

HERE COMES THE SUN

According to ExpoMediaGroup Staraya Krepost, sun care sales value in Russia reached \$42m in 2006 as compared to \$37m in 2005. The sector adds 14–15% annually and in 2007 is forecasted to report \$50m. Each person at his/her working age spends only \$0.6 for sun care annually.

In Ukraine, the country in the vicinity, sun care sales value was equal to \$13.6m in 2006. Remarkably, average expenditures for sun care products in Ukraine are compared with that in Russia. Each Ukrainian at his/her working age contributed \$0.48 to the segment.

Research agencies vary in stating flagship sector of the market. Euromonitor names self-tanning products to contribute the major part of sun care sales in Russia and estimate the sector to be \$26m large. ACNielsen, on the contrary, allots to self-tanning only 12.3% of the market sales value, while the largest subsector is reported to be traditional sun protecting products with 72% share. After-sun products sales are estimated to give 15.7% of the total market. The breakdown of sales volume is the following. Sun protection products contribute 67.9% of total sales in items, after-sun creams make 21.3% share and self-tanning products give 10.8% (ACNielsen).

The poll, conducted by all-Russia center of public opinion research, showed the holiday preferences of local people. 30% of Russians said lying on the beach is the best way to spend their holidays. The majority of respondents would prefer a sanatorium treatment (28%) or a couple of days in a boarding house (16%). 21% of Russian people would choose entertaining activities, while 12% of respondents will never change their dacha or summer cottage to anything else. Younger generation is most likely to prefer beach and entertainment, and elderly chooses dacha. However, in reality, dacha leaves to be the most popular place to spend holidays, for wishes do not completely correspond with possibilities. 62% of Russian people plan to stay at home in summer and 20% will go to dacha.



The largest Russian distributors of solariums – Magic Beauty System, Soltec International, Nemectron, Khitec, Sportarredo representatives in cooperation of Lightech lamp manufacturer (Hungary) – gathered a constituent assembly of Russian entrepreneurs association dealing in solarium industry.

Russian beauty salon market has matured for an organization functioning alike ESA in Europe, which supported the initiative of Russian companies. Russian solarium industry association will become ESA member and will work in close cooperation with its European colleagues.

The controversial picture shows, on the one hand, high perspective of sun care consumption in Russia and, on the other hand, insufficient consumer activity. In future, with population income growth, this activity is expected to increase.

Dacha adherents form a big and attractive piece of pie for sun care manufacturers. The problem is that these people, especially ones living in a deep province, buy sun care very rarely. They apply means of traditional medicine or use nothing and form a real challenge for sun care promoters.

However, rapid rate of growth reported by the segment gives a solid base for

those who believes in bright future of sun care cosmetics in Russia. Together with skin care (20% of annual growth), male grooming (24%) and depilatories (23%) sun care market remains one of the fastest ones.

Milk (emulsion) proves to be the most popular format of sun care product in Russia, providing 44.8% of total sun care sales value and 41.5% of sales volume. Lotions, positioned mainly in upper middle segment, contribute to 30.2% of sales value with only 17.9% share of total sales volume. On the contrary, balms (gels) sales positions are stronger in volume (9.5% share) than that in value (5%). Creams report equal to lotions sales volume share (17.8%), though contribute to only 9.4% of sales in terms of money. Mousses are the least popular sun care format with 2.4% of sales value and 1.6% of sales volume. Moisturizing and protecting oil shows substantial shares both in sales value (8.1%) and sales volume (11.3%) predominantly due to active advertising campaigns of Johnson&Johnson and Garnier (ACNielsen).

Beiersdorf, Floresan, Garnier are the leading sun care sellers in Russia. These companies hold together 64% volume and 75% value of total segment sales.

Talks about cruel Russian winter and icy Russian attitude towards sun care have a certain background. However, insufficiently developed distribution often

MORE ON WWW.COSMETICSINRUSSIA.COM