Brief History

The beauty industry has played a significant role in the lives of both men and women throughout history. Cosmetics were first introduced into society in 4000BC by the Ancient Egyptians. The earliest cosmetics created by the egyptins were scented oils. It was discovered that scented oils helped to clear blemishes and other visible flaws with the skin. Although the Egyptians introduced cosmetics into society, cosmetics became an integral part of society when it reached Greece and Rome. In the Greek and Roman society, the wearing of cosmetics was seen as a form of wealth. Women would whiten their faces using deadly chemicals such as lead and chalk to appear pale. Women with a pale complexion were considered wealthy because poor women would have to work in the sun, giving them a tanned look. The cosmetic industry almost came to an end during the Middle Age and Victorian Era when people began to look at cosmetics as something that should only be worn by prostitutes and thespians. However, this did not last long. As one can see, the desire to be flawless has been evident since the beginning of time, making cosmetics today a now multibillion dollar industry.

Industrial Growth

It was said that the dawn of the industrial growth of the beauty industry was the 20th century. The 20th century was the beginning of the era of television, film, and photography. Therefore, the need to be beautiful and as perfect as possible was very important. Television stars and celebrities set trends for the cosmetic industry. From there, cosmetics became a necessity for most women. According to a study done by StyleCaster on women who wear make-up found that only four percent of women around the world consider themselves beautiful. The desire to be beautiful and youthful is what keeps the cosmetic industry moving along.

Government Regulations

Cosmetics according to the FDA are considered to be “articles intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body...for cleansing, beautifying, promoting attractiveness, or altering the appearance" (FD&C Act, sec. 201(i)).” The FDA(Food & Drug Administration) does not necessarily have much authority over the cosmetic industry as far as cosmetics being sold. A cosmetic product does not have to be approved by the FDA to be sold unless it contains color additives. The legal responsibility to ensure that a product is safe is placed solely on the manufacturer. However, although the item does not have to be approved, the FDA has several guidelines that must be followed:

* the ingredient and the finished cosmetic are safe under labeled or customary conditions of use,
* the product is properly labeled, and
* the use of the ingredient does not otherwise cause the cosmetic to be adulterated or misbranded under the laws that FDA enforces

Market Share

Beauty Industry Total Market Share By Category(2012)

|  |  |
| --- | --- |
| Category | Market Share |
| Facial Skin Care | 27% |
| Personal Care | 23% |
| Hair Care | 20% |
| Make-up | 20% |
| Fragrance | 10% |

Top 5 Largest Beauty Brands(2012)

|  |  |  |
| --- | --- | --- |
| Company Name | Revenue | Market Share |
| Olay | 11.8 billion | Could not locate |
| Avon | 7.9 billion | Could not locate |
| L’oreal | 7.7 billion | Could not locate |
| Neutrogena | 6.2 billion | Could not locate |
| Nivea | 5.6 billion | Could not locate |

Competitor Information

The leader in the cosmetic industry today is Procter & Gamble. Specifically their brand Olay is dominating the cosmetic industry. In 2012, Olay made a revenue of 11.8 billion dollars. The company Procter & Gamble was founded by William Procter and James Gamble in 1837. The company began as a soap and candle business and now has over 70 brands. The CEO of Procter & Gamble today is Alan G. Lafley. The second leading competitor in the beauty industry is Avon. Avon was founded in 1886 by David H. McConnell with the belief that women should be allowed to have financial independence. Bringing in 7.9 billion dollars in 2012, Avon has managed to have a staying power. The CEO of Avon today is Sheri McCoy.

Citations

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