

Can local cosmetics edge out the global competitors?

Cosmetics and toiletries have long been in demand. People of both genders now prioritise self-grooming. The people of Bangladesh are also a factor in this equation. According to recent studies, home-grown companies dominate the thriving Bangladeshi cosmetics sector, accounting for 60 per cent of the market. The yearly market for cosmetics and personal care goods in Bangladesh is estimated to be valued at over Tk 10,000 crore. Yet, the dominance of foreign-produced commodities has made it more challenging for local businesses to compete. According to studies on the development and sales of cosmetics and personal care products in the country, multinational corporations continue to benefit the most from the industry's growth. Many regional businesses, on the other hand, are thriving in their respective markets.

Unilever Bangladesh, Square, Keya, Marico, ACI, and many more critical local firms dominate the local market. These businesses collectively account for more than 80 per cent of the market share for local products, with Unilever accounting for 45 per cent.

Unilever is, by definition, one of the world's largest enterprises. Unilever's 400 brands are presently available on thousands of different things. The majority of the things we buy from well-known firms are familiar to us. Lux, Rexona, Axe Body Spray, Sunsilk Shampoo, Surf Excel, and other products come immediately to mind.

Zaved Akhtar, the managing director and CEO of Unilever Bangladesh believes that they are dominating the local market currently because they know how the international market functions. In his own words, "In the two decades I have been in Unilever, I

had been really fortunate because I got opportunities at many international assignments. My first assignment in international market was in 2004. I was the first Bangladeshi to take on this regional marketing post that required creativity."

Locally manufactured toiletries now account for a substantial portion of a market previously dominated by imports. The vast majority of commodities produced in this category are basic goods in high demand in the domestic market. The cosmetics and toiletries imports primarily target the market's middle and high-end segments. Most local shoppers are content with regional items as long as they work well and are reasonably priced. While the majority of producers concentrate on meeting domestic demand, many companies in Bangladesh have begun to export cosmetics and toiletries. The majority of regional manufacturers target middle-to-low-priced market segments.

But how did these local companies take the fight to multinational names and become industry market leaders remains a mystery. The solution is simple: these companies have mastered the concept of KYC. That is the essence of relatability. As more women in Bangladesh, both rural and urban, enter the labour force or pursue higher levels of education in order to acquire economic and social empowerment, conventional ideals of beauty are being challenged. Demand for consumer items such as skincare and cosmetics has and continues to revolutionise as a consequence of a shift in customer view of personal care and beauty.

M o h a m m a d Wahiduzzaman Sadi, the CEO of RiBANA, an organic cosmetic brand in Bangladesh, shared his

thoughts on the growing cosmetics industry.

"It was not only important to produce vegan, halal, and naturally-sourced beauty solutions for our brand, we want to be socially responsible as well. We collect raw materials from rural families around the country, thereby financially supporting them. Over the years, our team spent days and nights working on issues, feedback, and criticism to earn the trust of its consumers. RiBANA's long-term goal is to place Bangladesh on the map through acquiring international prominence," stated Sadi.

Herbal remedies derived from natural substances found in our subcontinent are also

gaining popularity. As a result, producing these items domestically becomes easier for local businesses. Customers are becoming more aware of the harmful effects of consuming chemical-intensive products as their use of the internet and social media grows. Furthermore, increased access to peer evaluations from community organisations or beauty bloggers has increased the number of people switching to local businesses that manufacture natural cosmetic goods. As a result, demand for organic, herbal, or clean-label cosmetics is increasing among urban clients, particularly among the youth.

Fariha Islam, a corporate professional, used international cosmetic and skin care products all her life. Before the rise of the local cosmetics industry, Fariha could hardly trust local brands, saying, "If I was out of my regular skin care products, I would have to wait for at least 3-4 weeks because of shipping. I had to always plan so that I never ran out of my regular cosmetics or else I would have to skip on my daily skincare routine, which was not an option for me."

RiBANA was one of the first local products that she used after a long time. "I was usually reluctant to use local products, but when several of my friends recommended RiBANA to me, I decided to give it a shot. And now I am a regular customer of their products. It's great seeing local brands doing so well in the industry and now I don't have to stock up on products because I can find them in stores

near to me. Also, it's good for my wallet too," added Fariha.

Another element that contributes to the appeal of local cosmetic companies is their affordability. Global brands may provide exceptional quality, but their price range is out of reach for the majority of people in our nation. Because local items do not need to be imported from outside, the price can be set at a reasonable level.

Another factor driving the growth of the local cosmetic sector is the increasing number of active male clients. Many online businesses, like Daraz, BanglaShoppers, and Shajgoj, provide sections dedicated to men's cosmetics and grooming items. Despite an increase in male customers, women continue to enjoy a substantial market share. Other factors, such as cultural and behavioural shifts, are also driving the cosmetic industry's consumer behaviour revolution.

Another group that has contributed to the development of local businesses is the population looking for "halal" goods. Growing sales of halal products show how ready Bangladesh is to capitalise on Islamic branding, as more businesses start to meet the rising demand for these products in the nation.

Bangladesh has great potential to significantly impact the cosmetics and toiletries market, owing to its advantageous geographic location, the availability of reasonably priced technical staff, and the availability of a sizable number of qualified specialists. Every local company has put a lot of effort into developing products of the highest calibre to gain the trust of their customers. Bangladeshi cosmetics investors have many different investment options. The market uses very little debt, has high operating margins, and is non-cyclical. It has experienced rapid growth, and future predictions indicate that this pattern will hold.

By K Tanzeel Zaman
Photo: Sazzad Ibne Sayed
Model: Tazrian, Tuba, Linda
Makeup: Masum
Styling: Sonia Yeasmin Isha

