

## **Organic Personal Care Products Market in Mexico**

Demand for personal care products in Mexico has steadily increased over the past decade due to the rise of the purchasing power of Mexican consumers and to an increased access to different types of credit that have allowed Mexicans access to better quality products and have increased the demand.

Mexico's personal care products' market is extremely competitive as most of the largest international brands compete for market share. Many of the popular brands and new to market personal care products have entered the Mexican market only recently. Expansion of sales channels together with an increasing number of male consumers and heightened demand for natural or organic ingredient products have contributed to growth. Department stores, drug store chains, specialized stores and retailers are currently the most important channels of distribution. Multi-level marketing is also very popular among consumers.

Mexico is one of the biggest markets for personal care products in Latin America. According to the Mexican Chamber of the Cosmetics Industry the personal care products market consists of 150 companies including large international companies like Procter and Gamble and Unilever, and very small businesses as well. According to the Mexican Cosmetics Chamber the personal care products market grew 6.6 percent annually from 2001 to 2006 and almost 2 percent annually from 2007 to 2011. In 2011 sales of personal care products in Mexico accounted for USD \$80 billion.

The biggest segment in personal care products is hair care followed by skin care and fragrances. The Mexican market continues to be polarized, with consumers split between premium products and lower-priced, mass-market alternatives. Department stores typically cater to customers seeking high-end products, while those seeking low-price cosmetics shop in supermarkets and drugstores.

Products using natural and organic ingredients are reporting high demand because of the surge in consumer demand for chemically-clean products. U.S. suppliers have an important advantage over other local and international manufacturers given that they have developed highly effective natural and organic products. U.S. suppliers have formulated, developed and launched certified natural and organic personal care products that meet the performance of conventional products, whereas local manufacturers have yet to make products of this quality.

In view of a growing demand for natural personal care products, large cosmetic companies -- such as Estee Lauder, Aveda, Kiehl's, L'Occitane, and the Body Shop, among others -- have introduced certified natural and organic personal care products in the Mexican market. Other brands like Burt's Bees, Nuxe, Amway, Natura and local ones like Organic Beauty with organic certified guarantees are being distributed through local drugstore chains, have gained favor with local consumers. Competition is expected to be fierce in this market sector in the future.

Major potential consumers for natural and organic personal care products in Mexico are females aged between 19 and 35. According to consulting firm Nielsen, Mexican population of ages between 19-25 represent the biggest opportunity to market new line of products for reasons such as higher disposable income, greater brand loyalty, less price sensitivity, early adaptability to new trends and use of information technologies and social networks to get consciousness on new organic products. While the market overwhelmingly promotes personal care products to female customers, male product lines have also gain popularity in recent years. Notable products include facial and body lotions, cleansing products, soaps and cosmetics. This would be another niche market for U.S. suppliers to develop new products to meet the market demand.

The most common way to enter the Mexican market is to establish a relationship with a local distributor or authorized representative. The former can be achieved by visiting Mexico and meeting with potential representatives. Local distributors and representatives keep in constant communication with customers and introduce them to new products.

Some of the biggest players in the retail market already have their own distribution centers and import directly from the United States. Direct imports are only possible if the volume of sales is significant, otherwise, it is

preferable to have a local distributor in the market. Specialized retailers of organic products are still small and the biggest chain of such products in Mexico is The Green Corner with four stores located in the metropolitan area of Mexico City. The rest are small stores that generally sell locally manufactured products that are sold at very low prices.

Providing correct information about the product to the end-user in Spanish is crucial to succeed in the market. Finally, the product must contain accurately labeled information in Spanish about its contents.

Trade shows provide U.S. firms with an effective promotional vehicle in the Mexican market. The Natural Products Expo West show ([www.expowest.com](http://www.expowest.com)) is an annual trade exhibition held in Anaheim, California, and CS Mexico plans to recruit a Mexican buyer delegation to this important show. On the other hand, the International Natural Products Expo known as Anipron ([www.anipron.org.mx](http://www.anipron.org.mx)), held every February in Mexico City, is the leading trade event for natural supplements and personal care products in the country.

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