

Leading companies in shampoo market, Russia, January – April 2007

Source: ACNielsen

	Share in total shampoo volume, %	Share in total shampoo value, %
Beiersdorf, Colgate Palmolive, Johnson & Johnson, Kalina, Krasnaya Linia, L'Oreal, Pervoe Reshenie, Procter & Gamble, Schwarzkopf & Henkel, Unilever	74	86

Leading shampoo brands, Russia, January – April 2007

Source: ACNielsen

	Share in total shampoo volume, %	Share in total shampoo value, %
Dove, Elseve, Fructis, Gliss Kur, Head&Shoulders, Pantene, Schauma, Shamtu, Sunsilk, Timotei	52	66

Shampoo distribution, Russia, January – April 2007

Source: ACNielsen

	Distribution channel share in total retail volume, %	Distribution channel share in total retail value, %
Supermarkets	25	27
Minimarkets	15	13
Household stores	7	5
Specialized perfumery and cosmetics retail chains	29	32
Pharmacies	3	6
Open markets	21	17

Shauma, Krasnaya Liniya (Red Line). The most advantageous places on top shelves are divided between Garnier, Nivea, Elseve, Gliss Kur, Green Mama, Head&Shoulders, and Pantene Pro-V.

Recently Krasnaya Linia (skin care, hair care, bath care and intimate hygiene products manufacturer) launched new hair care products. Shampoo and balm Tempting Shine and balm Magnificent Forms were the first in the new line. Krasnaya Linia was always prominent for its interesting ideas. For example, the company was the first to manufacture intimate hygiene gel and sense-therapy shampoo in Russia. The new line uses a perspective berry theme. Formula of Tempting Shine is said to contain berry tea and orange flowers, while Magnificent Forms recipe includes tangerine balm and freshwater pearl extract.

Though international companies rule Russian hair care market and local producers also hold a solid part, manufacturers from countries in the vicinity sometimes deliver interesting products and find their appreciative consumers. For example, berries and food extract theme inspired Formula Nezhnosti (Tender Formula), a Byelorussian manufacturer, to launch Milk Cosmetic shampoo line. Product packaging resembles milk bottle. The line comprises seven products with strawberry, kiwi, pear, coconut and chocolate flavorings. Each product is created for all hair types and is said to solve various problems, for example, prevent seborrhea. Milk Cosmetic line is to be widened with a balm gel with light texture. The products are sold in department stores and supermarkets at 35 rubles (\$1.3).

Over 50% of women use colorants, and practically they all prefer permanent ones. This subsector is among the most dynamic. In 2006 sales volume increased by 10.7%, becoming on of the most significant segment in hair care market.

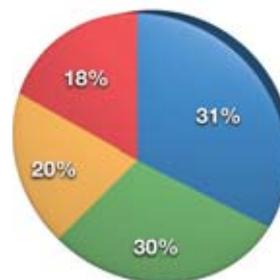


Colorants are dominated by multinational brands, which continued to increase their presence in 2006. Growing spending power is enabling consumers to switch to better-quality products, to the benefit of imported brands. Despite this, local manufacturers also try launching new products and increase international production volumes. For instance, local manufacturer RoColor remains one of the leading companies in hair colorants among local players. In 2006 the company presented Charm of Coffee comprising five different tones of brown-beige spectrum. Moreover, specialists of the company introduced new equipment for permanent colorant manufacturing.

Another local company, performing well in the market, is Irida Neva. The manufacturer is notable for its use of phitotechnology, vitamin complexes and UV protection. Concurrently, in colorants the popularity of natural products, such as henna and basma, is still very high, especially in the regions.

Have you ever changed your hair colour, for example, brunette to blonde?

Source: www.beautytime.ru



- No, I prefer my natural hair colour
- I did several times
- Yes, I change my hair colour very often
- I changed my hair colour only once

Analyzing the market situation, hair care segment is the most significant on the Russian perfumery and cosmetics market, and the main part of it is occupied by shampoo. However, the subsector is near to saturation point and its growth rate slows down. Nevertheless it is open for innovations. Russians do pay attention to the advertisement, try various trademarks from different price niches and tend to experiment. Consumers become more interested in professional hair care and specialized treatments as well.

For more information search www.cosmeticsinrussia.com

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