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The cosmetic industry in China

Supervisors: Prof. Luigi Benfratello

Candidate: CHENZhuo

Contents

Chapter 1 Introduction

The heart of beauty is shared by everyone. The pursuit of beauty by human beings is constantly improving with the progress of civilization. Chinese beauty culture has a long history and can be traced back to the Neolithic Age, and is an integral part of human life. With the improvement of people's living standards, China's cosmetics market has developed rapidly and has become the second largest cosmetics market in the world. Its size reached 937 billion yuan in 2014, and is expected to reach more than 310 billion yuan in 20. The growth rate is nearly 100 billion yuan, and consumers have strong demand for high-end products, and the overall market consumption level has increased significantly.

The outstanding contribution of the cosmetics industry in taxation and employment has been recognized by many local governments, which has increased its support for the local cosmetics industry, which has also promoted the good development of the industry to a certain extent. The main manifestations are: the industry's concentration has been further improved and its structure has been optimized; local brands have developed rapidly and market share has grown rapidly; increased technology investment and significant scientific and technological achievements.

However, as a relatively young industry, there are still some shortcomings in its own development. For example, market demand has not been thoroughly explored, resulting in low per capita consumption levels, low entry barriers, and low levels of standardization, which has led to a low overall level of development The low level of informatization leads to the low level of the overall operation of the industry. These problems have greatly affected the global competitiveness of the Chinese cosmetics industry.

To this end, it is necessary for us to sort out the past development status, achievements, and existing problems of the Chinese cosmetics industry in order to discuss the guiding ideology, goals, and strategic measures for future industry development.

1.1Development Status and Achievements

1.1.1 Market Development Status

From the perspective of industrial structure development, skin care products continue to occupy a dominant position and the development speed is higher than the average level. The market share has increased from 47% in 2010 to 48.3% in 2014 and is expected to reach 52% in 2020. The shampoo and hair care products with the second largest market share are the earliest products developed in the Chinese market. After decades of rapid development, they have slowed down the development rate after 2010, accounting for a decline from .24% in 2010 to 2014. .72% of the year, it is expected to drop to 13.7% in 2020. In addition, color cosmetics and infant care products that are growing faster than average levels have increased from 7.02% and 3.07% in 2010 to 7.14% and 3.95% in 2014, respectively. It is expected that by 2020 they will rise to 8.02% and 4.57. %.

In the development of the cosmetics industry in the past ten years, the rapid development of other channels has had the greatest impact on shopping mall channels with traditional advantages. Taking the skin care product market as an example, the market share of the shopping mall channel dropped from 41% in 2010 to .5% in 2014, and the supermarket channel also dropped from 20.7% in 2010 to 12.6% in 2014. After more than 10 years of rapid development, franchised store channels have maintained an average market development level, albeit at a slower rate. According to incomplete statistics, it has reached about 140,000 in number and has a market share of more than 20%, which has become one of the main channels for the cosmetics market. The fastest growth was in e-commerce channels, which increased from 3.4% in 2010 to 16.9% in 2014, followed by direct sales channels, which increased from 14.5% in 2010 to 20.2% in 2014.

From the perspective of regional development, affected by the favorable urbanization process and the further narrowing of the income gap between urban and rural residents, the growth rates of the third, fourth, and fifth-tier markets are significantly higher than those of the first- and second-tier markets. According to data from authoritative research institutions, the proportion of first- and second-tier markets in the overall market for FMCG products has decreased from 41% in 2011 to

37.6% in 2014, while the proportion of third-, fourth- and fifth-tier markets has increased from 59% in 2011 62.3% to 2014.

From the perspective of market-level development, the proportion of high-end cosmetics is on the rise due to the upgrading of consumer demand. According to data from research institutes, taking the skin care market as an example, the proportion of high-end markets increased from 25.2% in 2010 to .2% in 2014. From 2012 to 2014, the average annual growth rate of skin care products was 5.4%, color cosmetics was 4%, hair conditioner was 4.4%, toothpaste was 8.4%, all higher than the average annual inflation rate of 2.5%. These data show that the price of Chinese cosmetics market products is on the rise, and high-end products are becoming more and more popular with consumers.

1.1.2 Industry Development Status

During the "Twelfth Five-Year Plan" period, China's cosmetics industry further developed, and its contribution to society and economy also increased. From the perspective of taxation, taking Shanghai as an example, cosmetics companies accounted for 7 of the top 100 industrial tax companies in Shanghai in 2013, and total tax revenue was 1.92 billion yuan. In addition, in 2013, the top 100 companies in Shanghai's tertiary industry tax ranking Chinese cosmetics companies accounted for 6 seats, and the total tax revenue was 5.414 billion yuan. By 2014, the tax revenue of 7 cosmetics companies among the top 100 industrial tax companies in Shanghai increased to 2.01 billion yuan, an increase of 8 million or more from 2013. In 2014, the tax revenue of cosmetics companies among the top 100 companies in Shanghai's tertiary industry tax revenue totaled 5.723 billion yuan, an increase of 309 million yuan from 2013. From an employment perspective, 70% to 80% of the cosmetics value chain is realized through services, including logistics and distribution, distribution and terminal retail services. This feature has created huge employment opportunities for society. Taking terminal retail services as an example, according to incomplete statistics, the total number of retail terminal employees in the beauty industry in the country is about 3.5 million to 4 million, which has become one of the industries with more employment in the tertiary industry. It includes about 1.5 million employees in more than 200,000 franchised stores in the field of daily chemicals, more than 6,000 department stores, more than 14,000 large supermarkets, and more than 200,000 appliance stores. The direct sales channel is 1.5 million to 1.8 million. Employees and more than 500,000 employees in more than 100,000 professional beauty companies (including beauty, manicure, and body) in the professional field.

The outstanding contribution of the cosmetics industry in terms of taxation and employment has been recognized by many local governments. It has been regarded as one of the key local development industries and has given a lot of policy support. Taking Shanghai as an example, Garland Group, Shanghai Jahwa, and Compatible Materia Medica have received strong support from the Shanghai Municipal Government's special funds for accelerating the construction of independent brands, and financial support funds to promote the development of cultural and creative industries. In addition, Galan Group also won the "2013 Fengxian District Mayor Quality Award" and "2014 Shanghai Quality Gold Award". These support policies and honors greatly inspired the determination and confidence of local enterprises to grow bigger and stronger.

From the perspective of industry development, during the "Twelfth Five-Year Plan" period, the development of China's cosmetics industry showed the following characteristics:

1) The concentration has been further improved and the structure has been optimized. Authoritative research data show that the top 10 market share in China's skin care market share increased from 43% in 2007 to 45.2% in 2014.

2) The competitive landscape is not yet stable. According to authoritative research data, compared with 2013 and 2012, 8 brands in the skin care market have changed their rankings, including brands that have risen or fallen in the top 10, and exited the top 10. Existing brands as well as new top 10 brands.

3) The market share of domestic brands has grown significantly. Authoritative research data shows that compared with 2013 and 2012, the market share of local skincare brands increased by 5.5%, and that of cosmetics brands increased by 6.3%; compared with 2014 and 2013, the market share of local skincare brands increased by

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4.8 %, Makeup brands rose 3.8%. At present, local brands such as Natural Hall, Herborist, Baique Antelope, Affordable Materia Medica, Meisu, Ou Shiman, Marubei, etc. have become well-loved brands, occupying the largest market share of local brands.

4) Capitals are rushing into the bureau, and the cosmetics industry has entered a period of consolidation. According to incomplete statistics, since 2012, a number of cosmetics companies, including Affordable Herbal Medicine, Beauty, Beauty, and Beavers, have won the favor of investment institutions. The total investment in the industry has reached 1.5 billion yuan. Now the cosmetics industry is becoming a hot spot of capital.

5) Increased technology investment and remarkable scientific and technological achievements. In recent years, with the gradual expansion of market share, local cosmetics companies have increased their investment in research. For example, the investment in research and development of Galan Group and Shanghai Jahwa has exceeded 3% of revenue. At the same time, local companies have also stepped up the introduction of international talent, and are using products instead of marketing to further expand market share. Many researchers from P & G, Unilever, L'Oreal, Shiseido, Amore Pacific and other foreign daily chemical giants have been invited to join local companies.

By increasing investment and introducing advanced international talents, China's cosmetics industry has made fruitful breakthroughs in many fields, such as biotechnology (including genetic recombination, fermentation, stem cell extraction, tissue culture, skin model building and other biotechnology), microelectronic technology (Including skin detection, production procedures, etc.), emulsification technology (including low-energy emulsification, phacoemulsification, etc.), plant extraction technology, skin transmission technology (including microcapsule technology, lipid technology, etc.), liquid crystal technology, etc.

1.2 Main Problems Existing

1.2.1 Problems Existing in the Market

1) Per capita consumption of cosmetics is small, and the demand for cosmetics

needs to be further explored. The size of the cosmetics market in China in 2014 has reached 937 billion yuan, and it is expected to reach more than 310 billion yuan in 20. It has become the world's second largest market after the United States. However, in terms of per capita consumption of cosmetics, China is still far behind many developed countries. According to authoritative data, China ’s per capita consumption of skin care products, cosmetics and perfumes in 2014 was about US $ 12.5, compared with US $ 192 in South Korea, US $ 1 in France, US $ 112 in Japan, US $ 58 in the United States, and Brazil also reached 53 US dollars.

The reason for the low level of per capita consumption of cosmetics in China is that, on the one hand, the overall national income level is still low, and cosmetics consumption cannot be shaken off from the constraints of this environment; on the other hand, China's cosmetics market has not been fully explored and expanded. For example, from the perspective of regional market development, the data shows that in 2014, the front-line market accounted for 12.9% of the overall FMCG market, while the population accounted for only about 5% of the country. . In addition, from the point of view of cosmetics use, Chinese consumers' understanding and understanding of cosmetics are still relatively limited. In many cases, they are limited to accepting the basic functions of cosmetics, such as cleansing, moisturizing and moisturizing. Compared with European and American consumers, There is still a big gap between the pursuit of orientation and individual needs.

2) Counterfeit and shoddy products are difficult to control, and market supervision needs to be further strengthened. Counterfeit and shoddy products are currently a widespread problem in the Chinese consumer product market, which not only damages the image of related companies and products, but also has hidden dangers that affect consumer health and safety. Some unscrupulous companies have added prohibited substances to their products, or added restricted substances in excess and beyond their scope. Long-term use has adversely affected consumers' physical and mental health.

At present, cosmetics sales have become the hardest hit area of online counterfeiting and infringement. In China's legal system, there is no specific legislation on the protection of online intellectual property rights, and there are no special regulations for the supervision of online cosmetics sales. In legal documents such as the Trademark Law and the Implementing Rules of the Trademark Law, the legal status and liability of online trading platforms have not been answered. As a result, in practice, the right holder requests the online trading platform to bear legal liabilities and No clear legal basis. In addition, some emerging cosmetics sales models are outside the current regulatory scope, such as some beauty salons formulating and using cosmetics themselves. In addition, some TV shopping and direct marketing products often have exaggerated and false elements, causing many consumer disputes.

Therefore, industry self-discipline and rights protection need to be strengthened, and government supervision must be improved.

3） Strengthen the supervision of sales channels and further regulate the market order. Cosmetics sales channels can be divided into four categories: department stores, supermarkets, specialty cosmetics stores and online shopping. At present, due to various sales channels, especially department stores and supermarkets, their advertising fees, channel fees, listing fees, admission fees, bar code fees, promotional management fees, salaries for promotional staff, discount fees, gift fees, annual festivals, etc. There are many names such as rebates. Enterprises, especially ethnic enterprises and small and medium-sized enterprises, have difficulty in entering and have obstacles due to issues such as brand awareness, capital, and channel bias against domestic brands.

The existence of the above problems is not conducive to the standardization of market rules, the healthy competition in the market, and the development and growth of enterprises, especially nationalities and small and medium-sized enterprises. To improve these issues requires both national policy support and the state and relevant authorities to strengthen supervision and maintain and improve market order.

1.2.2 Problems in the industry

1） The entry threshold of the cosmetics industry is too low, affecting the overall development level of the industry. There are more than 3,000 cosmetics manufacturing enterprises in China, but most of them are small in scale, the production factors are scattered, the strength of independent innovation is weak, and the industrial structure and enterprise structure need to be optimization. Weak R & D strength, insufficient technology investment, homogenization of products, repeated low-level products, and few well-known national brands with independent innovation technology. The product structure needs to be optimized, especially national self-owned brands. Most of the existing cosmetics manufacturing companies still have a big gap in brand management and technological innovation. Many of them still stay on traditional product marketing concepts, more on competition in distribution channels and product prices, and ignore brand building. And management, some products that initially opened up sales through advertising and marketing often lacked the stamina for sustainable development and failed in the long-term competitive environment.

2) The regulatory and regulatory environment needs to be continuously improved to adapt to and promote the development of the cosmetics industry

Cosmetics safety is related to people's physical health, and has attracted much attention from consumers and all walks of life. National government departments attach great importance to the construction and supervision of regulations in the cosmetics industry. They have successively issued a series of regulations and management regulations. It standardized the production and operation behavior of enterprises, strengthened supervision and management according to law, and played a corresponding role in specific historical periods. However, due to the rapid development of the cosmetics industry, the changes in the management system, and the rapid progress of society, the repeated, lagging, missing or incomplete conditions of these laws and regulations have become increasingly apparent. The deficiencies of the original laws and regulations need to be improved. Therefore, the regulation and regulation of cosmetics should be compatible with the cosmetics industry and product characteristics, simplify the management model, unify multiple management, and provide appropriate space and freedom for the development of the industry. Reasonable management can fully reflect the scientific development concept, and ultimately benefit the entire society including consumers, cosmetics industry and government management departments.

3）The standardization work needs to further improve the standard to meet the needs of industry development

At present, China's cosmetics standards account for 20% of product standards, import and export inspection and quarantine standards account for 40%, and only % of cosmetics standards and safety standards. Taking into account the management mode of multiple focal points' own systems, which leads to repeated project establishment, neglecting the quality of standards, and blindly pursuing the number of established bids, it should be vigorously improved to meet the actual needs of industry development.

4) Need to strengthen the informatization of national brands and national enterprises

Compared with developed countries, the informationization level of Chinese enterprises is still relatively low. Manufacturing industries in developed countries began to use computer network technology extensively within enterprises in the 1980s to improve internal information exchange. Although in recent years Chinese enterprises have made certain achievements in information construction, some companies have tried to optimize the industrial chain through e-commerce, reduced transaction costs, and achieved good results, but most companies are still on the sidelines, especially in the cosmetics industry. Enterprises are generally small in scale, relatively backward in operation methods, relatively inadequate in informationization investment, backward in information processing equipment, poor communication of information between upstream and downstream enterprises in the industry, and have not adapted to the application and development of Chinese enterprises' e-commerce, which has restricted the cosmetics industry Industrial upgrading and development.

1.3 the growth trend of the global cosmetics industry

Recently, some analysts claim that the growth trend of the global cosmetics industry is shifting towards “skin care”.

CAPE Investment Securities Researcher Kim Hyemi said in a report recently released: “Only 2-3 years ago, high-end cosmetics, which dominated the global cosmetics growth trend, became weak. The influence of the major consumer group

MZ generation turned the recent trend to skin care.

According to the analysis of the report, the main reason why multinational companies hav e concentrated on high-end cosmetics brands is that due to the rapid spread of SNS to the w orld, the accelerated display of culture to others has the highest growth rate in one of the la -rgest cosmetics markets in China.

When young Korean women read "Kim Ji Young Born in 1982," they called being beautif ully dressed as "exquisite labor", and began to take care of others' eyes as behaviors that sh ould be broken. Contrary to the decline in the importance of makeup, the emphasis on their own consumption has shown a firm posture.

Researcher Kim Hyemi said: “It’s not an exaggeration to say that skin care-centric era is co ming. This phenomenon is not unrelated to changes in consumers’ values. In fact, many com panies focus on the skin care field based on their recent performance. Existing brands or M &A have actively promoted skin care brands as their main growth drivers.

In the third quarter of last year, L'Oréal's sales increased by 7.8% year-on-year, the highest growth rate in the past 10 years. This is largely because the brands in the high-end and cosm eceutical sectors are showing good momentum. On the contrary, the regions and categorie s that performed sluggishly were North America and cosmetics. The North American cosmet ics market is expected to grow 3.4% year-on-year. Due to the shrinkage of the cosmetics ma rket and the decline in market share, the corresponding sales declined slightly.

P&G also adjusted its sales target for 2020 from a 3-4% increase to 3%-5%. In particular, t -he growth rate of the cosmetics sector increased by 10% compared with the same period la st year, and the growth rate of skin care products and daily necessities reached about 10%. The reason for such good performance is due to the high-quality innovation and positive pro duct improvement effects, the polarized growth of ultra-high-priced brands such as SK-II an d the low-end brand Olay, and the overall increase in prices.

In China, SK-II, Olay, and personal daily necessities achieved double-digit growth. In the U -nited States, skin care products and daily necessities also achieved high single-digit growth, proving the growth trend of the skincare-based industry.

Estee Lauder's sales in the first quarter of this year are expected to increase by 12% year-on -year. The factor driving performance growth is the improvement of China and the duty-free market, and the shrinking of the United States and the cosmetics market put the performan ein trouble. Sales of skin care products increased by 25% year-on-year, and sales of mid-to-high-end skin care products Estee Lauder and La Mer of various brands increased by more than 20% year-on-year.

Unilever's sales in the third quarter of last year increased by 2.9% year-on- year, and sale -s of cosmetics and daily necessities increased by 2.8% year-on- year. Although Prestige bra nds such as Dermalogica and Hourglas have achieved good results, the sales growth rate is r elat-ively slow due to the relatively insufficient portfolio of skin care products.

To make up for this shortcoming, last year it acquired Garancia, a French cosmeceutical br -and, and Tatcha, a Japanese skin care brand that is very popular in the United States, and m -ade every effort to build growth momentum.

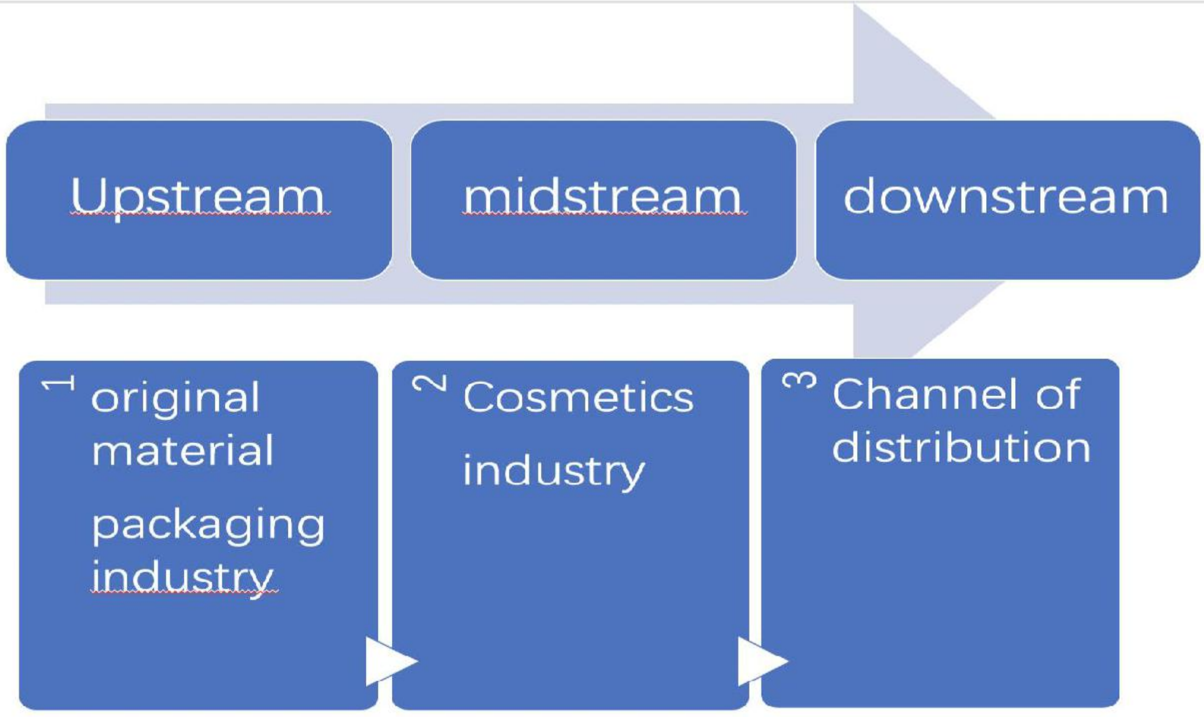
Researcher Kim said: "On the basis of such global trends, the Korean domestic cosmetics market will also re-focus on Amorepacific and LG Life and Health, which have advantages in skin care. Amorepacific will develop diversification based on diversified brands. With its mar ket strategy, LG Life Health continues to grow in the Chinese market centered on “post” and has become a high-end brand that does not lose to international giants.”

Chapter 2. Consumer Insights into China's Cosmetics Industry

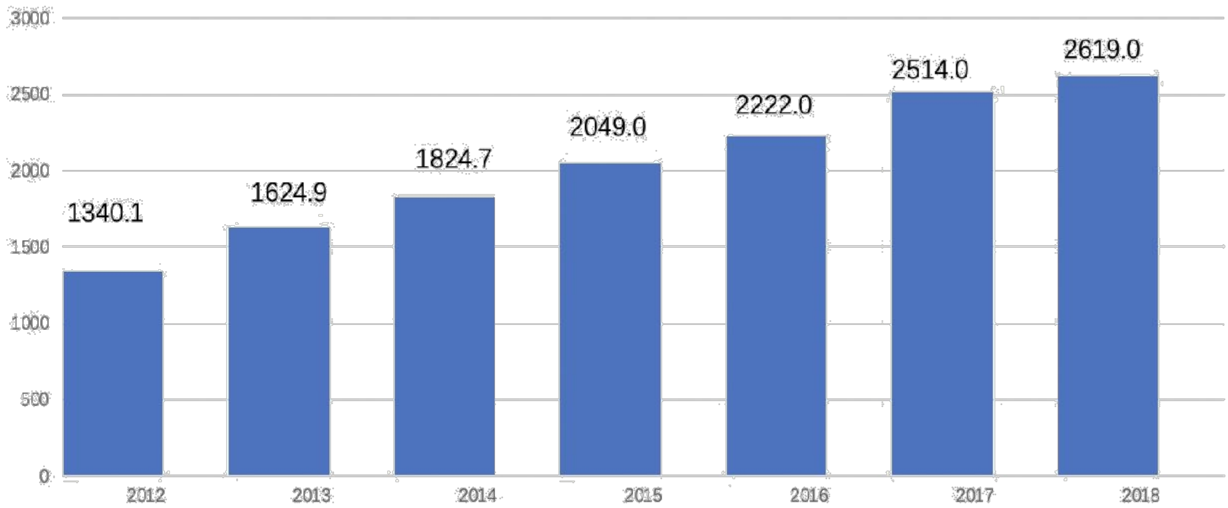
2.1 New Economy Drives New Consumption, China's Cosmetics Consumers Have Full Potential

China 's online cosmetics consumer base is growing. Not only do they buy more, they also buy more. Chinese cosmetics consumers in the new economy imply strong spending power

From the perspective of the cosmetics industry industry chain, the upstream is mainly the raw material industry and the packaging industry. The raw materials include: natural oils and fats, synthetic oils, powdery materials, gum materials, and surfactants; the packaging industry includes: paper packaging, glass packaging, plastic Packaging, aluminum packaging. The downstream is the commodity circulation industry, so the marketing channels of the cosmetics industry have a great impact on industry sales.

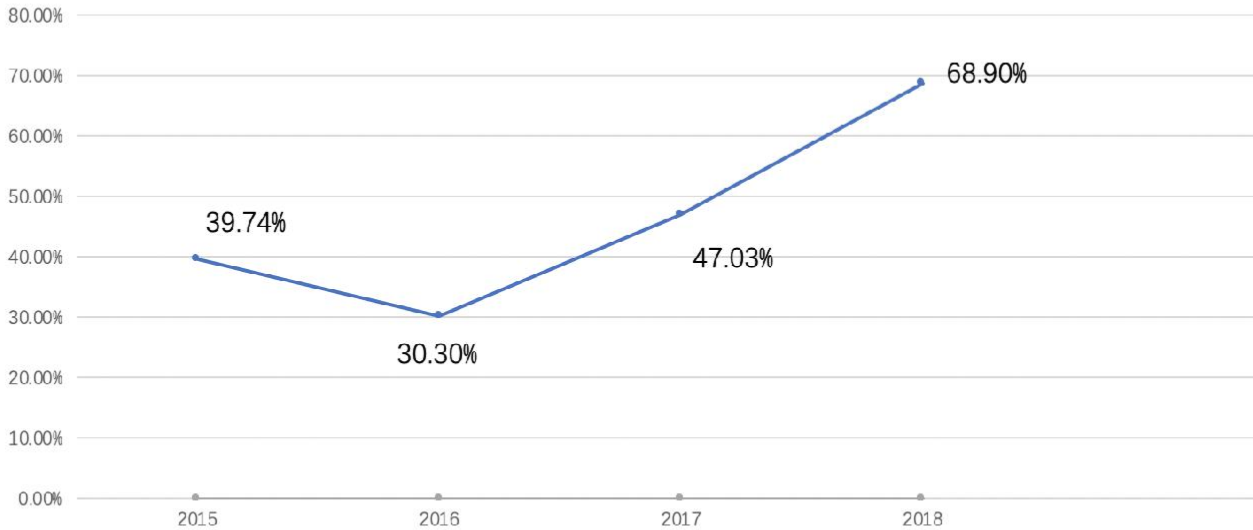


According to data from the National Bureau of Statistics, from 2012 to 2018, the overall retail sales of cosmetics in China maintained a steady growth trend. In 2018, the retail sales of goods above the quota for cosmetics in the country was 261.9 billion yuan, an increase of 9.6% year-on-year, which is 0.6 percentage points higher than the total growth rate of China's total retail sales of social goods in 2018.



China's retail sales of cosmetics units above designated size in 2012-2018 (billion yuan)

According to data from China Customs Statistics, China ’s imports of beauty cosmetics and skin care products have gradually increased in value from 2014 to 2018. China ’s imports of beauty cosmetics and skin care products have reached 203,700 tons in 2018, with an import value of USD 9.921 billion.

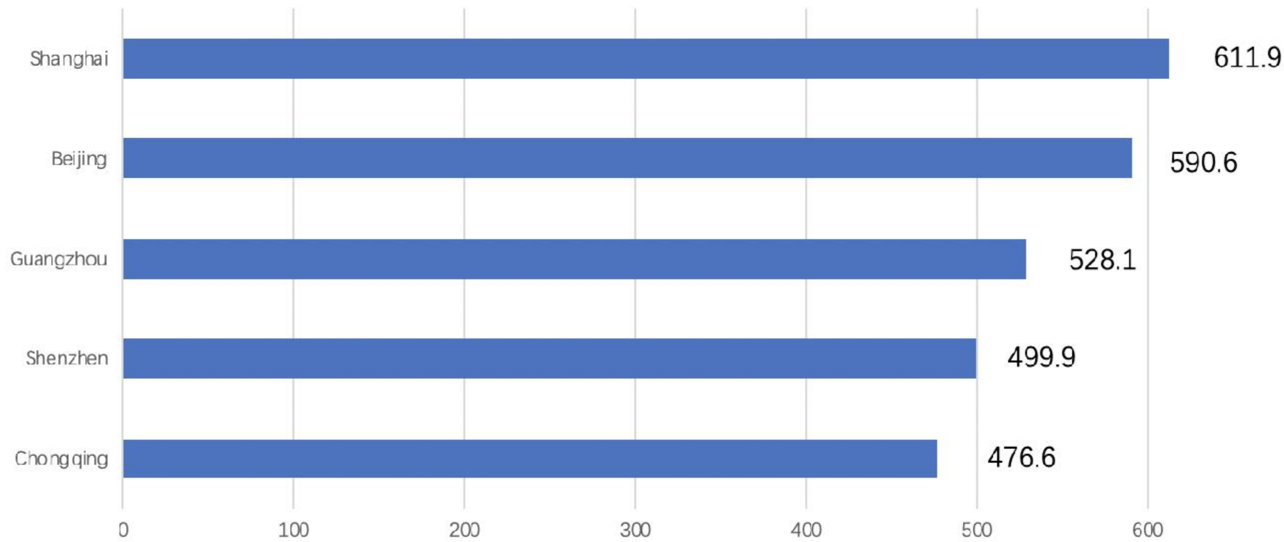


20-2018 China Cosmetics Imports Increase% YoY

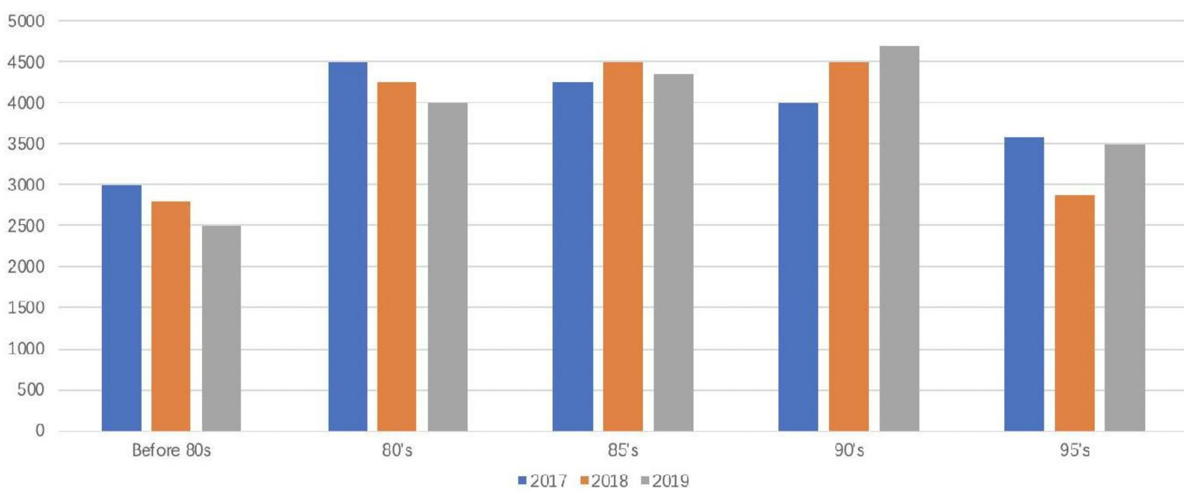
2.2 Post-90s and post-95 consumption trends

Post-95s and post-90s have gradually become the main force of online cosmetics consumption, contributing nearly 50% of sales. Among them, the post-90s generation has surpassed the post-85s population and has become the group with the highest online spending power.

Judging from the regional consumption situation, relevant data show that China's first-tier cities have the highest consumption of cosmetics, which is 20% higher than the national average. However, in the growth rate, the fourth-tier cities have the fastest growth. The "Tmall 2019 Economic Value Report" report shows that in 2018, Shanghai people love to buy cosmetics. A total of 6.119 million people bought cosmetics on Tmall; the second name was Beijing, with 5.906 million consumers; the number of consumers was Guangzhou with 5.1 million people ranked third.



The number of online shopping cosmetics consumers in 2018 is ranked according to the top four cities (units:10,000 peoples)



Per Capita Consumption of Consumers in Online Cosmetics

2017-2019

2.3 Consumption trends in China's cosmetics industry

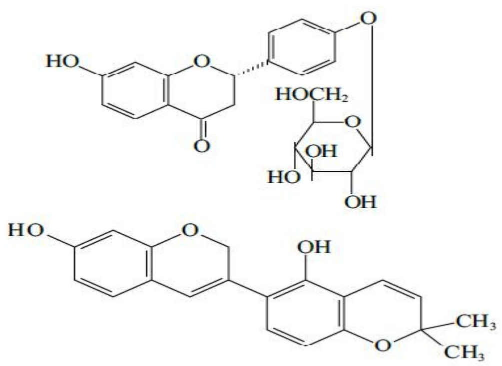
2.3.1 Consumers follow natural ingredients

While consumers consume their bodies excessively in their daily lives, they are always concerned about caring for their health. Natural is equal to health and safety. When consumers choose cosmetics, products with natural ingredients are still the mainstream consumer.

2.3.2 Introduction of main natural ingredients

2.3.2.1 Kanzou furabonoide

Flavonoids are the main medicinal ingredient in the commonly used Chinese medicine Glycyrrhizauralensis and Glycyrrhizaglabra rhizomes. They are called licorice flavonoids (Kanzoufurabonoide), and their content is about 3% of the medicinal materials. Licorice flavonoids contain dozens of ingredients such as glycyrrhizin, glycyrrhizin, isoliquiritigenin, glycyrrhizin, glycyrrhizin, and glycyrrhizin, among which the content of glycyrrhizin is the highest. Licorice flavonoids are extracted from the dried rhizomes of licorice. The chemical structure of the main components in licorice flavonoids is:

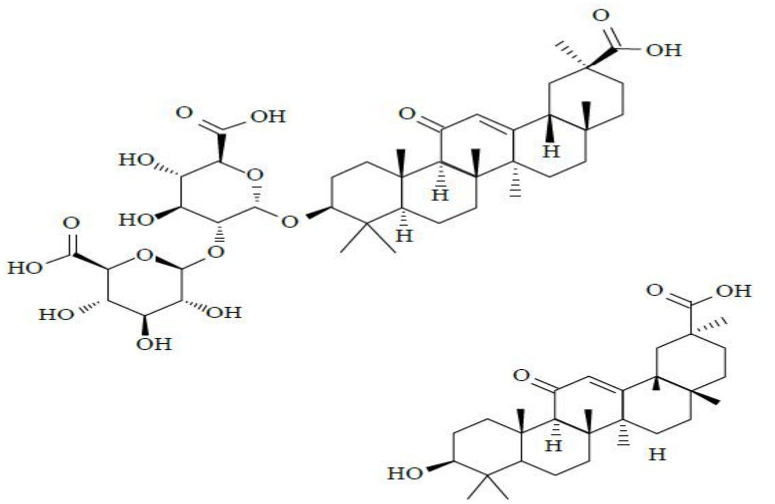


The Announcement on the List of Names of Used Cosmetic Raw Materials issued by the State Food and Drug Administration in 2014, the CTFA and the 2010 Edition of the Chinese Names of International Standards for Cosmetic Raw Materials of China Fragrance Association all use licorice flavonoids as cosmetic raw materials. See reports that it is not safe for external use.

Licorice flavonoids have antibacterial properties, and can be used to prevent tooth ulcers when used in toothpaste or mouthwash. Inhibition of plasmin activity, increased plasmin activity and sunburn, heat injury, eczema, contact Dermatitis and other related, so licorice flavonoids have anti-inflammatory and anti-allergic effects; licorice flavonoids have estrogen-like effects and can be used in cosmetics related to the suppression of androgen secretion, such as hair loss and acne ; Licorice flavonoids can also inhibit skin brighteners and conditioners.

2.3.2.2 Glycyrrhetinic acid

Glycyrrhizicacid is a triterpenoid saponin. Glycyrrhetinic acid, also known as glycyrrhetic acid, differs from glycyrrhizic acid in that it lacks two glycosides and is also free in the root of glycyrrhizin. They are the main active ingredients in the roots and rhizomes of the legume Glycyrrhizauralensis, and their content is about 10%. The content of licorice in Northeast China and Inner Mongolia is the highest. From the perspective of chemical configuration, these two are also a collective term for a mixture. Glycyrrhizic acid and glycyrrhizic acid are extracted from licorice rhizomes. The chemical structure (Glycyrrhizic acid (left), Glycyrrhetin (right)) is:



The “Announcement on the List of Names of Used Cosmetic Raw Materials” issued by the State Food and Drug Administration in 2014, the CTFA, the European Union and China Fragrance Association's 2010 Edition of the “International Catalogue of Chinese Standards for Cosmetic Raw Material Standards” will all include glycyrrhizic acid and glycyrrhetic acid As a cosmetic raw material, it has not been reported that it is unsafe for external use.

Glycyrrhizic acid and glycyrrhetic acid have strong anti-inflammatory and antibacterial effects, can inhibit the permeability of capillaries, and can be used in lipsticks to prevent the rupture of brittle lips. It is also commonly used in the treatment of mucosal diseases.

It can be used in oral hygiene products to prevent dental caries and mouth ulcers. Combination with other fungicides can increase the efficacy; glycyrrhizic acid has no hemolytic effect, has a surfactant-like effect, and its aqueous solution has weak foaming properties. Facial cleansing products containing glycyrrhizic acid as the main component have mild degreasing properties and high sebum removal efficiency. It does not cause skin irritation, and at the same time cleansing the skin, it has a relaxing and rejuvenating conditioning function; 11β-HSD is 11β-hydroxysteroid dehydrogenase, and its increased activity is an indication of skin disorders, and glycyrrhizin acid inhibits it. Shows anti-inflammatory and anti-allergic effects, can be used to treat allergic or occupational dermatitis, subcutaneous granulocystic inflammation, etc. It can also be used in hair removal agents and shaving creams, which can help eliminate underarm inflammation lesions and wounds during shaving Glycyrrhizic acid has a wide range of compatibility and is often shared with other active agents, which can accelerate the absorption of the skin and enhance its effectiveness. It can be used for sun protection, whitening, antipruritic and hair growth.

2.3.2.3 Mannan

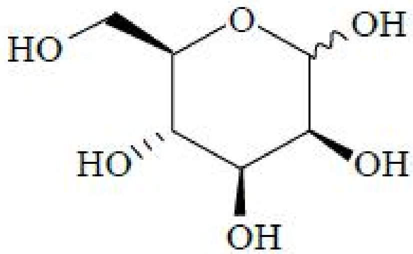
Mannan is a highly branched polymer of mannose, which is widely present in many life forms. The higher content is yeast, konjac, white peony, seaweed, coconut, etc. Commercially available mannans are more commonly extracted from konjac and yeast. The molecular weight of konjac mannan is about 1.1 million, and the molecular weight of yeast mannan is about 220,000. The properties of mannans vary from source to source. The chemical structure of konjac mannan is:

The Announcement on the Catalogue of Names of Used Cosmetic Raw Materials issued by the State Food and Drug Administration in 2014, the CTFA and the 2010 Edition of the Chinese Standardization of International Standards for Cosmetic Raw Materials of China Fragrance Association all use mannan as a cosmetic raw material. See reports of topical insecurity.

Mannan can increase the viscosity of the aqueous solution and stabilize the emulsion; it can absorb about 1.7 times its own mass of water, similar to other polysaccharides, and has a moisturizing effect; it also has a good adsorption effect on mineral oil and can absorb its own mass 1.5 times of oil; good film-forming properties, can be used in lipsticks and other products; some mannans have active skin, anti-inflammatory properties.

2.3.2.4 Mannose

Mannose is a simple sugar. It usually exists in the peel of some plants in a free state, such as citrus peel, peaches, apples and other fruits have a small amount of free mannose, which is also a component of a variety of polysaccharides. Mannose can be prepared by yeast fermentation. The chemical structure of mannose is:



The Announcement on the Catalogue of Names of Used Cosmetic Raw Materials issued by the State Food and Drug Administration in 2014, CTFA and the 2010 Edition of the Chinese Standardization of International Standards for Cosmetic Raw Materials of China Fragrance Association all use mannose as a raw material for cosmetics. It is topically unsafe to report.

Mannose has good moisturizing properties, and is effective in the treatment of dandruff, hotness, and keratoses caused by dry skin. Methionine is often used as a nutritional additive in cosmetics, which can enhance tissue metabolism, and can be used for conditioning and anti-aging Skincare.

2.4 Preliminary anti-aging

The post-95s who often hang "old" on their lips are not just self-ridiculous, but are actually implemented into consumption. CBNData's "Report" shows that the "early anti-aging" post-90s and post-95s have surpassed the post-80s and post-85s to become the largest consumer group of online anti-aging; although the per capita consumption of post-85s is still the highest, post-90s will accelerate consumption upgrades There is a tendency to catch up.

Under the active study of the causes of aging by contemporary skin care "savvy members", the related concepts of antioxidants, anti-sugars, and anti-blue light have also become the hot spots of anti-aging products this year. From the perspective of online "anti-aging" skin care ingredients, oligopeptides, peptides, and peptides have become popular in skin care products in recent years, and have been the main hot ingredients in the anti-aging market with the highest proportion and growth rate in the past year.

Chapter 3 The personal care e-commerce market

3.1 Introduction of Consumer Care Products

The personal care e-commerce market has maintained steady growth throughout the world. The global consumer care market in 2019 has reached US$118.26 billion, which is expected to reach US$181.60 billion by 2023. In particular, in China, iiMedia Research (Ai Media Consulting) data shows that in 2018, China's personal care and e-commerce market reached 188.19 billion yuan, an increase of 14.5%, including facial care, body cleansing and oral care. The contribution ratio reached 81.5%. Ai Media Consulting analysts believe that due to the rise of Haitao, cross-border e-commerce and e-commerce channels, as well as the growth of personal health expenditures and awareness of national health care, we will jointly promote the development of personal care in China. In terms of enterprises, such as Lafang and Baique Ling, they are actively exploring e-commerce channels, and jointly launching festivals such as Tmall Double Eleven and Jingdong 618. In terms of products, sales of functional toiletries such as tooth whitening, hair care and anti-hair shampoo have increased, and the packaging and smell of toiletries have become the main basis for users' choice. On the user side, the male personal care subdivision has received more attention, and after 00, 05, etc., it has become a new group of personal care products.

3.2 Market analysis

In the context of the rapid development of China's macro economy, the washing and washing industry has developed rapidly in China and has maintained rapid growth in recent years. It is expected that the scale of the washing and washing market in China will reach about 80 billion yuan in 2008, and at the same time, the following new patterns will emerge: The natural cleaning and care market is highly favored, the middle-aged and elderly care and grooming market is in great demand, the professional cleaning and care market is on the verge of development, the children's cleaning and care market is in the ascendant, and the sports and care market has a bright future. It is expected that by 2022, the global demand for the washing and care market will reach $ 190 billion, with an average annual growth rate of 5%. As the world economy continues to strengthen, the demand for chemically active agents for washing and beauty products has steadily increased, especially in developing countries, where the demand has grown faster, because the markets of developed countries have basically matured.

3.2.1High industry concentration

The shampoo and hair care market has been firmly occupied by international brands for a long time. With their brand and financial strength, they have been suppressing domestic brands through technology, advertising, and even low-cost strategies and acquisition strategies. They have almost monopolized their channels. However, from 2012 to 20, the manufacturer's CR5 dropped from 65.30% to 60.7%, and the brand CR5 dropped from 45% to 42.9%. The market share of leading foreign capital tends to be divided by the emerging small brands.

At present, the major manufacturers in the domestic shampoo market are Procter & Gamble, Unilever, Henkel, L'Oreal and Lafang. Among them, Procter & Gamble has the largest market share, with a share of 35.30%; followed by Unilever, with a market share of 10.40%.

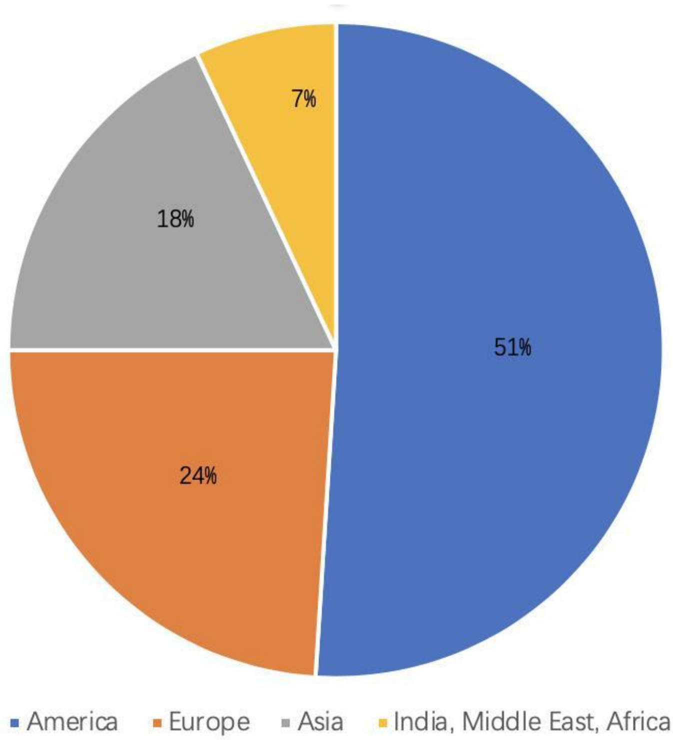
Among the top ten companies in the industry market share in 20, there were 7 international companies and 3 local companies. Seven international companies have a market share of 63.9%, and three local companies have a market share of 6.5. Overall, international brands dominate the Chinese hair and hair care market. Relying on strong brand status and strong financial strength, international companies mainly occupy the markets of China's first-tier and second-tier cities.

The high-end cleaning market has become a new trend in the current competition. Foreign giants Procter & Gamble and Unilever have launched "silicone-free" mid-to-high-end cleaning kits. Some domestic high-end cleaning brands have also come out one after another. In addition, they have already been in the high-end cleaning field for years Brands such as Shiseido, Henkel, and Adolf, for a time, the high-end washing market brands got together and scrambled to share the bonus of high-end washing. According to data released by Euromonitor, the market share of China's high-end shampoo products in 2012-20 is increasing. In 20, the high-end market of China's hair care products accounted for 9.2%, and the mass market accounted for 90.8%. It is expected that in 2018, the share of the high-end market will further increase, reaching about 10.7%.

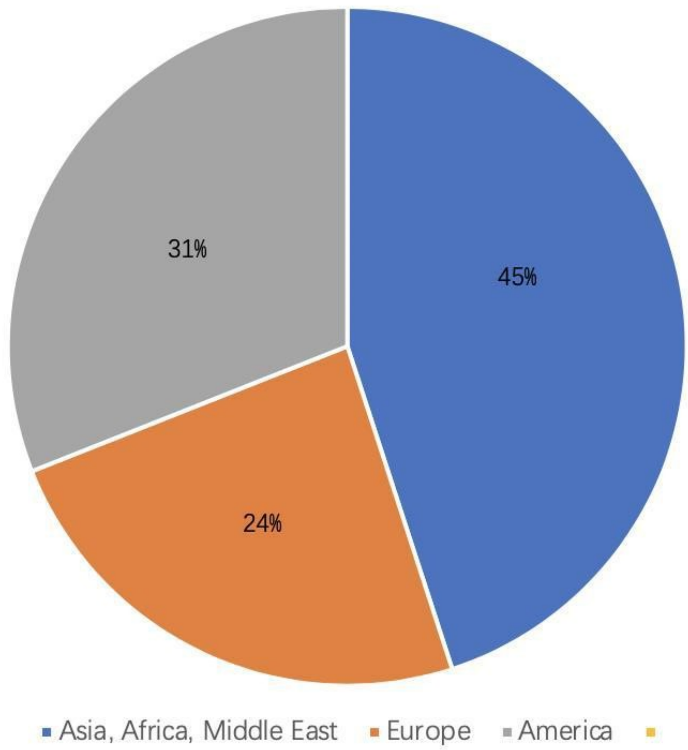
3.2.2 Americas is a major market for P & G and Unilever

With the rapid development of the international economy, people pay more and more attention to the brand of shampoo and hair care products, making the global market gradually become the dominant position of the two companies of P & G and Unilever. Unilever's competition with Procter & Gamble has radiated to more than 140 countries and regions around the world, but the market for both parties' efforts is mainly in the Americas.

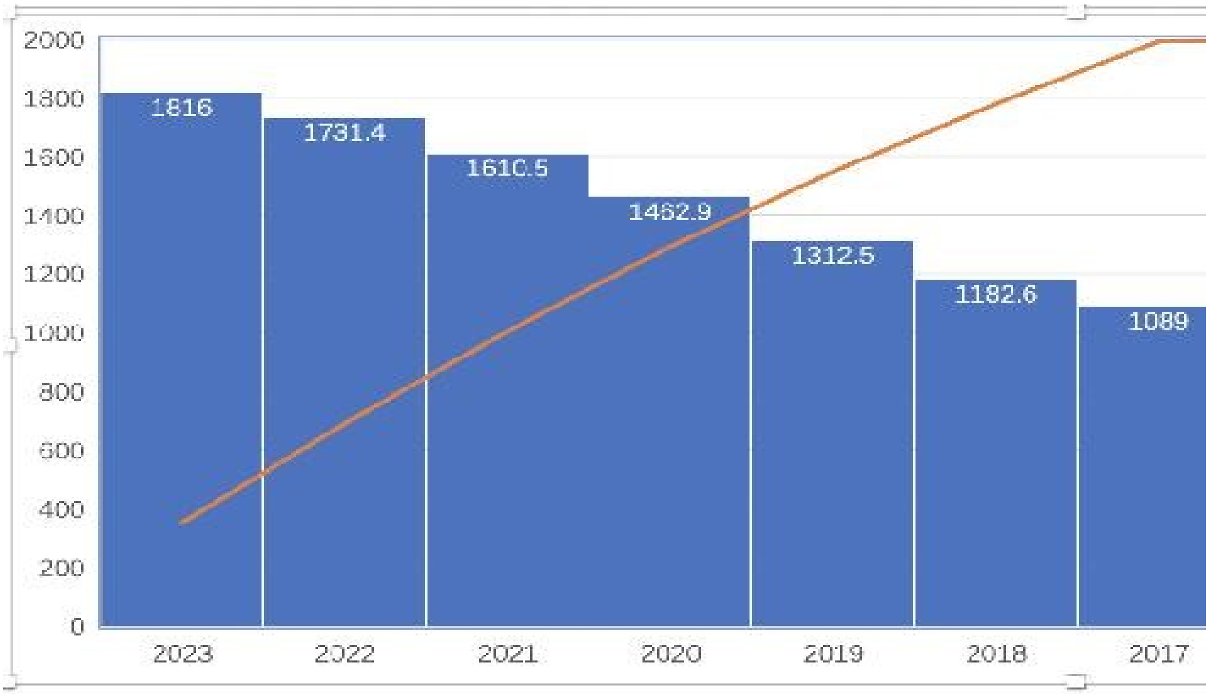
In 2019, Procter & Gamble's largest global sales region was North America, accounting for 44%; followed by Europe, accounting for 24%; Asia's share was 9%. In 2019, Unilever's global sales were the same as those of Procter & Gamble, but also concentrated in Europe and the Americas. The Americas accounted for 31% of sales and the European region accounted for 24%.



Regional distribution of P & G's net sales in 2019



Regional distribution of Unilever's net sales in 2019

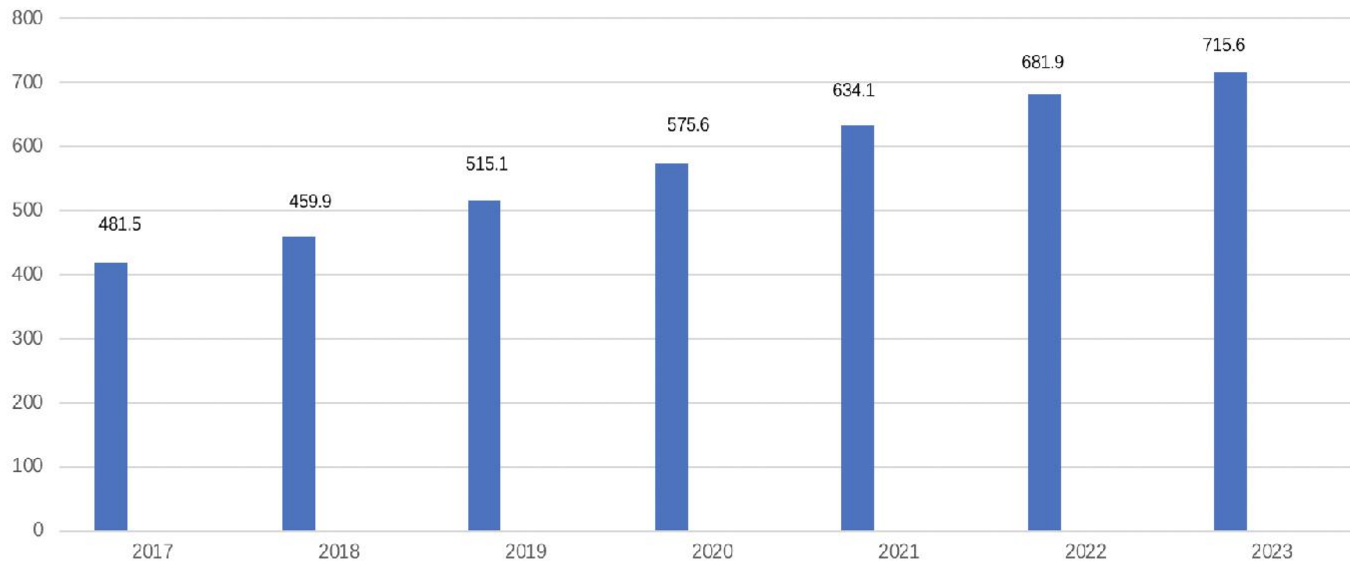


20-2023 Consumption in the global e-commerce cleaning and care market (unit: USD 100 million)

3.3Global personal care e-commerce market

In 2018, the global personal care and e-commerce market sales reached 118.26 billion US dollars, with sales growth rate of 8.6%. The global personal care e-commerce market sales are expected to continue to grow in the next five years, reaching 208.1 billion US

20-2023 Consumption in the global e-commerce cleaning and care market (unit: USD 100 million)



20-2023 Consumption in Asia e-commerce cleaning and care market (unit: USD 100 million)

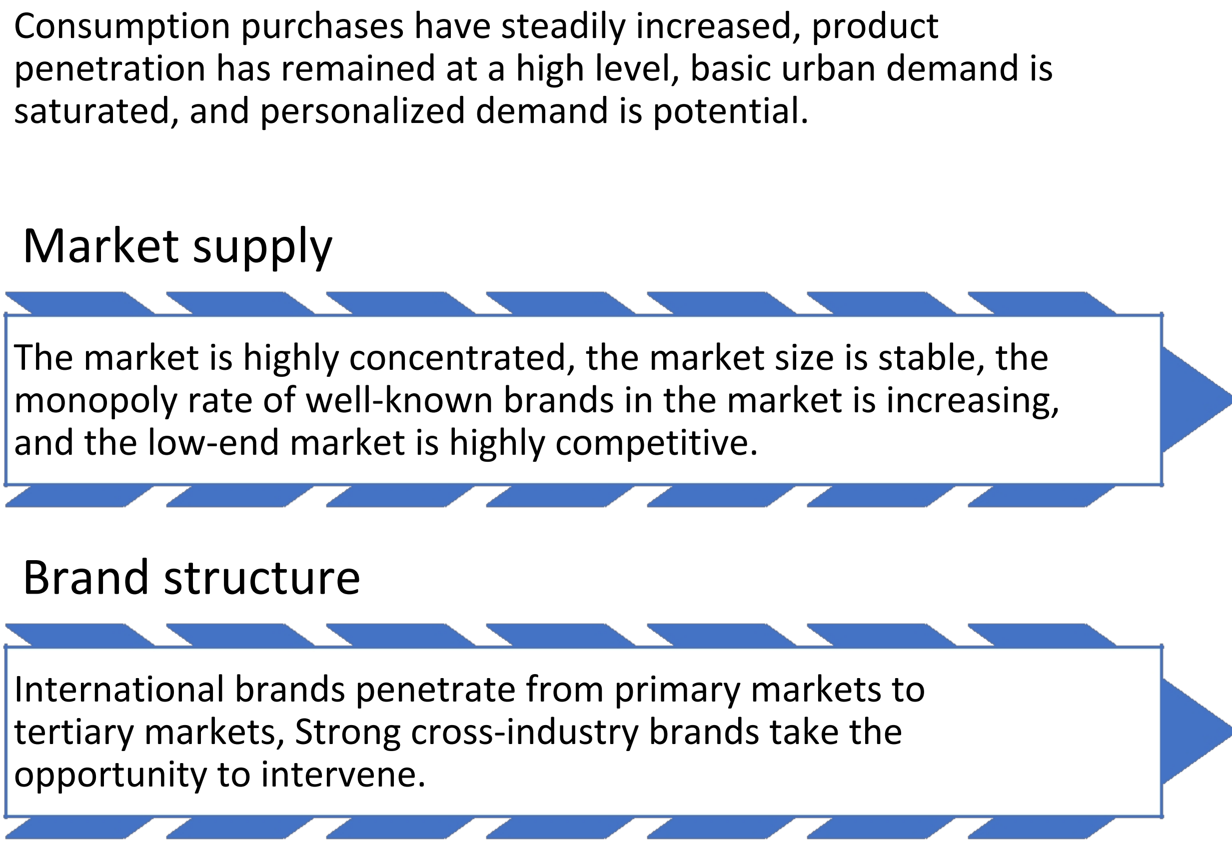
3.4 The development trend of modern Care Products

To beautify people's lives, protect people's health, and promote the building of spiritual civilization is the purpose of the development of the care products industry. Nowadays, the choice and use of care products can reflect people's mental appearance and material needs, one's living standards and their beauty development trends, which have become hot spots of concern in all sectors of society. The development of care products has promoted the economic development of a country, the improvement of science and technology, and improved the demand for living standards on a comprehensive basis. The development trend of modern care products is also of great concern!

Care products are both an industry and a culture. In today's financial environment, the demand for care products has increased significantly. At present, the focus of the competition for care products brands is on product culture, corporate image and product quality. The development trend of protective products and can get their own survival from it, then this care products can win the favor and use of more people, occupy a larger consumer market.

The market for shampoo and hair care products is relatively mature, but with the development of the national economy and the development of the rural market, there is still much room for development in the future. International brands have entered the Chinese market one after another, and other daily chemical brands penetrate the shampoo and hair care market. These actions show that the Chinese shampoo and hair care product market is a very large market.

From the perspective of market demand in the future, the shampoo and hair care industry will see a steady increase in consumer purchases, product penetration will remain at a high level, basic urban demand will be saturated, and personalized demand and potential rural basic demand will be greater. From the perspective of market supply, the market has a high degree of concentration and a stable market size; the monopoly rate of well-known brands in the market has become higher, and competition in the low-end market has become fierce. From the perspective of brand structure, international brands have penetrated from the primary market to the third-and fourth-tier markets; domestic brands have adhered to the mid-to-low-end market, and their continued competitiveness has stood the test; cross-industry strong brands have taken the opportunity to intervene. From the perspective of product prices, the unit prices of major brand products are stable and may be slightly adjusted, and other products are likely to maintain market share with price advantages. From the perspective of channel structure, shopping malls, supermarkets, specialty stores, e-commerce and other forms are complementary.



Development Trends of Chinese Shampoo and Hair Care Industry

Chapter 4 Innovation in the cosmetics industry

PCHi China International Cosmetics Personal and Home Care Raw Materials Exhibition opened on the 26th at the Guangzhou Poly World Trade Expo. On the main forum of the exhibition, on the theme of "2019 Global Cosmetics and Personal Care Innovation Development Trends", TAMURA Shohei, General Manager of Shiseido (China) Research and Development Center, and Fu Jiong, Director of the Institute of Design Trends, Shanghai Jiaotong University, BEAUTYSTREAMS creative director Michael Nolte, chief designer of Shanghai Jahwa United Co., Ltd., Xu Jun and others gave their own opinions from different perspectives.

4.1 Cosmetic ingredient innovation

From 2003, China's skin care market has maintained steady growth, reaching a scale of 180 billion yuan in 20. Among them, the whitening category has maintained steady growth, reaching a market size of 20 billion in 20. The whitening category occupies a very important position in the skin care field.In 2018, Shiseido chose to survey Chinese women's skin awareness in five major cities: Beijing, Shanghai, Guangzhou, Chengdu and Hohhot. According to the survey results, the top four skin problems that Chinese women generally care about most are related to skin color, especially for women in the 20-40 age group, who have the highest concern for skin color.

4.1.1Solid beauty:

In addition to lipsticks and antiperspirants, solid beauty cosmetic products are appearing in more subdivided fields.

In recent years, many brands are trying to break the inherent form and classification of cosmetics and make-up. Some products take into account the effects of skin care and make-up, such as good night powder, moisturizing lipstick, and skin care base makeup. , Essence, liquid foundation, into a stick-shaped product, which is convenient for carrying by plane, high-speed rail and taxi.

In April 2018, Kantar Data and Tmall released the “Grasp the Upgrade Path of the New Generation of Consumers”. The report pointed out that the new generation of consumers is changing the Chinese market and the young group has become the main consumer. Judging from the proportion of consumption amount, 50% of beauty consumption comes from women aged -29, and online consumption, this proportion is even higher, reaching 59%. Simple, convenient and efficient products are increasingly favored by women. to 29-year-old consumers are mostly students and office workers. Compared with high-end package products, they are more inclined to convenient products with similar functions.

Solid form beauty products were once limited to lipsticks and antiperspirants, but now because of their convenience in carrying and use, solid form beauty products are emerging in more unexpected subdivisions. Products such as sun protection, moisturizing, hair tip repair, dead skin, make-up, etc. These products not only make life more convenient, but also make the use process more interesting.

4.1.2 Interesting packaging

The exquisite high-value outer packaging with playful cuteness and imitation food is popular with young consumers.

With the 90s and 95s becoming the mainstream consumer groups in the beauty industry, they are more willing to pay for the value of the products. It is no exaggeration to say that packaging has become the first barrier to the aesthetics of cosmetics. Even today, simple packaging is popular, but exquisite and high-value product packaging still has an unshakable status. Seasonal restrictions, festival restrictions, and co-branded models introduced by major brands every year are all made on the outer packaging. Once they are released, they are often immediate Sold out. However, gorgeous packaging alone is not enough. The key is the quality of the product. Interesting packaging can indeed attract consumers, but the quality is not high enough. It is impossible to retain loyal consumers. It is the last word to create interesting packaging and quality products.

4.1.3 Anti-hair loss

Hair loss develops in a younger trend, and hair care products with anti-hair loss and hair loss prevention functions are very popular.

Due to the "loose and uninhibited" living habits and greater pressure for survival, contemporary generations in the 80s and 90s have entered the "hair loss era" at a young age, and have spent a lot of money and energy on treating hair loss. In 20, Alibaba Data and Alibaba Health released the "Rescue Hair Loss Fun Book", which pointed out that the 80s and 90s have become the main force of hair loss, accounting for about 75% of the total, 80% of which are men. This shows that the age of hair loss groups in China is sinking, and hair loss has become a crisis for young people, especially men.

Compared with men, women with bald hair loss are relatively less, but as the environment and life pressure increase, and the use of powerful hair dryers, straight hair, hair dyeing and other behaviors may damage the hair, so women also suffer from hair loss and hair aging. , Thinning, etc.

According to Euromonitor International's statistics, the market size of hair loss treatment products (excluding drugs and shampoos claimed to have anti-hair loss effects) in 2018 exceeded 260 million yuan, a growth rate of more than 10%.

According to statistics from the front line of Daily Chemicals on the first quarter of Ali platform 's anti-shedding and shampoo products, the market size of the shampoo claimed to have anti-shedding efficacy in the first quarter of 2019 was nearly 100 million yuan, accounting for about 6% of Ali shampoo sales.

4.1.4 All-in-one:

kin care products all-in-one simplifies skin care process.

The biggest trends in the global cosmetic industry in 2019 are focused on waste and sustainability. With the increase of industry transparency and environmental awareness, consumers have begun to question why more and more skin care products are placed in their bathroom cabinets. Consumers are beginning to take responsibility for their buying behavior and think about how it should change.

K-beauty (Korea) 's tedious skin care routine is no longer suitable for today's busy consumers. Therefore, multifunctional skin care products can simplify daily care steps and save time.

But it is worth noting that not all multi-effect products will be favored by consumers. Consumers are particularly interested in products with stable formulas and reasonable prices, and effective addition of effective ingredients.

Nowadays, as the domestic cosmetics industry is booming and the market is becoming saturated, coupled with the increase in consumer demand for high efficiency and safety, the development of a single category is no longer sufficient to meet the development of cosmetics companies. The combination of cosmetics and skin care products The concept of undoubtedly provides a new and effective direction for it. Major brands have adjusted their product lines and developed cosmetics that can maintain the skin. It can be said that the combination of color and care is inseparable from the fierce competition in the cosmetics industry and the change in consumer demand.

In fact, according to data from Mintel, a world-renowned consulting firm, 67% of Chinese women want to reduce their makeup steps, 41% of American female cosmetics users are interested in multi-purpose beauty products, and with the fast-paced life and environmental issues Increasingly serious, 41% of French women believe that the environment will affect the appearance of the skin, which shows that with the development of streamlined sports and the phasing out of complex skin care systems, products with both skin care and makeup functions will become more and more Welcomed and favored by consumers

4.2 China is expected to become a global innovation center

In terms of macro trends, skin care, fragrance care and make-up care are all spiritual cosmetics, which can improve people's emotions and resist anxiety. As people increasingly accept daily beauty etiquette, "beauty" has become a more personalized and comprehensive synonym, and products that support consumers' emotional state and change their lifestyle will have great development prospects. From the current point of view, mainstream skin care products are also supplementing products for the purpose of decompression.

"We're seeing more and more men receiving makeup, especially young consumers", the youngest generation of adult consumers, 21st generation and millennials, are turning to brands that support personality and allow them to live their truest self . "We recommend creating a mask product that has been carefully designed to be especially suitable for male skin and its special needs."

In addition, it is predicted that makeup will be used more by men as a kind of rebellion and mantra to make themselves different. Men's beauty packaging is currently black and masculine, and this situation will change and become more colorful. Clothing or makeup that was considered feminine in the past will also be accepted by young urban male consumers in the future, who believe that this personality expression is fashionable and bold.

Due to consumers' pursuit of personalization, they will continue to support independent and niche brands. The reason is that most mass market brands are likely to cover overall trends, and political and lifestyle differences statements will be key.

AI technology replicates human creativity, and more and more health and beauty tracking devices will come out in the future. 5G will be widely used by 2020, and mobile commerce will dominate and provide retail experiences with augmented reality. Therefore, integrating virtual reality experience into online marketing is also a better way. It is predicted that implanted advertising in virtual reality online games will become more common. "We predict highly glossy makeup and extreme textures."

Disasters caused by humans and air pollution have made consumers realize that sustainable development is not a fleeting marketing fashion, but a necessity. Generations 21 and millennials are treating sustainable development with humor, fun and positive attitudes. For young millennials, sustainability and natural movement are a must. Brands and products need to find a way out, that is, to find an ecological strategy for sustainable brand development.

China's beauty industry is developing rapidly, with many new brands emerging. According to Mintel, by 2020, sales in the Chinese beauty and personal care market will reach $ 62 billion. In the next few years, China's role is expected to shift from follower to influencer. Although China is still a "follower" image internationally, C-Beauty is already setting rules for international brands entering the Chinese market.

Chapter 5 Strategic measures for the future development of the Chinese cosmetics industry

5.1 Main strategic measures

Industrial development strategic measures 1) Improve the strategic position of the cosmetics industry at the national level From a global perspective, the contribution of cosmetics to social and economic development is very prominent. Therefore, many countries attach great importance to the development of their domestic cosmetics industry and give many policy support. Taking South Korea as an example, after seeing the increasing trend of global cosmetics demand, the Korean government gradually issued a series of policies to focus on supporting the cosmetics industry. Since 1975, the South Korean government has taken measures to decentralize the export obligation system for companies of a certain size, resulting in a sharp increase in exports. In 1979, South Korea revised the enforcement order on the introduction of foreign investment laws, further relaxing restrictions on the introduction of technology in the cosmetics industry. From 1983 to 1986, South Korea implemented import liberalization and subsequently officially opened the retail market in 1990. In 1991, the Pharmaceutical Affairs Law was revised, and a classification licensing system was introduced to replace the previous item licensing system, which greatly improved the self-regulation of the cosmetics industry.

In 1999, in order to reflect the characteristics of cosmetics, South Korea specially formulated the "Cosmetics Act". In 2013, the Korean government released the "Mid-and Long-Term Development Plan for the Cosmetics Industry", announcing that by 2020 South Korea is expected to jump from 11th to 7th in the global cosmetics industry ranking at that time. With the increased support from the government, the spontaneous efforts of enterprises have been further strengthened, and finally the entire industry has achieved an advantageous position in the international cosmetics industry. And France has long been recognized as the center of the cosmetics industry. The cosmetics industry is one of the core industries of French beauty and fashion. It has established an international image for France and has also gained huge benefits.

Therefore, we should call on the government to introduce some encouragement and support policies for industrial development from the national level, so that the cosmetics industry can make greater contributions to China's social and economic development.

5.2 Tax policy support

With the improvement of people's living standards, cosmetics have changed from original luxury goods to daily necessities. However, the state also imposes a 30% consumption tax on cosmetics and perfumes, which has greatly hindered the health of the cosmetics industry development of. According to authoritative data, in 2014 China's per capita makeup consumption was only US$2.57, compared with US$34.14 in our neighbor Japan and US$45 in South Korea. Therefore, we call on the government to adjust its tax policy on cosmetics, promote the consumption of cosmetics, and contribute to the country's strategic goals of steady growth, structural adjustment, and reform.

5.2.1 Industry Operation Standardization Strategic Measures

1) Regularly organize special training and exchange discussions on relevant laws and regulations to promote the rapid and effective implementation of relevant laws and regulations;

2) Strengthen publicity, and actively introduce ISO9001 and ISO14001 quality management systems, GMP management systems, and GB/T19580-2012 "Outstanding Performance Evaluation Guidelines".

5.3 Strategic measures for industrial upgrading

5.3.1 Optimizing the industrial structure

Accelerate the promotion of industrial agglomeration: In recent years, local governments in Shanghai, Sichuan, Chongqing, Zhejiang, Yunnan and other local governments have issued some policies and measures to increase their support for the cosmetics industry and have invested several A regional cosmetics industry base, but this decentralized industry base has a limited role in promoting the competitiveness of China's cosmetics industry. According to the development experience of developed countries, the cosmetics industry cluster should be planned at the national level, and the advantages of local resources should be fully exploited and exerted to increase synergy and quickly enhance the overall competitiveness of China's cosmetics industry. In Europe, France, Italy, Spain and other countries have created large industrial clusters. Taking France as an example, the French cosmetics valley is the gathering place of the French cosmetics industry, spanning places such as Tours, Rouen, Orleans, and Verne, and gathers many small and medium-sized enterprises and French foreign cosmetics brand companies, such as Dior, Guerlain, Nina Ricci, Shiseido, Chanel, Unilever and Reckitt Benckiser (Veet) and other multinational companies; with 7 universities and more than 200 laboratories, the entire industrial cluster has a total of 70,000 employees, and 10% of the products sold globally One is produced here.

Therefore, my country should also learn advanced foreign experience and plan the cosmetics industry cluster at the national level. From the perspective of the value chain of the cosmetics industry, the government should be invited to support industrial agglomeration in the following areas:

Building Shanghai into a cosmetic innovation center: From the perspective of product innovation, Shanghai is accelerating the construction of a technological innovation center with global influence, creating an international talent highland, and implementing a talent-first development strategy. From the perspective of creative design, Shanghai has certain advantages in different creative industries such as the fashion industry and industrial design industry. In 2010, UNESCO awarded Shanghai the title of "International Fashion Design Capital". In addition, according to the ranking list of the world's fashion capitals published by global authoritative institutions, Shanghai has leapfrogged into the number one fashion city in Asia among several super-cities in Asia. The Shanghai Municipal Government has positioned cosmetics as one of its key development industries and has launched the construction of a “innovative design service platform for cosmetics in the fashion industry”. Through this platform, it gathers innovative resources to enhance the brand, product and terminal image of domestic cosmetics brands Competitiveness. Therefore, we should ask the central government to position the platform as a strategic project in the cosmetics industry at the national level and provide strong support in terms of funds and policies.

Make Yunnan, Sichuan and other places into the center of planting and developing cosmetic raw materials: claiming that raw materials are a very important part of the cosmetics industry. Yunnan, Sichuan, Tibet and other places in my country have great advantages in unique and rare raw materials. We should ask the government to support the development of raw material cultivation and development in these places in terms of funds and policies, and increase my country's share of the global cosmetic raw material market.

Make Guangdong a modern processing and manufacturing center for the cosmetics industry: Guangdong has traditional advantages in cosmetics manufacturing and has accumulated rich experience in technology and modern manufacturing. Therefore, the government should be invited to increase its support for Guangdong's cosmetics manufacturing industry and turn it into a cosmetics processing and manufacturing center with global competitive advantages.

1）Strengthen the connection with the capital market, seize the opportunity to promote the development prospects of the cosmetics industry, and attract more capital to enter the industry.

2) Actively organize a team of experts to help qualified companies in the industry go public.

3) Encourage enterprises to combine in various forms, including mergers, acquisitions, and joint companies.

5.3.2 Optimize channel structure

1) Department store channels: Strengthen the dominant position by enhancing the terminal image, improving service quality and increasing sales experience, and continue to maintain the sales advantage of cosmetics in department stores.

2) Supermarket channels: By adjusting the category structure, developing novel products suitable for supermarket shelf sales to increase the proportion of cosmetics sales in supermarket channels. Through the joint efforts of industry associations and enterprises, we strive to gain more voice in the negotiation of the listing and location of supermarket chains.

3) Franchised store channels: The terminal image should be improved, the management level should be improved to be close to consumers' quality services, the

dominant position in the third, fourth and fifth tier cities should be consolidated and the franchised store practitioners should be actively encouraged to increase brand awareness through regional chains and The joining method forms a regional advantage and strengthens the franchise channel's position in the Chinese cosmetics market.

4) E-commerce channels: Actively respond to the national “Internet+” strategy, encouraging cosmetics companies to use the fast-growing e-commerce channels to increase sales and expand the e-commerce channels' share in the cosmetics market. Encourage other practitioners interested in e-commerce to actively invest in the cosmetics e-commerce industry, and promote the diversified development of cosmetics e-commerce channels.

5.3.3 Talent development

1）Degree education: Talent is the foundation of innovation, therefore, actively call for

More colleges and universities set up cosmetics-related majors, please refer to the Ministry of Education to consider

Science-Public Health and Preventive Medicine set up a cosmetic safety and efficacy specialty (100403T) to cultivate more professionals for the cosmetics industry.

2）Academic exchange platform: China's cosmetics industry has ranked second in the world, with more than 10,000 professional and technical personnel engaged in research and development in the cosmetics field, but China is still not a member of the International Society of Cosmetic Chemists (IFSCC), One of the reasons is that China has no corresponding cosmetics academic institution. Technical personnel engaged in R&D of cosmetics in China have not been able to directly participate in international cosmetics academic conferences. In China, although there are already various associations in the cosmetics industry, they are all initiated by industries and commercial units. There are no academic institutions for the participation of cosmetics research and development professionals. This is not conducive to the advancement of cosmetics science and industry innovation And industry development. Therefore, it appeals to the competent national authorities to agree to the establishment of the Chinese Society of Cosmetic Science and Technology (or the Chinese Society of

Cosmetic Engineers) to promote the international competitiveness of the Chinese cosmetics industry and to promote healthy and sustainable development.

3）Vocational education: improve the overall quality of personnel and improve the promotion system of professional titles in the industry. The occupational names related to the cosmetics industry that can be found in the Ministry of Human Resources and Social Security are cosmetic formulators, cosmetic formulators, makeup artists, beauticians, hairdressers, beauty salons, manicurists and perfumers. Most of these occupations were set up 20 years ago. However, China's cosmetics industry has developed rapidly in the past 10 years. According to the characteristics of the industry, the Ministry of Human Resources and Social Security should be invited to improve the promotion system of the industry's professional titles and standardize management, and guide the healthy development of industry talent management. .

Talent introduction and training: Actively communicate with governments at all levels to strive for more preferential policies for the introduction of talents in the cosmetics industry; through active organization and participation in various domestic and foreign cosmetics-related conferences, establish contacts with international outstanding industry talents, and communicate with domestic talents in various forms Establish cooperation relations with outstanding foreign talents; actively introduce talents with domestic and foreign financial and capital market experience. To develop the industry, talent is fundamental. Industry associations and societies must build a talent training platform to provide human resources guarantee for the sustainable development of the industry, and focus on implementing talent training in three areas: first, innovative talent training, second, management talent training, and third, service talent training.

Chapter 6 Conclusion

6.1 Development of cosmetic technology

1) International exchange: Establish an international exchange platform and actively carry out academic and technical exchanges with various international organizations. Strive to realize the World Cosmetics Chemist Conference in China as soon as possible.

2) Cosmetic raw materials: Encourage enterprises to actively invest in the cultivation and development of cosmetic raw materials, improve cosmetic raw material standards and safety assessment bodies to have cleaning, UV protection, shielding technology and defense systems against environmental pollution, enhance skin resistance and moisturizing barriers . 2 repair functional products: mainly have the concept of repair and nature, care and mild positioning, enhance beauty functions including moisturizing, anti-oxidation, anti-aging. 3 Multi-functional products with the concept of lifestyle: there are the concepts of urban life, anti-stress and detoxification. 4 Seasonal products: More and more consumers recognize that their skin needs will change with the seasons. "Seasonal" not only refers to adjusting the product according to the season, but also includes the seasonal natural ingredients in the product formula that can maximize the effect. 5 Chinese herbal medicine and beauty products: Chinese medicine has extensive influence in the world. my country's cosmetic industry should strengthen the research and development of Chinese herbal medicine and beauty products based on the theory of Chinese medicine to form Chinese characteristics. 6 Oral beauty products: From the experience of mature markets such as Europe, Japan, Hong Kong, etc., oral beauty products will become a market segment that cannot be underestimated. Although oral beauty products are still in their infancy in my country, they are expected to grow rapidly in the future.

6.2 Conclusion

The cosmetics industry is a sunrise industry. With the progress of society and the improvement of people's living standards, the demand for cosmetics will also increase. The data of the New York Stock Exchange over the past 50 years also show that the market value of companies in the daily chemical industry outperformed the general trend and the Dow Jones Index. The Chinese cosmetics industry has also made considerable progress in the past few decades. The industry scale has ranked second in the world, but the development is very uneven. The per capita consumption of cosmetics is far lower than the world average, and the future development potential is great.