

Lancome widened in February 2006 with serum and eye mask described as beauty products with a momentary effect. Yves Rocher presented a new line Ovalessence of Serum Vegetal spectrum that includes a modeling substance for the face and neck skin and Gel-tenser for the eye contour. The company states that these products help women in their fight against skin tissue slackening. Modeling substance for the face and neck skin (50 ml) is retailed at 1000 rubles (\$38), while Gel-tenser for the eye contour (15 ml) costs 770 rubles (\$30). Presently there are 154 stores operating in Yves Rocher chain.

Russian companies responded to international launching activity with unusual cosmetic ingredients.

Dve Linii (Two Lines) company, located in Bijsk city, Altay region of Russia, developed a cosmetic line based on pantogematogen (extract of Siberian deer blood). The line comprises shampoo, balm-conditioner, facial tonic. Recently, the company enlarged the series with anti-ageing facial cream and anti-ageing eye cream-gel. Facial cream formula is enriched with herbal and berry extracts and hyaluronic acid. The product is packed in 75ml tube and retailed at 180 rubles (\$7.2) in pharmacies and specialized stores. Anti-ageing eye cream-gel is designed to moisture skin and smooth small wrinkles. Its formula contains ten active components, including carbon dioxide extracts of herbs. The novelty is issued in 30ml extrusion tube and retailed at 110 rubles (about \$4.4). Silapant cosmetics series is distributed in Russia by Eco-Pro, Moscow, and exported in Kazakhstan by Emiti International company. Dve Linii was established in 1999 on the basis of Federal scientific-manufacturing union Altay. The company manufactures 40 skus assortment of cosmetic products and food supplements. Dve Linii manages its own retail chain under Retsepty Krasoty (Beauty Recipes) banner. The retail chain has three doors located in Bijsk. Two more doors are planed to be opened next year. Dve Linii turnover adds 25–30% annually.

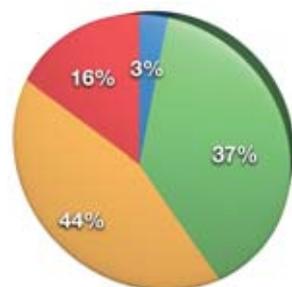
Women at the age of 25–50 are the most active consumers of premium facial care. Striving to reach target group of people and reduce promotion costs local distributors prefer advertisement in press to TV clips. Advertising pages in Vogue, Cosmopolitan, Harper's Bazaar, L'Officiel and Glamour are essential for sales support,

though educational articles in health and beauty columns provide greater results. As the competition intensifies advertising expenditures pay back only being supported by effective work of sellers and consultants at points of sales.

The issue of consultant proficiency is

What is your attitude towards oxygen cosmetics?

Source: www.beautytime.ru



- This is one of the most progressive directions in cosmetic industry
- This technology is neither better nor worthier than any other
- This is a marketing trick
- Never heard about it

Terezalnter, a Russian manufacturer of cosmetic raw materials and food additives, launched Tera-Vital and Tera-Active, two anti-ageing substances. The products contain dimethyl-amino-ethanol (DMAE), improving mental and physical condition as well as providing anti-ageing effect on skin. Tera-Vital formula combines DMAE with vitamin N (lipoic acid) in propylene glycol, while Tera-Active is a water solution of DMAE and vitamin PP (nicotinic acid). Tera-Vital is designed to be included in nourishing day and night creams and anti-ageing masks. Tera-Active is claimed to be perfect in stimulating serums for fading skin and strengthening hair balms.

extremely acute for Russia. In the past several years expertise of beauty consultants improved. Distributors of premium facial care contributed to the process by selecting predominantly people with medical or cosmetological education.

The majority of facial care sales are made through specialized perfumery and cosmetics retailers. Open markets loose their positions, while pharmacies gain strength in the market. 42% of

people coming in a Moscow pharmacy want to see medicated cosmetics among concomitant production. 44% of people claimed to purchase cosmetics in pharmacies very often. 40% of pharmacy consumers prefer international brands, 32% of people pay no attention to the country of origin, while 28% of consumers choose only locally made cosmetics and toiletries. According to the data collected Russia-wide, at least 53% of Russian women purchase cosmetics in pharmacies (Pharmexpert).

Facial care products bring 38% of profit in the total value of cosmetics sold through pharmacies. This is the largest share in category breakdown. Facial care outpaces other popular segments, such as bodycare (19%), hair care (14%) and oral care (12%).

To enter a large pharmacy chain requires substantial investment. A trademark has to pass a probation period of average 2–3 months. If a product does not pay back in this period, retailer will exclude it from assortment. The success depends greatly on consumer choice. Consumers pay more attention to trademarks recommended by pharmacists. Anti-ageing products, moisturizing lotions and anti-acne cosmetics enjoy the greatest popularity in pharmacies.

In facial care mass-market the leaders are Beiersdorf, L'Oreal&Garnier, Kalina, Nevskaya Kosmetika and Svoboda contributing to 57% of total sales volume and 53% of total facial care sales value. Local small and middle-sized manufacturers strive to attract consumer attention with outstanding and easy-to-remember ingredients. For example, Resbio company claims that its latest facial care cream under Magie Rouge trademark contains alcohol free extract of French red wine. The company offers to congratulate business partners with present sets combined from Magie Rouge products.

In 2007 moisturizing creams are expected to retain high popularity with about 20% of total facial care sales value. Products for sensitive skin are expected to be next popular with 13-15% share. In the category of purifying means tonics and lotions will probably reign the scene with about 35% of the subsegment sales value. Perfumeries and pharmacies are expected to provide over 60% of total facial care sales value.

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