

OVERVIEW BY Austrade- February 2006

Trends and opportunities

The market

The cosmetics and toiletries industry in France is divided into the following categories:

- Beauty products - 37.1 per cent
- Hair products - 23.3 per cent
- Perfumes - 19.8 per cent
- Toiletries - 19.3 per cent
- Other - 0.5 per cent

The French cosmetics and toiletries market is characterised by a host of long-established companies and brands. With three of its subsidiaries among the top five companies, the L'Oréal Groupe remains the undisputed leader.

France has the highest proportion of premium product value sales in Western Europe. However, the mass market is also well established. The constant upgrading of brands such as [L'Oréal](#), [Gemey](#) and [Nivea](#), has started to blur the distinction between mass and premium brands, affecting distribution through specialised perfume shops negatively. Hence, the mass market's share in France has continued to increase.

Products emphasising wellbeing are increasingly popular in France. Natural products and aromatherapy are well established in product ranges from companies such as L'Oréal.

Cosmetics and toiletry companies are constantly looking to anticipate the changing tastes of consumers with two recurring strategies - publicity campaigns and technological innovation. A direct result of this activity is that innovative and high performance products are continually entering the market.

Key trends and statistics:

- Despite the classification of the French cosmetics and toiletries market as 'mature', key analysts within the industry predict the annual growth rate of 2.3 per cent to continue until 2006.
- **Fine segmentation has become the key to survival in a highly marketed and maturing sector.** The growing number

- of 'young seniors' (50-65-year-old age group), keen to maintain a look of youthful vitality, remains a priority target due to the high disposable income of these consumers.
- The development of **cosmetics and toiletries specifically designed for men** is an emerging category in France. The popularity of men's lifestyle magazines continues to boost consumers emphasis on their appearance.
 - Although the **market for shampoo, deodorants and fragrances** is approaching maturity, it continues to thrive from value growth due to increasingly sophisticated ranges that are backed by strong research and development programs. There is still significant potential in other sectors (such as depilatories and men's grooming products).

Opportunities

The cosmetics and toiletries industry in France is increasingly seeing a trend towards products targeting a specific demographic (eg. older generation, adolescents). Further to this, there has been an increase in specialised ranges such as hair care products. The majority of companies are now looking to service niche markets.

Environmental concerns are of prime importance to cosmetics and toiletries companies in France. The industry is continually looking for new ways to make their products and product processing environmentally friendly. Focus areas include recycling, biodegradable products, and replacing harmful ingredients.

Competitive environment

In France, Australia is not yet considered a major source of cosmetics and toiletries. The local market is highly developed and most imports come from the USA or from within the European Union (predominantly Germany and the UK).

More information

For further information please contact Austrade on 13 28 78 or email info@austrade.gov.au

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