

## ONLINE SALES A BIG GAME CHANGER

# Beauty Lies in Premium for Many Indians Now

The market for costly brands has grown 6% as against 1% for mass products

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**Bengaluru:** Aishwarya Shekhar was happy with her affordable lipstick until the online world introduced her to a brand only available in the US. The 20-year-old now logs on to the Internet for the perfect colour and long-lasting lipstick worth ₹1,500 from Kylie Cosmetics.

"I don't mind shelling out extra for a high-quality product," said Shekhar, who also pampers herself with Jeffree Star, Too Faced and Estee Lauder.

Online shopping is proving to be a boon for premium personal care brands, as youngsters hanker for a celebrity look or try to make a style statement. The numbers bear witness — while the market for mass products grew 1%, the costlier brands grew by 6%, as per a 2017 report by Indian Beauty and Hygiene Association.

Marketers have known this for some time now — L' Oreal plans boutiques of premium brand NYX professional makeup, which entered India last year; spa company O2 Spa is launching a premium personal care brand Ode and online company Purple is exclusively bringing a dozen international beauty and personal care brands such as Mineral Flowers, Institut Karite Paris and Viperia.

"Since the demand for high-end brands such as Huda Beauty and CharlotteTilbury are not met by organised trade, most of these are sold in grey markets. And even these are fast-selling," said Manish Taneja, cofounder of Purple.

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### Beauty At Any Cost

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- Purple is exclusively bringing dozen international beauty and personal care brands such as Mineral Flowers, Institut Karite Paris and Viperia to India
- LVMH-owned Sephora, which started as a ₹12 cr brand in India in 2015, now does business worth ₹100 cr. It's recently launched brands like Cover FX, Becca and Smashbox

Premium category set to touch a billion mark by 2020 from 700 million now

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nity for these brands.

"Evolution of lower middle class with high disposable income and younger demographic between 16 to 20 years heavily influenced by digital are accelerating this growth in India," said Jean Christophe, managing director of L' Oreal India. "The market potential is huge as premium contributes to only 10% of the overall market while it is 60% globally."

For few players, numbers are beginning to bear out this phenomenon. "As of June 2017, mass products accounted for 37% of our revenue as opposed to 48% in June 2016," said Falguni Nayar, founder of online portal Nykaa, which is now focusing on creating premium offline stores NykaaLuxe with salons and beauty experts.

LVMH-owned Sephora, which

started as a ₹12-crore brand in India in 2015, now does business worth ₹100 crore. Run by Arvind brands in India, Sephora recently launched brands such as Cover FX, Becca and Smashbox.

"The prestige category is growing on the back of new launches and emerging consumers. It is about a 700 million category and is expected to touch a billion mark by 2020," said J Suresh, managing director of Arvind Brands.

Premium products across categories in Hindustan Unilever account for nearly 23% of sales and they expect it to grow to about 25% by 2019. "Premiumisation is certainly a trend and HUL is well placed with its portfolio of brands," said an HUL spokesperson, adding that mass brands will continue to help grow the market.