

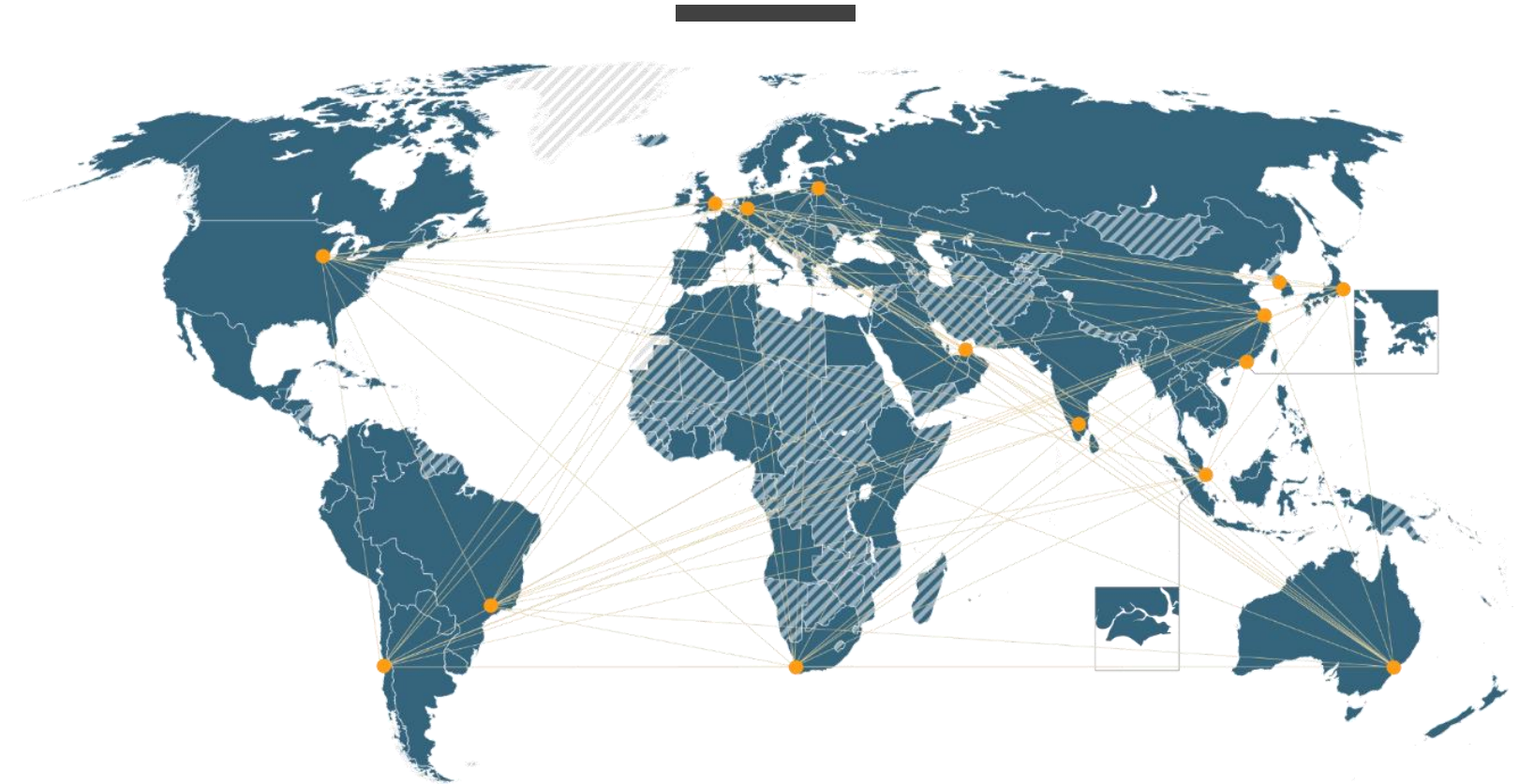
# Home Care and Beauty & Personal Care in Latin America

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IKW – Mittelstandstagung – 20<sup>th</sup> of March 2019

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# Euromonitor International network and coverage



## ● 15 OFFICE LOCATIONS

London, Chicago, Singapore, Shanghai, Vilnius, Santiago, Dubai, Cape Town, Tokyo, Sydney, Bangalore, São Paulo, Hong Kong, Seoul and Düsseldorf

## ■ 100 COUNTRIES

in-depth analysis on consumer goods and service industries

## ■ + ▨ 210 COUNTRIES AND TERRITORIES

demographic, macro- and socio-economic data on consumers and economies

# OVERVIEW

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1. Introduction
2. Industry Snapshot: Home Care
3. Industry Snapshot: Beauty & Personal Care
4. Developments in Retailing
5. Future Developments



# What is Latin America for us?



The region is highly diverse



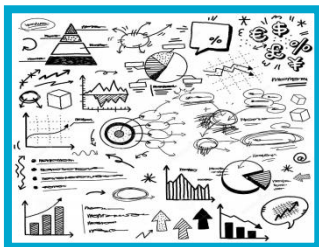
The median consumer



Median

## Key drivers of the industries

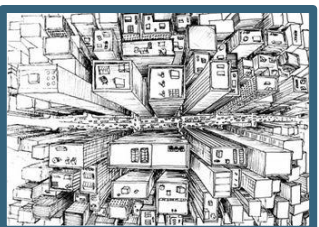
# Key Drivers



**Income & Necessity**



**Populations & Consumers**



**Households & Living**



**Supply Chain & Categories**

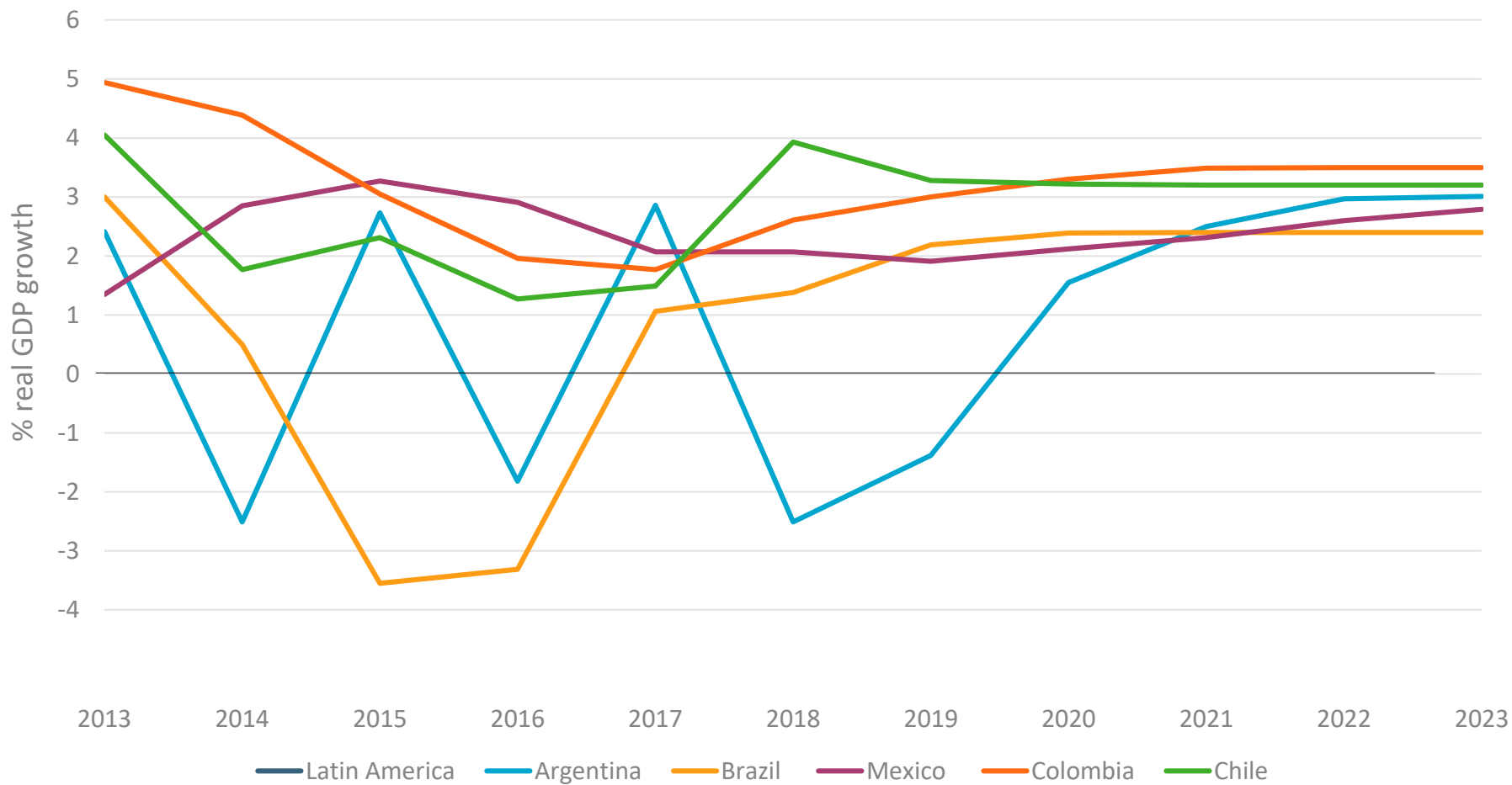
# Income and necessity





# Shifting economic power in Latin America

## Real GDP growth 2013-2023



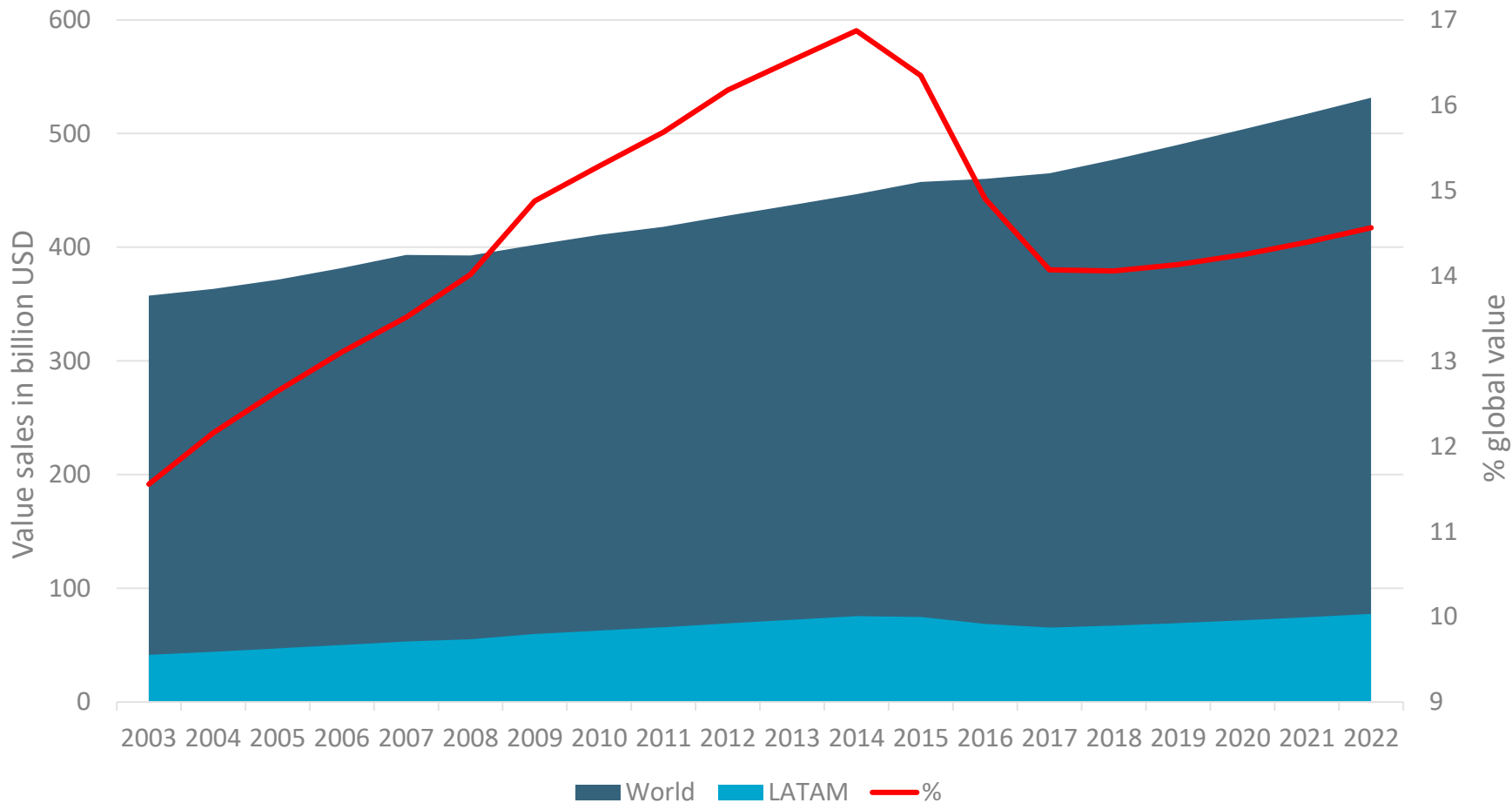
# Inflation went through the roof in Venezuela...



...and has been on the rise in other markets

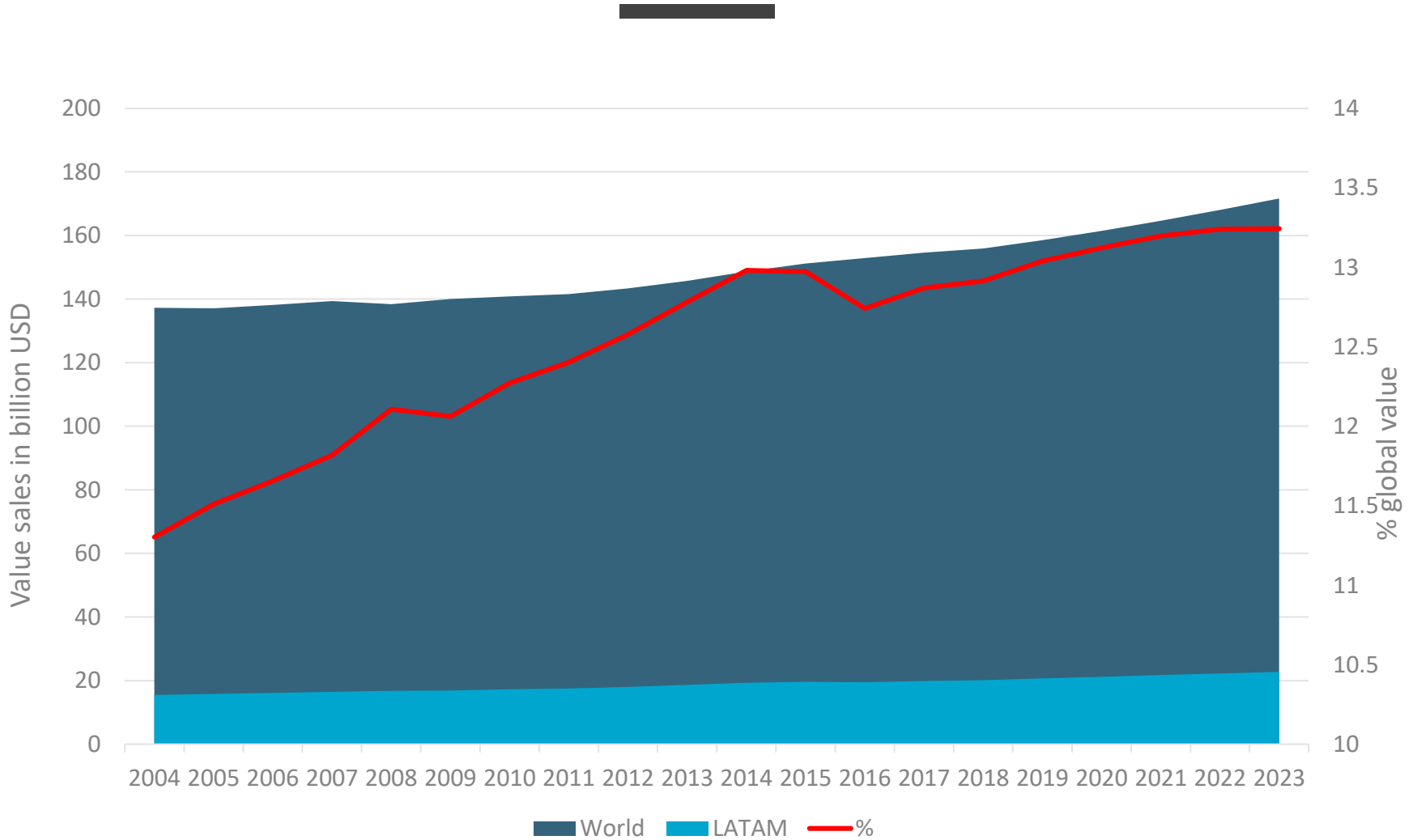


# Beauty and personal care in Latin America

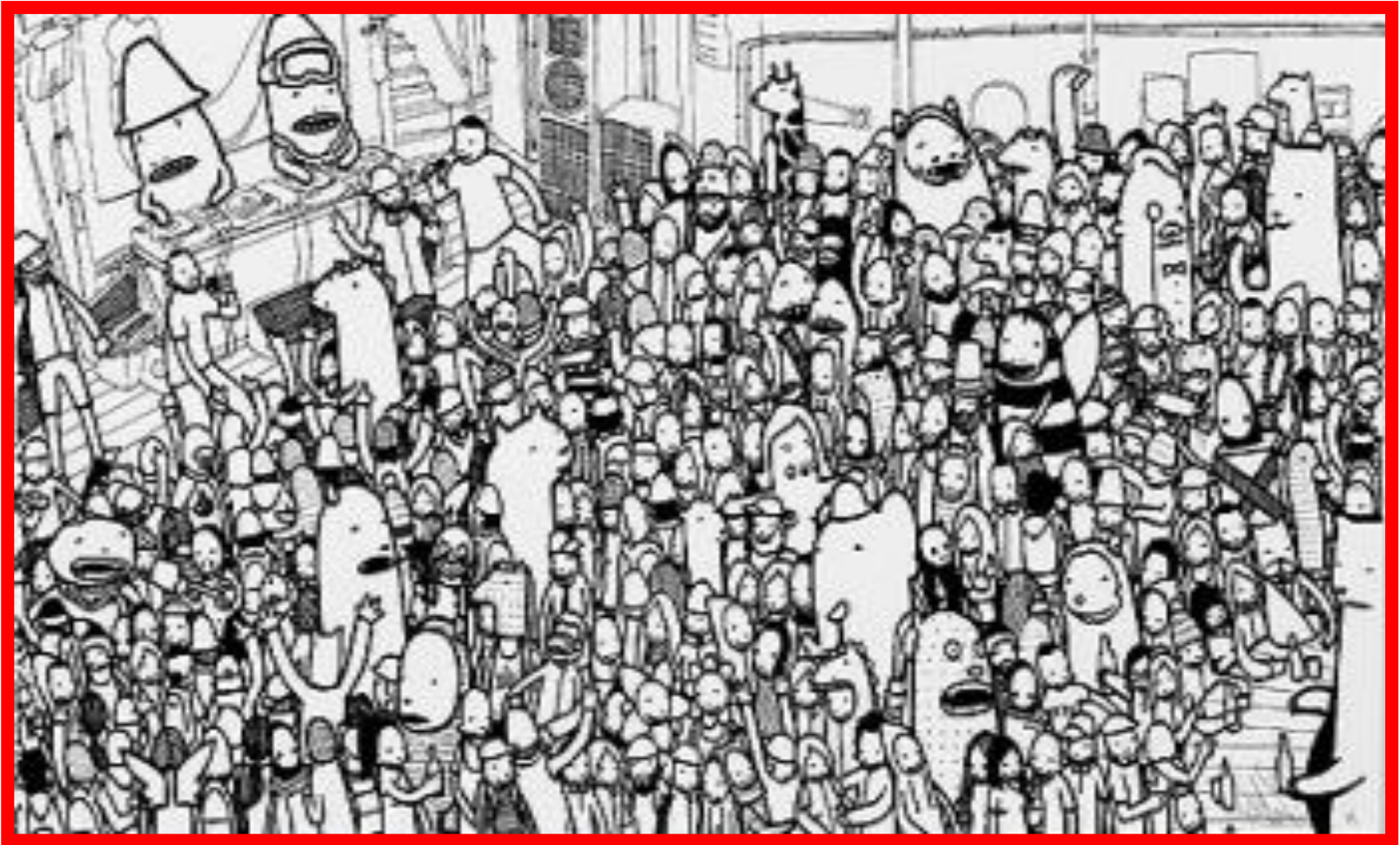


Note: All value figures in this presentation are viewed in con/con and fixed 2018 exchange rate

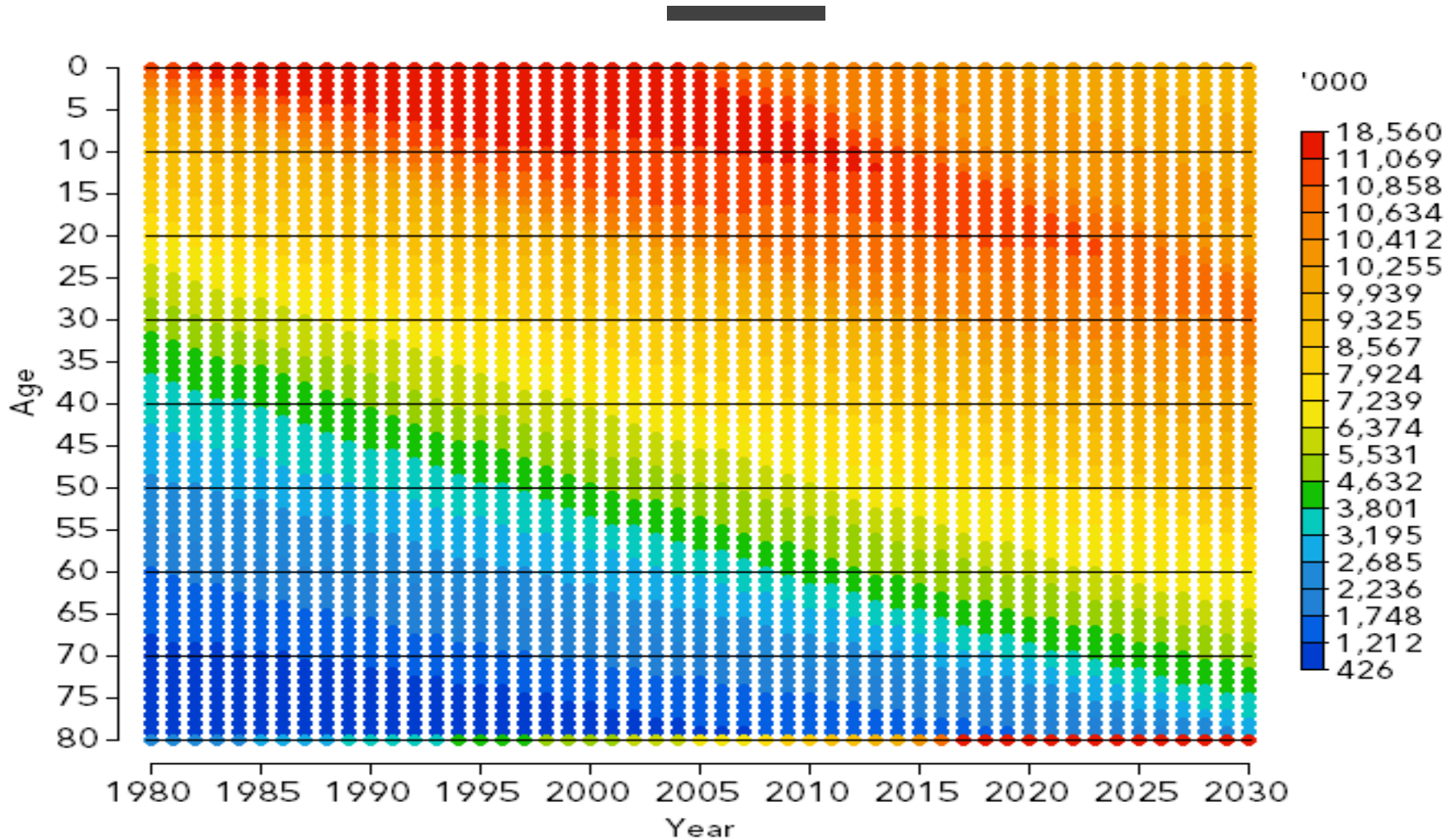
# Home care in Latin America



## Population and income

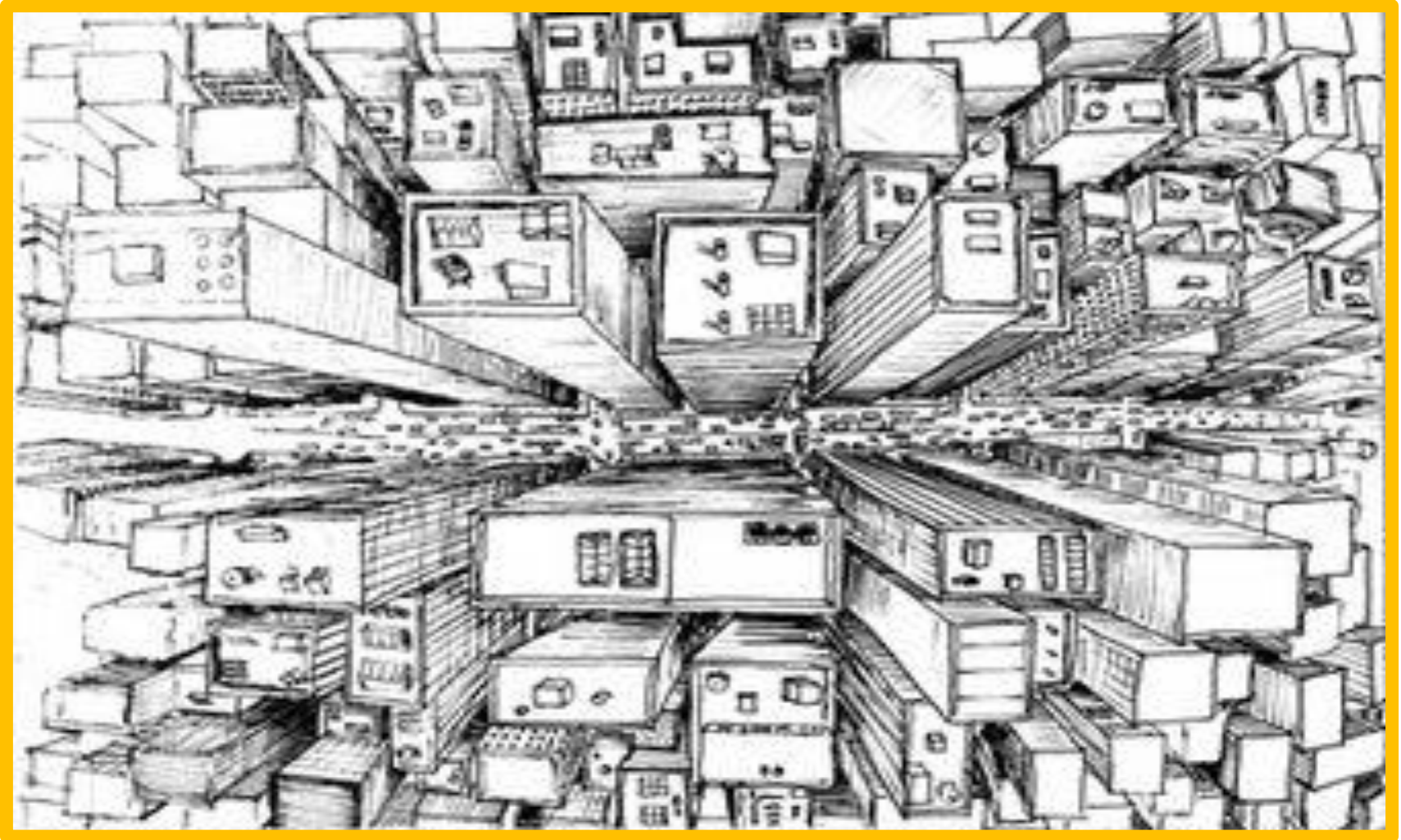


# Age structure of population



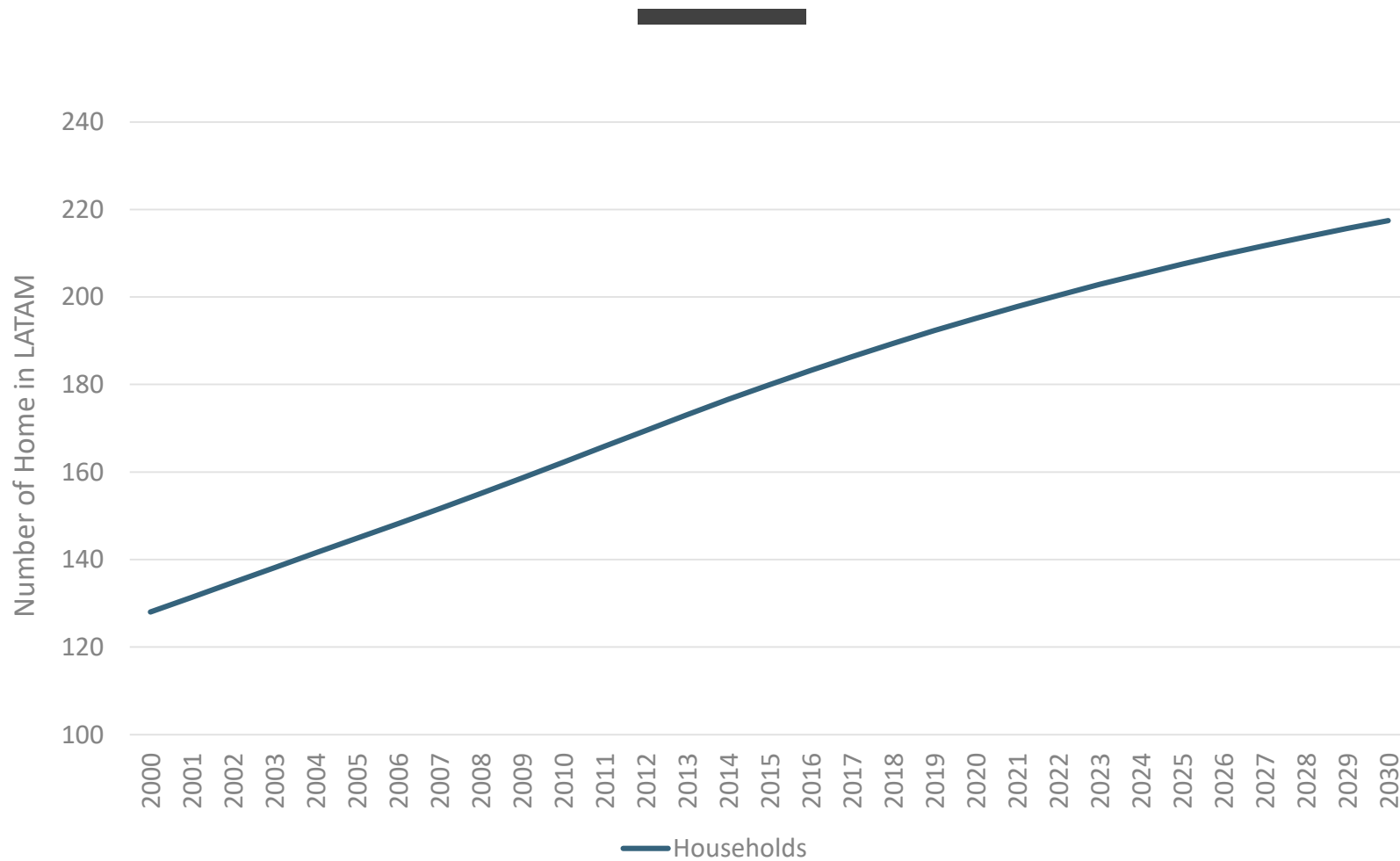
(Each dot represents a single-year age group)

## Households and living





# Households in Latin America



# Laundry profile of Latin America



# Effects of urbanisation

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# Bottom of the pyramid



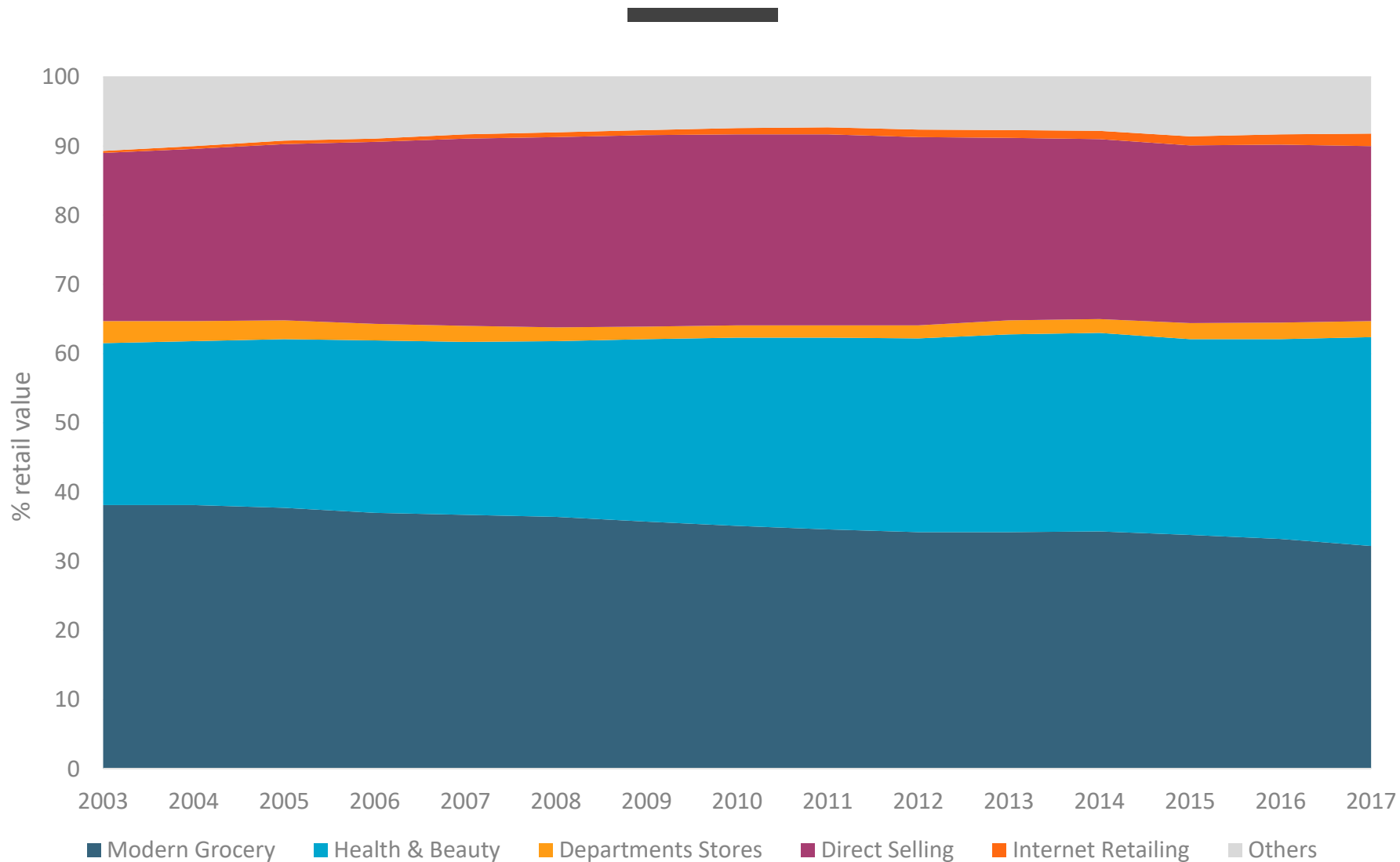


## Amazon with presence in Mexico and Brazil

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# Beauty and personal care retail landscape



# Direct sellers diversify distribution

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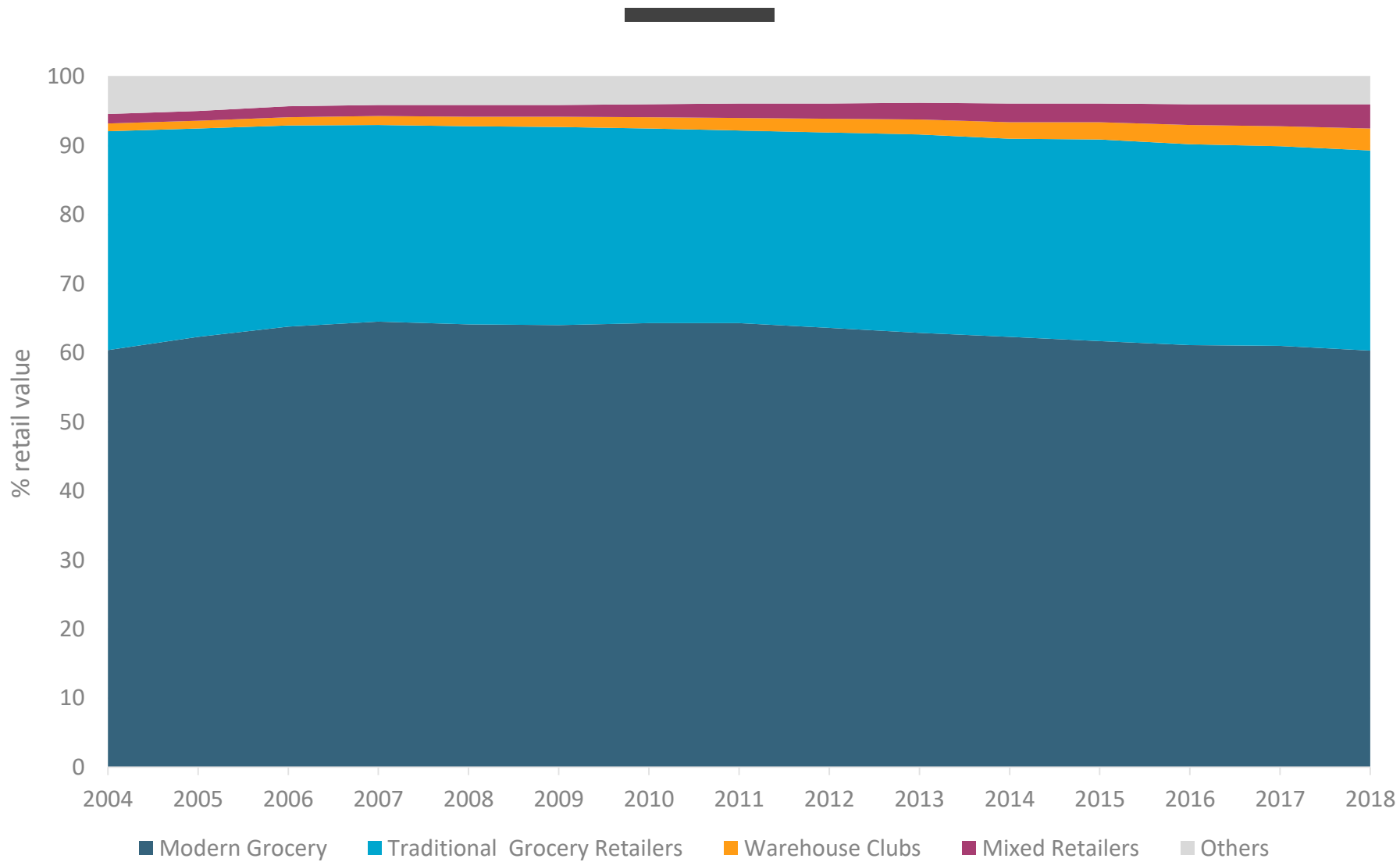
**natura & co**



Aēsop.



# Home care retail landscape



# Increasing impact of discounters

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**Dia**



# Emergence of warehouse clubs



## Impact of grey market





01.

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## Industry Snapshot: Home Care

## Key Driver: Disposable Income



### Hand

- Hand Wash Detergents
- Bleach
- Bar Detergents
- Hand Dishwashing
- Substitutes (e.g. baking powder)

### Auto

- Automatic Dishwashing
- Automatic Detergents
- Fabric Softeners

### Modern

- Fine Fabric Detergents
- Concentrated Automatic Detergents (e.g. tablets)
- Eco-Friendly Products

Low

Disposable Income

High

# Home care market growth



**1%**

**Global Home Care Growth**

**1%**

**LATAM Home Care Growth**

2018 value sales

## Where the money is made

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**78%**

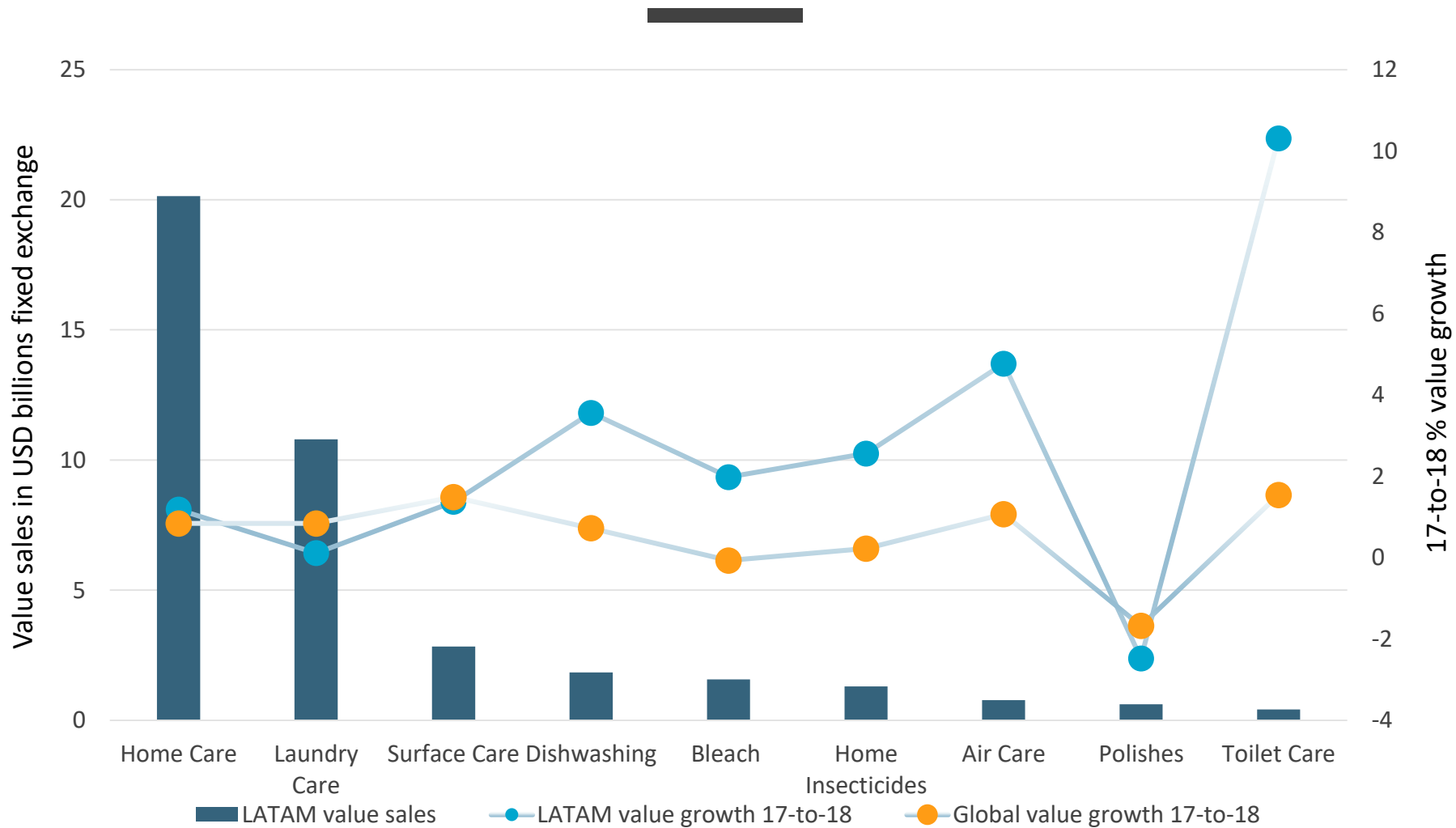
of value sales in Brazil,  
Mexico and Argentina

**54%**

of value sales  
through laundry care

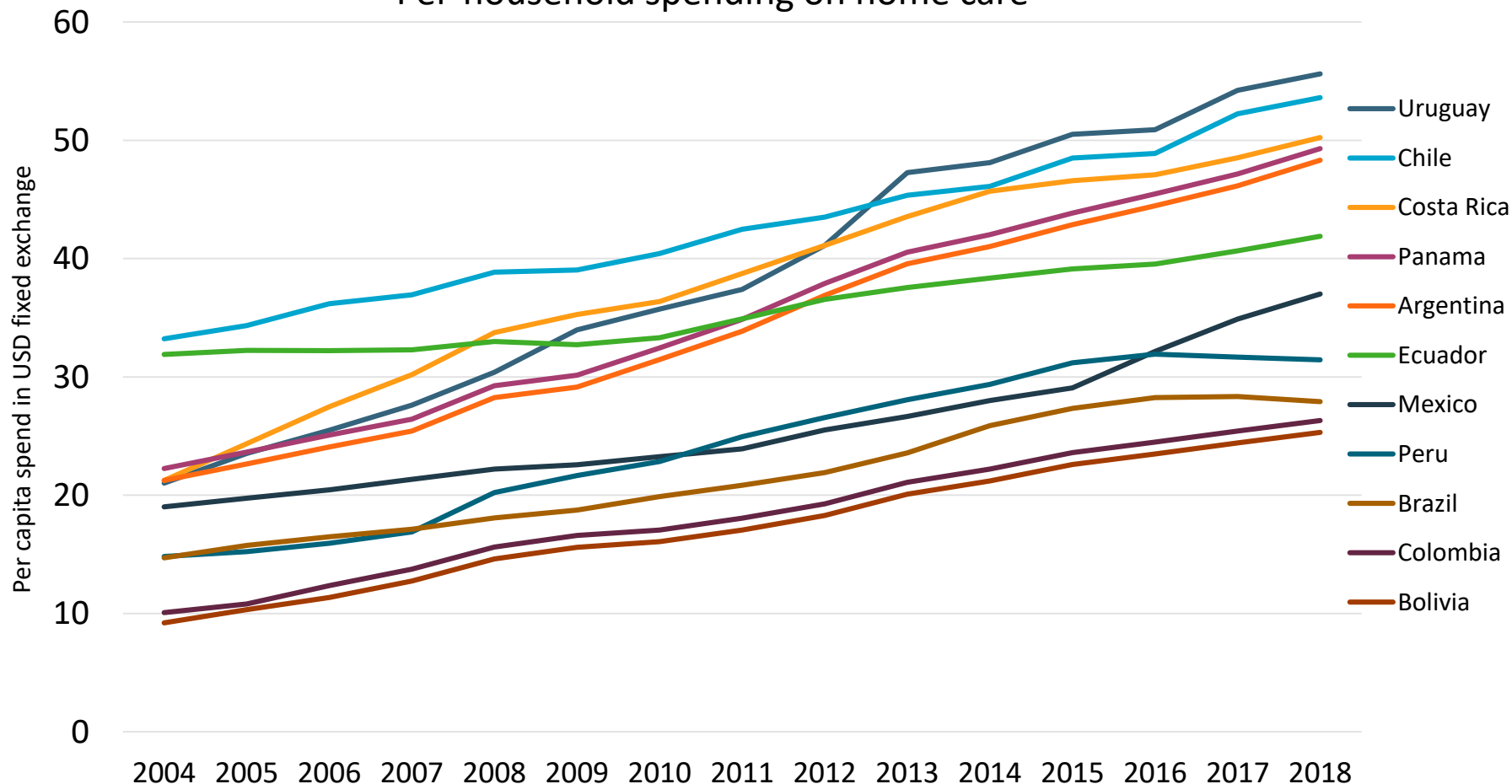


# Home care performance by category

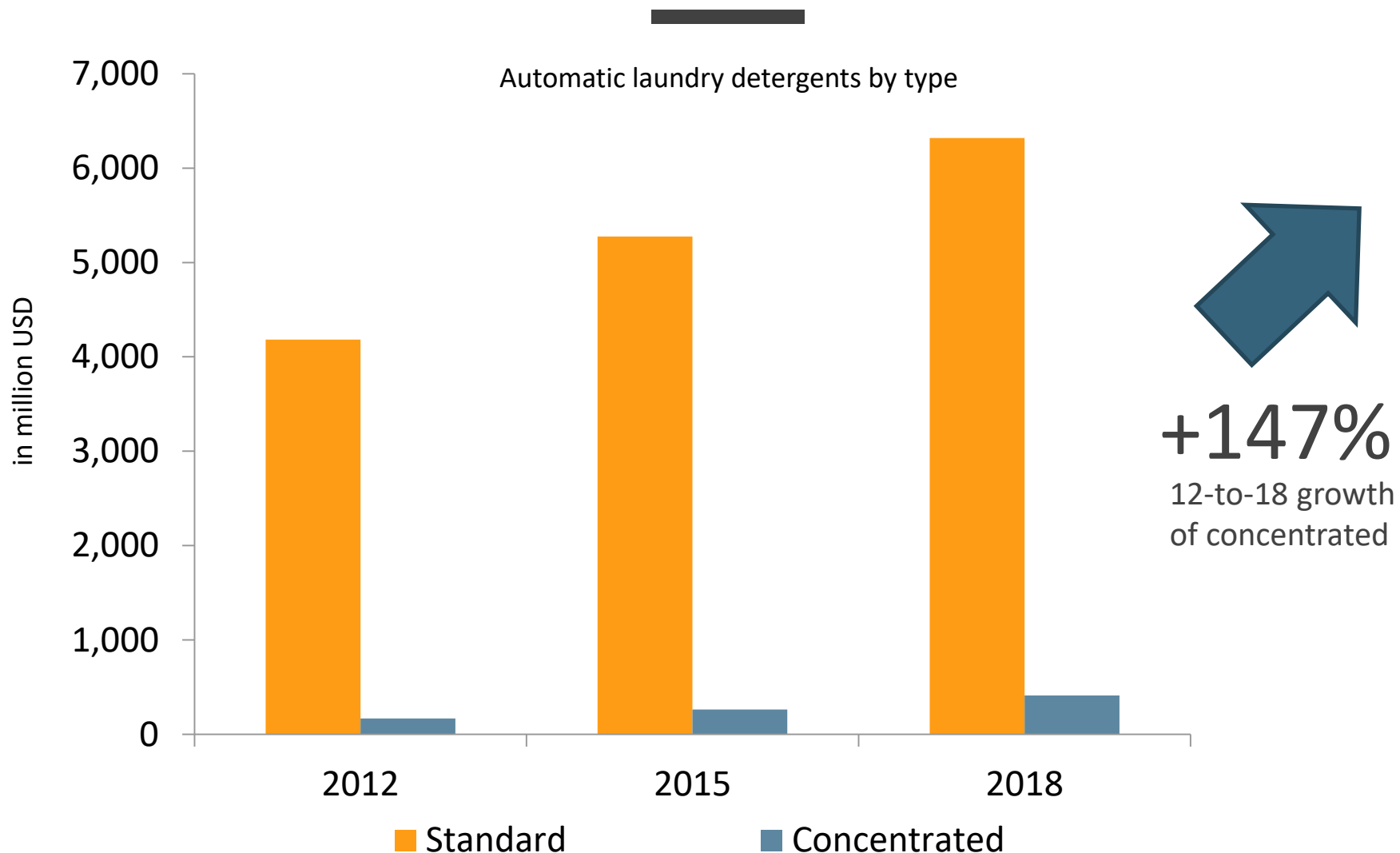


# Per-household spending on home care

## Per-household spending on home care



## Concentration potential still unmet



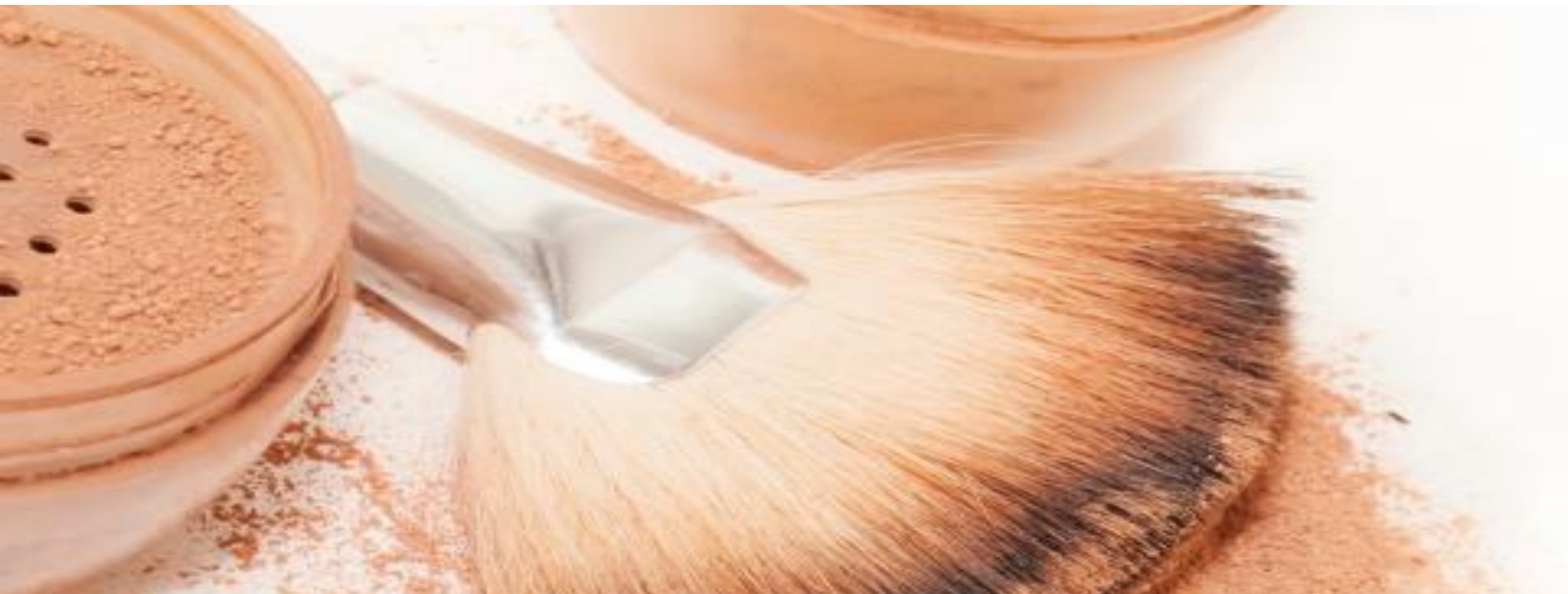


02.

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## Industry Snapshot: Beauty and Personal Care

## Beauty & personal care market growth



**2%**

**Global BPC Growth**

**3%**

**LATAM BPC Growth**

2018 value sales

# Premium beauty & personal care market growth



**5%**

**Global Premium BPC Growth**

**5%**

**LATAM Premium BPC Growth**

2018 value sales

## Beauty & personal care in Latin America

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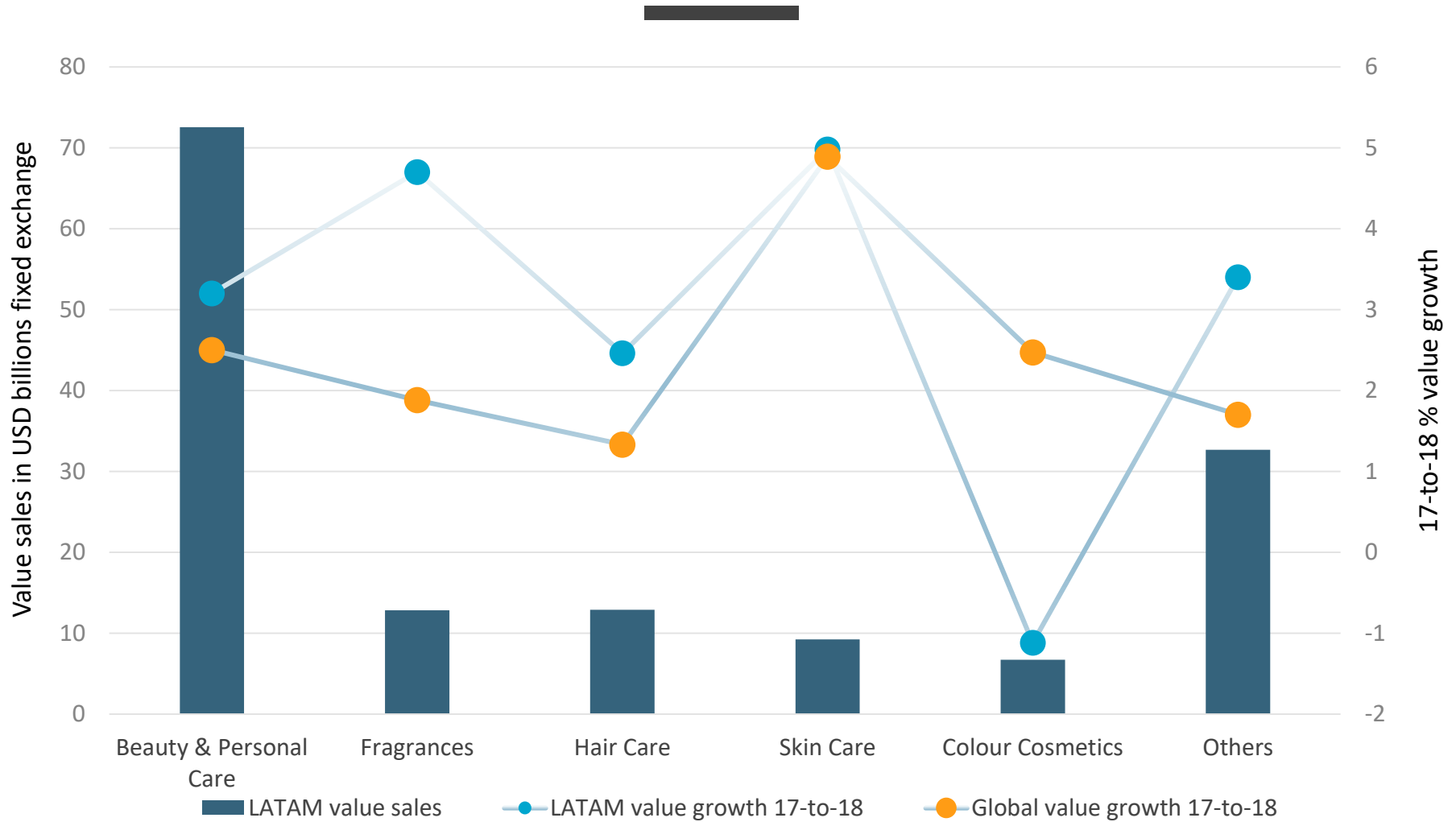
**49%**

of value sales in Brazil

**23%**

of value sales through  
fragrances

# Skin care recovers together with economy







03.

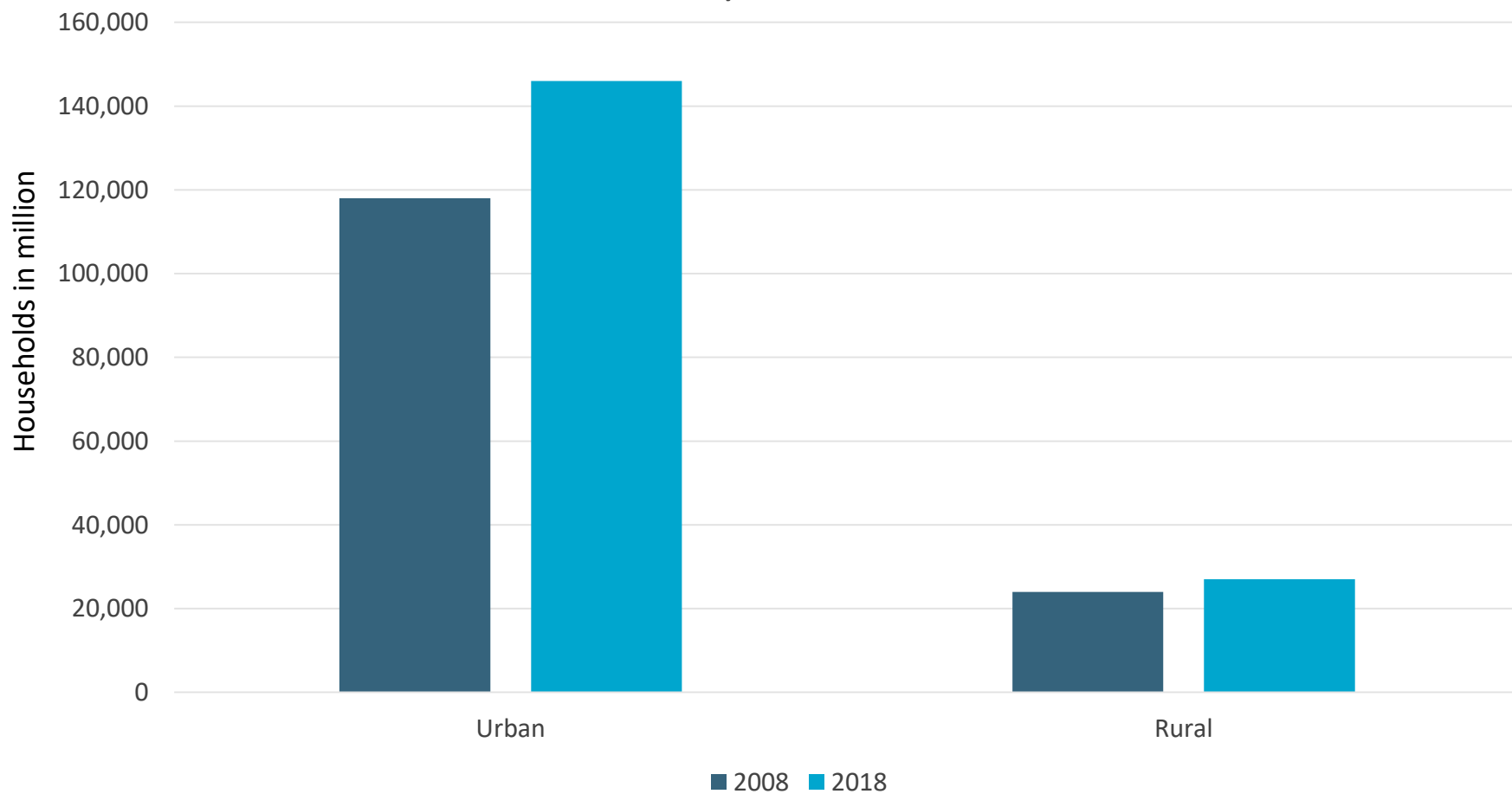
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## Developments in Retailing

## Majority lives in urban areas



### Households by urban/rural location



## Urbanisation is set to continue



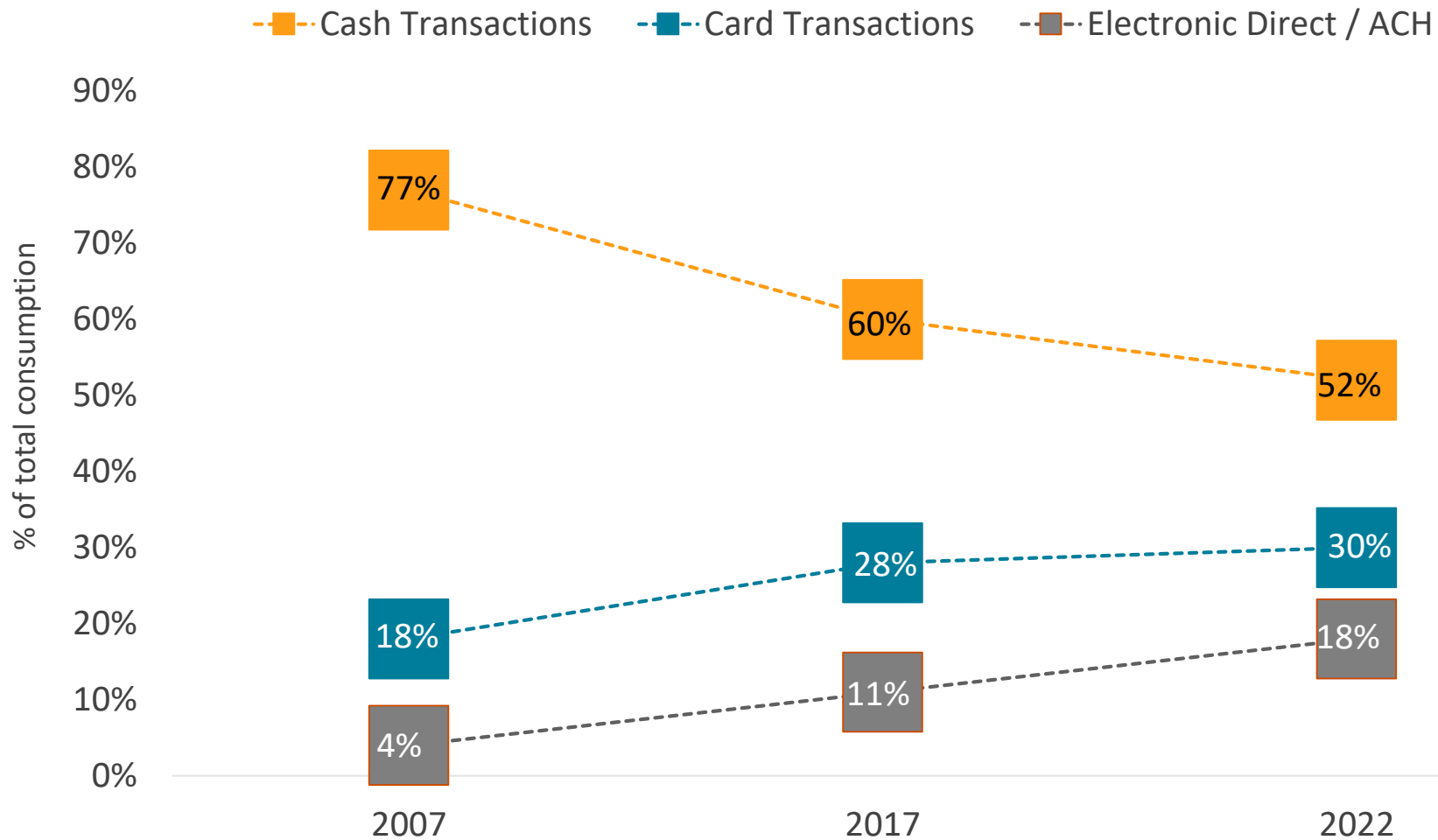
**80%**

of the population lives in  
urban areas

**10x**

Higher disposable income  
compared to rural areas

## Card Transactions continue to gain in popularity



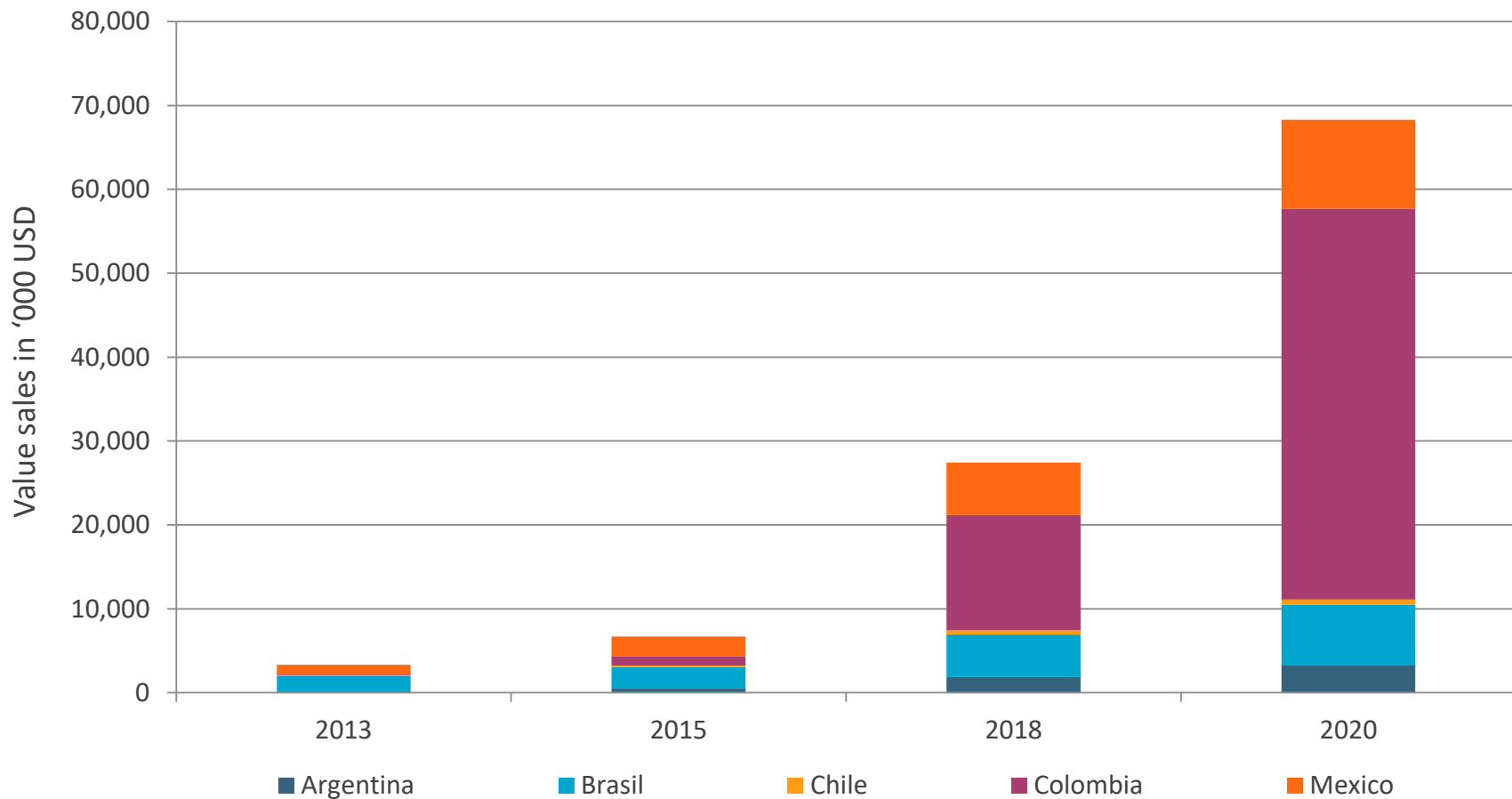
## Latin American consumers are connected



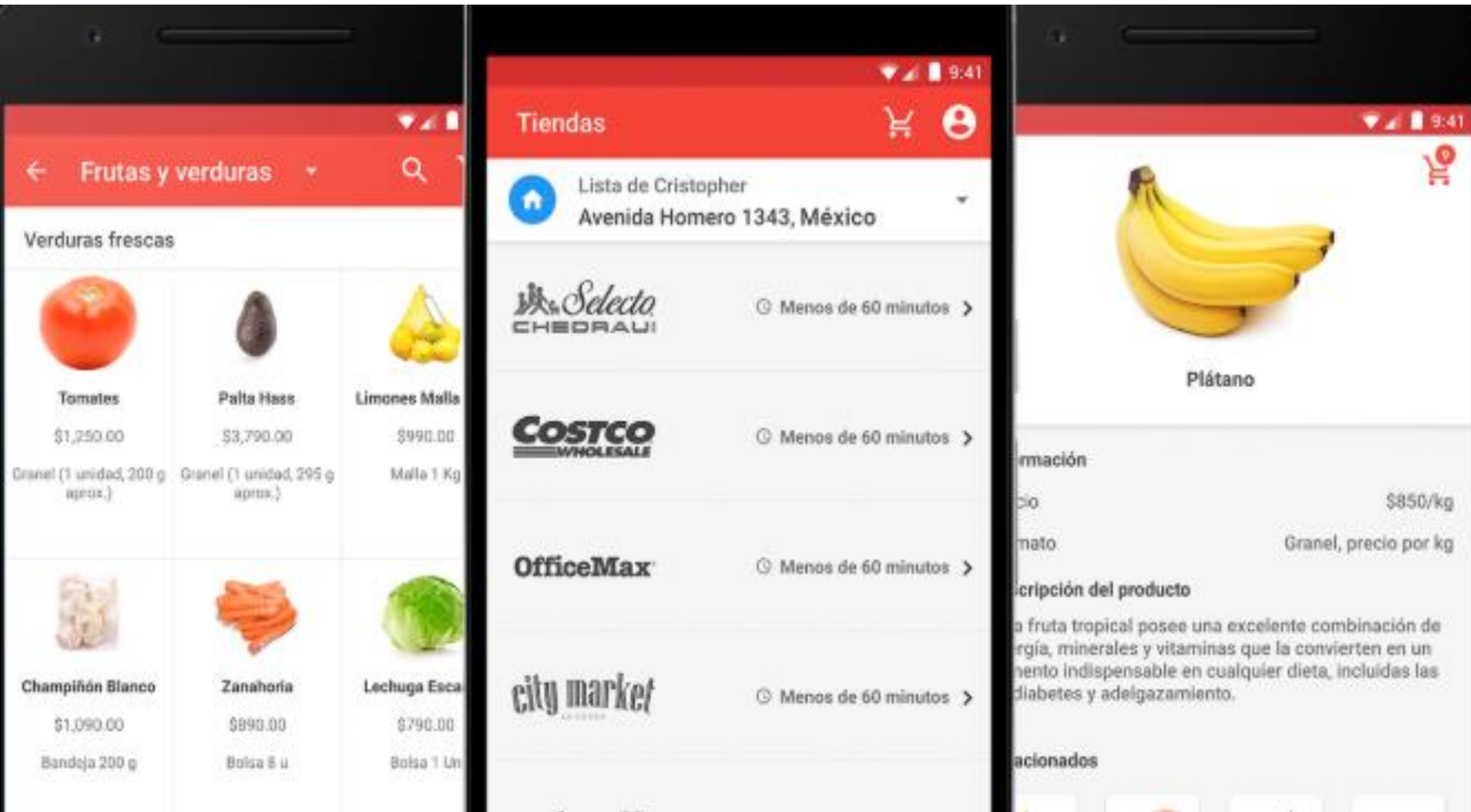
# Growth in m-commerce driven by smartphones



## M-Commerce value



# Hyperlocal delivery services



## Sustainability delivered to your doorstep





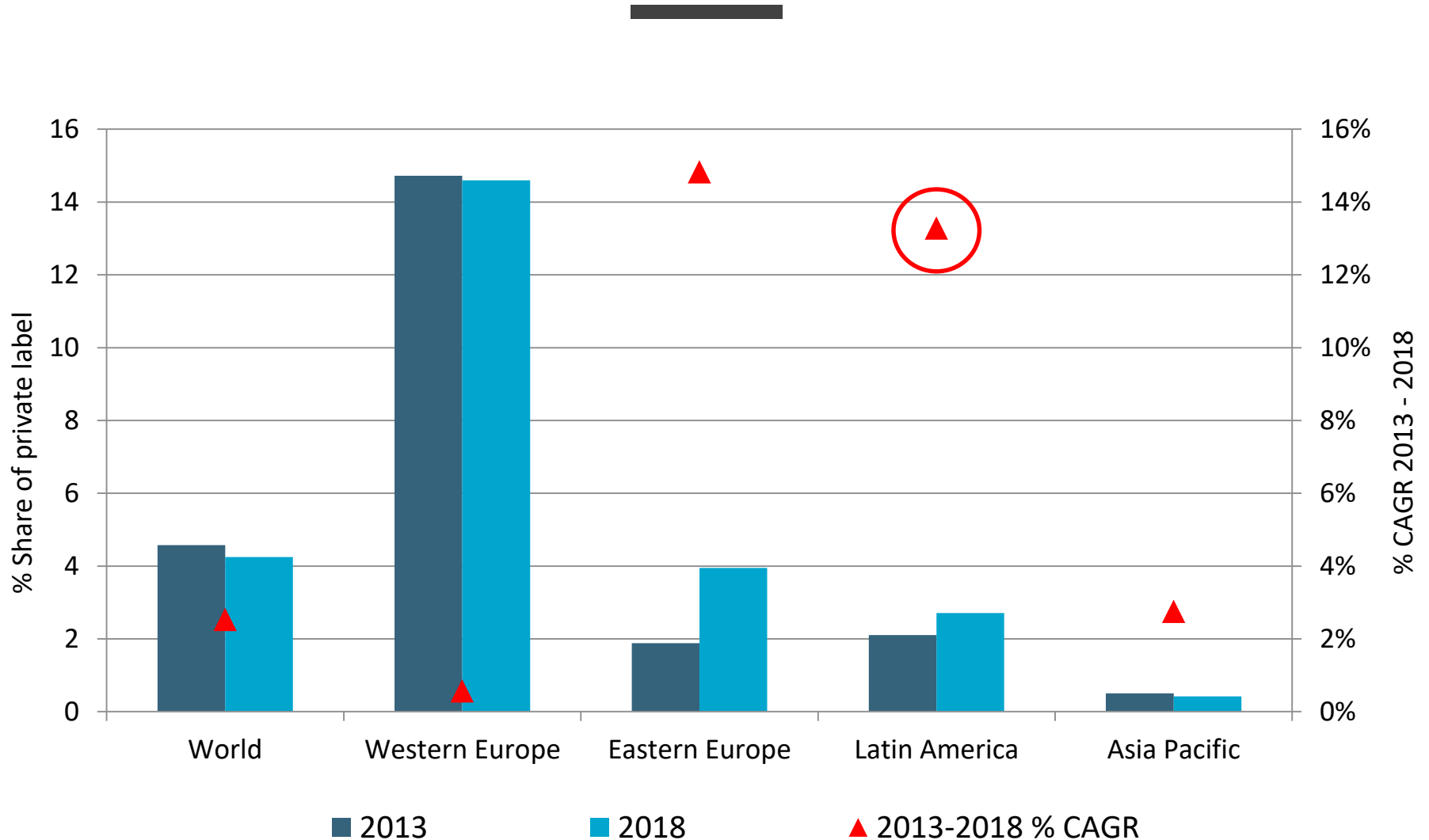
# Availability of online-only brands increases



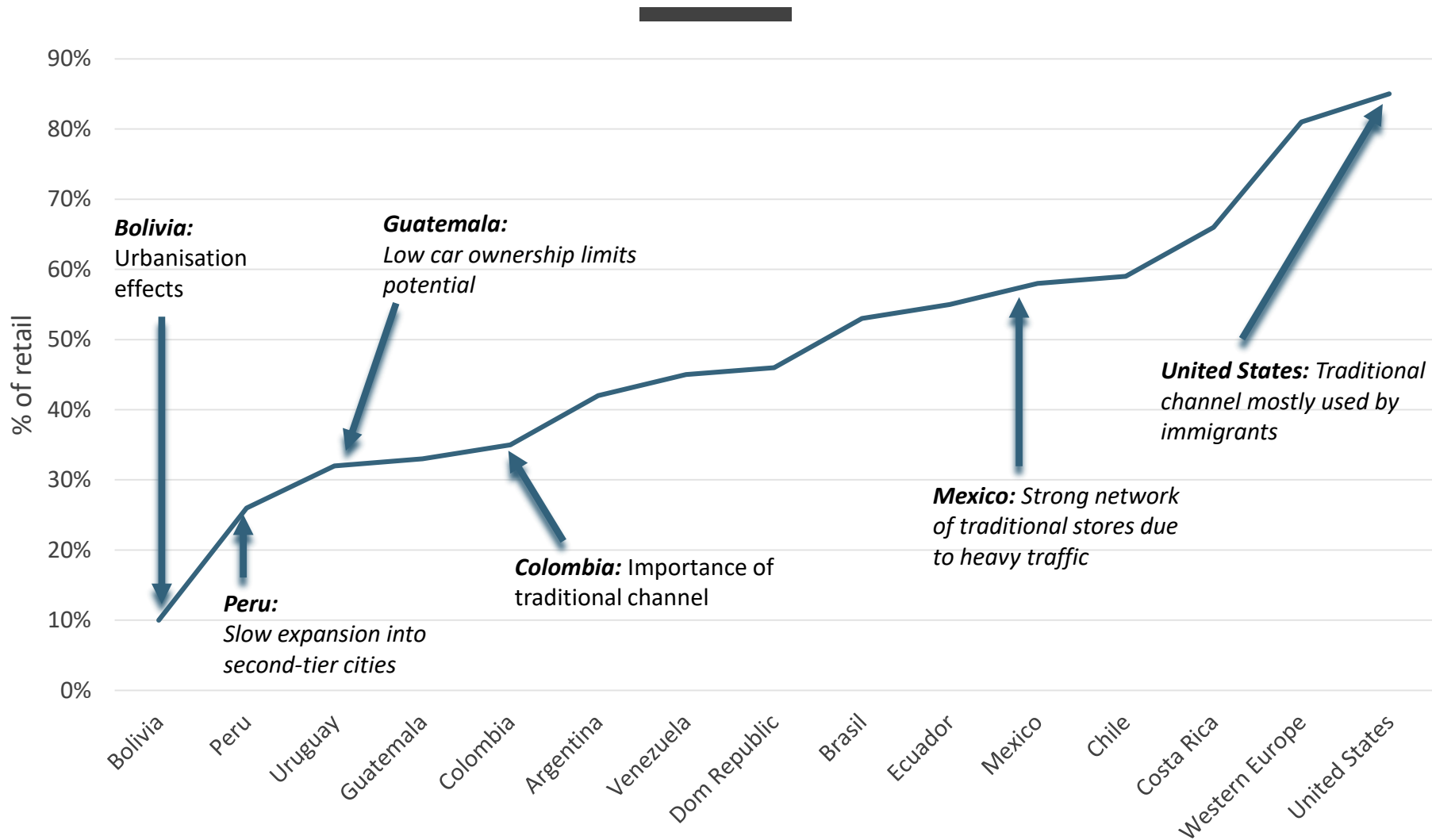
# Brand loyalty is slowly diminishing



# Private label with strong potential in home care



# Infrastructure development important for growth of modern retailing





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## Future Developments

# Economic uncertainty remains



# Population growth will boost sales



## Price-consciousness set to limit growth

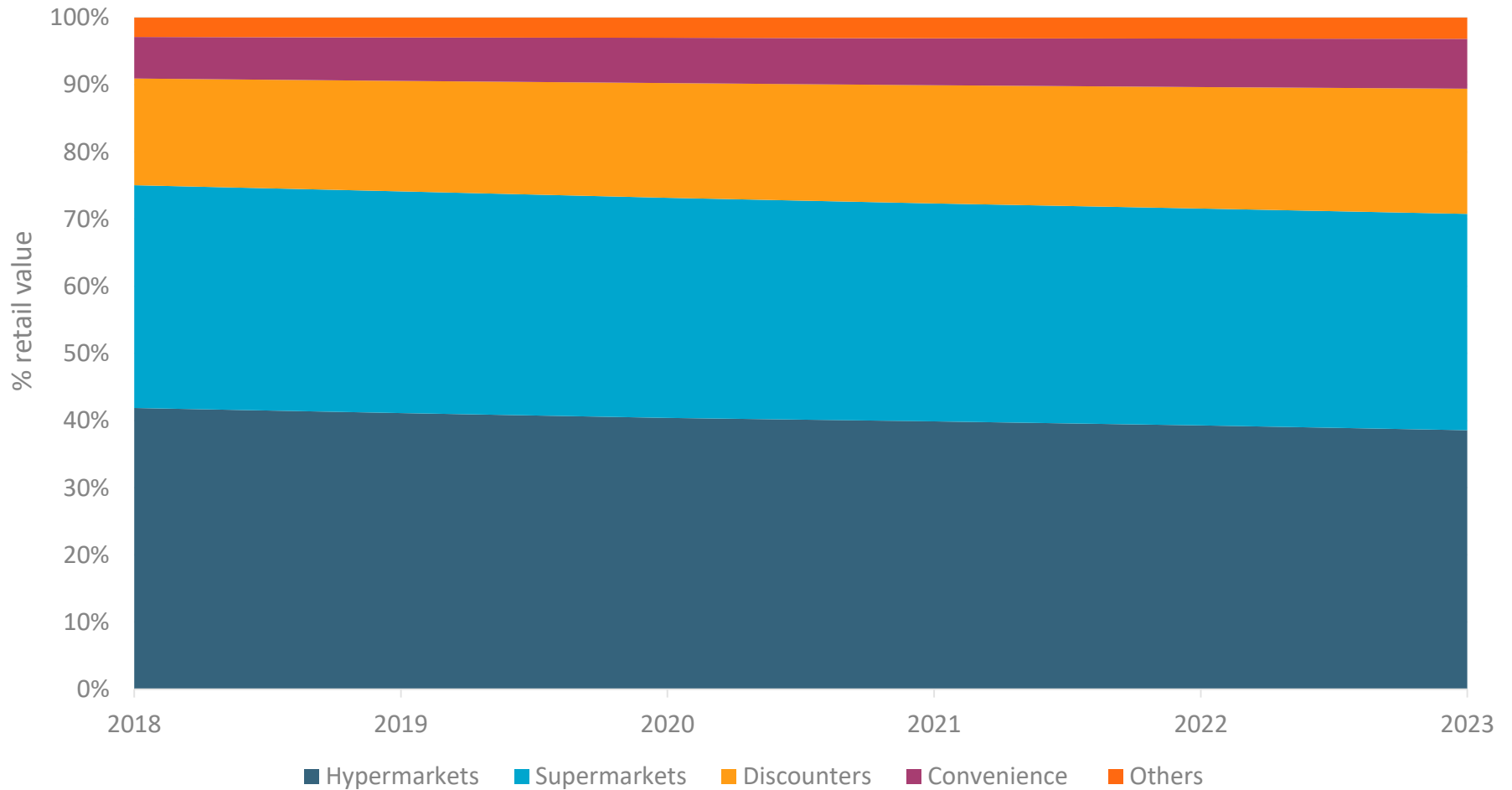




# Modern Retailing on the rise



## Modern retailers by type in LATAM



## Urbanisation is set to continue



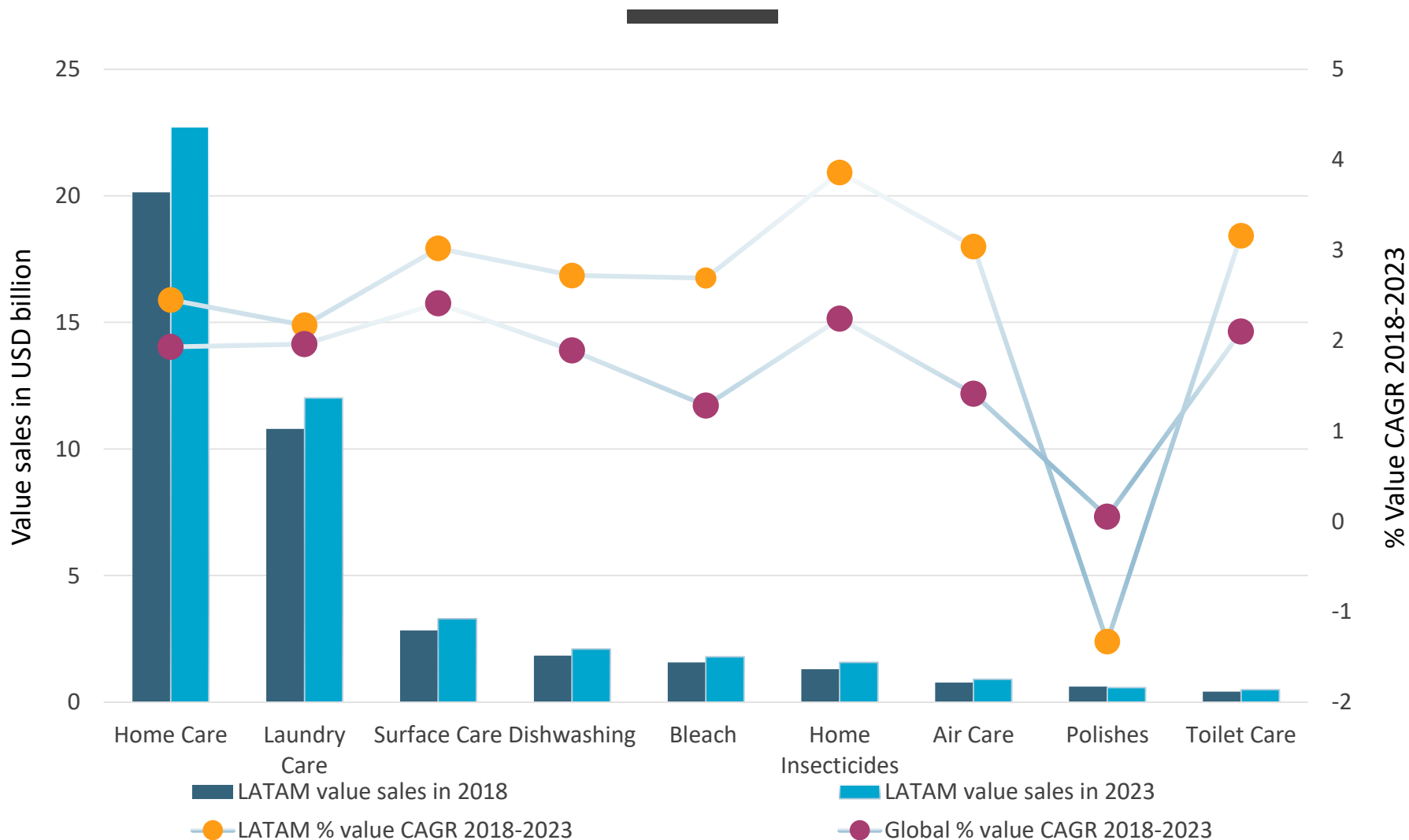
5%

value growth CAGR of  
modern retailing in 2018-2023

4,600

additional discounter outlets  
until 2023

# Future growth of home care in Latin America



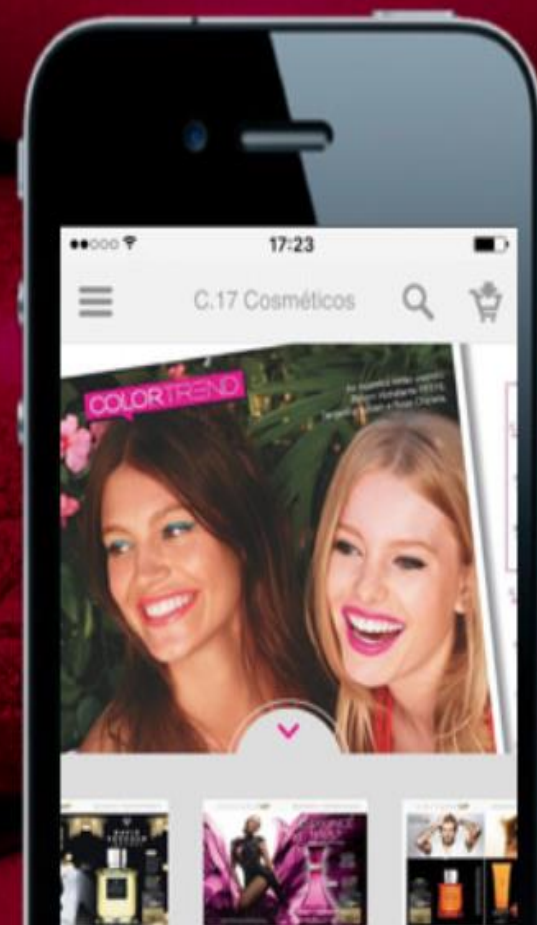
“Experience more” will proliferate



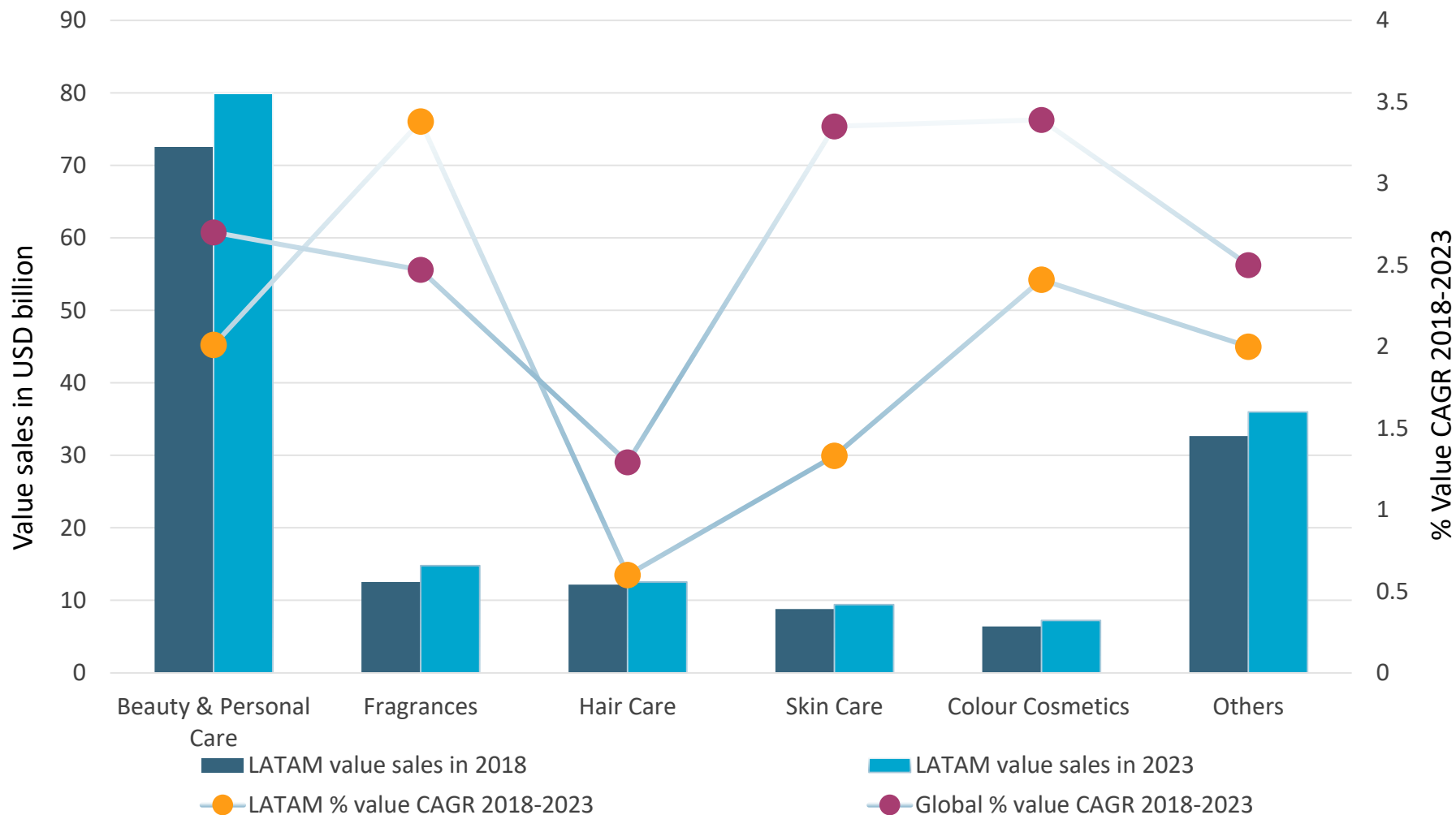
## E-Commerce will play an essential part

# Conheça o aplicativo Pedidos Avon

Para facilitar ainda mais a sua vida, agora você pode fazer seus pedidos diretamente do celular! Com o aplicativo Pedidos Avon você confere todas as ofertas e envia seus pedidos de forma rápida, fácil e segura, sem papel e sem sair de casa. Baixe agora mesmo o aplicativo em seu celular e aproveite!



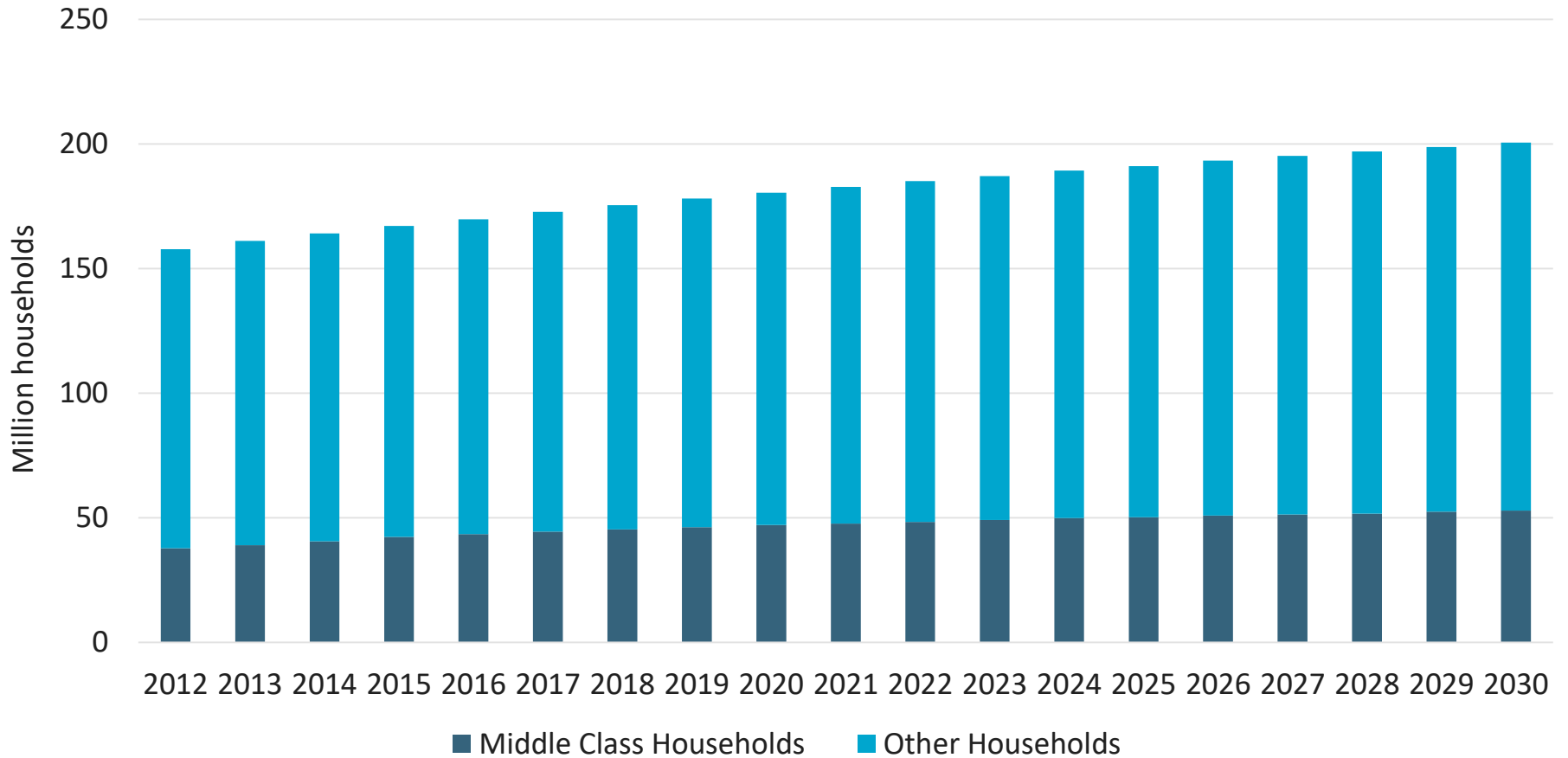
# Future growth of beauty and personal care in Latin America



# Strengthened middle-class

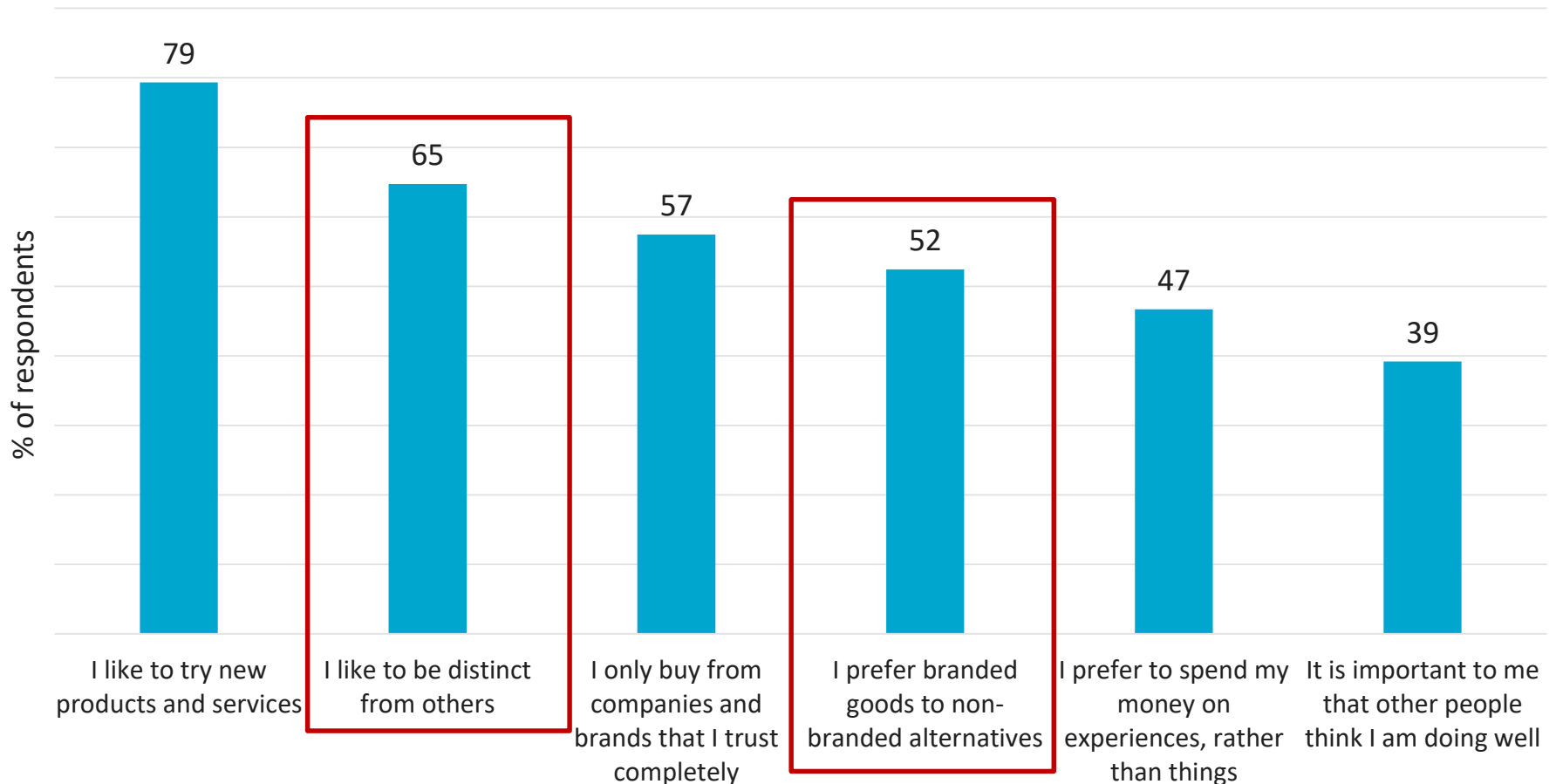


Number of households in Latin America



# Personalisation and premiumisation

## Latin America: Status and Consumerism



Source: Euromonitor International's Lifestyle Survey 2017

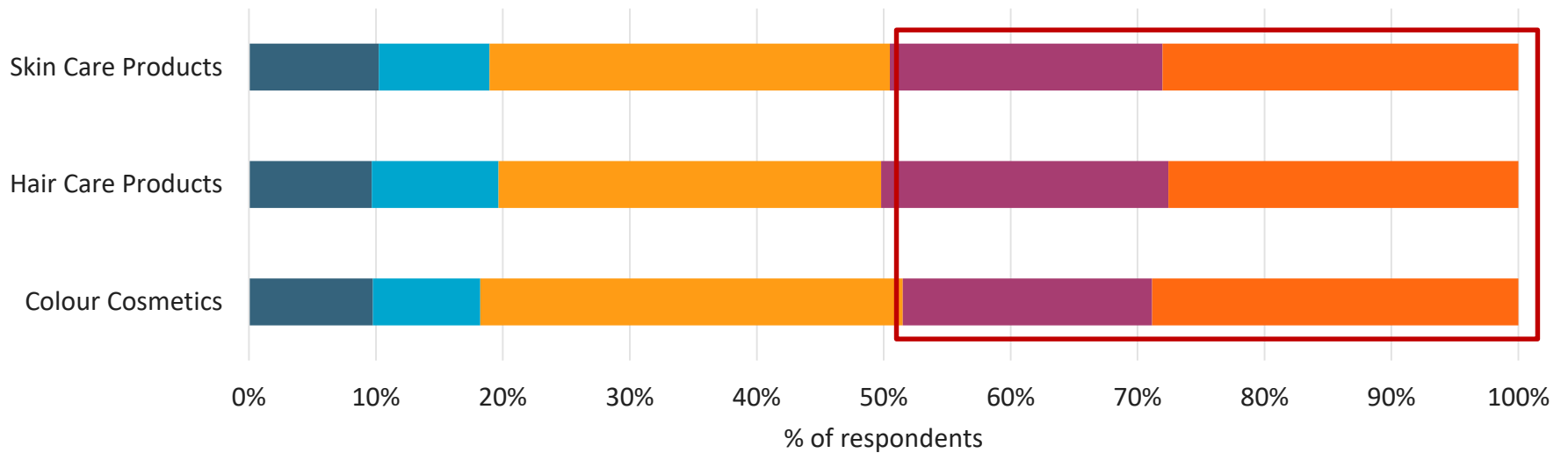
Note: Respondents who agree or strongly agree with the statements



# Many Latin Americans are willing to pay more for premium beauty



Latin America: Premium formulation vs lower price

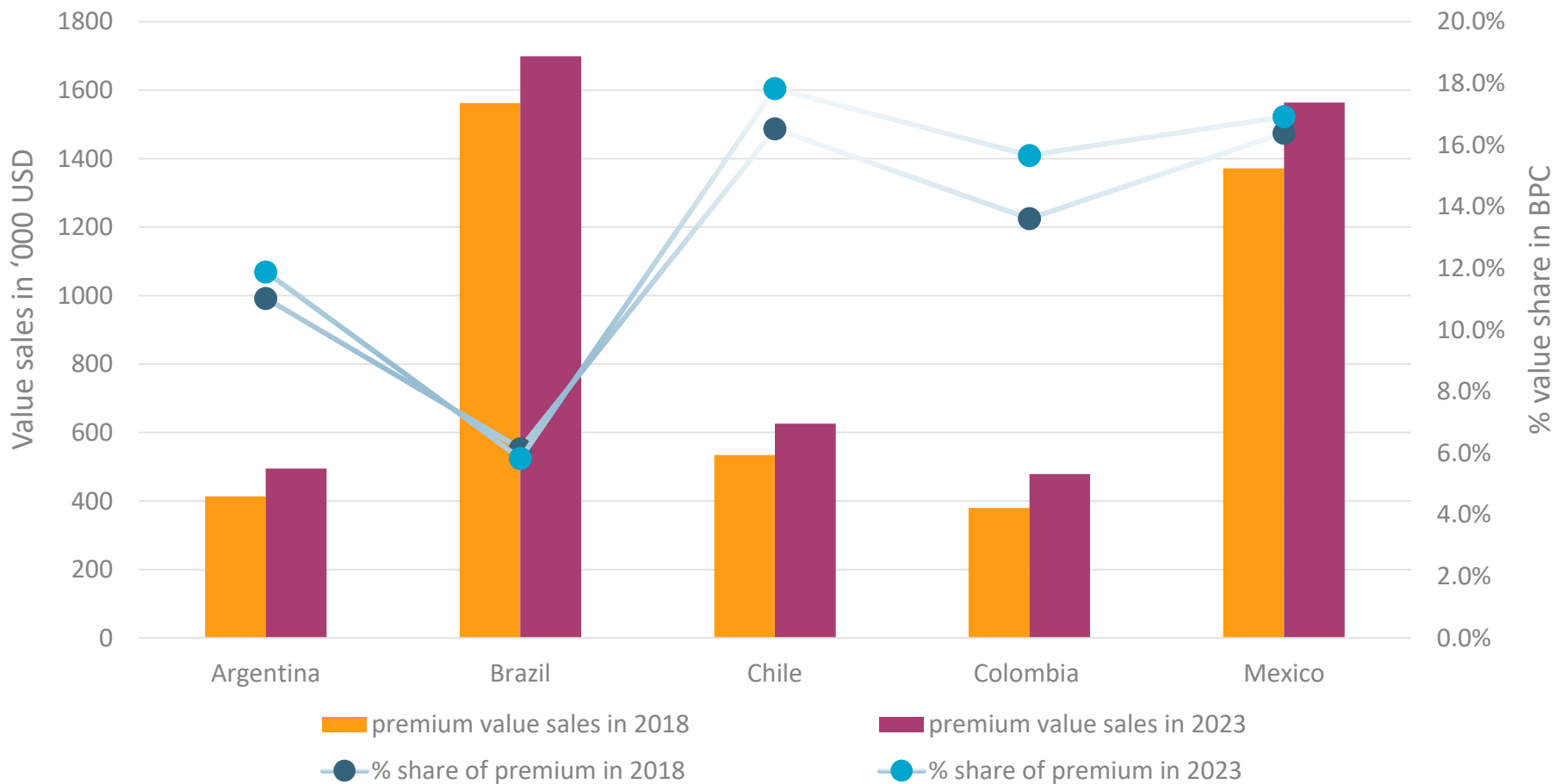


- Strongly prefer lower price
- Somewhat prefer lower price
- Neutral
- Somewhat prefer premium ingredients or formulation
- Strongly prefer premium ingredients or formulation

Source: Euromonitor International's Beauty Survey 2017

# Opportunities within premium beauty

## Premium products in Latin America



## New Consumerism

Consumer demand and  
behaviour is changing  
rapidly

## Shopping Reinvented

Modern channel and e-  
commerce are going to  
increase in importance

## Market potential

Favourable demographics  
and strengthened middle-  
class create growth  
potential

# Vielen Dank!

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