- India has diverse array of domestic manufacturers, featuring prominent players such as Dabur and Sugar within the startup ecosystem.



India Beauty and Cosmetic Manufacturing Industries



The North and West regions dominate beauty and cosmetic product manufacturing, comprising 75% of manufacturers, with Maharashtra alone representing 32%.

More than US\$ 500 millions

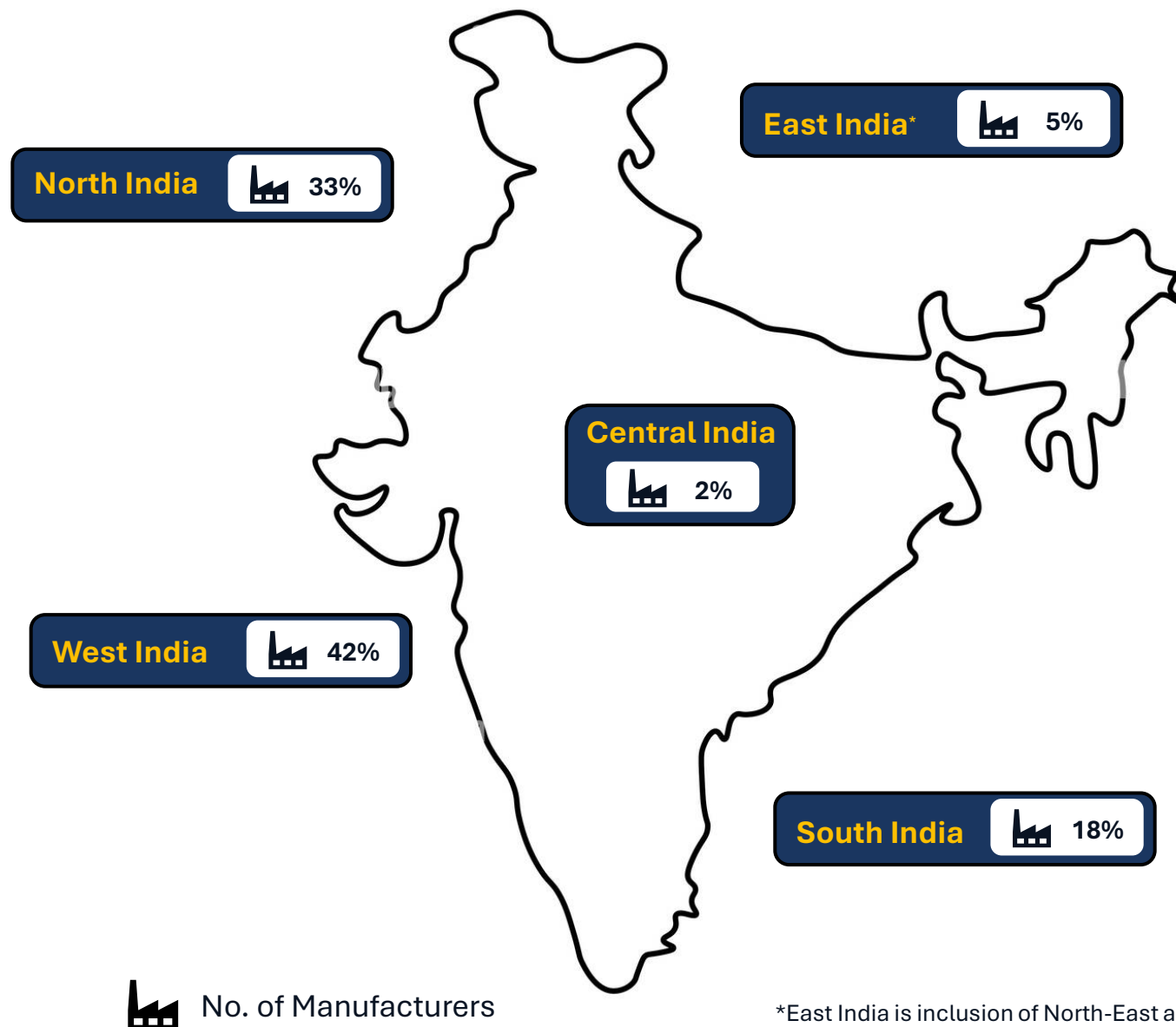
1%

In FY23, mCaffeine, Lotus, Vega, and several other industries surpassed \$500 million in revenue.

By Revenue

Due to the large startup ecosystem, majority of industries struggle with revenues below US\$ 1 million.

Numbers of Indian Beauty & Cosmetic Product Manufacturers, by Revenue



No. of Manufacturers



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Market Hurdles & Solutions

- Market Drivers
- Market Challenges

Market drivers like AI, income rise, D2C expansion, and natural product preference fuel Indian beauty and cosmetic industry growth.

Natural Product Adoption: Through the awareness about the harmful effects of chemical products, consumers are increasingly gravitating towards herbal or ayurvedic alternatives.

Disposable Income: With a 13.3% rise in per capita disposable income, the primary focus of India's rural population is shifting towards enhancing their lifestyle through personal care.

Distribution Channel Expansion: The direct selling industry saw a ~5% growth in 2022-23, propelled by the emergence of over 80 direct-to-consumer (D2C) brands.

Digital Dominance: The integration of AI/ML based models as diagnostic tools for skin and makeup has driven growth within this industry.

55% of average new customers are now coming from Tier2 and Tier 3 cities.

15% Of beauty and cosmetic product is owned by premium herbal and ayurvedic products

56% of urban consumers indicating higher interest in customised skin and hair care products.

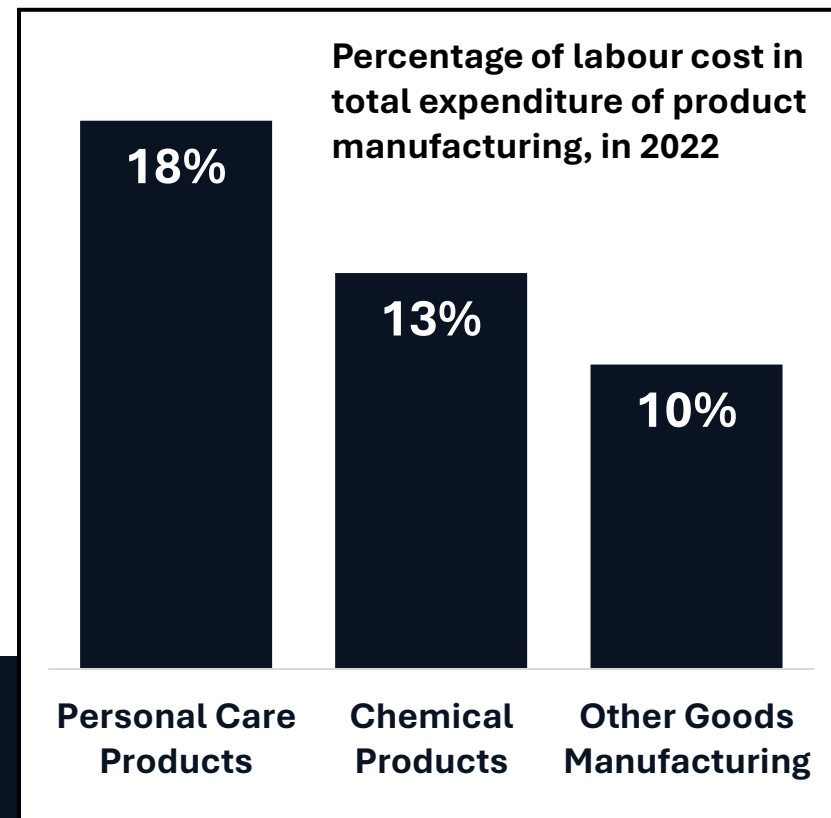
38% Increase in financially independent women from 2014 in 2021.

The Indian beauty market increasingly leans towards specialized products; however, challenges persist in inventory management, and foreign import reliance.

Challenges for Indian market

- The Indian market increasingly favors sophisticated, specialized cosmetics, particularly for skincare and haircare.
- 70% of Indian users are influenced by products reviews on social media and blogs.
- Due to strict regulatory standards, Inventory expiry management is the major hurdle for beauty and cosmetic product manufacturers as well distributors.

In 2022, the personal care products industry experienced higher labor costs in comparison to other chemical and goods manufacturing sectors.



- The larger portion of the unorganized market in this segment, approximately 75%, presents numerous challenges such as quality control, brand recognition, and intense competition among small-scale manufacturers.
- The escalating reliance on foreign products reflects a concerning trend, with the import share of the total Indian market size expanding from 5% in 2018 to 8% in 2022.



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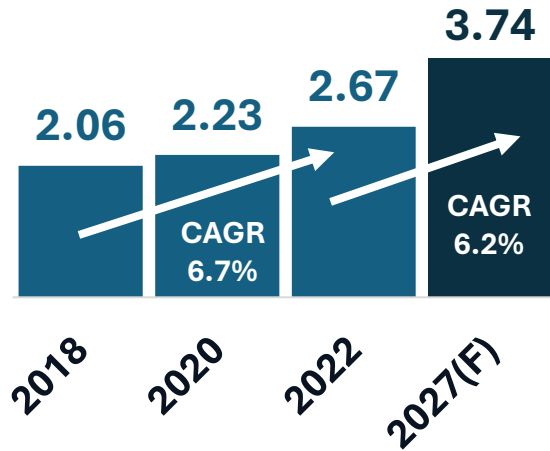
Consumer Behavior Analysis

- By Product Category
- By Gender Segmentation
- By Age Segmentation
- By Income Segmentation

In the Asia Pacific, India ranks 4th in skincare and 3rd in haircare by market value, with shares of 3% and 15% respectively.

India Skincare Market Value

US\$ billions

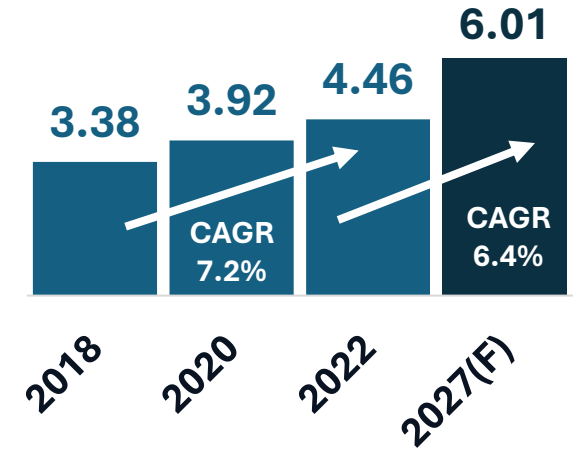


Facial care is the largest segment of skincare, 80% of total skincare market value.

82% of haircare market is governed by the Shampoo and Conditioners in India.

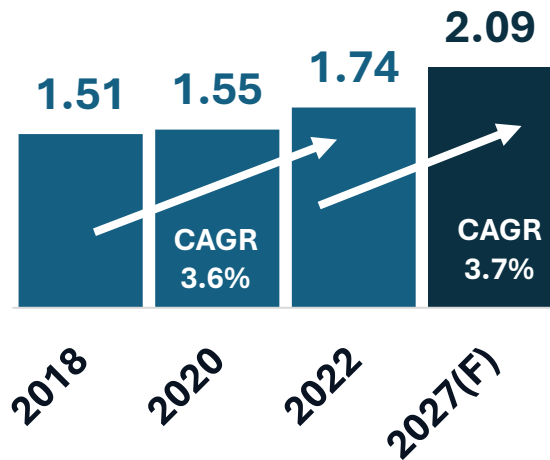
India Haircare Market Value

US\$ billions



India Oralcare Market Value

US\$ billions

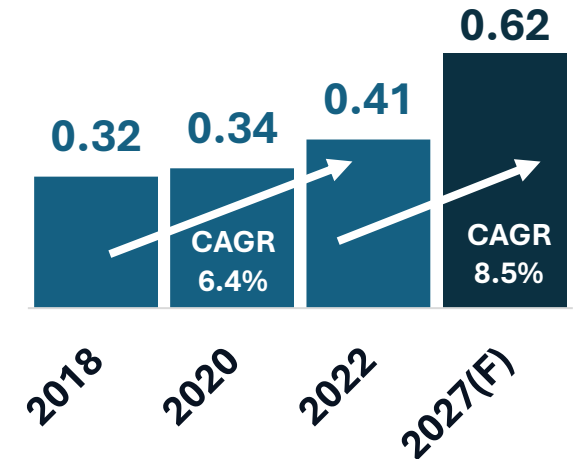


Toothpaste is the largest segment of oralcare, 60% of total oralcare market value

By value, female fragrance products dominates the market with 47%.

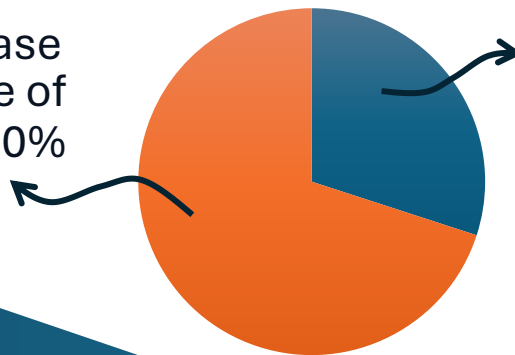
India Fragrance Market Value

US\$ billions



The combined forces of higher income, urban living, and a growing grooming awareness are propelling the skincare market's growth for all, driving innovation and expansion.

Larger female consumer base holds majority share of 60-70%



With the increase male grooming products, is estimated around 30-40%

Top Products

- Beard Care
- Sunscreens
- Moisturizers

Top Products

- Moisturizers
- Sunscreens
- Face Wash & Cleansers

Top Influencing Factors

- Skin Tone Correction
- Brand Trust
- Social Media Influence

Brands catering to male-specific concerns, contributed to double digit growth rate.

Increase in disposable income and influence of social media contribute to its growth.

Expected CAGR
2023-2032

15.2%

10.8%

Expected CAGR
2023-2032

Almost 90% of customers in India spend less than 3.5k INR per month, while only 1% of customers prefer high-end products costing above 10k per month.

Teens & Young Adults (18-25 yrs. Old)

- Largest consumer base in India
- Experiment with new trend and products
- Influenced by social media and affordability



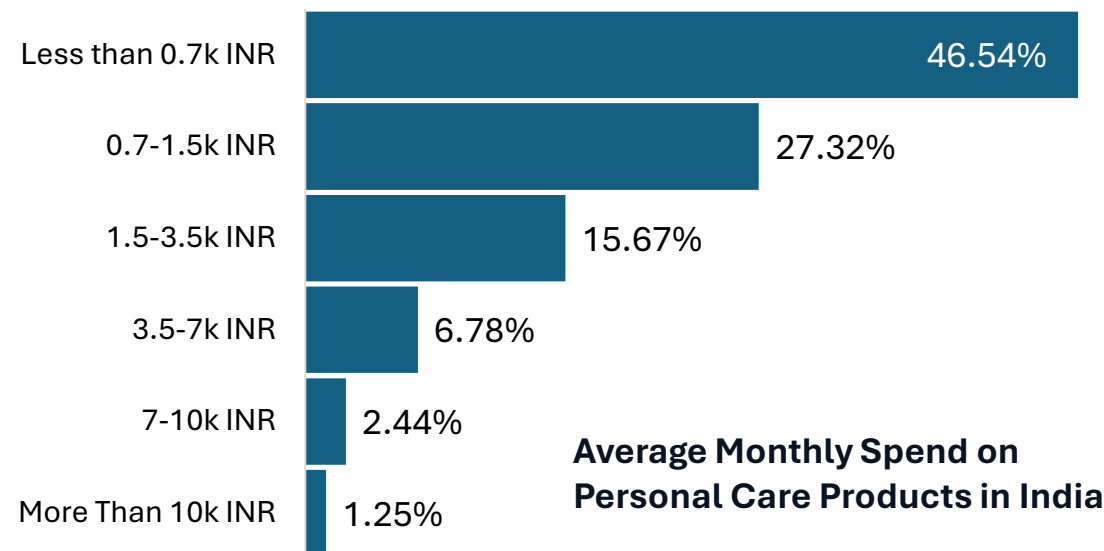
Mature Adults (50+)

Prioritize skincare for maintaining healthy, youthful skin



Young Professionals and Mid Life (26-50 yrs. Old)

- Financially strong consumer base
- Priority to premium brands
- Focus on natural and organic products



~ 90% of the population earns less than 3 Lakh per annum, essential personal care items such as moisturizers and similar products are fundamental to the Indian market



By Income Analysis

→ **10-15 lakh per year**

- Spends only on high-end brands
- Focus on organic and anti-aging products

→ **10-15 lakh per year**

- Invest more in premium products
- Prioritize quality over cost
- No Experiments, preference provided to well-known brands

→ **3-10 lakh per year**

- Segment balancing between quality and cost
- Do experiments with new products
- Influenced by social media

→ **Less than 3 lakh per year**

- Priorities to affordable products
- Influenced by mouth marketing
- Focus on essential personal care



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Distribution Channel Analysis

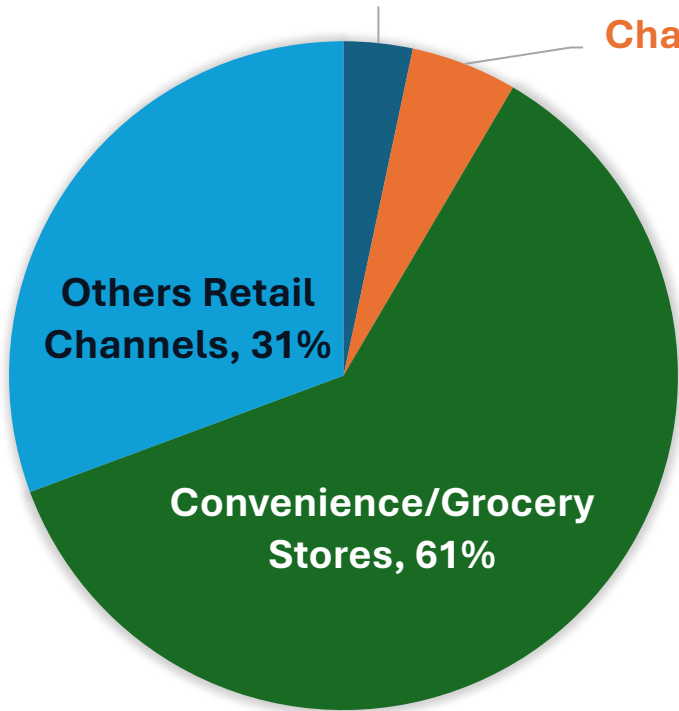
- Overview of Market Share
- Retail vs E-Commerce landscape
- Potential Challenges

Convenience/grocery stores dominate the market, while online channels grow, with premium segments capturing 8% of luxury product revenue.

Personal Care Market – Revenue Share
by Different Channels, in 2022

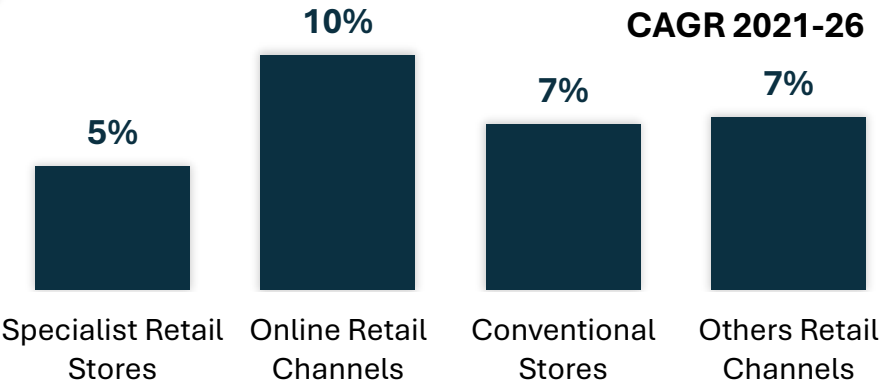
Specialist Retail Stores, 3%

Online Retail
Channels, 5%



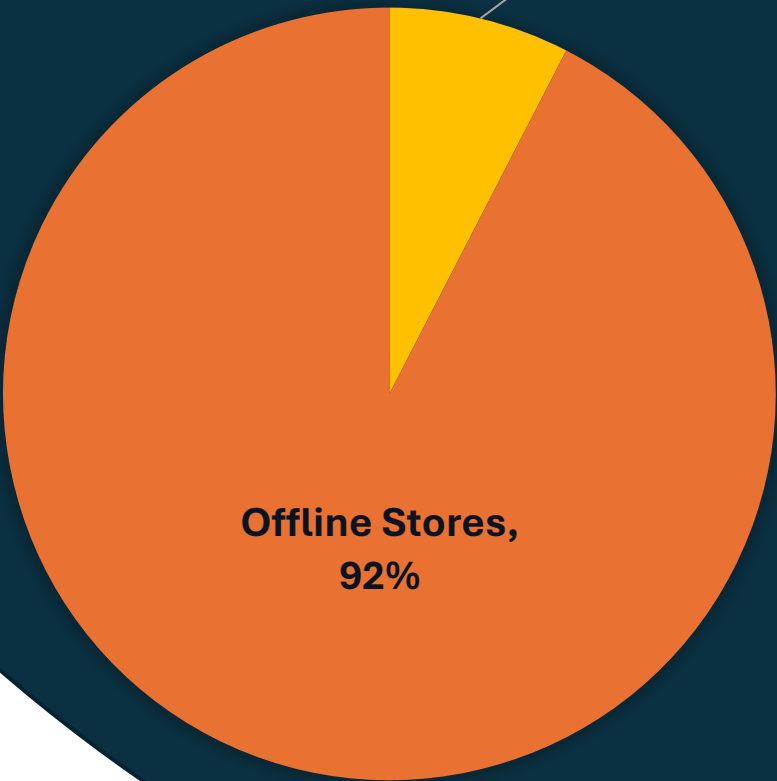
Convenience/grocery stores hold the dominant share of the personal care market in India, with online retail channels gradually gaining traction.

Expected Growth Forecast,
CAGR 2021-26



Luxury Product – Revenue Share
by Different Channels, in 2022

Online
Channel , 8%



In India's competitive startup scene, success depends on a smart omnichannel strategy that maximizes each approach's strengths.

**Total Sales
Growth**

19.35%
CAGR 2018-22

**Offline Sales
Growth**

4.19%
CAGR 2018-22

**Online Sales
Growth**

9.04%
CAGR 2018-22

Challenges in Online Sales of Cosmetic and Beauty Products

- Online shopping lacks the ability for customers to try products before purchase, potentially leading to dissatisfaction and returns due to mismatched expectations.
- Safely delivering delicate beauty products, especially to remote areas, presents logistical hurdles.
- Acquiring new online customers demands substantial investment in marketing and advertising.
- Establishing brand trust and loyalty online is challenging without the tangible experience provided by physical stores.

Challenges in Offline Sales of Cosmetic and Beauty Products

- Offline stores face escalating costs for rent, staffing, and inventory management.
- Keeping up with the latest beauty trends poses challenges for physical stores compared to the agility of online retailers.
- Offline stores find it more challenging to gather customer data and feedback compared to online platforms.

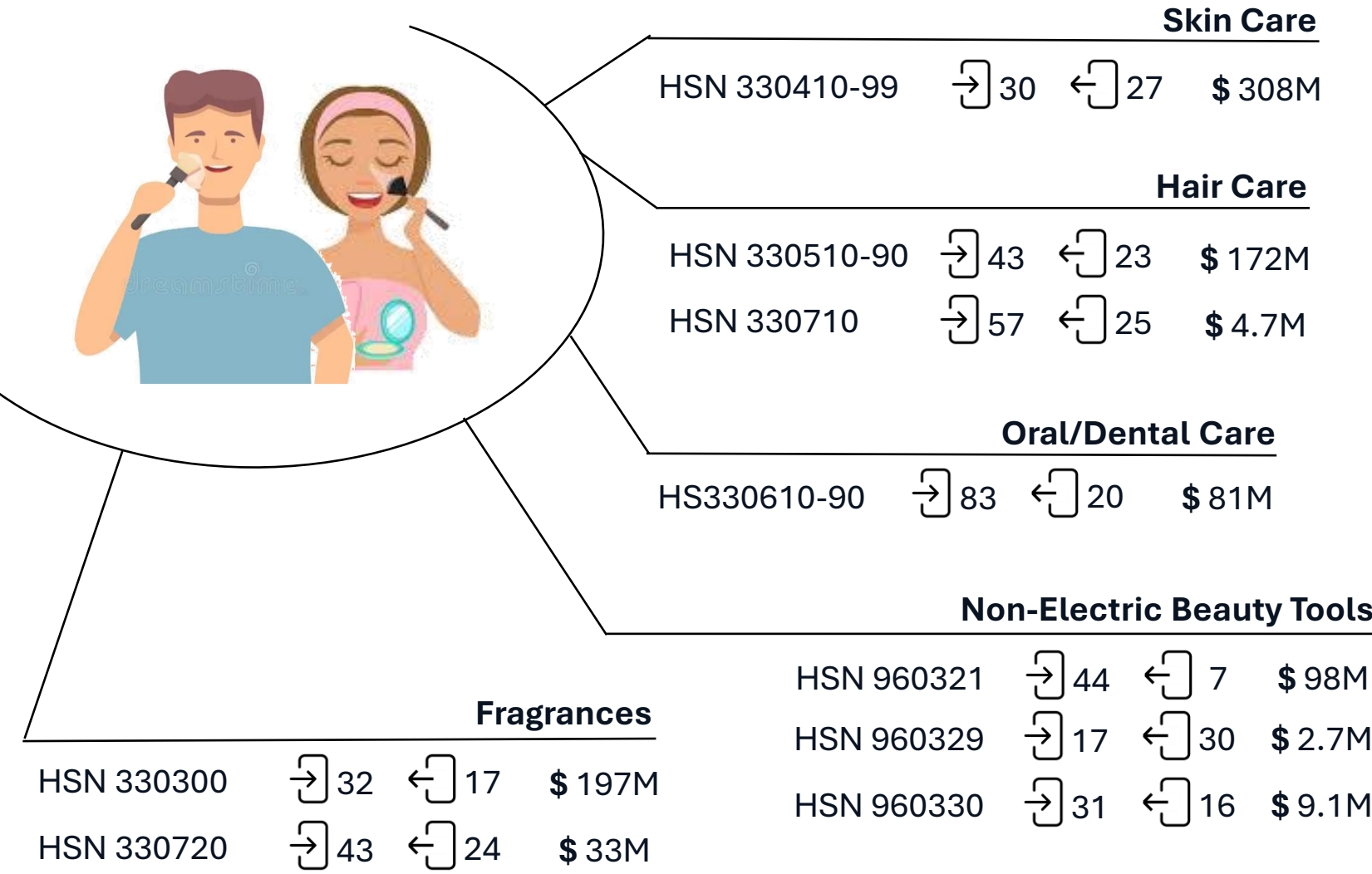


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India vs Global Market

- India Trade Analysis
- Penetration of foreign companies in India
- Rules and Regulation for Indian Market

In the toothbrush product category (HSN 960321), India is the top exporter, standing at 7th globally and contributing 3% to the total global export value.



350+

Korea (The Republic of) plays an outlier performance with the presence of largest foreign brands in India



CDSCO defines rules and regulations, to manufacture or import beauty and cosmetic products in India.



CDSCO Central Drug Standard Control Organization

Cosmetic is defined under section 3(aaa) of the Drugs and Cosmetics Act, 1940 as, any article intended to be rubbed, poured, sprinkled or sprayed on, or introduced into, or otherwise applied to, the human body or any part thereof for cleansing, beautifying, promoting attractiveness or altering the appearance, and includes any article intended for use as a component of cosmetic.

Under the provisions of Drugs and Cosmetics Act, 1940 and Rules made there under, the manufacture of cosmetics is regulated under a system of inspection and licensing by the State Licensing Authorities appointed by the respective State Governments, while the import of cosmetics is regulated under a system of registration by the Central Licensing Authority appointed by the Central Government. The Drugs Controller General (India) functions as the Central Licensing Authority who grants the Import Registration Certificate and regulates the import of cosmetics into India vide Gazette notification G.S.R 763(E) under the provisions of Drugs and Cosmetics Act, 1940.

Any article falling within the definition of cosmetic is required to be registered along with pack size, variant(s) and manufacturing premises before its import into the country.

For More Info : <https://cdsco.gov.in/opencms/opencms/en/Cosmetics/cosmetics/>



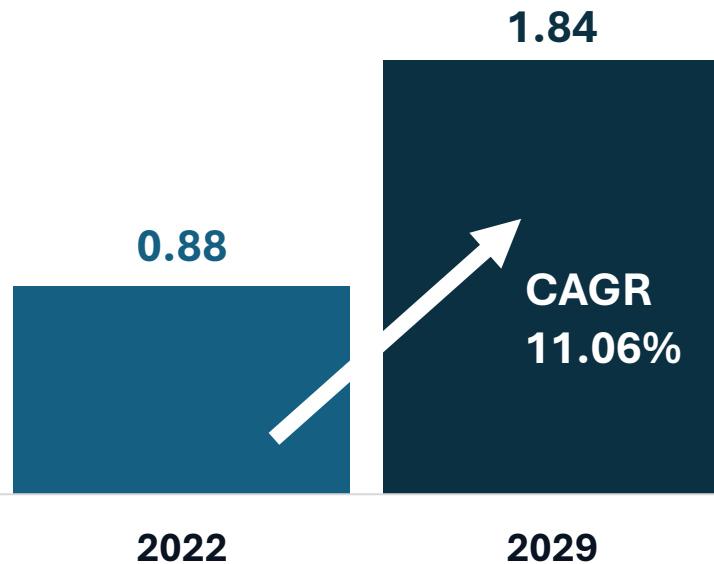
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Future Market Scope in India

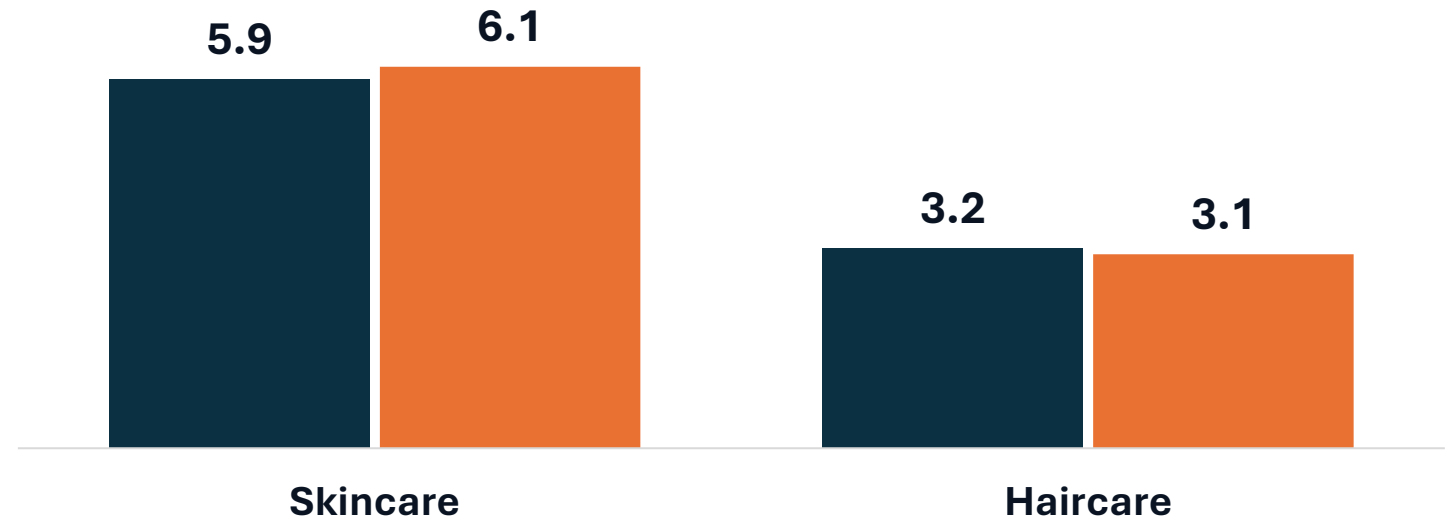
- Male Product Segment
- Accelerated market of Ayurveda Products

India's male personal care market is poised for significant growth, led by skincare, haircare, and shaving products, with India's prominence recognized by global leaders.

India Cosmetic Market Value, Male
US\$ billions



Average number of beauty and personal care products purchased across India, by gender



Male Segment, Sales %

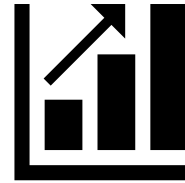
Brand Name	In India	Global Avg.
Crabtree & Evelyn	20%	10%
Body Shop	18%	13%

- The men's personal care market in India is growing steadily as the cosmetics and grooming industry meets increasing demand for men's products.
- Skincare dominates the India men's personal care market, followed by haircare and shaving products.

Because of increase in awareness about the benefits of ayurveda and organic beauty products in India, market is expected to grow four times by 2032 in India.

India Ayurveda Market Value

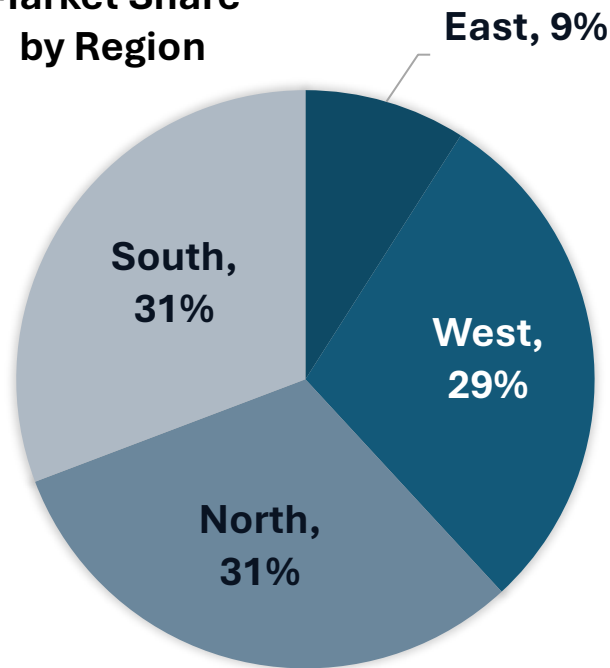
2022 India
Market Value **7.2**
US\$ Billions



16.64%
CAGR 2022-30

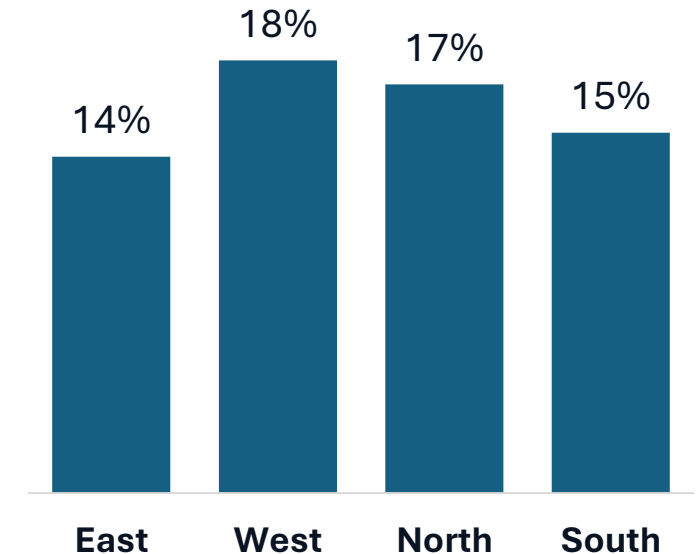
2032 India
Market Value **28.6**
US\$ Billions

Market Share by Region



- Despite holding the lowest market share, only 9%, East India region has shown promising growth potential (CAGR 2022-32 of 14%) comparable to other regions, making it an attractive prospect for the Indian market.
- In the Indian Ayurveda market, therapies dominate with a market value share of 87%, surpassing direct product utilization.
- Speciality stores has largest share by distribution channel, 29%.

Expected Market Growth CAGR 2022-32





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Breaking the Mold

- mCaffeine

Case Study 1 - mCaffeine is a caffeine-infused personal care brand.



- mCaffiene is the first brand to launch caffeine-based personal care products in the Indian market.
- The products are made using coffee, green tea, and chocolate, all of which contain caffeine.
- Promoted caffeine as an anti-oxidant



Focusing on millennials, the brand created a range of products that resonated with the younger generation's lifestyle and preferences, preferable to below 30 years

PEP Technologies Pvt Ltd

Headquarters: Mumbai

Founding Date: 2016

No. of Employees: 501 to 1000

Total Funding: US\$ 37.5M

Last Funding Round: Series C

Revenue in FY23
₹210
INR Crores

YOY FY22-FY23
54%



Achievements: The brand has sold more than 10 million products in just 5 years of launch

Case Study 1 - MooiBox, founded by Sahee Wasan, is a Jalandhar-based beauty and skincare company that offers subscription services for quality products.



- The company aims to help customers discover their best selves by delivering personalized beauty and skincare products.
- MooiBox operates on a subscription model.
- Before availing the services, MooiBox collects information from users about their skin or hair type and the region they belong to.

MooiBox

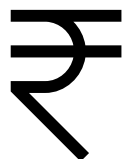
Headquarters: Jalandhar

Founding Date: 2018

No. of Employees: <10



While MooiBox initially expected customers from the northern regions of India, It was surprised to receive major orders from Tamil Nadu and Gujarat.



MooiBox started with a bootstrapped capital of Rs 5 lakh, in 2018. It asks users a few questions to understand their skin or hair type and region.

mint

India's beauty and personal care market to touch \$30 billion by 2027

TH

'Indian Beauty market may grow 40% by 2026'

The Statesman

Is India set to become the new beauty destination for global brands?

shethepeople
SISTERHOOD SAATH SAATH

Influence Of K-Beauty Standards On North East Indian Girls

R IndianRetailer.com

K-Beauty Regimes Drive ~30 pc Sales from North East India

Business Standard

Beauty retailers report high demand for prestige and premium segments



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Thanks for showing interest

Would like to **EXPLORE** more ?



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Meet us:

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