

Cosmetic Industry

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Part 1

- Industrial Society, for this difference between industrialism and agrarianism now defines the most fundamental human difference. It divides not just two nearly opposite concepts of agriculture and land use, but also two nearly opposite ways of understanding our fellow creatures, our world, and ourselves.

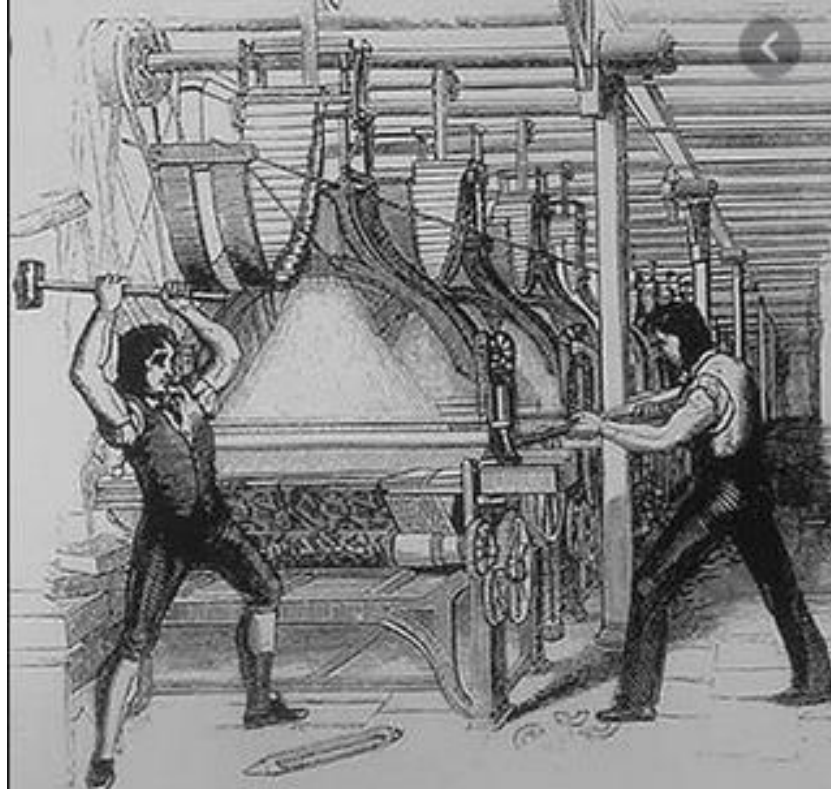
- In general, two ideas in the world so far have led to all the developments in the world. First, agricultural thinking dominated until the Industrial Revolution and just before the emergence of concepts such as mass production. Second, industrial thinking, immediately after the invention of the steam engine and the emergence of a new concept of production

Agricultural Thinking





Industrial Revolution



Industrial Thinking







- Even today, agriculture itself does not use the pre-industrial revolution agricultural thinking, and this thinking has been forgotten.

- Today, we know that the production function is not just a first-order homogeneous function of the input value.

- This function changes with the advent of technology.

- Now , we can grow a certain amount of land by modifying the seeds and using specific fertilizers and hormones and pesticides, all of which are the result of the advancement of human technology, much more than in the past.

- The result of my talk so far:
 - 1) Technology in the industrial world is crucial.
 - 2) There is a need for collaboration between different scientific groups to have high-end technology.
 - 3) Science such as quality control and quality assurance have emerged at the same time as mass production has occurred.

Part 2

- Demand

- Factors affecting demand for goods include:
 - Consumer Preferences
 - Consumer Ability to Spend (Price and Income)

- In principle, goods can have two types of relationships that influence their demand relations.
 - 1- Substitute goods
 - 2- Supplementary goods

Substitute goods



Supplementary goods

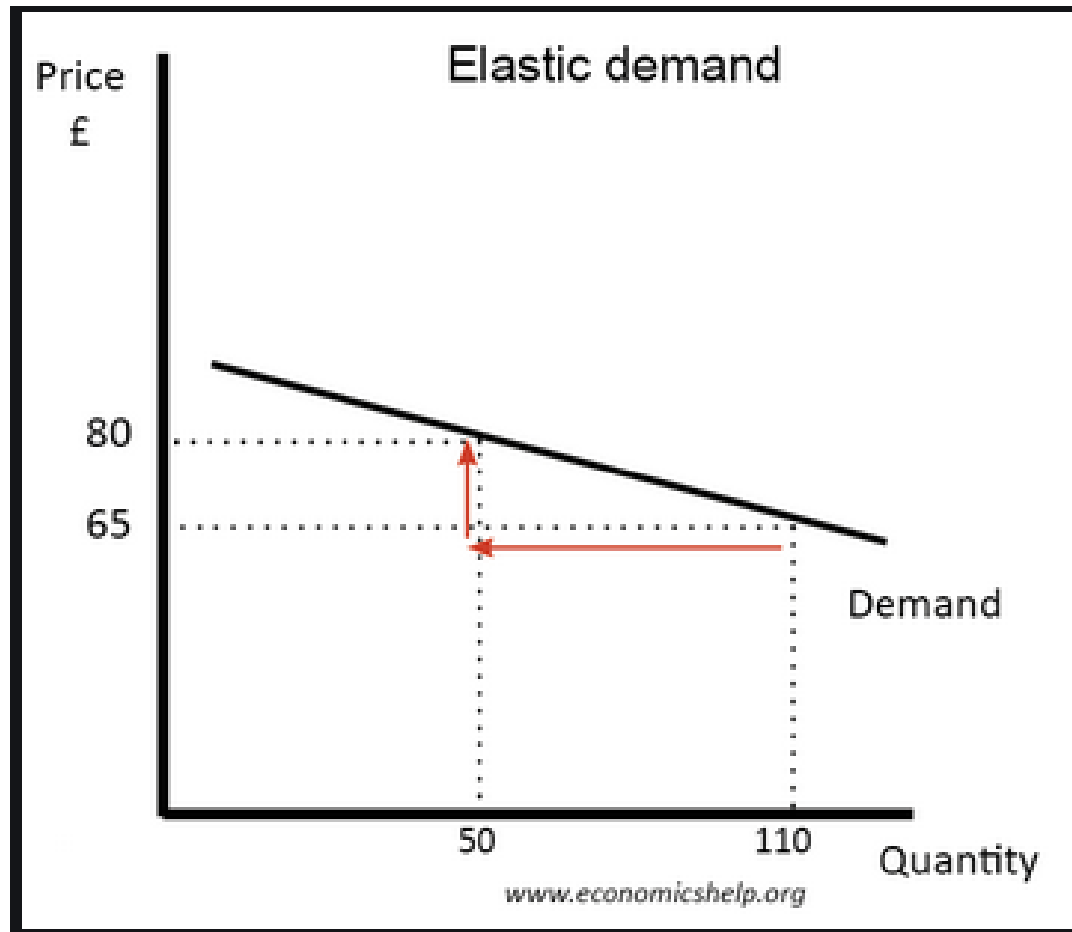


Oxidant solution for hair color

- Substitution effect

- Income effect

- The concept of demand elasticity in economics



The result of this talk is that cosmetic products are a highly substituted and highly elastic goods.

Investing in the production of these goods is much more risky than producing medicine.

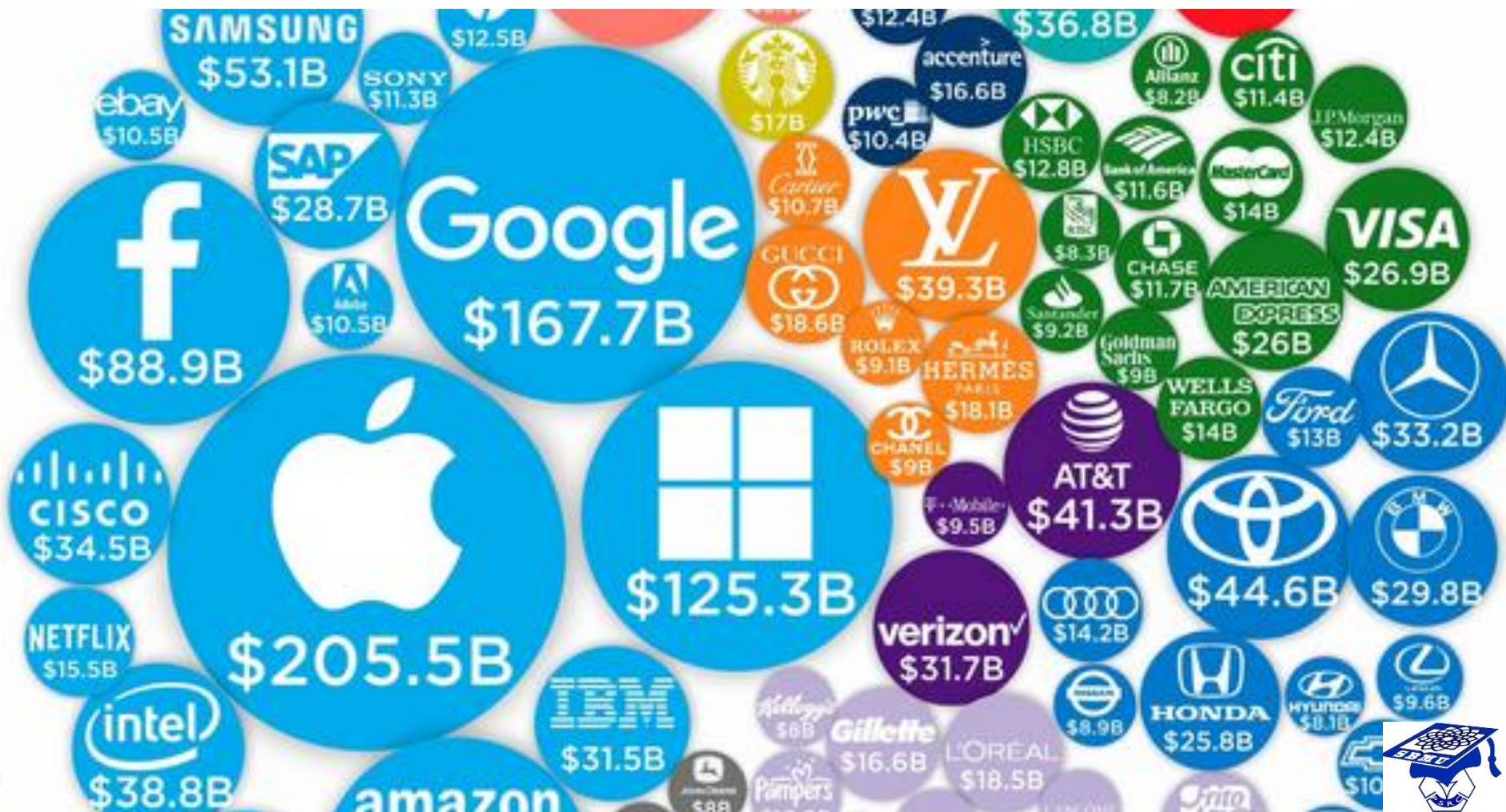
Because cosmetics are in high elastic demand, you often see them at auction.

The Role of Governments in the Production of Cosmetics

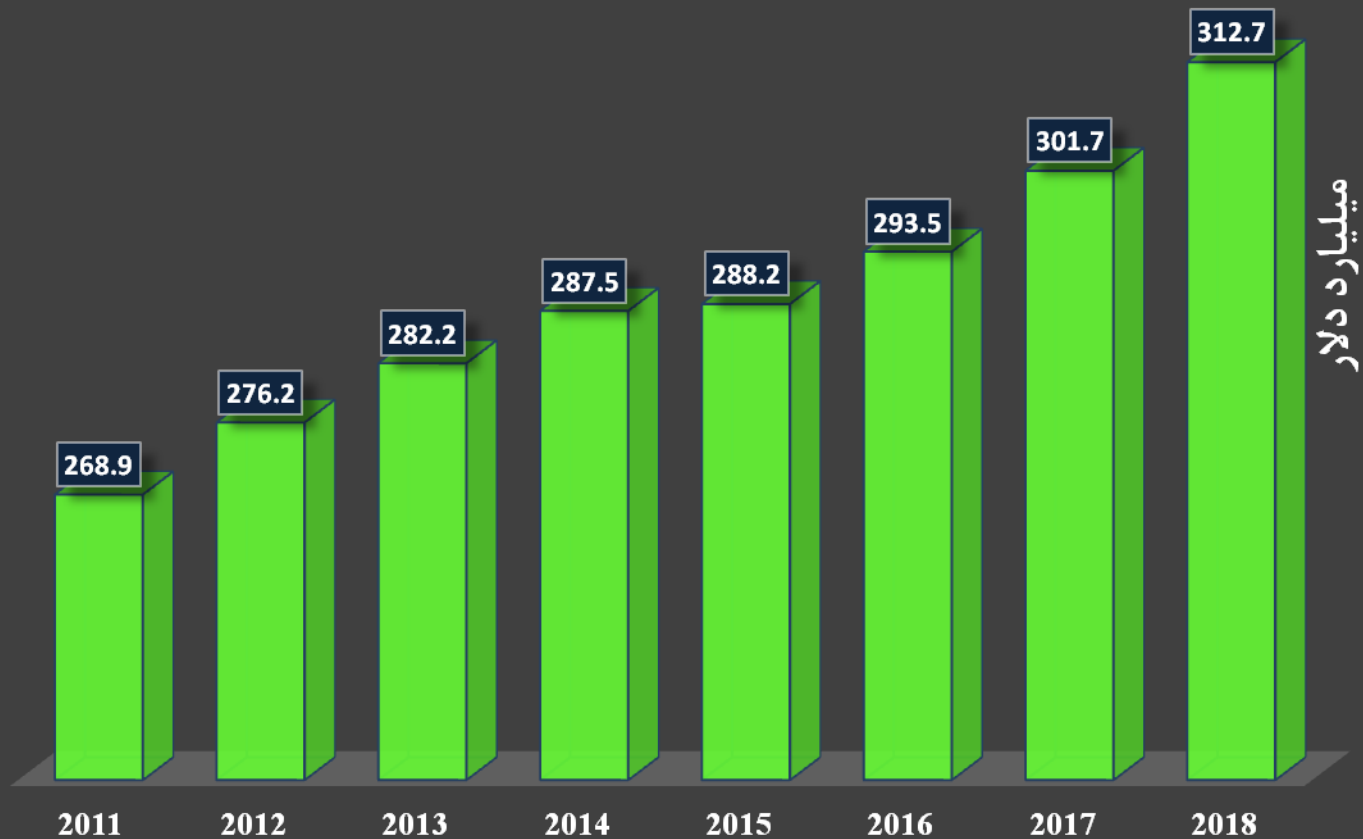
- The government is obliged to prevent any stock in economy.
- The highest government official in any country (president or prime minister) should notify manufacturers immediately after being informed of an economic downturn.

Part 3

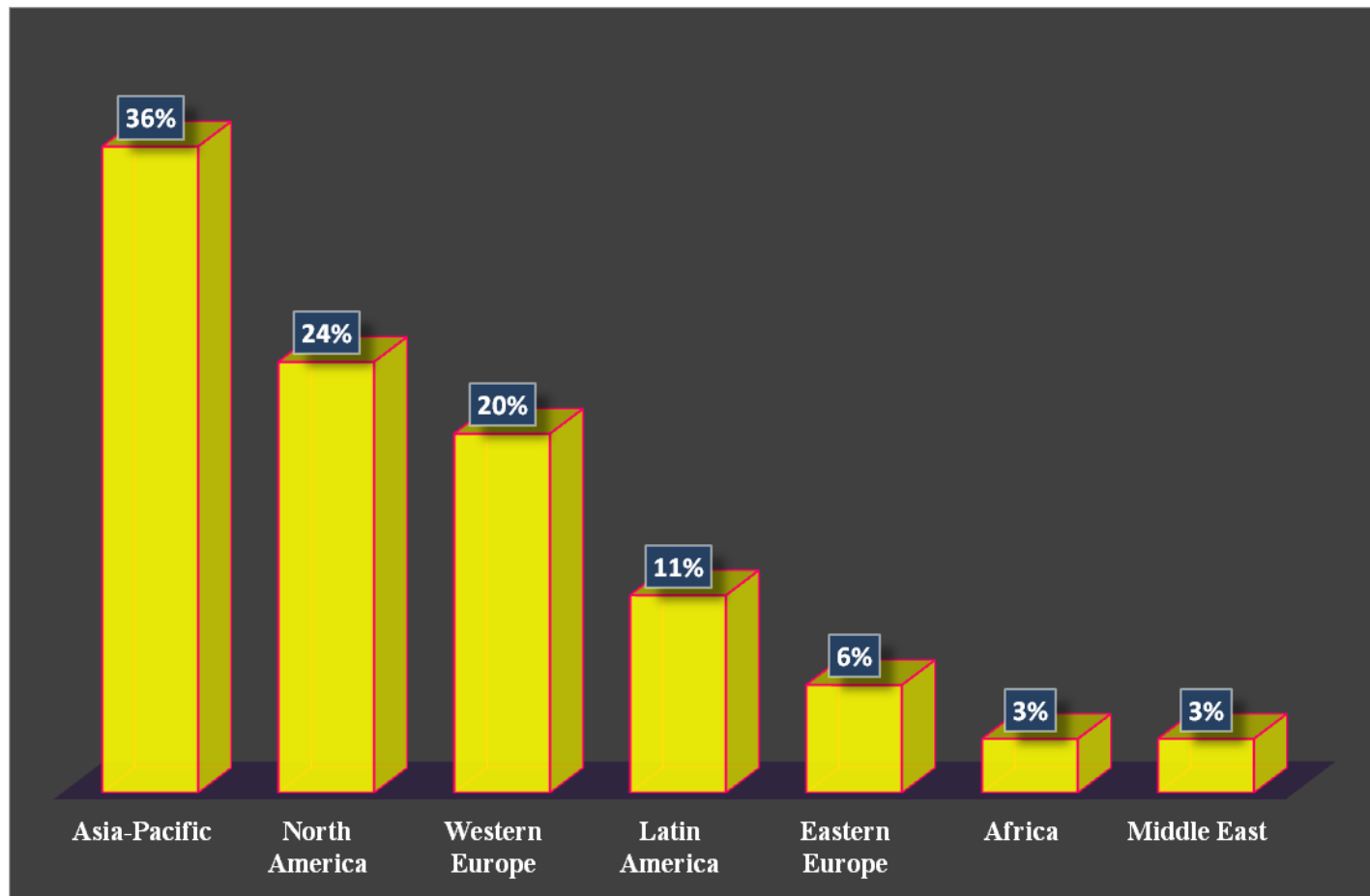
The market size of famous brands



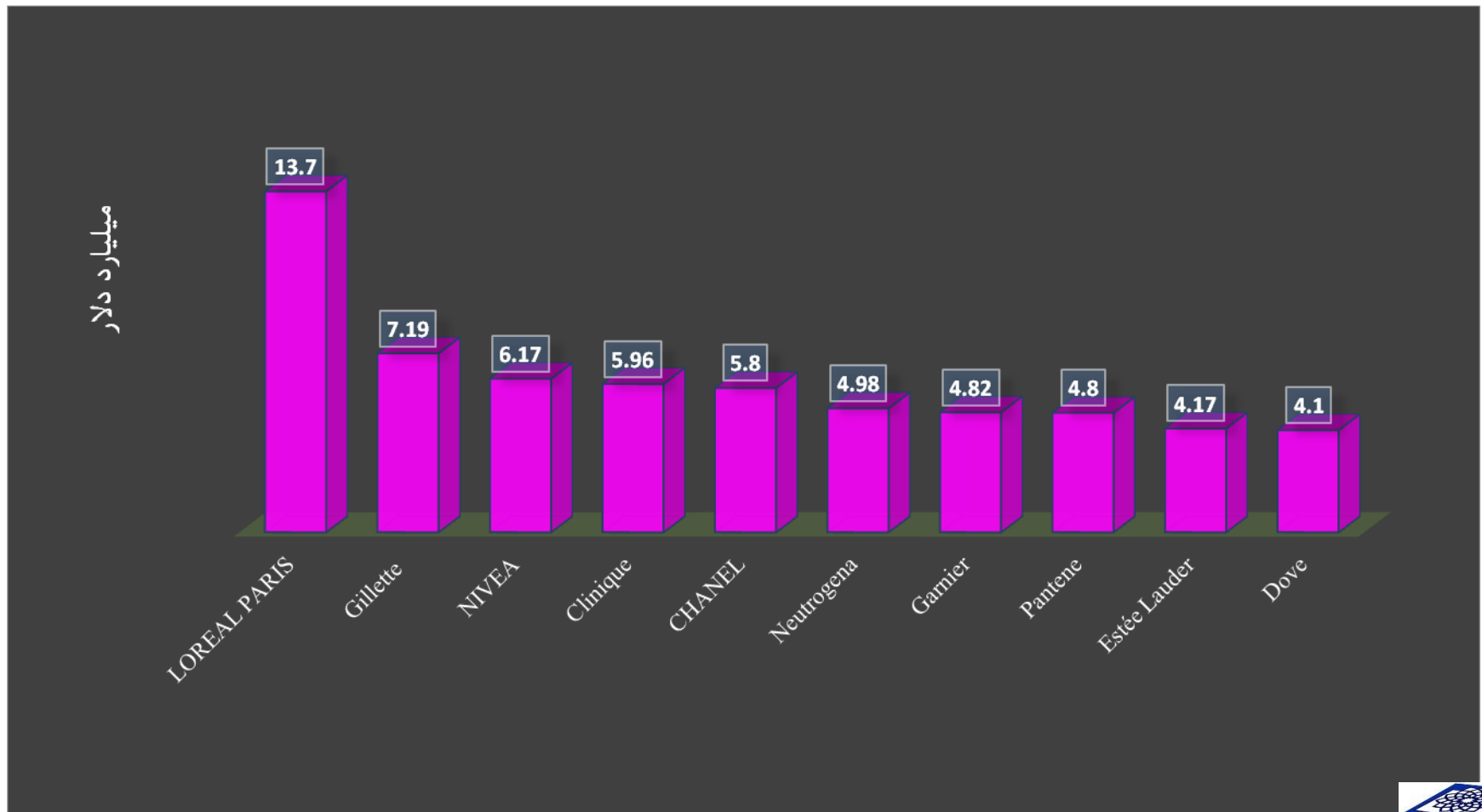
Estimating the Global Size of the Cosmetics Market



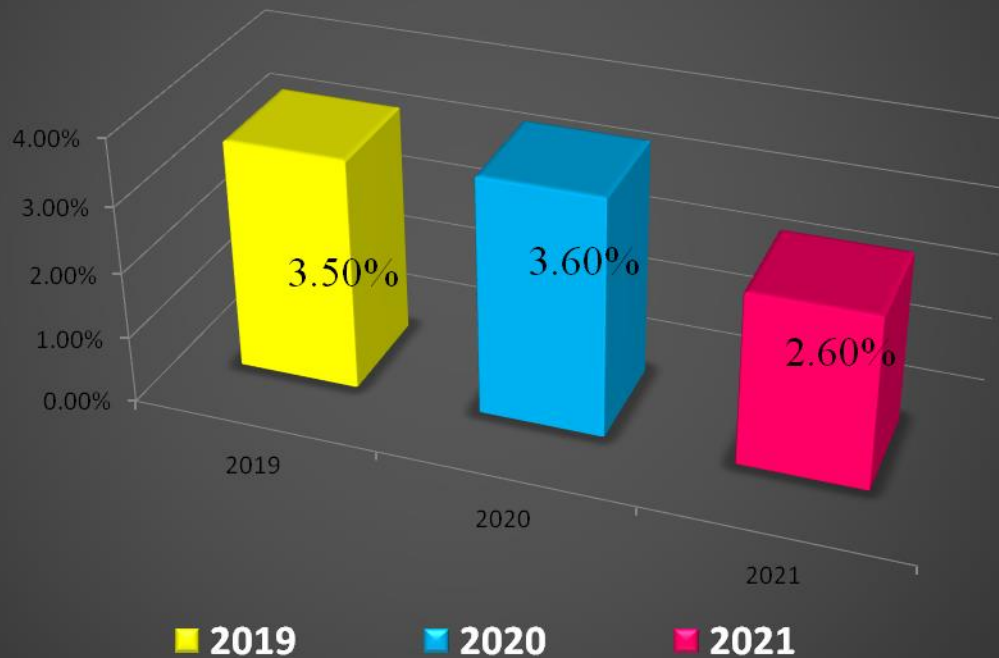
The contribution of different regions of the world from the consumption of cosmetic products



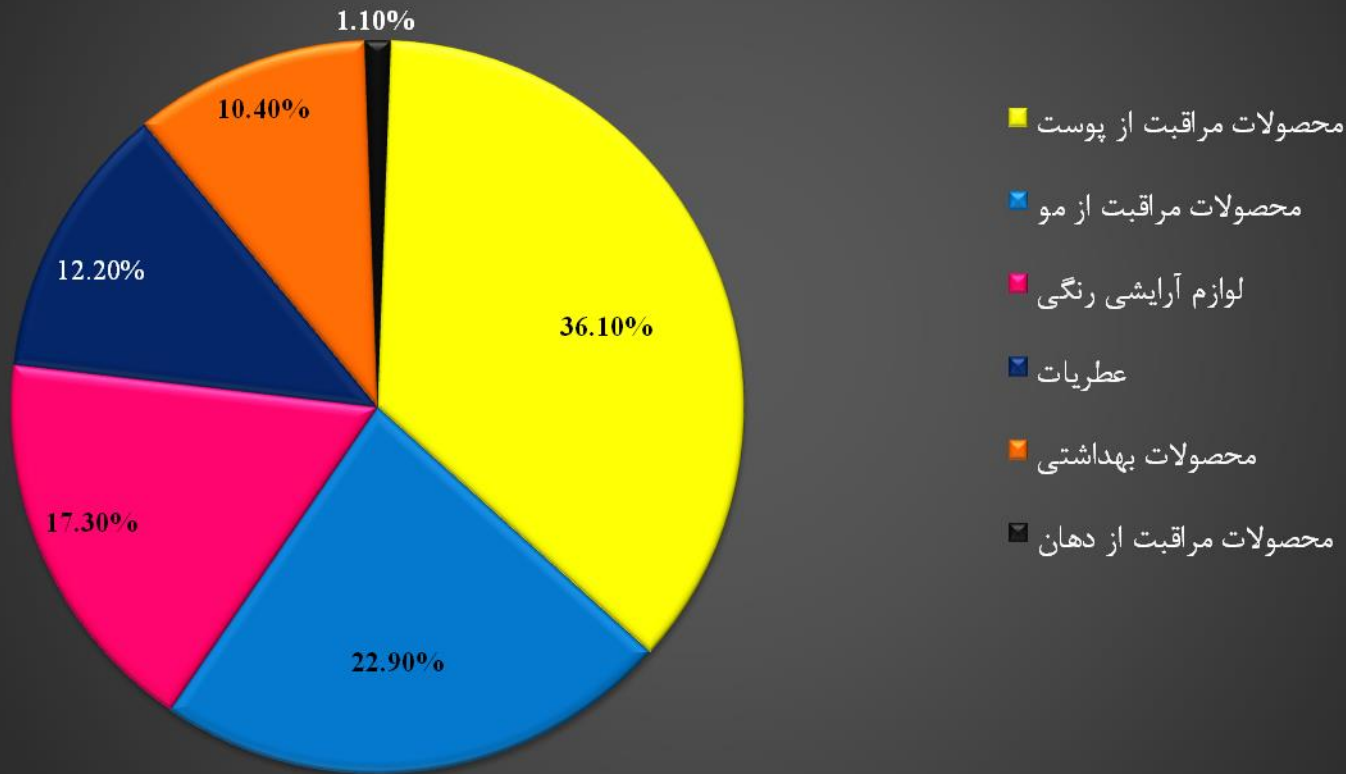
The value of world famous brands



Global Estimation of Percentage of Cosmetic Growth



The size of each product on the market



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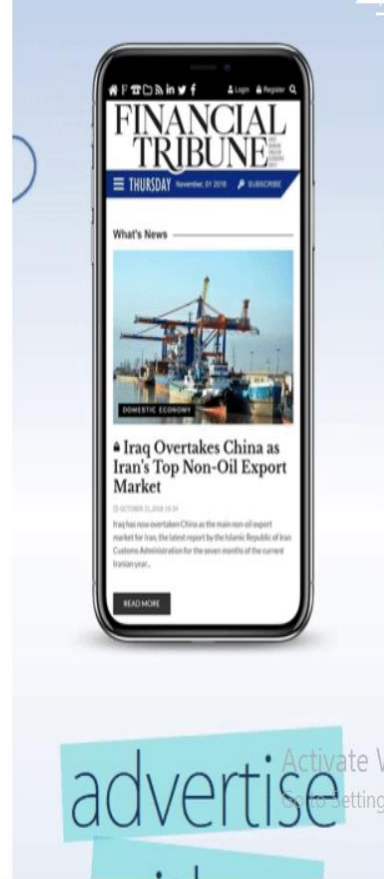
63% of Cosmetics in Iran Contraband



Iran is one of the leading cosmetic markets in the Middle East and Africa.



Contraband accounts for 63% of all cosmetics in the Iranian market, an official with the



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- “An estimated \$1.5 billion worth of cosmetics are smuggled into the country annually due to the highly profitable market,” ISNA also quoted Reza Mousazadeh as saying.

- Iran is one of the leading cosmetic markets in the Middle East and Africa, which is expected to be the fastest growing region during the next eight years as the number of potential customers (women above 15 years) is increasing year-on-year, according to the Netherlands-based business development group specialized in import/export Alliance Experts.

- The Iranian Association of Cosmetics, Toiletries and Perfumery Importers said Iran accounts for \$2.1 billion of the Middle East's \$7.2 billion beauty products market—second in the region after Saudi Arabia.

- According to a Gallup Institute opinion poll conducted in 2015 of women who had a job and were of age 15 or older, they would spend 30% of their income on cosmetics, toiletries and body care products.

- Besides, almost 4.5% of Iranian family's yearly income are spent on cosmetics and skin care products. This rate is 1.5% in Germany, 1.7% in England and France, and 3% in Italy, based on the Gallup Institute data. So, Iranians spend two times more than Italians and thrice the amount spent in England and Germany on cosmetics.

- Iran's cosmetics market value is estimated to have been around \$4 billion in 2016, according to BeautyWorld Middle East, which makes the country the seventh biggest consumer of cosmetics and skin care products in the world.

- As a high consuming country, it is performing poorly in the production sector. Iran produces only about 20% of the cosmetics and a major part of the cosmetics and skin care products are imported from the UAE, Turkey, France, India, Germany, Switzerland, Italy, Spain, South Korea, China, the UK and Indonesia.

- Iranian consumers mostly prefer European products, but because of lower purchasing power, consumers have moved toward less expensive products with reasonable quality from Asia (South Korea and India).

Part 4

- Conclusion and suggestion

We have no absolute advantage in the production of cosmetics.

But we still have a competitive advantage.

Our competitive advantage is knowing the culture of this borderland deeply.

- If cosmetics manufacturers do not respond to the needs of different ethnic groups as quickly as possible, the preferences of the new generation will soon be changed to global ones.

Iranian Kurdish



Iranian Bakhtiari



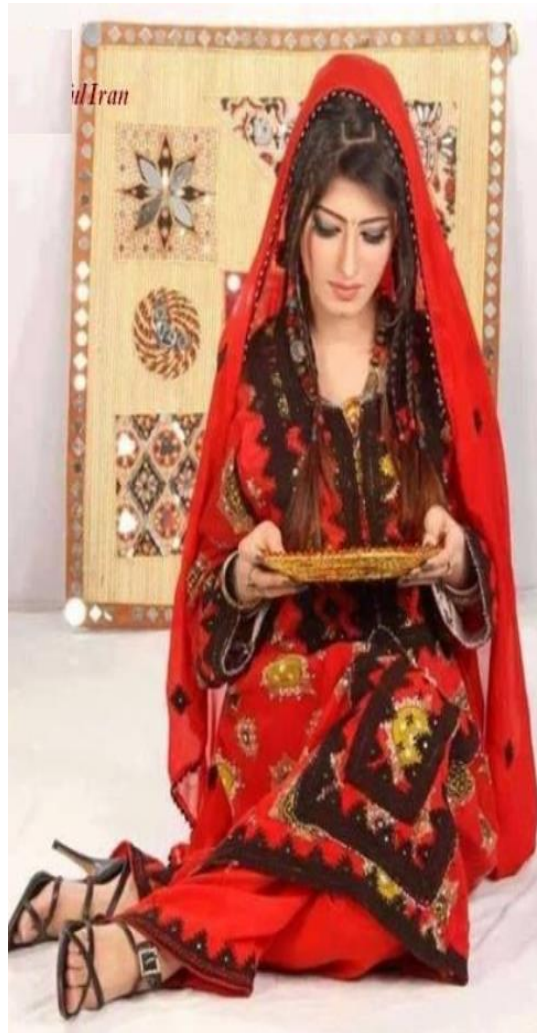
Iranian Azari



Gilan and Mazandaran Women



Iranian Baluch Women



South Of Iran (Banddar)



Iranian Turkmen



Thank You