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DERMOCOSMETICS' INDUSTRY IN BRAZIL AND GERMANY: A COMPARISON OF CONSUMER PREFERENCES BETWEEN THESE COUNTRIES

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Thesis presented to Escola de Administração de Empresas de São Paulo of Fundação Getulio Vargas, as a requirement to obtain the title of Master in International Management (MPGI).

Knowledge Field: Management and Competitiveness for Global Companies

Adviser: Prof. Maurício Gerbaudo Morgado

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ABSTRACT

This work examines the industry of Dermocosmetics or Cosmeceuticals, with a focus on the female consumer behavior. The scope of this work is the Brazilian and German markets, given that these two countries are among the biggest consumer markets of cosmetics and dermocosmetics (Euromonitor, 2014). Based on consumer behavior theories, previous studies about cosmetic markets, and an interview with a market specialist, we raised the most recurrent five topics, which were further investigated in order to understand the consumer behavior profiles of the Brazilian and the German women and, most importantly, understand the difference in preferences and trends between these two groups. The topics chosen where: (1) Preferences regarding the product origin (2) Preferences regarding the product type (3) What are the major concerns when choosing a product (I.E. esthetics, health etc) (4) On whom/what they rely to make the purchase decision (5) Concern with organic/sustainable products. This study consisted in the application of questionnaire to 72 Brazilian women and 68 German women to arrive to a valid sample of fifty Brazilian and fifty German women from 25 to 40 years old with similar acquisition power. Among the findings: German women tend to be more ethnocentric than Brazilians when choosing a cosmetics; there is a positive heurism towards French products in both populations; Brazilians make more use of advanced facial sunscreens and anti-agers, while Germans make more use of facial moisturizes and anti-agers and Brazilians use much more body products; German women are more driven by utilitarian motives, physiological needs and are more concern to their skin health, while Brazilians have more hedonic motives, are more concerned to the appearance; Brazilians are more looking to try new products while Germans are more traditional; both populations rely on dermatologists and friends/family to make the purchase, but Brazilians value and attend more dermatologists; Germans buy more organic/sustainable products than Brazilians, reasons were pointed as few options, lower quality, but both groups are willing to pay more if the quality is even.

Keywords: International marketing, Consumer behavior, Brazil, Germany, Dermocosmetics, Cosmeceuticals

RESUMO

Este trabalho examina a indústria de Dermocosméticos ou cosmecêuticos, com foco no comportamento do consumidor feminino. O escopo deste trabalho é o mercado brasileiro e alemão, uma vez que esses dois países estão entre os maiores mercados consumidores de cosméticos e dermocosméticos (Euromonitor, 2014). Com base em teorias de comportamento do consumidor, estudos anteriores sobre os mercados de cosméticos e uma entrevista com um especialista de mercado, levantamos os cinco tópicos mais recorrentes, que foram investigados para entender os perfis de comportamento do consumidor das mulheres brasileiras e alemãs. Os temas escolhidos são: (1) Preferências em relação à origem do produto (2) Preferências em relação ao tipo de produto (3) Quais são as principais preocupações na escolha de um produto (estética, saúde etc.) (4) O que/quem influencia na decisão de compra (5) Preocupação com produtos orgânicos/sustentáveis. Este estudo consistiu na aplicação de questionário a 72 mulheres brasileiras e 68 mulheres alemãs para chegar a uma amostra válida de cinquenta mulheres brasileiras e cinquenta alemãs de 25 a 40 anos com poder de aquisição semelhante. Entre as descobertas: as mulheres alemãs tendem a ser mais etnocêntricas do que as brasileiros quando escolhem dermocosméticos; há um heurismo positivo em relação aos produtos franceses em ambas as populações; as brasileiras fazem mais uso de protetores solares e anti-agressivos faciais avançados, enquanto as alemãs, hidratantes faciais e anti-agressivos e as brasileiras usam muito mais produtos para o corpo; as mulheres alemãs são mais levadas a motivos utilitários, necessidades fisiológicas e mais preocupadas com a saúde da pele, enquanto as brasileiros têm mais motivos hedônicos, estão mais preocupados com a aparência; as brasileiros estão mais interessados em experimentar novos produtos, enquanto as alemãs são mais tradicionais; ambas as populações contam com dermatologistas e amigos/familiares para fazer a compra, mas as brasileiros valorizam e frequentam mais dermatologistas; as alemães compram mais produtos orgânicos / sustentáveis do que as brasileiras, os motivos foram apontados como poucas opções, de menor qualidade, mas os grupos estão dispostos a pagar mais se a qualidade for uniforme.

Palavras chave: Marketing internacional, Comportamento do consumidor, Brasil, Alemanha, Dermocosméticos, Cosmecêuticos

Frame of content

1. INTRODUCTION

1.1. Research gap

The gap of this research is the behavior of consumers of dermocosmetics in Germany and in Brazil.

The dermocosmetics are a category of cosmetics associated with medical functions (Buendía-Eisman, 2009). Dermocosmetics' market grew more rapidly than the cosmetics'. Whereas the global beauty market increased by 3.8%, the dermocosmetics sector experienced a 4.8% growth rate in 2013 (L'oreal, 2016). Through market researches, we observed that the Brazilian dermocosmetics' market is a fast growing market while the German dermocosmetics' market is an important solid market among the European counties. Besides the growth of these markets, both countries play an important role in the consuming of dermocosmetics: Germany is the biggest consuming market in Europe and Brazil the biggest in Latin America (L'oreal, 2016). Therefore , due to its representativeness and growth potential, investing in these markets can be an interesting opportunity.

Even though there are important global companies playing in these two strong dermocosmetics' markets, either solid or fast growing, there are not many public studies and material regarding the consumer behavior of these markets, preferences and trends, resulting into an interesting study gap.

1.2. Objective

The objective of this study is to understand the behavior of women in Brazil and in Germany on their consumer preferences regarding dermocosmetics, in order to inform organizations. We aim to provide more information and basis for companies that are currently acting in the dermocosmetic field and see an opportunity to play in any of these two countries or to strengthen their performance. We seek to assist either Brazilian companies aiming to play in Germany, or German companies that may see

an opportunity in the Brazilian market or any other international brand interested in those markets, mainly because we recognize that there are differences regarding consumer behavior and preferences in distinct regional markets and companies must adapt to succeed (Solberg, 2001). We have in mind, for example, companies like Beiersdorf/Nivea (Germany), Natura (Brazil) & L'oreal (France). Furthermore we aim to help smaller companies that may not have abundant resources to conduct their own research in these two markets. We have the intention with our study to also assist them to drive attention to these two markets, get to know it better and maybe consider making a move.

1.3. Research topics

Consumer behavior is a broad field, which focus on studying the activity of the consumers. It aims to understand why people consume, how people consume, where, influenced by whom, and the list goes on. (Engel, Blackwell Miniard, 2005) Therefore we realized that is was impossible to do a study about dermocosmetics that covered all consumer behavior questions and we had to choose some questions to try to investigate and try to answer. We made that choice based on our investigation on the literature and market researches regarding consume and the dermocosmetics universe, and the topics that seemed to be the most discussed and that appeared to vary depending on the location/type of consumer. And the questions chosen were: (1) Preferences regarding the product origin (2) Preferences regarding the product type (3) What are the major concerns when choosing a product (I.E. esthetics, health etc) (4) On whom/what they rely to make the purchase decision (5) Concern about organic/sustainable products. Wanjari and Waghmare (2015) define three types of dermocosmetics: Skin Cosmeceuticals, Hair Cosmeceuticals and Others. Our study is focused on the skin cosmeceuticals, another term to designate skin care dermocosmetics. More especificaly we chose the feminine public.

1.4. Approach

To do a consumer research it is important to understand that consumer behavior is a very broad field, there are many perspectives that shape this field and it is also a very

interdisciplinary field, therefore when conducting a consumer behavior study we can analyze it from many different perspectives and even choose some in order to give the approach we prefer, so that you we have the most useful diagnosis for us. (Solomon, 2015)

We can roughly divide research orientations into two approaches: Positivist, which just objective as science and emphasizes the consumers rational decision making and the Interpretivist, that stresses the subjective meaning of the consumer's individual experience and the idea that any behavior is subject to multiple interpretations rather than one single explanation (Solomon, 2015). The idea of our study is to focus on the Positivist approach, which is more rational and focus on the practical decision making of the consumers, since this work is mainly to inform organizations and less for academic purposes.

1.5. Structure of the Paper

On chapter 2, you find the theoretical basis of this paper. On this chapter, we start first with definitions of dermocosmetics, and then we approach the industry of dermocosmetics, which includes data of the German and Brazilian markets and a summary of the findings regarding the consumer behavior of these two markets. In the theoretical basis, we approach the five topics of consumer behavior chosen, with information found in bookrs, articles and papers. To enrich this piece empiric experience is gathered in an interview with a specialist, Dr. Luciana Godoi. All these information collected were summarized in a frame of concepts, which leads to specific subtopics that were used to build the questioner of our study, which was applied to a sample of Brazilian and German women. Next, on Chapter 3, we present the methodology of our research. Next, on chapter 4, we present the results of our survey, which includes results of preferences regarding product origin, preferences regarding product type, what are the major concerns when choosing a product, on whom/what they rely to make the purchase decision and their concern with organic/sustainable products. Finally on chapter 5, we present the conclusion of this paper, which summarizes the main differences between the German and Brazilian

markets of dermocosmetics regarding the five topics of consumer behavior found through our investigations and our conclusive survey.

2. THEORETICAL BASIS

2.1. What is a dermocosmetic?

To start the review of the literature, we decided to look for definitions of dermocosmetics, since, even for us, this universe was not very clear and appeared to be quite complex to be defined in our preliminary investigation.

We commonly encountered two terms to designate the category of products addressed in this study: “dermocosmetics” and “cosmeceuticals”. These terms seemed to appear because the relationship and differences between drugs and cosmetics were once scientifically established; as a form to designate a product that combined both medical and aesthetic functions (Morganti, 2008). But still, there is a lot of controversy regarding the origins of dermocosmetics. Raymond Reed, Founder of U.S. Society of Cosmetic Chemists, created the specific word “cosmeceutical”, but the American dermatologist Albert Kligman popularized it in the late 1970’s, saying “Cosmeceuticals recognizes the new reality of skin care products, emphasizing their functional aspects”. However, there are ancient documents of the Egyptians recognizing the health-giving properties of cosmetics. The “Ebers” a medical papyrus wrote in 1600 BC, made frequent allusions to several cosmeceutical-type of products. A favorite formulation was using honey and milk that was claimed to help to cure skin diseases. (Wanjari and Waghmare, 2015). France today is a superpower of dermocosmetics and a very traditional industry for many years, claiming to be the crib of the dermocosmetics in the occidental world, when they started using thermal springs as a form or healing some disorders of the skin and later these properties where proven scientifically. (L’oreal, 2016).

What do they do? “Cosmeceuticals are not simply a traditional cosmetic, but a skin care system that includes active ingredients that create physiological changes in the skin cells to make skin appear younger and/or healthier” (Walters and Roberts, 2008 pg 45). Cosmeceuticals, or Dermocosmetics, are products that combine a cosmetic action with a dermatological action. Dermocosmetic products are formulated to maintain the health and beauty of the skin and hair. They are applied

locally to the skin, scalp and hair. (L'oreal, 2016). Dermocosmetics are products in a branch of dermatology designated to improve the aesthetic features of a healthy skin. (Buendía-Eisman, 2009). They are a combination of cosmetics and pharmaceuticals and focuses on skin care, the treatment of superficial skin disorders such as acne, wrinkles, and redness, among many other conditions (Proximed, 2016). Finally, they differentiate from cosmetics because they contain ingredients that act on the skin cellular structure through topical application with either therapeutic, disease fighting or healing properties (Wanjari and Waghmare, 2015).

Dermocosmetics are recommended by health professionals (doctors, dermatologists, pediatricians, aesthetic physicians and pharmacists) for specific skincare needs. These cosmetics are distributed in traditional healthcare channels such as pharmacies, over-the-counter pharmaceutical stores (parapharmacies), drugstores, clinics or medical treatment spas (MediSpas). (L'oreal, 2016)

To have a better understanding of the universe of products, we present the basic categorization of products presented by Wanjari and Waghmare (2015):
1) Skin cosmeceutical products: facial products and other body lotions such as anti-aging, anti-acne, skin-lightening creams and Mosturizres.
2) Hair cosmeceutical products: Gels, creams and oils such as growth stimulators and powerful reconstruction conditioners.
3) Others: Lipsticks (I.E. with sunscreen protection, moisturizing function), Nail polish (I.E. fortifying properties, anti-allergic).

2.2. The industry of dermocosmetics

Now that we have defined what is a dermocosmetic or a cosmeceutical, we can jump into the investigation about the industry, we believe that a general understanding of the industry nowadays is highly valuable if we want to understand the consumer. Therefore, in this session we will see a more general view about the Dermocosmetics industry, following, a view of the German industry, Brazilian industry and, finally, according to industry data findings, we built a frame presenting some indications of five topics of consumer behavior chosen to be investigated in this study: (1)

Preferences regarding the product origin (2) Preferences regarding the product type (3) What are the major concerns when choosing a product (I.E. esthetics, health etc) (4) On whom/what they rely to make the purchase decision (5) Concern about organic/sustainable products.

The global cosmeceuticals industry was set to enjoy an annual growth of average around 7.7% between 2012 and 2014. In 2014 revenues were 31.8 billion Dollars (Phaiboon-udomkarn and Josiassen, 2014). Dermocosmetics' market grew more rapidly than the cosmetics'. Whereas the global beauty market increased by 3.8%, the dermocosmetics sector experienced a 4.8% growth rate in 2013 (L'oreal, 2016). The dermocosmetics market is still young and is in full expansion. The sector has doubled in just 15 years, jumping from 2.2% to 4.4% of the global beauty market in 2013 (L'oreal, 2016).

Aging population, increasing consumer demand for high-quality products and innovative new products are the key drivers for growth in this industry. The trend is augmented by urbanization and purchasing power in emerging markets such as Latin America and Asia, therefore it is not surprising that pharmaceutical and cosmetic companies are turning their attention to gain foothold inside the emerging markets. (Phaiboon-udomkarn and Josiassen, 2014)

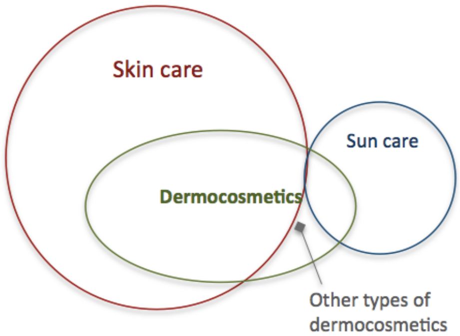
United states is the biggest dermocosmetics' market, in terms of sales, globally. In Europe, Germany is the market leader, followed by France and then Italy and the growth of Emerging Markets has strongly increased dermocosmetics sales in new markets. Brazil is the largest market in Latin America and China in Asia. (L'oreal, 2016)

2.2.1. German market

An Euromonitor (2016) study about dermocosmetics globally has "skin care" and "sun care" as categories that can represent well the dynamic of the dermocosmetics' market. We will be using the skin care category as a proxy to understand the German scenario of players and trends, since the skin care category represents 92.3% of the

global sales of these two categories and there isn't accurate and reliable data available of the universe of dermocosmetics exclusively. Also, it is important to keep in mind that skin care is a classification that stands for more than only dermocosmetics, it also includes some products that belong to the broader classification of cosmetics. See figure 1 to have e better understanding of the classifications. (Euromonitor international, 2016)

Scheme 1: The dermocosmetics' universe



Note: The size of the spheres does not represent proportionally the size of the markets

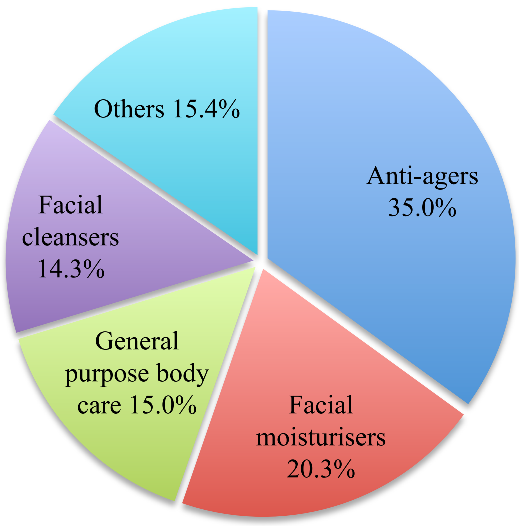
Source: Adapted from Euromonitor (2016)

Skin care sales in Germany increased 2.3% from 2014 to 2015, reaching 3.7 billion Euros and CAGR from 2010 to 2015 was 1.4%. Stressful lifestyles and pollution is causing unwanted effects on facial and body skin thereby supporting stronger growth of the industry. Some categories presented sales grow above the industry average, especially premium products and anti-agers. 2014-2015 premium general-purpose body care grew 5.5%, premium facial moisturizers 4.5%, anti-agers 4.6% (mass and premium), premium skin care sets 3.9% and face masks 2.7% due to grew in popularity as many consumers wanted to create the relaxing atmosphere and the feeling of a spa at home. (Euromonitor, 2016)

The most representative category within the universe of skin care are the anti-agers with 35.0% of sales in 2015, followed by facial moisturizers 20.3%, General purpose

body care 15.0% and facial cleansers 14.3%. See appendix I for full disclosure of sales by category of products. (Euromonitor, 2016)

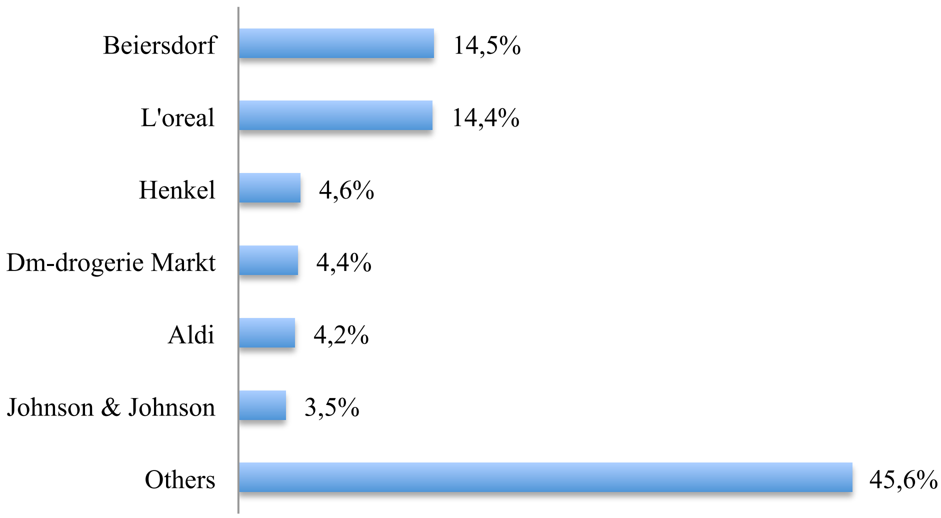
Graph 1: Most representative categories of products within the skin care universe in Germany (2015)



Source: Adapted from Euromonitor (2015)

The German market is composed mostly by German players, followed closely by French companies. The American players are in third position, with a considerable smaller participation. The market has two main players that dispute market attention together with 30% of share, following there are 11 companies with 4.6%-1.1% share and the rest of the market is very disperse, with 1% or less, accounting for more than 50% of the market. The biggest players are Beiersdorf/Nivea (German company), with 14.5% of the market share (2015), L'oreal (French co.), with 14.4%, Henkel (German co.) 4.6%. Although Beiersdorf takes advantage of being recognized as a national brand, L'Oréal profited strongly from the growing demand for its premium brands that mostly fall under that category (their share increased 8.3% from 2011 to 2015, while Beiersdorf grew only 1.4% in the same period). For full disclosure of the players and county of origin, see appendix II. (Euromonitor, 2016)

Graph 2: Skin care market share in Germany (2015)



Source: Adapted from Euromonitor (2015)

Another useful information is the brands' share in the market, since consumers may not associate directly the products to the companies, but instead to their brands. See in Frame 1 the Brands, the company and its share in the market. But it is important to keep in mind that not all of those brands are considered to offer dermocosmetics.

Frame 1: Brands market share in Germany

Brand	Company	Co origin	% share 2015
Nivea	Beiersdorf	DE	8.5
Balea (Private Label)	dm-Drogerie Markt	DE	4.4
Aldi (Private Label)	Aldi Einkauf	DE	4.2
Diadermine	Henkel	DE	3.0
L'Oréal Paris	L'Oréal	FR	2.9
Oil of Olaz	Procter & Gamble	USA	2.6
Rival de Loop (Private Label)	Rossmann	DE	2.5
Vichy	L'Oréal	FR	2.3
L'Oréal Dermo-Expertise	L'Oréal	FR	2.3
Lancôme	L'Oréal	FR	2.2
Nivea Visage	Beiersdorf	DE	2.0
Yves Rocher	Yves Rocher	FR	1.9
Garnier	L'Oréal	FR	1.9
Dove	Unilever	UK	1.8
Florena	Beiersdorf	DE	1.8
Eucerin	Beiersdorf	DE	1.8
Aok	Henkel	DE	1.6
Neutrogena	Johnson & Johnson	USA	1.3
Bebe	Johnson & Johnson	USA	1.3
Clinique	Estée Lauder	FR	1.2
Shiseido	Shiseido	JAP	1.1
Nivea for Men	Beiersdorf	DE	1.1
Juvena	Troll Cosmetics	AUT*	1.0
Linola	Dr August Wolff	DE	0.9
Clarins	Clarins	FR	0.9
Bébé Young Care	Johnson & Johnson	USA	0.8
Biotherm	L'Oréal	FR	0.8
Hormocenta	Hormocenta	DE	0.8
LR	LR Health & Beauty	DE	0.8
Guerlain	LVMH	FR	0.8
La Roche-Posay	L'Oréal	FR	0.7
Others	Others	-	39.9

* AUT = Austria

Source: Euromonitor, 2016

From 2015 to 2020 the skin care industry in Germany is expected to present a CAGR of 0.8%, reaching 3.8 billion Euros in 2020. The fastest expected growth categories are premium skin care sets, with CAGR of 2.6%; face masks, CAGR of 2%; Anti-cellulite body care, CAGR 1.6%; premium acne-treatments, CAGR 1.5%; premium general purpose body care, CAGR 1.3%. (Euromonitor, 2016)

2.2.2. Brazilian Market

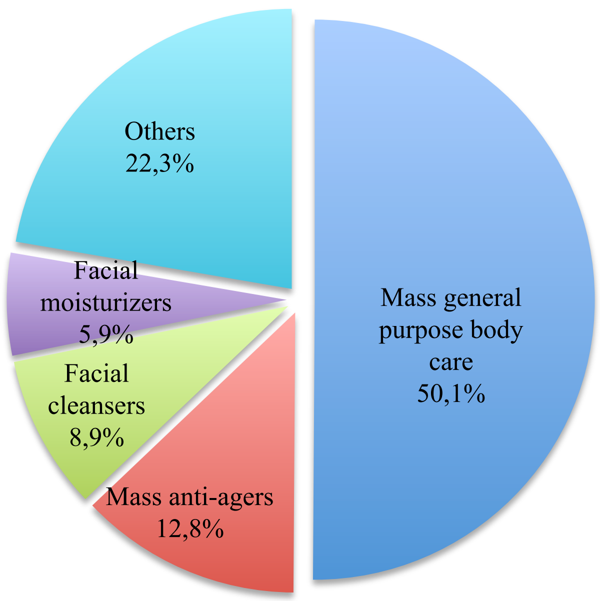
Similarly to what we did with Germany, we will be using the skin care studies from Euromonitor (2016) as a proxy to understand the Brazilian scenario of consumer preferences, players and trends of the dermocosmetics' market (see section 3.2.1 for full explanation).

Although skin care in Brazil consumption declined 3.4% from 2014 to 2015 to 2.36 billion Euros (Using EUR/BRL=4.3, the rate from 31st Dec 2015), due to the impact of IPI taxes increase[1] and also the economy slowdown as a consequence of the political instability, the country has presented a strong growth case along the past years, from 2010 to 2015 CAGR of skin care was 6.1%. The most notable development was in the premium segment of almost all categories. Because 2015 was an atypical year, we will present the results of CAGR from 2010 to 2015: premium acne treatments rose 19.9%, premium firming/anti-cellulite body care 14.9% (while mass firming/anti-cellulite body care fall 18.9%), premium anti-agers 14.0% (while mass anti-agers declined 1.1%), premium skin care sets grew 14.0%, premium general purpose body care 12.4%, premium facial moisturizers 14.0% and facial cleansers 15.4%. (Euromonitor, 2016)

The most representable category within the universe of skin care is the general purpose body care, especially the sub-category of mass general purpose body care, with 50.1% of sales in 2015, followed by anti-agers, especially mass anti-agers with 12.8%, facial cleansers 8.9% and facial moisturizers 5.9%. See appendix III for full disclosure of sales by category of products. Despite the intensive growth of premium products and small growth of mass products or even decay, the mass products are still by far the most representable in sales, whereas in Germany the disparity of premium sales and mass sales is not that big as in Brazil. Furthermore, the Brazilians seem to still be more worried about the body care than the Germans, even though the sale of face care products (specially premium) is increasing rapidly. (Euromonitor, 2016)

[1] Due to a new policy implemented in May 2015 that raised the industrial IPI tax (IPI stands for *Imposto sobre Produtos Industrializados*, which is the Portuguese for Tax on Industrialized Products) on cosmetics wholesalers and producers. These taxes will drive the cost of cosmetics 20% up or more and retail prices were lifted as much as 12% above inflation, according to trade association Abihpec. L'Oreal had raised prices from 15% to 20%. Those price raises affected directly the product sales. (Reuters, 2015)

Graph 1: Most representable categories of products within the skin care universe in Brazil (2015)

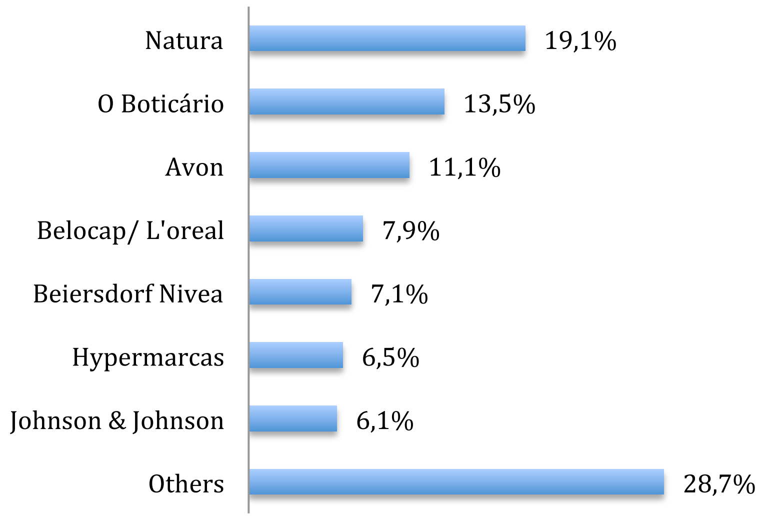


Source: Adapted from Euromonitor (2015)

The Brazilian market has two Brazilian brands in the top sales, followed by many foreign players. The brands with highest shares are less close to the dermocosmetic definition and all the other pulverized international and some few of the Brazilian products are close to the dermocosmetic definition. In 2015 Natura (originaly from Brazil) had 19.1% of the market, O Boticário (Brazil) 13.5%, Avon (USA) 11.1%, Belocap (from L'oreal group) 7.9%, Beiersdorf/Nivea (Germany) 7.1%, Hypermarcas (Brazil) 6.5%, Johnson & Johnson (USA) 6.1%. Natura has been loosing market share mainly to O Boticátio and some other American brands, it went from 26.0% in 2011 to 19.1% in 2015. Beiersdorf, known by Nivea in Brazil, has kept its stability along the last years in forth place, and despite there are so many German companies competitive in Germany, only Beiersdorf is in Brazil. The French players, so strong in Germany, for instance, are also present in Brazil. There are many different companies, besides Belocap (which is L'oreal's Brazilian subsidiary), with significant share in Brazil, there are many other French companies with small share in the market, this small share is mainly because they have a premium price and, although

the premium segment is expending, the mass products, mostly offered by Brazilian and American companies, dominate the market. Also, it is interesting to notice that differently than in Germany, in Brazil, the private retailers brands are very weak, they represented only 0.2% of the market in 2015. For full disclosure of the players and country of origin, see appendix IV. (Euromonitor, 2016)

Graph 4: Skin care market share in Brazil (2015)



Source: Adapted from Euromonitor (2015)

Another useful information is the brands' share in the market, since consumers may not associate directly the products to the companies, but instead to their brands. See in Frame 2 the Brands, the company and its share in the market. But it is important to keep in mind that not all of those brands are considered to offer dermocosmetics.

Frame 2: Brands market share in Brazil

Brand	Company	Co origin	% share 2015
O Boticário	O Botiário	BZ	11.4
Natura Tododia	Natura	BZ	10.0
Avon Renew	Avon Cosméticos Ltda	USA	5.2
Nivea Body	Biersdorf Nivea	DE	4.9
Monange	Hypermarcas	BZ	4.8
La Roche-Posay	Belocap/L'oreal	FR	3.8
Johnson's Baby	Johnson & Johnson	USA	3.7
Sève	Natura	BZ	2.8
Natura Chronos	Natura	BZ	2.4
Vichy	Belocap/L'oreal	FR	1.8
Paixão	Hypermarcas	BZ	1.8
Nivea Visage	Biersdorf Nivea	DE	1.7
Avon Care	Avon	USA	1.7
Natura	Natura	BZ	1.5
L'Occitane	L'Occitane	FR	1.5
Mary Kay TimeWise	Mary Kay	USA	1.4
Clean & Clear	Johnson & Johnson	USA	1.1
Jequiti	Jequiti	BZ	1.0
Avon Encanto	Avon	USA	1.0
Avon Naturals	Avon	USA	1.0
Dove	Unilever	UK	1.0
L'Oréal Dermo-Expertise	Belocap/L'oreal	DE	1.0
RoC	Johnson & Johnson	USA	1.0
Mary Kay	Mary Kay	USA	0.9
Avon Clearskin	Avon	USA	0.8
Active	O Botiário	BZ	0.8
Leite de Aveia Davene	Cria Sim	BZ	0.8
Vasenol	Unilever	UK	0.7
Clinique	Estée Lauder	FR	0.5
Lancôme	Belocap/L'oreal	FR	0.5
Private label	Private Label	-	0.2
Others	Others	-	27.3

Source: Euromonitor, 2016

From 2015 to 2020 the skin care industry in Brazil is expected to present a CAGR of 0.6% reaching 2.44 billion Euros in 2020 (Using EUR/BRL=4.3, the rate from 31st Dec 2015), the slowdown in growth is mainly because of the slowdown in the Brazilian economy in general, which was still expected to be strong in 2016 and 2017, from that year on the prospect for the economy is better. Although Brazil is currently facing a delicate situation in the economy, there is still a good prognostic for the economy after the following two years and despite all that, some categories within the skin care are expected to grow at impressive rates from 2015 to 2020, especially the premium segment and premium and mass acne treatments products: the fastest

expected growth categories are premium skin care sets, with CAGR of 9.4%; premium acne treatments, CAGR of 6.3%; premium anti-agers, CAGR 6.2%; premium facial moisturizers, CAGR 4.0%; premium general purpose body care, CAGR 3.0% ; mass acne treatments, CAGR 3.0%. Furthermore, we will see some contraction in the mass segments of two categories: mass general purpose body care, CAGR -1.5% (which currently represents 50% of the market) and mass face masks, CAGR -0.4%, mainly because, during the recession, the lower classes, which are the heavy consumers of the segment, are more impacted. (Euromonitor, 2016)

2.2.3 Consumer behavior findings trough industry data research

As we described previously, we aim with this study to better understand some points of the Brazilian and German consumer behavior regarding dermocosmetics. And they are: (1) Preferences regarding the product origin (2) Preferences regarding the product type (3) What are the major concerns when choosing a product (I.E. esthetics, health etc) (4) On whom/what they rely to make the purchase decision (5) Concern with organic/sustainable products.

Based on the research on the industry data about skin care, there are some indications about the five topics of study in this work, Frame 3 summarizes the findings based on Euromonitor data, which includes reports from 2016 about both countries, Brazil and Germany. None of these information is conclusive for the study yet, but it helps to understand better what is going on in the market and was valuable to build further tools of investigation for those five specific topics of study listed previously.

Frame 3: Consumer behavior topics of study findings trough industry data research

Consumer behavior topics	Germany	Brazil
1) Preferences regarding product origin	• Germans buy mainly German brands, followed closely by products from French brands. • Possibly they value more the national brands. But French brands are gaining every time more the German consumers preference due to their tradition in the European market.	• Brazilian brands are the national preference, due to the fact that these are mainly offering mass products, the most representative category among consumers preference. • Brazilians also buy from American/British Multinationals, which offer mainly mass products, and from French Brands, which play in the mass and premium segment. • Beiersdorf, the German company, also has good acceptance among consumers, offering both mass and more premium products.
2) Preferences regarding product type	• Consumers are mainly interested in anti-agers, facial moisturizers, general purpose body care and facial cleansers	• Consumers are mainly interested in general purpose body cares, anti-agers, facial cleansers and facial moisturizers

	respectively. • Consumers are every time more interested in premium products and anti-agers, those were the categories with the fastest growth along the last years and, for the next years, they are expected to continue to grow, along with face masks (which are associated to the idea of creating a spa environment at home) and anti-cellulites. • Among premium products' growth, consumers are interested in anti-agers, moisturizers, general purpose body care and skin care sets, they like the system of a multi-step program for optimal skin care and regular regimes, they see it as practical and efficient. • There is a big growth opportunity for premium products, which reside in the development of products with specific functionalities and which target specific body parts. • In contradiction, many	respectively. • The Brazilian woman is highly concerned with the body in all social classes: mass general-purpose body cares represent 50% of the market sales, most of them are used to hydrating the skin, but in general they buy simple formulas at very inexpensive prices. • Facial care is expected to have the most dynamic performance. Acne treatments and anti-agers will help to achieve such a positive performance in the next years. • Consumers are every time more interested in premium products of all categories; those were the categories with the fastest growth along the last years and with the highest growth for the next years (highest than 10%). • Despite the slowdown in the economy and worst perspective for mass products, mass anti-agers penetration is still growing

	consumers are reluctant to pay for premium products and prefer mass products with additional functions and features. • Despite the growing trend towards multiple function products, highly specialized lines, eye serums and products targeting specific conditions also rose in popularity too. • Consumers also want products with high level of individualization and customization (I.E. Cosmetic Kitchen line – sold at dm-Drogeries: display containers that allow consumers to mix a variety of basic ingredients, aromas to create and mix their own body care products). • Products with innovative features is extremely valuable, not only limited to premium products or known brands (dm-Drogarie launched a highly innovative format of its Balea private label body lotion – it's a spray on body	among consumers. • Within anti-agers, there is an increasing consumption of concentrated serums.

	lotion with can be easily applied and transforms itself into a soft moisturizing foam, absorbed quickly and does not leave any oily films or residuals). • Private labels continually grow in acceptance among the mass brands	
3) What are the major concerns when choosing a product (I.E. esthetics, health etc)	• Stressful lives and pollution are factors that are driving consume increase. • Consumers like the idea of creating a spa environment at home. • The functional aspect and effectiveness appears to be the most valuable aspects by consumers, regardless the price category.	• The population in general is worried about ageing and the pre-teens and teenagers are concerned about their aesthetic appearance.
4) On whom/what they rely to make the purchase decision	-	• Specialist opinion is an import factor for consumers to make a purchase decision. • As a proof, brands exclusively focused on dermocosmetics are increasing their penetration in the Brazilian market, partially due to the increasing presence of such brands in

		pharmacies/drugstores and due to the raise of prescription of these products by dermatologists: La Roche-Posay, Vichy and Roc are the most prescribed among dermatologists, and are being benefited from that phenomenon.
5) Concern with organic/sustainable products	• Demand is growing for natural and organic products. Consumers are increasingly conscious and interested in the ingredients of the products, not only for the premium products, also for the private labels.	• Natural and sustainable products have good acceptance among consumers, but for now they are only representative when inexpensive. • Natura is responsible for this reality. They lauch constantly new products targeting the biggest segments of the market such as mass body care and facial skin care. Their campaigns and product innovation is focused to foster the interest of anti-ageing care and general self care in strong alliance to natural and sustainable product properties.

Source: The author's analysis on Euromonitor, 2016

2.3. Five consumer behavior points & application to the dermocosmetics' universe

In this session, we researched academic material mainly for a better explanation of some consumer behavior concepts, including Books, articles and papers.

2.3.1 Preferences regarding the country of origin

Country of origin can be one of the possible heuristics shortcuts; we describe more about these shortcuts in the session 2.4.3 ("On whom/what they rely to make the purchase decision"). The origin of the country may lead to automate associations, positive automate perception, like Italian shoes, German cars, French cosmetics. The country or origin can also weight negatively as the "made in china" tag. And Ethnocentrism refers to the tendency to prefer products of one's own country/culture. (Solomon, 2015)

Product country image was found to be one of the major influential extrinsic factors when determining perceived risks of cosmeceuticals. Potential buyers that are unfamiliar with new brands rely on indirect evidence such as product-country image to infer quality, especially in emerging countries, where cosmeceuticals usage is still relatively new. (Phaiboon-udomkarn and Josiassen, 2014)

In short, when consumers are less able to access quality, either because they have no prior experience with the product or similar, because they do not have knowledge of the brands, or because they did not access a specialist opinion, the application of product country-image image is a useful tool for consumers to gauge its perception of quality and this can influence a lot in the final purchase decision. (Phaiboon-udomkarn and Josiassen, 2014)

2.3.2 Preferences regarding the type of product

According to a study conducted by La Roche-posay in 2002, the most frequent reasons why patients looked for dermatology services were acne, atopic dermatitis, seborrheic dermatitis[2] and alopecia (Hair loss) and 99% of the dermatologists in the study had prescribed some sort of dermocosmetics during the medical appointment. 80% of the patients were prescribed any of these products: dermocosmetic for acne, seborrheic dermatitis, hair loss, products for dry skin, photo protection, sensitive skin, oily skin, hyperpigmentation[3], redness and photo ageing (skin ageing). (Buendía-Eisman, 2009)

2.3.3 What are the major concerns when choosing a product (I.E. esthetics, health etc)

What drives a consumer to buy?

The reasons people purchase any item can vary widely. The identification of consumer motives is an important step to ensure that you know them enough to guarantee that a product can/will satisfy appropriate consumer motives. There is a difference between wanting and needing. Traditional approaches to consumer behavior focus on the abilities of products to satisfy rational needs, which can be called utilitarian motives, but hedonic motives can also be reasons involved on the purchase. (Engel et al, 2005)

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[2] Seborrheic dermatitis is a common skin condition that mainly affects your scalp. It causes scaly patches, red skin and stubborn dandruff. (Mayo clinic, 2014)

3 Hyperpigmentation is a common, usually harmless condition in which patches of skin become darker in color than the normal surrounding skin. This darkening occurs when an excess of melanin, the brown pigment that produces normal skin color, forms deposits in the skin. (American Osteopathic College of dermatology, 2016)

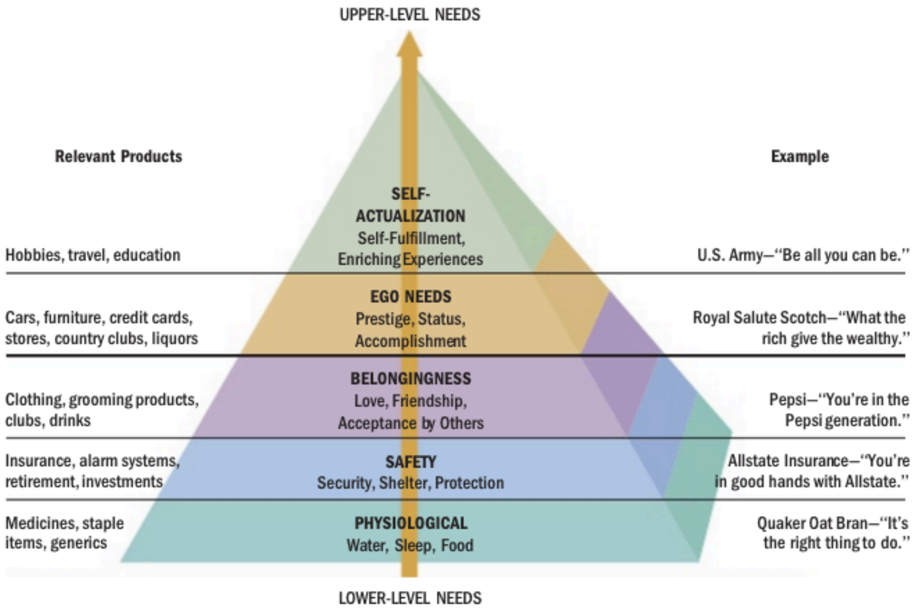
Types of consumer needs

When we talk about utilitarian needs that means that the consumer is interested in the tangible attributes of the product, or in case of a service, the rational aspects offered by it. Those can be measured with, for example, miles per gallon of a car, the amount of fat, calories and protein in a food, the durability of a pair of jeans, the quantity of vitamin C in an anti-age cream, how punctual usually is an airline service. Meanwhile, hedonic needs are subjective and experimental. A hedonic need may be related to provoking excitement, self-confidence or fantasy, for instance. And a product or service can fulfill different needs from both types. (Solomon, 2016)

Psychologist A. Maslow developed a pyramidal scheme of needs that can explain consumer motives. Each level of the pyramid represents a different type of need; some are more utilitarian and some more hedonic. The pyramid is interesting because you can see the different types of consumer demands a product or service can fulfill and how relative these factors can be. Some products may satisfy different parts of the pyramid and in different culture the needs and the placement of the needs within the pyramid can vary. (Solomon, 2016)

Taking into consideration that a dermocosmetic is a mix between a medicine and a cosmetic, notice that medicine is in the base of the pyramid, and fulfill a physiological need, on the other hand, grooming products are in the middle of the pyramid and fulfill a need of belongingness, love, friendship, acceptance by others.

Scheme 3: Maslow's hierarchy of needs



Source: Solomon, 2015, p. 22

Search for innovation and highly effective products

The dermocosmetic industry is characterized by highly competitive marketing strategies and depends on the ability to introduce rapidly new innovative products into the market. Consumers are usually highly interest in new functional features and innovative formulas that promises every time more efficacy and different applications. Usually dermocosmetic consumers are very demanding, since the products are usually not as cheap as a cosmetic and promises medical action. Meaning that they will only remain loyal to a brand/products if they perceive a high level of either functionality/excellence or good cost-benefit, however they are open to change their products from time to time, since they usually seek innovation or are sensitive to it. (Morganti, 2008)

2.3.4 On whom/what they rely to make the purchase decision

Expert opinion to mitigate risk

Expert opinion appears to be a strong influencing factor to reduce and mitigate consumer's perception of risk in the purchase of cosmeceuticals. Studies show that many consumers search for specialist opinion when searching for information about new products and they tend to take the advise of specialists in the final decision-making process. By specialist we refer ideally to Dermatologists, but also other professionals such as plastic surgeons or specialists working in aesthetic centers (Non-doctors). Although those consumers understand that going to a specialist is sometimes an expensive investment, they see cosmeceuticals also as medicines or daily care products with specific medical functions. These products are usually relatively expensive and are worth the investment of using a specialist to make a precise purchase. Furthermore, consumers usually point out the unfamiliarity with product components and the adequacy of skin type as strong reasons to look for a doctor's opinion. (Phaiboon-udomkarn and Josiassen, 2014)

What does a specialist mean?

Firstly, who are the professionals responsible for the cosmetic dermatology? Even though dermatologists should be the specialists considered responsible for cosmetic dermatology, there is a gap between the reality and the ideal. Specialists working in aesthetic centers, capillary treatment centers and also cosmetic surgeons without accredited training are also practicing the role of the dermatologist. The reality is that there is a significant part of the population that does not consider dermatological procedures and advise as an exclusive responsibility of the dermatologists. (Buendía-Eisman, 2009)

"Dermatology was defined as the medical and surgical organ-based specialty that comprises the skin, skin appendages, mucous membranes and associated external

structures." (Buendía-Eisman, 2009, p.87) This definition covers all aspects of skin care, such as prevention and treatment of ageing and imperfection corrections. Therefore, dermatology comprises cosmetic dermatology, and the use or prescription or dermocosmetics. The demand of cosmetic dermatology has grown in proportion to the development of the welfare of the society and the population ageing, according to market studies. (Buendía-Eisman, 2009)

Persuasive expert instead of celebrity advertising

Empirical evidences show that when it comes to healthcare products, the effect of a persuasive expert is stronger than celebrity advertising. They perceive experts as the ones with knowledge enough and reliability to help them choose, while celebrities do not have the qualifications required to advise, mainly because cosmeceuticals are viewed as medicines and are potentially risky because they may have direct consequences on consumers's skin health and self image. Although brand advertisement and the image of celebrities may help the consumers to recognize a brand, most likely they will not make their product choice based on that, but it may influence them on putting the brand in question for further investigations. (Phaiboon-udomkarn and Josiassen, 2014)

Brand image reduces consumer's perceived risk

According to Phaiboon-udomkarn and Josiassen (2014), even though cosmeceuticals' brand image has a smaller influence in the mitigation of perceived risk for consumers when compared with expert opinion and product of origin country image, consumers are more likely to have confidence in a familiar brands and that can be an additional factor for the purchase decision. Similarly, studies show that consumers prefer buying from a well-known drugstore brand rather than from a supermarket or hypermarket.

Empirical results suggest that consumers value mostly innovation and efficacy in a brand. Thus brand managers should emphasize innovations such as new active ingredients, new formulations and new technology in the production to differentiate their brand from the competitors and create a strong brand image. (Phaiboon-udomkarn and Josiassen, 2014)

Heuristics: mental shortcuts

Solomon (2015) describes that there are also “mental rule-thumbs”, or shortcuts that influences the consumption decision and give some fast direction to it. Sometimes these shortcuts may not be in the best consumer interest. And they can help or not a company. In Frame 4, there are some of the possible heuristics.

Frame 4: Heuristics: mental shortcuts

Covariation	When the consumer is impressed positively by the appearance of the product and influenced to purchase because of it, while deviate his attention to functional aspects of the product.
Country of origin	The origin of the country may lead to automate associations, positive automate perception, like Italian shoes, German cars, French perfumes. The country or origin can also weight negatively as the “made in china” tag used to have in the past. And Ethnocentrism refers to the tendency to prefer products of one’s own country/culture.
Familiar brand names	Sometimes just by knowing a brand, its prestige, or knowing a previous product you used from that brand, leads you to choose it without putting a lot of effort into the decision process.
Higher prices	Many people assume that higher-priced alternatives refer to better quality.

Source: The author based on Solomon, 2015 material

2.3.5 Concern with organic/sustainable products.

Rosa Chun (2016) published an article were she studies the relationship between consumers loyalty and their perception to the company's corporate social responsibility (CSR). She uses the company The Body Shop as a case to conduct that study. The Body shop is a cosmetic and skin care brand that has in its core values to be social and ecological responsible and defines its products as "natural, ethically produced beauty products" (The Body Shop, 2016). The study concludes that the citizenship image of the brand influences consumers brand identification, consumers' loyalty can increase if there is a more empathy towards the brand and empathy can be increased in the case of CSR-Brands. (Chun, 2016).

Another study, conducted by Kim & Chung (2011) in the United States about the consumer purchase intention for organic personal care products, revealed that one of the strongest influences of a consumer's intention of buying organic personal care products is their past experiences with other organic products, which means that there is an evidence of an organic lifestyle that reflects individual's consumption patterns and this lifestyle and patterns can be higher in some societies.

A research made by Dragan and Petrescu (2013) in Romania about consumer behavior regarding organic & natural skin care products showed that age is an important factor to the preference for organic skin care products. In this study it was noticed that organic skin care products were most often bought by people aged between 20-30 and 31-40 years and rarely purchased by people aged between 51-60 and over 60 years. "Therefore, organic skin care products are mostly preferred by people between 20 and 40 years of age possibly due to their higher interest in their appearance and their wish to be up to date with the latest research, discoveries and solutions for maintaining their beauty and health." (Dragan and Petrescu, 2013, p. 280)

2.4. Empirical experience of a specialist

And to complement the academic findings, we interviewed a Brazilian dermatologist, Dr. Luciana Godoi, a dermocosmetics expert with experience with Brazilian and European patients, to complement our theoretical basis. For her brief professional description and the full transcript of the interview please see appendix V.

2.4.1 Preferences regarding the country of origin

According to specialist Dr. Luciana Godoi (for full transcription of the interview please see appendix V), she prescribe products with different origins, that depends a lot on what type of products are requested, for what type of skin etc. She says that the French products are very good and that there is a good variety, for all skin types and different conditions. L'oreal, for instance, has different lines: La Roche-Posay, Vichy, skinceuticals. "The patients usually like them a lot. Even though they are not cheap here, they last long and patients are happy because they can see results. In general, French products have a good reputation among patients. But there are also great Brazilian brands with great quality products and I prescribe them too. Gaderma and Mantecorp, for instance. They are highly effective and usually patients are amazed when I tell them that these are national brands. Patients still have the idea that foreign brands are better. But once they see results, they don't care about the origin of the product and are quite happy to know that they can find good products in their home country.".

2.4.2 Preferences regarding the type of product

Acording to Dr. Luciana Godoi, women usually look for anti-ageing products, every time she sees younger girls already concerned about it - in their early 20`s; women ask her opinion about proper sunscreen for their skin type; bleaching agents for marks caused by excessive sun exposure; proper moisturizers; serums. "I would say that in general women are very concerned about ageing, mark expressions and of course acne. Brazilian women usually have a more oily facial skin; therefore they ask me products that don't leave the aspect of oil. They usually prefer gels and lotions with a

water base. There is also a lot of demand for products for the body: moisturizers, anti-cellulites. It is very common too for them to ask me for products that can help to reduce measures, get rid of localized fat and stretching marks.”

2.4.3 What are the major concerns when choosing a product (I.E. esthetics, health etc)

In the interview with the Brazilian dermatologist Dr. Luciana Godoi (2016), she explained that because dermocosmetics are a mix between a cosmetic, which is usually related to fulfilling an esthetic need, and a medicine which is usually related to a medical/functional need, the dermocosmetic is in between the two roads, and the concerns can vary a lot among users. “I see many patients who claim they want to look more beautiful, younger, healthier, use a product that treats a small disorder, the type of claim vary a lot.” Dr. Godoi treats patients not only from Brazil, and is regularly attending symposiums abroad. When we asked her if she notices any difference among different nationalities, she says that there surely is, “Brazilians are extremely concerned about the appearance of the skin, hair, every single detail you can imagine, they go to us, dermatologists, mainly because they want to look young and beautiful. They want products that will attend these demands, but that does not mean they do not demand products that function well, our patients want to see results, they are very demanding regarding the functionality. On the other hand, when I go so symposiums abroad I talk to other professionals mostly in Europe who say that patients usually go to them because they have a disease, because they are concerned about skin cancer, unusual spots or marks etc. In my clinic I would say that 80% of the women I see are after fulfilling esthetic needs.” (Godoi, 2016)

2.4.4 On whom/what they rely to make the purchase decision

Brazilians look more for specialist opinion than Europeans

Dr. Luciana Godoi (2016) told us she had already attended foreign patients that were living in Brazil, or that recently moved to the country and revealed her that they had never been to a dermatologist before. “That seems to be common in some countries in

Europe and that has nothing to do with not being able to afford a doctor, it seems to be more related to the culture. Also they comment how they are impressed by the fact that Brazilians are so concerned about their appearance and health. Two patients once even told me they felt guilty by not having the same care and decided to go to a consultation with a specialist, while they used to see Brazilians regularly seeing specialists.". She has the impression that it is more common for Brazilians to look for doctor's opinion to buy dermocosmetics.

2.4.5 Concern with organic/sustainable products.

Finally we asked Dr. Luciana Godoy (2016) about the trend of organic and sustainable products (for the transcription of the interview please see appendix V). She says that she believes that there is a global trend and many cosmeceutical brands are going towards that direction. "Natura is the perfect Brazilian example of a brand that was able to create a line of dermocosmetics (Natura Chronos) that has the DNA of the brand: the organic and sustainable (social and eco-friendly) appeal and is still a good cost/benefit dermocosmetic for the mass. They are definitely a case of success here in Brazil". But, even though Natura is an interesting case, there are still not many patients in Brazil that ask her about the level of sustainability of the products prescribed by her. "On the other hand, I have had patients, mostly foreigners that demanded me to prescribe only organic products. There are some examples of foreign brands that offer organic products, such as the Greek brand Korres." But for premium/highly functional brands she does not see a great variety of brands that offer good options to the consumers. "You still have to dig for products that are sustainable/organic and that function well (…) but a good sign towards that trend is that animal testing for cosmetics was recently forbidden in Europe[4]. My personal

[4] The Cosmetics Directive provides the regulatory framework for the phasing out of animal testing for cosmetics purposes. Specifically, it establishes: Testing ban – prohibition to test finished cosmetic products and cosmetic ingredients on animals; Marketing ban – prohibition to market finished cosmetic products and ingredients in the EU which were tested on animals. The same provisions are contained in the Cosmetics Regulation, which replaced the Cosmetics Directive as of 11 July 2013.
The testing ban on finished cosmetic products applies since 11 September 2004; the testing ban on ingredients or combination of ingredients applies since 11 March 2009. The marketing ban applies since 11 March 2009 for all human health effects with the exception of repeated-dose toxicity, reproductive toxicity, and toxicokinetics. For these specific health effects, the marketing ban applies since 11 March 2013, irrespective of the availability of alternative non-animal tests. (European comission, 2016)

guess is that the European women are more concerned about this issue than Brazilians."

2.5. Frame of concepts

After digging into the five points of consumer behavior chosen to investigate the consumer preferences regarding dermocosmetics, we were able to find some specific information/concepts about the dermocosmetics' universe as a whole. Therefore we built a frame that summarizes this information. This frame was created using the information found in chapter 2.2 (The industry of dermocosmetics), which was built with information about the industry mainly from Euromonitor studies and data and chapter 2.3 (Five consumer behavior points & application to the dermocosmetics' universe), built with information found in books, articles and 2.4 (Empirical experience of a specialist) with the contribution of our specialist Dr. Luciana Godoi. Although we could not find much precise and specific information about Germany and Brazil, this frame was useful for us to give direction to further investigation, and we applied those concepts in the next chapter, where we describe the methodology to apply a study directed to the German female public and the Brazilian female public.

Frame 5: information/concepts found in the theoretical investigation, industry data research and empirical experience of a specialist

Consumer behavior topics	Discovery from the theoretical investigation and empirical experience of a specialist	Author
1) Preferences regarding product origin	Country of origin can be one of the heuristic shortcuts and may lead to positive or negative associations (i.e. German cars, French cosmetics, “Made in china”). Ethnocentrism is also possible (tendency to prefer products from the own country/culture)	Solomon (2015)
	Product country image association is one of the most useful influential extrinsic factor for consumers of dermocosmetics, especially in emerging countries, where cosmeceuticals usage is relatively new. It is a useful tool when consumers do not have enough information about the brands, when they did not have previous experience with the products, when they do not have knowledge of the features and components or because they did not have access to specialist’s opinion	(Phaiboon-udomkarn and Josiassen, 2014)
	She prescribes products from different origins, since there are products with different features from each country. She prescribes a lot of French brands, since they are usually highly effective and have good acceptance among the patients. She also advises to patients Brazilian brands, as there are some very effective ones. Brazilians usually do not know the existence of these brands, but are	Dermocosmetics expert/Dr. Luciana Godoi

	very satisfied with them after their usage.	
	Most likely Germans prefer national brands, but French brands are gaining consumer taste due to their tradition in the European market. This supposition is based mainly on the fact that Germans buy mainly products from German brands, followed closely by French brands.	Euromonitor (2016)
	In Brazil, national brands are the national preference, since they offer mainly "mass" products (the most representative category in the market). Brazilians also buy from British/American brands (mainly for the mass); French brands (in the mass and premium segment; and German brands, mainly Beiersdorf/Nivea (in mass and premium segment).	Euromonitor (2016)
2) Preferences regarding product type	A study conducted by La Roche Posay, showed that dermatologists' patients looked manly to treat acne, atopic dermatitis, seborrheic dermatitis and hair loss. 80% of the patients were prescribed any of these products: dermocosmetics for acne, seborrheic dermatitis, hair loss, dry skin, photo protection, sensitive skin, oily skin, hyperpigmentation, redness and skin ageing.	(Buendía-Eismaman, 2009)
	In Brazil women look for mainly anti-ageing products; they ask her opinion about proper sunscreen for their skin type; they are prescribed bleaching agents for marks caused by excessive sun exposure; proper moisturizers; serums; acne treatments. They prefer gels and lotions with a water base,	Dermocosmetics expert/Dr. Luciana Godoi

	since women in Brazil have more oily skin. There is also a lot of demand for products for the body: moisturizers, anti-cellulites, measure reducers & stretching marks treatments.	
	In Germany, the consumers are mostly interested in anti-agers, facial moisturizers, general purpose body care and facial cleansers respectively. Premium products and anti-agers are the categories with the fastest growth in the market and that is expected to continue. Premium products with highly specific functionalities targeting specific body parts are gaining momentum. In contradiction, many consumers are reluctant to pay for premium products, and prefer mass products with additional functions. Consumers value a lot products with high level of individualization and customization. The German woman is strongly after innovative products.	Euromonitor (2006)
	In Brazil, the consumers are mostly interested in general purpose body cares, anti-agers, facial cleansers and facial moisturizers repetitively. The Brazilian woman is highly concerned with the body in all social classes. General-purpose body cares represent 50% of the market sales of skin care. For the next years, facial care is expected to have the most dynamic performance, especially acne and anti-agers. Consumers are every time more interested in Premium products of all categories, they are the ones with the fastest	Euromonitor (2016)

	growth along the last years and with expectation of growth highest than 10% in the next years.	
3) What are the major concerns when choosing a product	There is a difference between wanting and needing. There are rational needs, so called utilitarian motives and hedonic motives. Utilitarian needs are related to functional attributes (i.e. quantity of a substance in a product) and a Hedonic need is subjective, and can be for example related to provoke excitement, self- confidence or fantasy.	(Engel et al, 2005) (Solomon, 2016)
	Maslow's hierarchy of needs: from most basics to most complex and abstracts needs, or from need to want: Physiological needs (water, sleep, food), Safety needs (security, shelter, protection), Belongingness needs (Love, friendship, acceptance by others), Ego needs (Prestige, status, accomplishment) and Self-actualization (self-fulfillment, actualization).	(Solomon, 2016)
	The dermocosmetics' industry is highly competitive; therefore, companies must innovate constantly. Consumers are after innovative products, high functional features, a lot of efficacy or good cost- benefit, since products are usually not cheap.	Morganti (2008)
	Because dermocosmetics are a mix between a cosmetic and a medicine, the patients' needs are mixed with functional and aesthetic needs. Dr. Godoi thinks Brazilians are more concerned with the aesthetics/appearance than Europeans, but are still very demanding regarding functionality and Europeans are	Dermocosmetics expert/Dr. Luciana Godoi

	more concerned with the heath, therefore to treat and prevent skin disorders.	
	In Germany, stress and pollution are concerns that are driving consume up. Consumer like the idea of creating a spa environment at home. The effectiveness and the functional aspects of products seems to be the most important aspects, regardless the price category.	Euromonitor (2016)
	In Brazil, population in general is worried about ageing and pre-teens and teens are concerned mainly about their aesthetic appearance.	Euromonitor (2016)
4) On whom/what they rely to make the purchase decision	Experts' opinion is a strong influencer to reduce and mitigate consumer's perception of risk when consumers purchase cosmeceuticals. By specialists we refer ideally to dermatologists, but there are also other doctors such as plastic surgeons, or non-doctors in aesthetic clinics recommending products. One of the reasons for people to look for specialists' opinion is the fact that these products are relatively expensive and are worth the investment for making a precise and based purchase. Consumers point out the unfamiliarity with the components and the adequacy of type of skin as strong reasons to look for specialist opinion.	(Phaiboon-udomkarn and Josiassen, 2014)
	When if comes to health care products, celebrities are perceived by consumers to not have the qualifications required to advise. Although brand advertisement and the image of celebrities may help the consumers to	(Phaiboon-udomkarn and Josiassen, 2014)

	recognize the brand, but the chances of them choosing a product because of the celebrity is low.	
	Even though cosmeceuticals' brand image has a smaller influence in the mitigation of perceived risk for consumers when compared with expert opinion and product of origin country image, consumers are more likely to have confidence in a familiar brands and that can be an additional factor for the purchase decision.	(Phaiboon-udomkarn and Josiassen, 2014)
	There are sometimes mental shortcuts to give fast direction to the purchase decision, called heuristics. The mental shortcuts are: Covariation (when the consumer is positively impressed by the appearance of the product, deviating his attention from functional aspect), Country of origin (described in item 1), Familiar brand names (brand name and prestige) and Higher prices (when people assume that higher-priced products refer to better quality.	(Solomon, 2015)
	Dr. Godoi has the impression that going to a dermatologist to get opinion about dermocosmetics is more frequent for Brazilians, whereas, in many European countries, people resort to dermatologists only when they have a skin disorder, or something more sever.	Dermocosmetics expert/Dr. Luciana Godoi
	In Brazil, specialist opinion is a very import factor. The raise of prescription by dermatologics of brands exclusively focused	Euromonitor (2016) data

	on dermocosmetics, such as La roche Posay, Vichy and Roc resulted into an increase of their penetration in the market.	
5) Concern with organic/sustainable products	The company of skin care The Body Shop was used as a case for a study. The study concluded that citizenship image of the brand influenced consumers' brand identification, loyalty and empathy.	(Chun, 2016)
	A study in the United States about organic personal care products revealed that one of the strongest influential factors for a consumer to buy these type of products is their past experience with organic products, meaning that there is an evidence of an organic lifestyle. And in some societies the existence of this "sustainable lifestyle" is stronger.	(Kim & Chung, 2011)
	A research about consumer behavior regarding organic & natural skin care products showed that age is an important factor to the preference for organic skin care products. Organic skin care products are mostly preferred by people between 20 and 40 years old.	(Dragan & Petrescu, 2013)
	There is an incipient (global) trend towards organic/ecofriendly products. Even tough we have Natura Chronos, a case of success in Brazil; Europeans seem to be already more concerned about this issue than Brazilians and demand more these proprieties. There is still not a great availability of organic/ecofriendly highly functional products in the market, especially in Brazil.	Dermocosmetics expert/Dr. Luciana Godoi

	In Germany, demand is growing for organic and sustainable products. Consumers are increasingly conscious and interested in the ingredients of the products, not only for the premium products, also for the private labels.	Euromonitor (2016) data
	In Brazil, Natura, a social and eco-friendly company, has the biggest share in the market for skin care in general and they have a line of dermocosmetics (Natura Chronos). Their campaigns have a strong appeal to naturalness and sustainability of products, which seems to have a great acceptance among consumers. But natural/sustainable products' purchase is representative only when inexpensive.	Euromonitor (2016) data

Source: the author with all the information collected in the Theoretical Basis and the Empirical experience of the specialist Dr Luciana Godoi

3. METHODOLOGY

3.1. Explanation of the methodology

Frame 5, with a summary of all the concepts/information raised in the Theoretical Basis session, presents a better view of the five main topics to study, but it contains information about the dermocosmetics' universe in general or only suppositions about the German and Brazilian universes, nothing extremely reliable. We took into consideration these discoveries to build a research to investigate the Brazilian and the German consumer specifically and more trust wise.

The method of investigation chosen was the descriptive research though a survey, defined by Malhotra (2010) as a method of obtaining information based on questioning respondents, where respondents are asked a variety of questions regarding their preferences, behavior attitudes, demographic and lifestyle characteristics. The questionnaire is mostly structured, meaning that the majority of answers are multiple choice.

We chose this method, as Malhotra (2010) highlights, due to its many advantages, for instance, a questionnaire is simple to administer, the data obtained is reliable, because respondents are limited to the alternatives stated, the fixed-response questions reduces the variability of results and finally, the coding, analysis and interpretation of the data is simpler.

The survey can be applied in many forms. We decided to apply it online, using a web survey application. This way it is easy to disseminate the questionnaire to the correct public and more practical and friendly to analyze the data, besides the fact that, since there is no face-to-face interaction, the respondents feel free to answer what they think, due to anonymity.

The target populations are German and Brazilian women from 25 to 40 years old, and we assume they have similar acquisition power, middle-high class, due to the characteristics of the groups of dissemination. We used convenience sampling. The

Survey was disseminated in the Internet on Facebook friends groups and on the group of CEMS students, who were also asked to scatter the survey to their families and acquaintances. Convenience sampling is the least expansive and time consuming and most accessible, easy to measure and cooperative (Malhotra, 2010, p. 345). We applied the questioner to 72 Brazilian women to reach a valid sample of 50 Brazilian women and 50 Brazilian women, and applied the questioner to 68 German Women to reach 50 valid answers; n=50 in each population, we discarded questionnaires with incomplete answers and not within the age restriction.

But it is important to take into considerations some of the limitations of this study. We had to use a viable size sample that was possible for us to reach; ideally the size sample could be larger. The method of Sample of convenience is very practical for the study and makes it more feasible, but it may brings some bias, per say, Cems students and their network are usually have an opinion of a certain elite.

3.2. Research Method Design – building the questionnaire

Based on the Frame 5, we selected/organized more specific subtopics in order to formulate questions for the survey. The result was Frame 6.

Frame 6: Building the survey questions

Consumer behavior topic	Subtopic derived from the theoretical investigation/empirical experience	Questions: application in the questioner
1) Preferences regarding product origin	What are the preferred country of origin of products	Do you buy products from which countries/origin?
	Positive or negative association of a product to a country (Heuristics)	Is there a country that comes to your mind when you think of good quality dermocosmetics?
	Ethnocentrism	Do you value more/ make an effort to buy more from national brands?
2) Preferences regarding product type	Preferred categories of products	What type of products do you use?
	Aspect of the product	What is your preference regarding the products' texture?
3) What are the major concerns when choosing a product	Presence of utilitarian motives or hedonic motives (functional/health or aesthetics) & the Maslow's hierarchy of needs (Physiological, Safety, Belongingness, Ego and Self-actualization)	Scale from 1 to 3 the most important reasons for you to use a dermocosmetic (1 being the most important, and 3 the less)
	Interest in new products	How interested are you in new dermocosmetics, dermocosmetics with

		innovative features and functions?
4) On whom/what they rely to make the purchase decision	Expert opinion	Do you seek a specialist (dermatologist or other doctor) to refer to you dermocosmetics?
		How many times did you go to the dermatologist during the last 5 years?
	Other influencers: brand, relatives & friends, advertisement, celebrities etc.	Who/what do you trust when making a decision to buy a specific product or brand?
5) Concern with organic/sustainable products	Interest for organic/sustainable products	Do you purchase organic/sustainable dermocosmetics?
		Would you wish to purchase more?
	Availability	Do you find easily organic/sustainable products/brands?
	Monetary value of organic/sustainable properties	How much more would you pay for an organic/sustainable dermocosmetic or brand?

Source: the author

For the full questioner please see appendix 6.

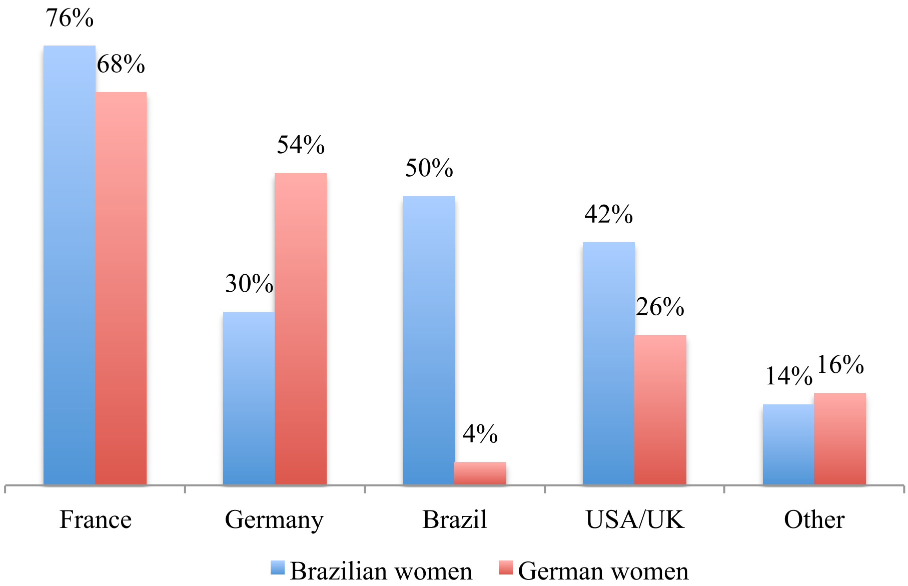
4. RESULTS OF THE SURVEY

For the results, we took into consideration the responses of the selected sample of 50 Brazilian women and 50 German women between the ages of 25 and 40 that consumed dermocosmetics. For that we interviewed a larger sample, 72 Brazilian women and 68 German women, but selected only these 50 and 50 valid answers to come to our findings. The age distribution was more or less similar; therefore we believe the samples are comparable. For the Brazilian results, we had 52% women aged between 25 and 32 and the remaining aged between 33 and 40. For the German results, 60% were aged between 25 and 32 and the remaining 40% from 33 to 40 years old. For the raw and full results of the survey please see Appendix VI and VII. Next there are the findings regarding the five topics of investigation.

4.1. Preferences regarding product origin

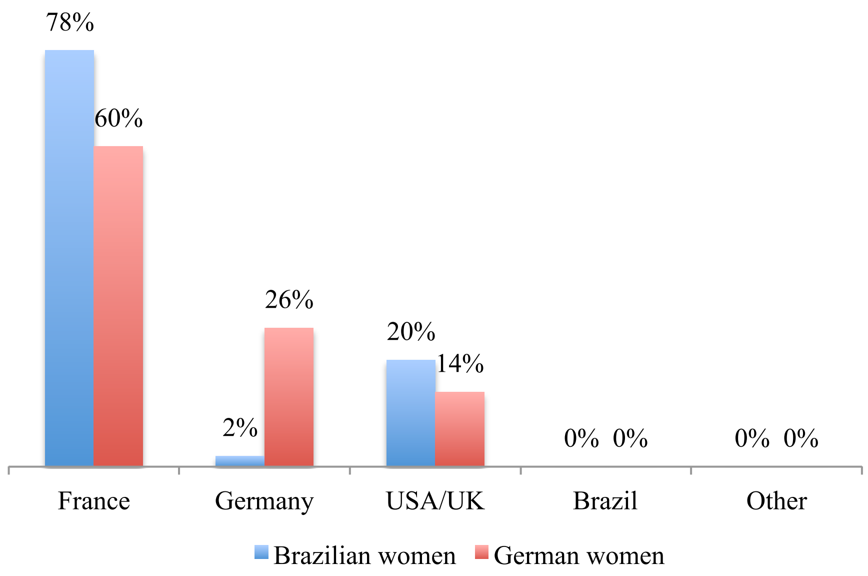
Our research showed that Brazilian women from our sample buy mostly French brands, 76% of the sample, followed by Brazilian brands, 50% of our sample. Then 42% of the respondents buy products from brands from USA/UK, 30% German brands and 14% buy from brands from other origins, as Asiatic or from other European counties. The German women also buy mostly products from French Brands, 68%, followed by national brands, 54%. Then the other countries have a lower weight in their purchase compared to the Brazilian women. Products from USA/UK come in third with 26% of the purchases and other origins represent 16% and two women, 4%, said they purchase products from Brazilian brands. See Graph 5.

Graph 5: Do you buy from brands of which counties/origins?



The market success of the French brands both in Brazil and Germany can be also explained with the positive heuristic association between dermocosmetics and France. When women were asked what country came to their minds when they thought of good quality dermocosmetics, of the Brazilians, 76% responded France, while 60% of the Germans responded France. Germans also associate positively Germany, 26% responded that Germany comes to their mind when thinking of a good quality dermocosmetic. Meanwhile, no Brazilian said that Brazil came first to their minds. The image of Brazilian dermocosmetics is also not popular among Germans, no one appointed Brazil. In Brazil, the second origin most associated with good quality dermocosmetics were USA/UK, with not so representative 20% of the responses, and Germany came in third with only 2%. In Germany, After France and Germany itself, USA/UK had 14% of the answers. See Graph 6.

Graph 6: What country comes to your mind when you think of a good quality dermocosmetic?



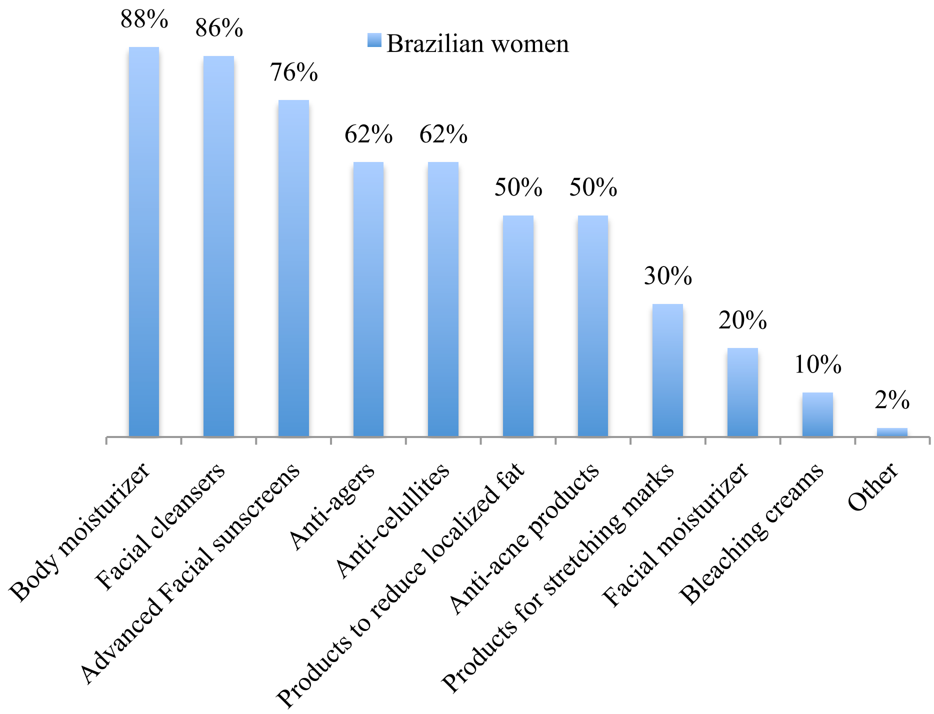
Regarding ethnocentrism, it became evident that this helps German brands have more popularity among Germans. 66% make an extra effort to buy from national brands. Meanwhile, this does not happen in Brazil. Only 24% of Brazilian women said they made an extra effort to buy from national brands.

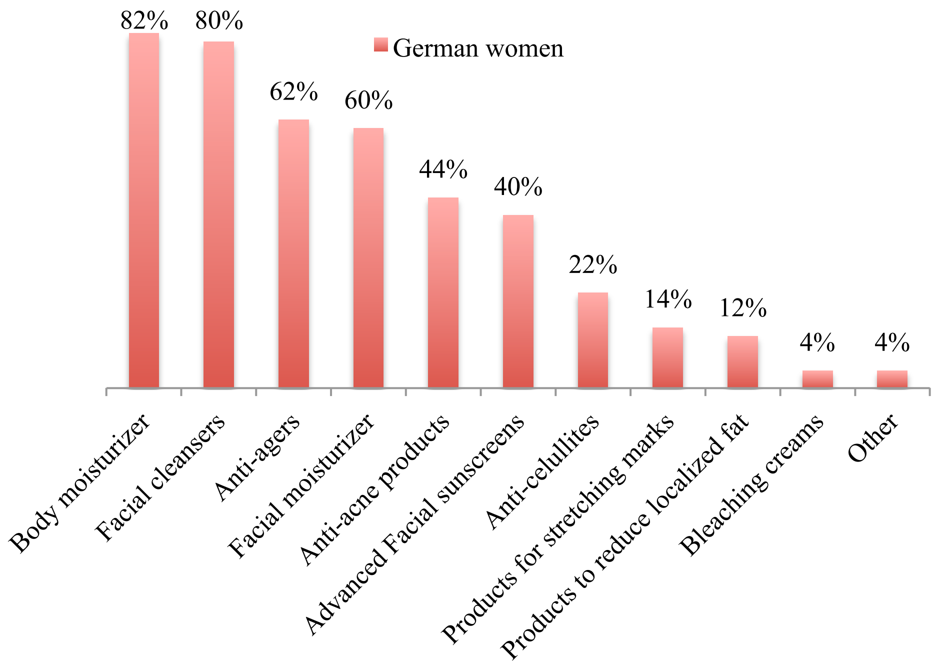
4.2. Preferences regarding product type

Our study showed that Brazilian women that use dermocosmetics use more types of dermocosmetics and are more concerned with the body and the sun exposure than German women. And despite this last fact, both are equally concerned with ageing. While the Brazilian women make strong use of advanced facial sunscreens combined with the anti-agers, the German women make a lot of use of Facial moisturizers combined with anti-agers. There is also a significant part of both populations concerned with acne. Of the Brazilian sample, 88% use body moisturizer, 86% facial cleansers, 76% Advanced facial sunscreens, 62% anti-agers, 62% anti-cellulites, 50% products to reduce localized fat, 50% anti-acne products, 30% products for stretching marks, 20% facial moisturizers, 10% bleaching creams and 2% other dermocosmetics.

Of the German sample, 82% use body moisturizers, 8% facial cleansers, 62% anti-agers, 60% facial moisturizers, 44% anti-acne products, 40% advanced facial sunscreens, 22% anti-cellulites, 14% products for stretching marks, 12% products to reduce localized fat, 4% bleaching creams and 4% other products. See Graphs 7.

Graphs 7: What type of products do you use?





Furthermore, the preference regarding the texture is different between the two countries, possibly because of difference in the skin types and the climate. In Brazil,

76% of women prefer fast absorbing products and with a dryer touch. Meanwhile, 52% German women prefer products with a more moisturizing texture.

4.3. What are the major concerns when choosing a product

There is a strong difference between the concerns of Brazilian women and German women when using a dermocosmetic. Our study proved that Germans have more utilitarian motives for using dermocosmetics, and Brazilians more Hedonic motives than the Germans. 74% of German rated as the most important reason to use dermocosmetics their concern about heath and the health of their skin, 26% rated the most important reason their wish to look more beautiful and young and the wish to have a skin looking that and no one rated in first place they cared about other people's perception of how they care of themselves, 96% of women put this reason in third place. Finally 72% of German women placed in second their wish to look more beautiful and young. Meanwhile, 54% Brazilian women ranked in first place their wish to look more beautiful and young as a reason to use dermocosmetics and 46% their concern about their health/health of their skin. Consequently the second most significant reason for 52% of Brazilians was the concern with their heath/health of their skin and for 44% their wish to look more beautiful and young. Exactly like Germans, 96% Brazilians put in third place as a reason their care about other's people perception of how they take care of themselves. See Frame 7.

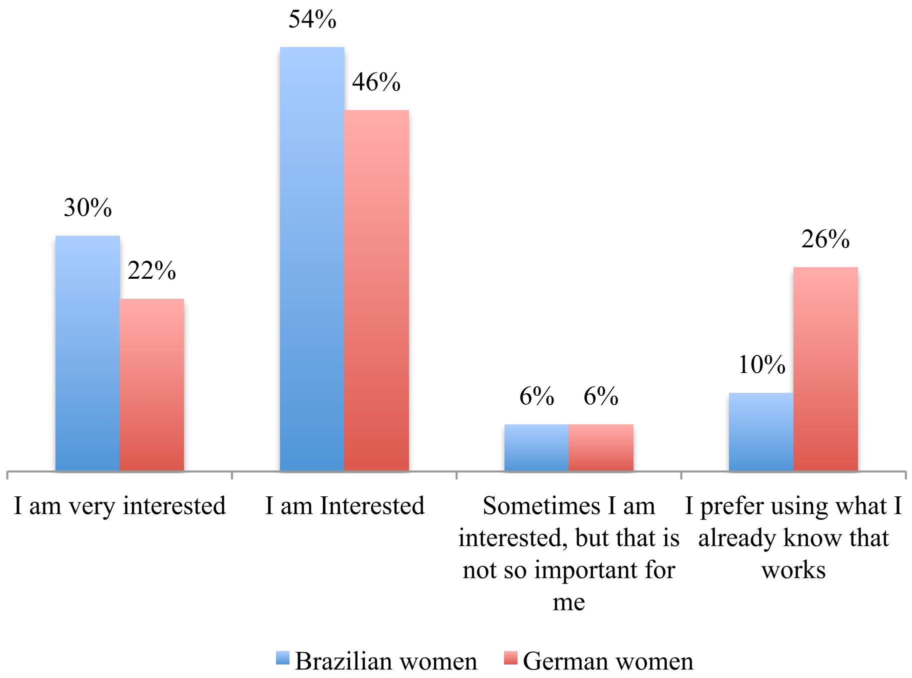
Frame 7: Scale from 1 to 3 the most important reasons for you to use a dermocosmetic (1 being the most important, and 3 the less)

	Brazil			Germany		
Scale 1>3	1	2	3	1	2	3
I am concerned about my health/the health of my skin	46%	52%	2%	74%	24%	2%
I want to look more beautiful and young/I want my skin to look that way	54%	44%	2%	26%	72%	2%
I care about people's perception of how I take care of myself	0%	4%	96%	0%	4%	96%

Furthermore, Brazilians are more interested in new dermocosmetics, dermocosmetics with innovative features and functions than Germans, even though both are quite

interested. But there is a significant share of German women who are more conservative and use what they already know that works. 84% of Brazilian women said they are interested or very interested in new dermocosmentics, with innovative features and functions and only 10% said they prefer using what they already know that works. 68% of German women are interested or very interested in these new dercomosmetics and a portion of 26% prefer sticking to the old habits. And 6% of both populations, are interested sometimes, but it is not an important factor. See Graph 8.

Graph 8: How interested are you in new dermocosmetics, dermocosmetics with innovative features and functions?



The Graph above is self explanatory and it shows that Brazilian are more interested to see new products, while Germans are interested in innovation in a lower scale, but also appreciate tradition,

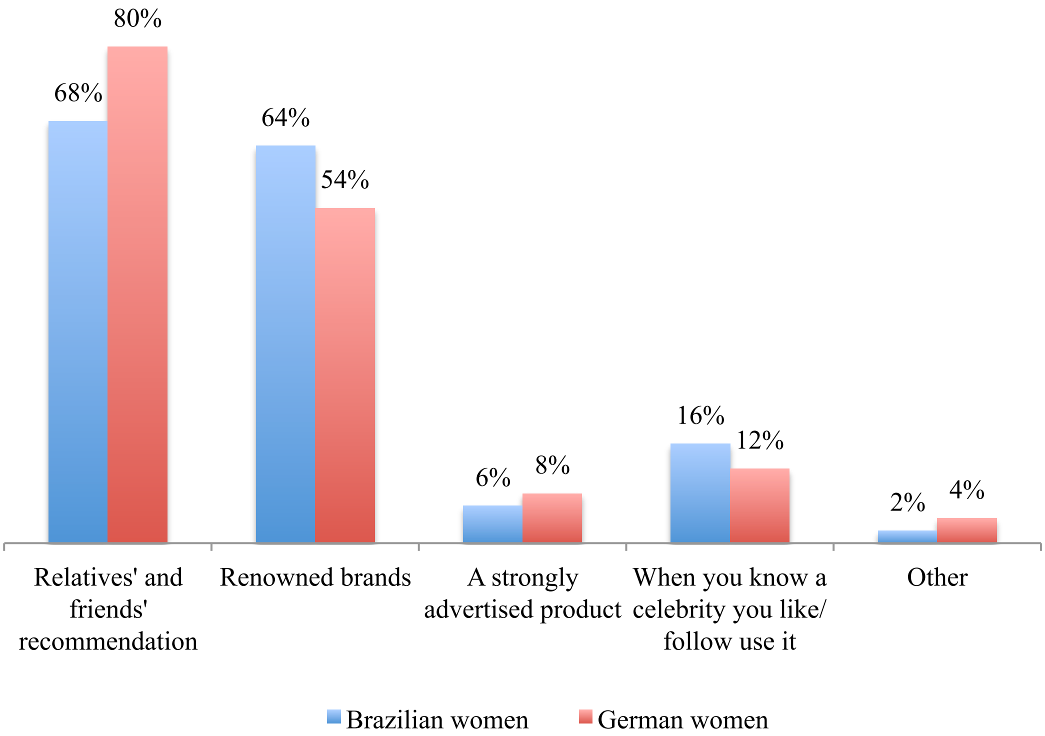
Another way to present this analysis, Is thru Test T (See Appendix VIII). The Test T shows an average of the Brazilian responses 3.0 higher that the average of the German population that was 2.64, proving Brazilians are more interested in new products and innovation than Germans.

4.4. On whom/what they rely to make the purchase decision

The dermatologists are the biggest influencers for the Brazilian women to make a purchase decision, while that is not necessarily true for Germans. 86% of Brazilian women seek a dermatologist or another related doctor to prescribe or give advice for dermocosmetics, while only 56% of German women use a specialist to choose dermocosmetics. Moreover, Brazilian women go more times to the dermatologist. 64% of Brazilians when once or more times a year to the dermatologist in the last five years, 30% went one or two times and only 6% did not go. While 46% of Germans went one or two times, 14% did not go, 28% went once a year and only 12% went more than once a year in the last five years.

While Brazilians have clear their preference for specialist opinion, Germans seem to rely more on friends and relatives recommendation mainly, then specialist opinion and renowned brands to make their purchase decision. 80% of German women said to trust relatives' and friends' recommendation and 54% trust renowned brands. Brazilians also trust their relatives and friends and renowned brands to make their choice (after their preference for specialists). 68% trust their relatives and friends, and 64% renowned brands. Celebrities and Strongly advertised products have a lower influence in their decision. 12% of Germans and 16% of Brazilians trust when a celebrity says she uses a product to make their purchase decision, and only 8% of Germans and 6% of Brazilians trust consciously a strongly advertised product. See Graph 9.

Graph 9: Who/what do you trust when making a decision to buy a specific product or brand?



4.5. Concern with organic/sustainable products

Our research shows that Germans buy organic/sustainable products than Brazilians, but still not a significant amount. But both have interest about these products. Only 16% of Brazilian women in our sample purchase organic/sustainable dermocosmetics, while the share of German women who buy it is higher, 34%. Although the usage is still very low, women in both countries wish they could consume more organic/sustainable dermocosmetics: 92% of Brazilians and 96% of Germans. Then what could be the reason for the low usage?

Availability, functionality could be reasons for the low usage. 68% of the Brazilian sample said it could not find easily these type of dermocosmetics and also 68% think

the organic/sustainable dermocosmetics are less functional than the “normal ones”, only 26% think they are equally functional and inexpressive 6% think they are more functional. The German women seem to find a little easier organic/sustainable products than the Brazilians, but still 52% say they don’t find easily. They also have a better perception of the products available, 68% think the organic/sustainable dermocosmetics are equally functional as the “normal” products, but still 26% think they are less functional.

The interesting fact is that the majority of Brazilian and German women are willing to pay more for an organic/sustainable dermocosmetic. 66% of Germans and 60% of Brazilians would pay 10% to 20% more; 10% of Germans and 14% of Brazilians would pay 30% to 40% more; 4% of Germans and 6% of Brazilians would pay Even more than 40%, if it is a very good dermocosmetic and only 20% of both samples would not pay more for an organic/sustainable dermocosmetic.

See the frame next for a summary of the findings of our own study, the reliability of each finding (field “strength of the finding”: ⋆ = is also indicated by one other source of the study, ⋆⋆ = is also indicated by one two other sources of the study, ⋆⋆⋆ = is at least supported by one other source) and the suggestion for the companies, regarding the findings.

Frame 7: Summary of findings of our own study

Type of preference	Discovery	Supported also by			Strength of the finding	Advise for companies
		Market research data	Papers/ books	Specialist Dr. Godoi		
1) Preferences regarding product origin	BZ* prefer mostly French brands in the premium segment and BZ products in the mass segment > National Brands/French Brands > USA/UK brands > German Brands > other origins	Indication			★	✔ National companies in both countries: focus on improving the image of national dermocosmetics ✔ More ethnocentric approach: country-quality appeal, country tradition and quality strengths of the products.
	DE** prefer French brands > national brands > USA/UK > other origins	Indication			★	
	Heuristics in BZ and DE: positive quality association to France		Indication		★	
	Ethnocentrism DE > BZ		Indication	Support	★★★	
2) Preferences regarding product type	BZ use more types of cosmeceuticals than DE	Indication			∗	✔ Adapt to each country according to these product preferences ✔ In Brazil they should offer products with more body improvement appeal, sun protection and with a dryer touch ✔ In Germany more moisturizing and more focused in the facial care.
	BZ are more concerned with sun exposure and the body than DE, BZ make consider use of anti-cellulites and localized fat reducers; BZ and DE have a similar portion of anti-acne products' users	Support		Support	★★★	
	Both concerned with ageing: BZ use advanced facial sunscreens and anti-agers DE use mainly facial moisturizers and anti-agers	Support			★★★	
	BZ: preference for fast absorbing products, with dryer touch DE: more moisturizing texture			Support	★★★	

3) What are the major concerns when choosing a product	DE: More utilitarian motives/physiological needs: concern with health and skin health BZ: Hedonic motives/ego needs: look more beautiful and younger	Indication		Support	★★★	✔ In Brazil: work a lot in innovation and to make sure consumers see how innovative the products are ✔ In Germany it is important for the companies to show the tradition and reliability of their products
	BZ are more interested in new products, more willing to experiment than DE, who are looking more for tradition, like using what they know that already works	Indication		Indication	★★	
4) On whom/what they rely to make the purchase decision	BZ: Dermatologists > Friends and relatives > Brand name >> Celebrities and advertisement; DE: Friends and relatives > Dermatologists > Brand name >> Celebrities and advertisement		Indication	Indication	★★	✔ Especially in Brazil they should make sure dermatologists approve their products and are advising them ✔ To strength the brand name is also a good strategy to increase consumption, rather than advertising products.
	BZ go much more frequently to dermatologists than DE			Support	★★★	
5) Concern with organic/sustainable products	DE buy more of these products than BZ but both don't buy a significant amount			Support	★★★	✔ Companies should explore this great opportunity to sell organic/sustainable products ✔ They need to make sure to offer products as effective as the non-sustainable ones and that this image is passed to consumers
	Both wish to purchase more		Indication		★	
	Availability and product quality perception is lower			Support	★★★	

Source: the author

* BZ = Brazil/Brazilian/Brazilians; ** DE = Germany/German/Germans

5. CONCLUSION

The information gathered with the literature, market research data and the specialist interview could be tested and complemented through our own study and we have now a good description of the consumer behavior differences between the German and Brazilian women regarding dermocosmectics.

Regarding **preferences of the origin** of the products, our own study showed that Brazilians have a preference for buying French brands, followed very closely by Brazilian brands, then brands from USA/UK, German brands and other brands. The market data had demonstrated that Brazilians buy more national brands than French brands, but our study showed the contrary because our sample has a higher acquisition power and the Brazilian brands belong mostly to the mass segment, while French brands are mostly premium. Our study showed that German women also prefer French brands, then national brands, brands from USA/UK, then other countries. As our previous research indicated and our study concluded, the preference for French products in both publics is associated with heuristics of product of origin image, most of Brazilians and Germans associate good quality dermocosmetics with France. Furthermore, Germans have a more ethnocentric behavior, they make an extra effort to buy national brands comparing to Brazilians. Only a small portion of Brazilians make this effort and they buy national brands mostly because they are cheaper. Therefore we recommend national companies in both countries to focus on improving the image of national dermocosmetics, making a more ethnocentric approach and country-quality appeal, showing the country tradition and quality strengths of the products.

Regarding **product type preferences**, our study revealed that Brazilian women use more types of cosmeceuticals than Germans, they are also more concerned with sun exposure and the body, but both publics are similarly concerned with ageing. To prevent ageing, Brazilians make more use of advanced facial sunscreens and anti-agers, while Germans make more use of facial moisturizes and anti-agers. There is also a similar share of both populations that use anti-acne products. Products for the body are clearly more used by Brazilians, products such as anti-cellulites and

localized fat reducers. The preference regarding the texture between the two groups is also distinct. Brazilians prefer mostly fast absorbing products with a dryer touch and Germans prefer mostly products with a more moisturizing texture. Therefore we recommend companies to adapt to these product preferences. In Brazil they should offer products with more body improvement appeal, sun protection and with a dryer touch and in Germany more moisturizing and more focused in the facial care.

Regarding **consumer concerns**, as our specialist Dr. Godoi said, and our study made it very clear, German women are more driven by utilitarian motives, physiological needs, when purchasing dermocosmetics. They are concerned mostly with their health and their skin health. Contrariwise, Brazilian are mostly driven by hedonic motives, ego needs, their biggest wish is to look more beautiful and young. They both do not have belongings needs, meaning they are not driven by their concern about others perception of how attentive they are with their own care, as it happens in some societies, like South Korea. Furthermore, Brazilians are more concerned with the innovative features of a product, they are more willing to experiment new products that Germans and more interested to get to know products with innovative features, while in Germany there is a considerable share of the population more conservative, that prefer using what they already know that works out. Considering these differences, we advise companies that operate/want to operate in Brazil to have product descriptions and, if possible, a marketing strategy that emphasizes how more beautiful and with a higher self esteem these women will be when using the products, while in Germany they should emphasize the products functional features and health consequences of the usage. Furthermore, companies operating in Brazil should work a lot in innovation and to make sure consumers see how innovative the products are, and in Germany it is important for the companies to show the tradition of products.

Regarding **on whom/what consumers rely to make the purchase decision**, as Dr. Godoi or some articles indicated, an important influence for consumers to make the purchase decision are dermatologists, especially for Brazilians, they are mostly influenced by dermatologists' advise and they go much more frequently to dermatologists than Germans. To Germans, it also influences their purchase decision significantly, but the biggest source are friends and relatives. Friends and relatives influence in second place Brazilians. And the brand name influences both groups in a

slightly lower scale. Celebrities and advertisement of products is not so influential for both groups. Therefore companies operating/ with the wish to operate in Brazil should make sure dermatologists approve their products and are advising them, this is the most effective way to increase consumption. To strength the brand name is also a good strategy to increase consumption, rather than advertise products.

Our own study showed that Germans buy more **organic/ sustainable products** than Brazilians. The both groups wish to purchase more of this type of products; Germans are a little more willing. And the majority of both groups would pay more for these products. The low usage of these groups is related to their small availability and limited options and the perception that organic/sustainable products are less effective, especially in Brazil. Thus, there is a great opportunity for companies to sell organic/sustainable products; they just need to make sure to offer products as effective as the non-sustainable ones.

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APPENDIX

Appendix I

Sales (EUR) of Skin Care by Category in Germany: 2010-2015 (Euromonitor, 2016)

EUR million	2010	2011	2012	2013	2014	2015
Body Care	**623.8**	**621.3**	**610.9**	**612.9**	**621.5**	**626.1**
- Firming/Anti-Cellulite Body Care	70.5	70.7	71.3	72.3	74.1	75.7
-- Premium Firming/Anti-Cellulite Body Care	8.5	8.5	8.5	8.6	8.8	8.9
-- Mass Firming/Anti-Cellulite Body Care	62.0	62.3	62.9	63.7	65.3	66.8
- General Purpose Body Care	553.3	550.5	539.6	540.6	547.5	550.4
-- Premium General Purpose Body Care	22.8	22.9	23.0	23.2	24.3	25.6
-- Mass General Purpose Body Care	530.5	527.6	516.6	517.4	523.2	524.8
Facial Care	**2,627.7**	**2,636.9**	**2,653.2**	**2,684.2**	**2,789.3**	**2,863.8**
- Acne Treatments	70.3	69.1	68.9	68.9	69.0	69.3
-- Premium Acne Treatments	6.5	6.5	6.5	6.4	6.4	6.5
-- Mass Acne Treatments	63.7	62.6	62.5	62.4	62.5	62.8
- Face Masks	65.4	66.8	68.2	69.8	71.6	73.5
-- Premium Face Masks	4.0	4.0	4.1	4.1	4.2	4.3
-- Mass Face Masks	61.4	62.8	64.2	65.7	67.4	69.3
- Facial Cleansers	498.0	501.2	502.0	503.9	518.1	525.9
-- Liquid/Cream/Gel/Bar Cleansers	411.8	411.6	411.5	411.4	424.7	430.4
-- Facial Cleansing Wipes	86.2	89.7	90.5	92.5	93.4	95.5
- Facial Moisturisers	734.7	722.2	714.3	715.6	739.6	747.4
-- Premium Facial Moisturisers	129.0	129.9	131.0	131.9	140.2	146.4
-- Mass Facial Moisturisers	605.7	592.3	583.3	583.7	599.4	600.9
- Lip Care	60.4	60.3	60.5	60.8	61.2	61.9
-- Premium Lip Care	1.3	1.3	1.3	1.3	1.4	1.4
-- Mass Lip Care	59.1	59.0	59.1	59.4	59.9	60.5
- Anti-Agers	1,099.5	1,119.8	1,141.7	1,167.7	1,232.5	1,288.8
-- Premium Anti-Agers	400.6	409.2	418.5	427.8	451.7	470.9
-- Mass Anti-Agers	698.9	710.6	723.2	739.9	780.8	817.9
- Toners	99.5	97.6	97.6	97.6	97.3	96.9
-- Premium Toners	18.7	18.5	18.6	18.7	18.8	19.0
-- Mass Toners	80.8	79.1	79.0	78.8	78.5	78.0
Hand Care	**98.3**	**91.5**	**93.0**	**92.7**	**91.6**	**90.4**
- Premium Hand Care	2.6	2.6	2.6	2.7	2.6	2.6
- Mass Hand Care	95.7	88.9	90.3	90.0	89.0	87.8
Skin Care Sets/Kits	**75.8**	**80.9**	**87.8**	**91.5**	**96.1**	**99.6**
- Premium Skin Care Sets/Kits	72.4	77.2	83.8	87.3	91.8	95.3
- Mass Skin Care Sets/Kits	3.4	3.7	4.0	4.2	4.3	4.3
Skin Care	**3,425.6**	**3,430.5**	**3,444.9**	**3,481.2**	**3,598.5**	**3,679.9**

Appendix II

Company Share of Skin Care in Germany: 2011-2015 (Euromonitor, 2016)

Co / % retail value	Co Origin	2011	2012	2013	2014	2015
Beiersdorf AG	DE	14.3	14.5	15.0	14.9	14.5
L'Oréal Deutschland GmbH	FR	13.3	13.6	13.7	14.2	14.4
Henkel AG & Co KGaA	DE	4.7	4.7	4.7	4.5	4.6
dm-Drogerie Markt GmbH & Co KG	DE	4.2	4.4	4.5	4.4	4.4
Aldi Einkauf GmbH & Co oHG	DE	4.3	4.5	4.5	4.3	4.2
Johnson & Johnson GmbH	USA	3.6	3.6	3.6	3.5	3.5
Rossmann GmbH	DE	2.9	3.1	3.2	3.3	3.4
Procter & Gamble Germany	USA	-	2.9	3.0	2.7	2.6
Estée Lauder Cos GmbH	FR	1.9	2.1	2.2	2.2	2.2
Unilever Deutschland GmbH	UK	2.1	2.1	2.0	2.0	2.1
Yves Rocher GmbH	FR	2.1	2.1	2.1	2.0	1.9
Florena Cosmetic GmbH	DE	1.9	1.9	1.9	1.9	1.8
Shiseido Deutschland GmbH	JAP	1.2	1.3	1.3	1.3	1.3
Troll Cosmetics GmbH	AUT *	1.0	1.0	1.0	1.0	1.0
Pierre Fabre Dermo-Kosmetik GmbH	FR	0.8	0.8	0.9	0.9	1.0
Dr August Wolff GmbH & Co KG Arzneimittel	DE	0.9	0.9	0.9	0.9	1.0
Clarins GmbH	FR	0.8	0.8	0.9	0.9	0.9
Hormocenta Kosmetik GmbH	DE	0.7	0.7	0.7	0.8	0.8
LR Health & Beauty Systems GmbH	DE	0.7	0.8	0.8	0.8	0.8
Guerlain Parfumeur GmbH	FR	0.7	0.8	0.8	0.8	0.8
Roche Consumer Health Deutschland GmbH	SUI*	0.8	0.8	0.8	0.8	0.7
Reckitt Benckiser Deutschland GmbH	UK	0.7	0.7	0.7	0.7	0.7
Braukmann Kosmetik GmbH, Hildegard	DE	0.6	0.6	0.6	0.6	0.6
Coty Deutschland GmbH	FR	0.6	0.6	0.6	0.6	0.6
Sebapharma GmbH & Co KG		0.5	0.5	0.5	0.6	0.6
Apotheker Walter Bouhon GmbH & Co KG	DE	0.6	0.6	0.6	0.6	0.6
Amway GmbH	DE	0.6	0.6	0.6	0.5	0.5
Delta Pronatura Dr Krauss & Dr Beckmann KG	DE	0.5	0.5	0.5	0.5	0.5
Haus Schaeben GmbH & Co KG Frechen	DE	0.5	0.5	0.5	0.5	0.5
Weleda AG	SUI*	0.4	0.4	0.4	0.5	0.5
Schlecker AG, A	GE	2.0	0.5	-	-	-
Procter & Gamble GmbH	USA	2.9	-	-	-	-
Other Private Label		3.2	3.4	3.4	3.4	3.4
Others		24.0	23.7	23.4	23.7	23.7
Total		100.0	100.0	100.0	100.0	100.0

*AUT=Austria, SUI=Switzerland

Appendix III

Sales (BRL) of Skin Care by Category in Brazil: 2010-2015 (Euromonitor, 2016)

BRL million	2010	2011	2012	2013	2014	2015
Body Care	**3,910.6**	**4,254.2**	**4,881.0**	**5,449.9**	**5,879.9**	**5,527.6**
- Firming/Anti-Cellulite Body Care	356.0	314.8	299.1	305.4	318.4	329.9
-- Premium Firming/Anti-Cellulite Body Care	124.4	148.0	169.3	190.1	207.2	248.6
-- Mass Firming/Anti-Cellulite Body Care	231.5	166.7	129.8	115.3	111.2	81.3
- General Purpose Body Care	3,554.6	3,939.4	4,581.9	5,144.5	5,561.5	5,197.7
-- Premium General Purpose Body Care	59.9	67.8	74.6	80.7	88.0	107.4
-- Mass General Purpose Body Care	3,494.7	3,871.6	4,507.3	5,063.8	5,473.4	5,090.3
Facial Care	**3,233.9**	**3,352.8**	**3,830.8**	**3,738.3**	**4,053.6**	**4,109.0**
- Acne Treatments	341.7	307.5	373.6	402.7	427.1	384.6
-- Premium Acne Treatments	12.6	14.1	20.9	23.4	25.6	31.2
-- Mass Acne Treatments	329.1	293.4	352.6	379.3	401.6	353.4
- Face Masks	21.0	23.7	26.6	28.8	30.4	33.7
-- Premium Face Masks	0.5	0.5	0.5	0.6	0.6	0.7
-- Mass Face Masks	20.5	23.2	26.0	28.2	29.8	33.0
- Facial Cleansers	443.5	570.6	719.9	660.8	822.3	907.6
-- Liquid/Cream/Gel/Bar Cleansers	415.2	536.6	679.2	614.2	773.4	854.9
-- Facial Cleansing Wipes	28.4	34.0	40.8	46.6	48.9	52.8
- Facial Moisturisers	533.4	563.1	667.2	636.1	647.1	596.0
-- Premium Facial Moisturisers	56.9	64.0	71.0	77.4	85.6	101.8
-- Mass Facial Moisturisers	476.5	499.1	596.2	558.7	561.5	494.1
- Lip Care	57.8	61.8	69.7	76.9	85.0	91.7
-- Premium Lip Care	-	-	-	-	-	-
-- Mass Lip Care	57.8	61.8	69.7	76.9	85.0	91.7
- Anti-Agers	1,718.8	1,703.6	1,853.2	1,798.6	1,895.3	1,953.2
-- Premium Anti-Agers	337.5	384.1	420.4	459.7	514.9	648.7
-- Mass Anti-Agers	1,381.3	1,319.5	1,432.8	1,338.9	1,380.4	1,304.5
- Toners	117.7	122.5	120.7	134.3	146.4	142.2
-- Premium Toners	0.8	0.9	0.9	1.0	1.0	1.2
-- Mass Toners	116.9	121.6	119.8	133.4	145.4	141.0
Hand Care	**304.2**	**311.7**	**346.3**	**363.9**	**381.3**	**340.0**
- Premium Hand Care	4.6	5.1	5.6	6.2	6.7	7.8
- Mass Hand Care	299.6	306.6	340.7	357.7	374.6	332.2
Skin Care Sets/Kits	**116.5**	**140.4**	**168.2**	**194.4**	**214.8**	**191.3**
- Premium Skin Care Sets/Kits	3.1	3.5	3.9	4.3	4.8	5.9
- Mass Skin Care Sets/Kits	113.4	136.9	164.3	190.1	210.0	185.4
Skin Care	**7,565.1**	**8,059.1**	**9,226.3**	**9,746.5**	**10,529.6**	**10,167.9**

Appendix IV

Company Share of Skin Care in Brazil: 2011-2015 (Euromonitor, 2016)

Co / % retail value	Co origin	2011	2012	2013	2014	2015
Natura Cosméticos SA	BZ	26.0	24.1	22.8	19.4	19.1
Botica Comercial Farmacêutica Ltda	BZ	8.2	10.4	11.9	12.5	13.5
Avon Cosméticos Ltda	USA	14.1	12.8	12.8	11.6	11.1
Belocap Produtos Capilares Ltda	FR	6.7	6.5	6.4	6.6	7.9
BDF Nivea Ltda	DE	7.3	7.2	7.3	7.2	7.1
Hypermarcas SA	BZ	6.3	6.4	6.9	6.9	6.5
Johnson & Johnson do Brasil Indústria e Com	USA	5.3	5.5	5.7	5.9	6.1
Mary Kay do Brasil Ltda	USA	1.0	1.2	1.4	1.5	2.3
Unilever Brasil Ltda	UK	1.7	1.7	1.7	1.8	1.7
Cria Sim Produtos de Higiene Ltda	BZ	2.0	1.7	1.5	1.5	1.5
L'Occitane Brasil SA	FR	1.1	1.1	1.2	1.2	1.5
Jequiti Cosméticos	BZ	1.1	1.1	1.0	1.0	1.0
Estée Lauder Brasil	FR	0.3	0.4	0.4	0.4	0.5
Galderma Brasil Ltda	BZ	0.5	0.4	0.4	0.5	0.4
Arte Nativa Produtos Naturais Ltda	BZ	0.2	0.3	0.3	0.4	0.4
Distribuidora JAFRA de Cosméticos Ltda	USA	0.2	0.3	0.3	0.3	0.3
Pierre Fabre SA, Laboratoires	FR	0.1	0.1	0.1	0.1	0.2
LVMH Perfums & Cosmetics do Brasil Ltda	FR	0.1	0.1	0.1	0.1	0.1
Melhoramentos Papéis Ltda	BZ	-	0.1	0.1	0.1	0.1
Shiseido Brasil Ltda	JAP	0.1	0.1	0.1	0.1	0.1
Amway do Brasil Ltda	USA	0.1	0.1	0.1	0.1	0.1
Zurita Laboratório Farmacêutico Ltda	BZ	0.1	0.1	0.1	0.1	0.1
Laboratório Stiefel Ltda	USA	0.1	0.1	0.1	0.1	0.1
Private Label	-	0.2	0.2	0.2	0.2	0.2
Others	-	17.0	18.0	17.0	20.6	18.1
Total	-	100.0	100.0	100.0	100.0	100.0

Appendix V

Transcription of the interview with Dr. Luciana Godoi. – Dermatologist & Dermocosmetics expert

Brief description of the professional

Dr. Luciana Godoi is a Brazilian dermatologist. She holds a degree in Medicine from the Paulista School of Medicine – UNIFESP. She did her Medical Residency in Dermatology at Escola Paulista de Medicina – UNIFESP. She is a Specialist in Dermatology by the Brazilian Society of Dermatology with a specialization in Cosmiatry by Escola Paulista de Medicina – UNIFESP. She is a member of the Brazilian Society of Dermatology, a member of the Paulista Medical Association (APM) and a member of the American Academy of Dermatology.

Transcription of the interview held by Julia Schwartzmann & Dr. Luciana Godoi (Sao Paulo, December 13 216)

Ms. Schwartzmann: Hi Dr. Luciana, as I previously briefed you, we are conducting a study about some topics of the consumer behavior of Brazilian women and German women in relation to dermocosmetics. Right now we are in the phase of exploring these topics in general, not specifically in Brazil or Germany, but in the industry as a whole, accordingly, I would like to discuss with you some of those topics chosen.

Dr. Godoi: Sure, please, go ahead.

Ms. Schwartzmann: What do you think are the major concerns when the patients go to you clinic, ask you for treatments, dermocosmetics or formulas? And I know that you treat patients that are not Brazilians, do you observe there is a variation in the type of concern among the nationalities?

Dr. Godoi: Well, I believe that because dermocosmetics are a mix between a cosmetic, which is usually related to fulfilling an esthetic need, and a medicine which

is usually related to a medical/functional need, the dermocosmetic is in between the two roads, and the concerns can vary a lot among users.

I see many patients who claim they want to look more beautiful, younger, healthier, use a product that treats a small disorder, the type of claim vary a lot. Some patients are aware of the damages the excessive exposure to sun can cause; are concerned about marks, spots, even cancer.

Yes, I treat patients not only from Brazil, and I am regularly attending symposiums abroad too. To me it is clear that there is a difference among nationalities. Brazilians are extremely concerned about the appearance of the skin, hair, every single detail you can imagine, they go to us, dermatologists, mainly because they want to look young and beautiful. They want products that will attend these demands, but that does not mean they do not demand products that function well, our patients want to see results, they are very demanding regarding the functionality. On the other hand, when I go so symposiums abroad I talk to other professionals mostly in Europe who say that patients usually go to them because they have a disease, because they are concerned about skin cancer, unusual spots or marks etc. In my clinic I would say that 80% of the women I see are after fulfilling esthetic needs. But of course I have patients that come to treat medical conditions, then we usually prescribe drugs or other more intense treatments than dermocosmetics.

I have already attended foreign patients that were living in Brazil, or recently moved here and told me that they had never been to a dermatologist before. That seems to be common in some countries in Europe and that has nothing to do with not being able to afford a doctor, it seems to be more related to the culture. Also they comment how they are impressed by the fact that Brazilians are so concerned about their appearance and health. Two patients once even told me they felt guilty by not having the same care and decided to go to a consultation with a specialist, while they used to see Brazilians regularly seeing specialists. As I told you before, Brazilians seem to come to us specialists, dermatologists more, to look for opinion about what dermocosmetics they should use, while Europeans usually go to a doctor when they find something unusual in they skin or are worried about a specific condition.

Ms. Schwartzmann: And what are the most searched treatments/products? Do your patients demand something about the origin of the products, is there a preference regarding `] the nationality of the brand?

Dr. Godoi: I am going to restrict my answer to the dermocosmetics ok? Since it is the focus of your study, but as you know there are other forms of treatments in the clinic, such as lasers, peelings, cauterizations etc. Another thing, which is very common in Brazil, is to prescribe dermocosmetics that are formulated by us and done in this special pharmacy called “Farmácia de Manipulação”, patients like this option because it is usually cheaper, we can make highly functional products, with higher concentration of the desired substances and it is customized to each patient, so we can adapt to the skin type easily. But the downside is that those formulas have a due date of only three months and patients who are constantly travelling won’t be able to use our prescription to order in other countries.

Sorry, I think I diverted the subjects a little.

Ms. Schwartzmann: No, that is ok. It is good to understand how it works.

Dr. Godoi: But lets continue with the dermocosmetics topic. Women usually look for anti-ageing products, and every time I see younger girls already concerned about it in their early 20`s; they ask my opinion about proper sunscreen for their skin type; bleaching agents for marks caused by excessive sun exposure; proper moisturizers; serums. I would say that in general women are very concerned about ageing, mark expressions and of course acne. Brazilian women usually have a more oily facial skin; therefore they ask me products that don’t leave the aspect of oil. They usually prefer gels and lotions with a water base. There is also a lot of demand for products for the body: moisturizers, anti-cellulites. It is very common too for them to ask me for products that can help to reduce measures, get rid of localized fat and stretching marks.

About your question regarding the country of origin, I prescribe products with different origins, that depends a lot on what type of products are requested, for what type of skin and so on. And also I talk about the price of the products with my

patients. Some put price limits; they say for instance “I can spend X per month on dermocosmetics”. The French products are very good and there is a good variety, for all skin types and different conditions, L’oreal for instance has all the different lines: La Roche-Posay, Vichy, skinceuticals. The patients usually like them a lot. Even though they are not cheap here, they last long and patients are happy because they can see results. In general, French products have a good reputation among patients. But there are also great Brazilian brands with great quality products and I prescribe them too. Gaderma and Mantecorp, for instance. are highly effective and usually patients are amazed when I tell them that these are national brands. Patients still have the idea that foreign brands are better. But once they see results, they don’t care about the origin of the product and are quite happy to know that they can find good products in their home country.

Ms. Schwartzmann: Thanks for the complete explanation, Luciana. Now could you please tell me more about patient’s concern with organic/sustainable products?

I believe there is a global trend towards producing sustainable products, organic, with more natural ingredients, less invasive to skin also. Many cosmeceutical brands are going towards that direction. Natura is the perfect Brazilian example of a brand that was able to create a line of desmocosmetics (Natura Chronos) that has the DNA of the brand: the organic and sustainable (social and eco-friendly) appeal and is still a good cost/benefit dermocosmetic for the mass. They are definitely a case of success here in Brazil. But, even though you have that case, there are still not many patients in Brazil that ask me about how sustainable/organic the products I am prescribing are. On the other hand, I have had patients; mostly foreigners that demanded me to prescribe only organic products. There are some examples of foreign brands that offer organic products, such as the Greek brand Korres. But for premium/highly function dermocosmetic brands I still do not see a great variety of brands that offer this to the consumers. You still have to dig for products that are ecofriendly/organic and that function well. Imagine that for a cosmetic it is probably easier to find organic ingredients or more sustainable producing processes, but a dermocosmetic has drug substances, it is harder to find organic/more natural ingredients. That demands a lot of research. But still, I think that will change with time, and there is a lot of research being made. A good sign towards that trend is that animal testing for cosmetics was

recently forbidden in Europe. My personal guess is that the European women are more concerned about this issue than Brazilians.

Ms. Schwartzmann: Thank you very much, Luciana. That was very clear and helpful.

Dr. Godoi: Sure, It is always a pleasure to help. If you need anything else, please let me know.

Appendix V

Survey questioner

This survey takes from 5 to 10 minutes to be answered. Our objective is to better understand the consumer behavior regarding dermocosmetics. We appreciate a lot your contribution.

1. Do you make use of dermocosmetics? (Which are cosmetics with medical functions, i.e. anti-agers, facial moisturizers, anti-acne, anti-cellulite creams, bleaching creams etc)

O Yes
O No

2. Male/Female?

O Female
O Male

3. How old are you?

O Bellow 18
O 18 - 24
O 25 - 32
O 33 - 40
O 41 - 50
O more than 50

4. Do you buy from brands from which countries/origin?

☐ Brazil
☐ France
☐ Germany
☐ USA/UK
☐ Other (please specify) ________________________________

5. What country comes to your mind when you think of a good quality dermocosmetic?

O Brazil
O France
O Germany
O USA/UK

O Other (please specify) ______________________________

6. Do you value more/ make an effort to buy from national brands?

O Yes
O That is not an important factor for me

7. What type of products do you use?

☐ Anti-agers
☐ Facial moisturizer
☐ Facial cleansers
☐ Advanced facial sunscreens
☐ Bleaching creams
☐ Anti-acne products
☐ Body moisturizer
☐ Products for stretching marks
☐ Products to reduce localized fat
☐ Anti-cellulites
☐ Other (please specify) ______________________________

8. What is your preference regarding the products' texture?

O Fast absorbing/Dryer touch
O More moisturizing touch

9. Scale from 1 to 3 the most important reasons for you to use a dermocosmetic (1 being the most important, and 3 the less)

☐ I am concerned about my health/the health of my skin
☐ I want to look more beautiful and young/I want my skin to look that way
☐ I care about people's perception of how I take care of myself

10. How interested are you in new dermocosmetics, dermocosmetics with innovative features and functions?

O I am very interested
O I am Interested
O Sometimes I am interested, but that is not so important for me
O I prefer using what I already know that works

11. Do you seek a specialist (dermatologist or other doctor) to refer to you dermocosmetics?

O Yes
O No

12. How many times you went to the dermatologist during the last 5 years?

O More than once a year
O Once a year
O One or two times
O I didn't go

13. Who/what do you trust when making a decision to buy a specific product or brand?

☐ Renowned brands
☐ Relatives' and friends' recommendation
☐ A strongly advertised product
☐ When you know a celebrity you like/follow use it
☐ Other (please specify) ______________________________

14. Do you purchase organic/sustainable dermocosmetics?
O Yes
O No

15. Would you wish to consume more of them?

O Yes
O No

16. Do you find easily organic/sustainable dermocosmetics?

O Yes
O No

17. How much more would you pay for an organic/sustainable dermocosmetic or brand?

O I would not pay more for it
O 10% - 20%
O 30% - 40%
O Even more than 40% would be ok, if it is a very good one

Appendix VI

Results of the survey in Brazil

Age		%
25 - 32	26	52%
33 - 40	24	48%

Origin:

Do you buy from brands from which countries/origin?		%
France	38	76%
Germany	15	30%
Brazil	25	50%
USA/UK	21	42%
Other	7	14%

What country comes to your mind when you think of a good quality dermocosmetic?		%
France	39	78%
Germany	1	2%
USA/UK	10	20%
Brazil	0	0%
Other	0	0%

Do you value more/ make an effort to buy from national brands?		
Yes	12	24%
That is not an important factor for me	38	76%

Product type:

What type of products do you use?		%
Body moisturizer	44	88%
Facial cleansers	43	86%
Advanced Facial sunscreens	38	76%

Anti-agers	31	62%
Anti-celullites	31	62%
Products to reduce localized fat	25	50%
Anti-acne products	25	50%
Products for stretching marks	15	30%
Facial moisturizer	10	20%
Bleaching creams	5	10%
Other	1	2%

What is your preference regarding the products' texture?		%
Fast absorbing/Dryer touch	38	76%
More moisturizing touch	12	24%

Major concerns when consumers choose a product:

Scale from 1 to 3 the most important reasons for you to use a dermocosmetic (1 being the most important, and 3 the less)			
	1	2	3
I am concerned about my health/the health of my skin	23	26	1
	46%	52%	2%
I want to look more beautiful and young/I want my skin to look that way	27	22	1
	54%	44%	2%
I care about people's perception of how I take care of myself	0	2	48
	0%	4%	96%

How interested are you in new dermocosmetics, dermocosmetics with innovative features and functions?		%
I am very interested	15	30%
I am Interested	27	54%
Sometimes I am interested, but that is not so important for me	3	6%
I prefer using what I already know that works	5	10%

On whom/what they rely to make the purchase decision:

Do you seek a specialist (dermatologist or other doctor) to		%

refer to you dermocosmetics?		
Yes	43	86%
No	7	14%

How many times you went to the dermatologist during the last 5 years?		%
More than once a year	10	20%
Once a year	22	44%
One or two times	15	30%
I didn't go	3	6%

Who/what do you trust when making a decision to buy a specific product or brand?		%
Relatives' and friends' recommendation	34	68%
Renowned brands	32	64%
A strongly advertised product	3	6%
When you know a celebrity you like/follow use it	8	16%
Other	1	2%

Concern with organic/sustainable products:

Do you purchase organic/sustainable dermocosmetics?		%
Yes	8	16%
No	42	84%

Would you wish to consume more of them?		%
Yes	46	92%
No	4	8%

Do you find easily organic/sustainable dermocosmetics?		%
Yes	16	32%
No	34	68%

Do you think the organic/sustainable products in the market are more or less functional or equal than/to the others?		%
More	3	6%
Equal	13	26%
Less	34	68%

How much more would you pay for an organic/sustainable dermocosmetic or brand?		%
Even more than 40% would be ok, if it is a very good one	3	6%
30% - 40%	7	14%
10% - 20%	30	60%
I would not pay more for it	10	20%

Appendix VII

Results of the survey in Germany

Age		%
25 - 32	30	60%
33 - 40	20	40%

Origin:

Do you buy from brands from which countries/origin?		%
France	34	68%
Germany	27	54%
Brazil	2	4%
USA/UK	13	26%
Other	8	16%

What country comes to your mind when you think of a good quality dermocosmetic?		%
France	30	60%
Germany	13	26%
USA/UK	7	14%
Brazil	0	0%
Other	0	0%

Do you value more/ make an effort to buy from national brands?		%
Yes	33	66%
That is not an important factor for me	17	34%

Product type:

What type of products do you use?		%
Body moisturizer	41	82%
Facial cleansers	40	80%
Anti-agers	31	62%

Facial moisturizer	30	60%
Anti-acne products	22	44%
Advanced Facial sunscreens	20	40%
Anti-celullites	11	22%
Products for stretching marks	7	14%
Products to reduce localized fat	6	12%
Bleaching creams	2	4%
Other	2	4%

What is your preference regarding the products' texture?		%
Fast absorbing/Dryer touch	24	48%
More moisturizing touch	26	52%

Major concerns when consumers choose a product:

Scale from 1 to 3 the most important reasons for you to use a dermocosmetic (1 being the most important, and 3 the less)			
	1	2	3
I am concerned about my health/the health of my skin	37	12	1
	74%	24%	2%
I want to look more beautiful and young/I want my skin to look that way	13	36	1
	26%	72%	2%
I care about people's perception of how I take care of myself	0	2	48
	0%	4%	96%

How interested are you in new dermocosmetics, dermocosmetics with innovative features and functions?		%
I am very interested	11	22%
I am Interested	23	46%
Sometimes I am interested, but that is not so important for me	3	6%
I prefer using what I already know that works	13	26%

On whom/what they rely to make a purchase decision:

Do you seek a specialist		%

(dermatologist or other doctor) to refer to you dermocosmetics?		
Yes	28	56%
No	22	44%

How many times you went to the dermatologist during the last 5 years?		%
More than once a year	6	12%
Once a year	14	28%
One or two times	23	46%
I didn't go	7	14%

Who/what do you trust when making a decision to buy a specific product or brand?		%
Relatives' and friends' recommendation	40	80%
Renowned brands	27	54%
A strongly advertised product	4	8%
When you know a celebrity you like/follow use it	6	12%
Other	2	4%

Concern with sustainable/organic products:

Do you purchase organic/sustainable dermocosmetics?		%
Yes	17	34%
No	33	66%

Would you wish to consume more of them?		%
Yes	48	96%
No	2	4%

Do you find easily organic/sustainable dermocosmetics?		%

Yes	24	48%
No	26	52%

Do you think the organic/sustainable products in the market are more or less functional or equal than/to the others?		%
More	3	6%
Equal	34	68%
Less	13	26%

How much more would you pay for an organic/sustainable dermocosmetic or brand?		%
Even more than 40% would be ok, if it is a very good one	2	4%
30% - 40%	5	10%
10% - 20%	33	66%
I would not pay more for it	10	20%

Appendix VIII

<u>Results of the Test T on question regarding preferences towards innovation</u>

Germany

How interested are you in		%
I am very int	11	22%
I am Interest	23	46%
Sometimes I	3	6%
I prefer using	13	26%

Brazil

	How interested are you in new d		%
4	I am very intereste	15	30%
3	I am Interested	27	54%
2	Sometimes I am in	3	6%
1	I prefer using what	5	10%

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Teste T

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