



# Beauty Respectful with our Planet

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Internationally, due to its volume of sales, Mexico is positioned among the main 15 markets in the world, one of the two most important in Latin America, and one of the three most relevant in the whole continent, together with the United States and Brazil (L'Oréal México, n/d).

Image. Freepik, 2023.

## COMPANY

L'Oréal, S.A. is a personal care company that manufactures and commercializes make-up, perfume, haircare, sunscreen, skincare, and coloring products. The company commercializes under several brands such as Lancôme, Giorgio Armani, Yves Saint Laurent, Biotherm, La Roche-Posay, Kiehl's, Ralph Lauren, Shu Uemura, Cacharel, Helena Rubinstein, Clarisonic, Diesel, Viktor & Rolf, Yue Sai, Essie, Maybelline Nueva York, Redken, Kerastase, and Matrix (Market Line, 2021). This occurs through several sales channels, such as beauty salons, spas, perfumeries, drugstores, self-service stores, department stores, and retail stores; additional to physical stores, the Company sells its products on e-commerce online platforms (L'Oréal México, n/d).

L'Oréal has been operating in Mexico for 61 years; the opening of the subsidiary was in 1962. It is a benchmark in the industry with a portfolio of 25 brands organized in four divisions: Professional Products, Dermatological Beauty, Consumer Products, and L'Oréal Luxe (L'Oréal México, n/d).

# CONTEXT

Part of L'Oréal's offer is the sunscreen market through the dermatological brand La Roche-Posay. Regarding this segment, according to © Euromonitor International (2002):

- Retail sales grew 24% in value in current terms to two thousand and eight million pesos (MXN) in 2021.
- Premium sunscreen is the category with the best performance in 2022, featuring an increase in sales in retail value of 35%. This represents current terms of 1.1 billion pesos (MXN).
- BDF México, S.A.de C.V., is the leading actor in 2022, with a retail value participation of 23 percent.
- It is anticipated that retail sales will increase to a CAGR of 12% of current

Image: Marymarkevich in Freepik, 2023.



value (CAGR of constant value in 2022 of 7%) and reach 4.9 billion pesos (MXN) by 2027.

According to information of © Euromonitor International (2002), BDF México and Frabel S.A. de C.V. (part of L'Oréal)

remained as the main actors in sunscreen throughout 2022. BDF México acquired the Coppertone brand in 2019 and added it to its existing portfolio of Nivea sunscreen. On the other hand, Frabel benefitted from the offer of the La Roche-Posay dermatological premium brand, which profited from a daily use positioning, and their previous investments on innovation and marketing.

After a partial sales recovery in 2021, demand for sunscreen strengthened even more in 2022, with sales that exceed levels before the pandemic. In Mexico, the category experienced a healthy growth in 2022, mainly due to the almost complete recovery of internal tourism, with domestic touristic centers especially in beach resorts, favorite holiday destinations of Mexican families (© Euromonitor International, 2002).

# TRENDS

The culture of using sunscreen is not well established in Mexico, but the growing concern for skincare has helped to pay attention to its relevance. This applies especially to women, who are usually more aware of UV-rays exposure, both in terms of skin health and skin ageing. Additionally, after almost two years of a more limited exposure to sunlight, consumers feel more vulnerable to sunburns and skin damage.

In addition, according to © Euromonitor International (2002), more attention is being paid to sustainability and products that respect the environment in the choice of products purchased. Thus, sun protection products made of zinc oxide and titanium, carbon dioxide labeled as “respectful with oceans”, “respectful with reefs”, or “safe for corals”, confirmed with certifications such as “Protect Land + Sea”, were the most sought-after for the summer holidays in 2022.

Although the focus of sun care is skin cancer prevention and skin damage, the real reason why many consumers purchase sun protection is vanity, as they are seeking to prevent effects such as pigmentation and premature ageing (© Euromonitor International, 2002).

Images. dDara and Ria Fitriana in Flaticon, 2023.



The “medicalization” of beauty is progressively blurring the dividing lines between skincare and sunscreen; nevertheless, this also represents a potential threat for sunscreen, as many consumers are inclined for multi-functional hybrid products that can ease their personal care routines. As such, it is expected that from today until 2027, consumers will increasingly seek to purchase only one product that will cover their need of beauty and skin care, and sunscreen (© Euromonitor International, 2022).



The effect that is opposite to the “medicalization” of beauty products is the “skinnification” of sunscreen products, so specialized dermatological brands are focusing on adding beauty care to their formulas, such as anti-ageing, anti-pigmentation, anti-temperature, and anti-glare actives, to mention the main ones (© Euromonitor International, 2002).

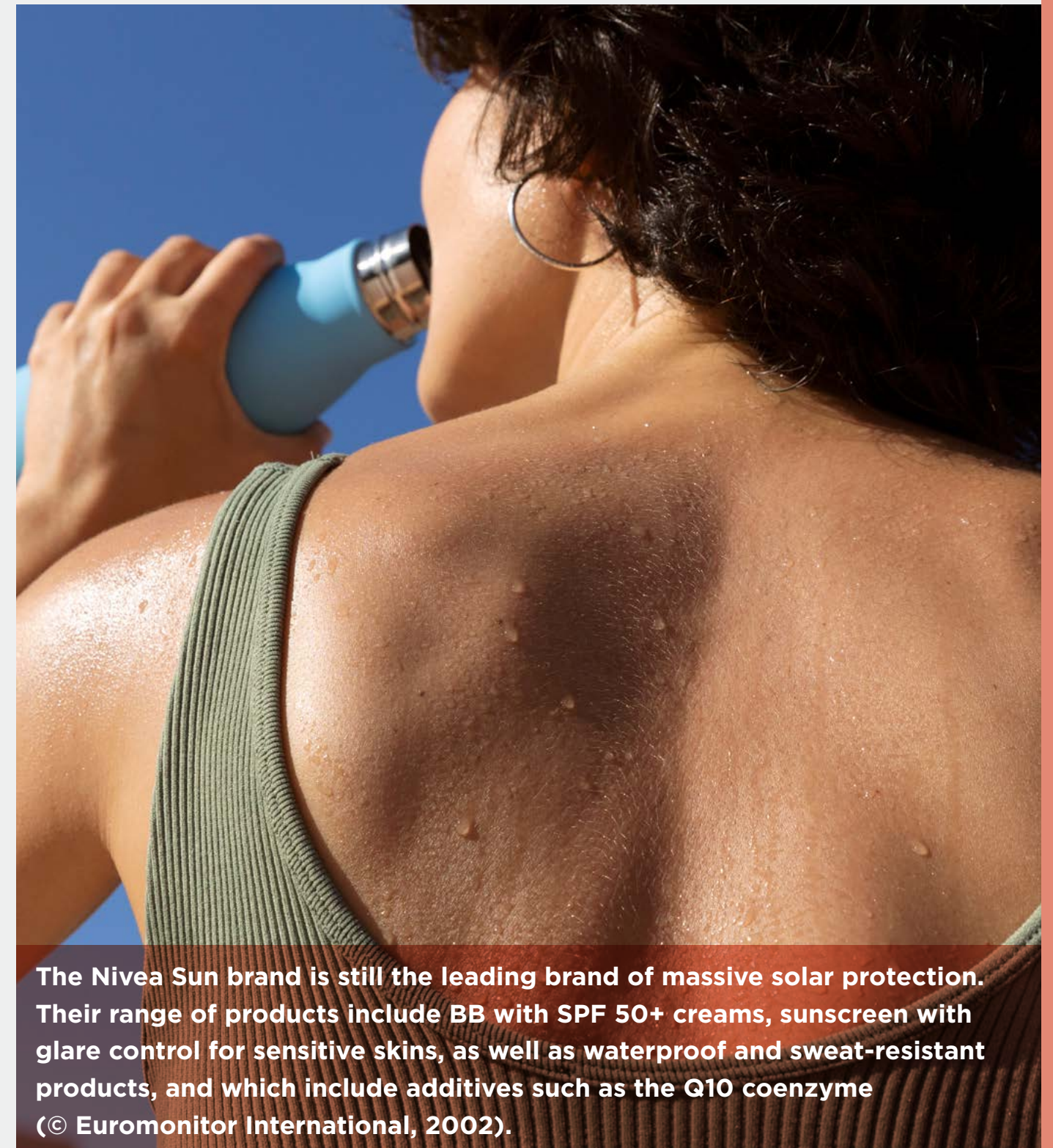
# MAIN BRANDS

According to © Euromonitor International (2002), thanks to the priority that consumers have placed on sunscreen premium brands, the dermatological brands Eucerin, La Roche-Posay, and Avène have contributed for the category to continue experiencing a dynamic growth in terms of current value in 2022, leading the way to innovation in the sunscreen industry.

These brands have introduced specialized actives and ingredients with products that contain SPF+, niacinamide, hyaluronic acid, natural minerals, anthelios, glycyrrhetic acid, protection against skin spots, plus some additional cosmetics. These brands are trying to set the trends in the market from today until 2027, and they hope to respond with new product developments that satisfy the changing needs of consumers (© Euromonitor International, 2002).

Among the recent innovations, we find the Anthelios sunscreen from La Roche-Posay for sun-intolerant skin, the control of sun facial pigmentation FPS50 with anti-ageing protection of the brand Eucerin and Eau Thermal Compact Mineral of Avène with SPF 50 and sand pigment (© Euromonitor International, 2022).

Image. Freepik, 2023.



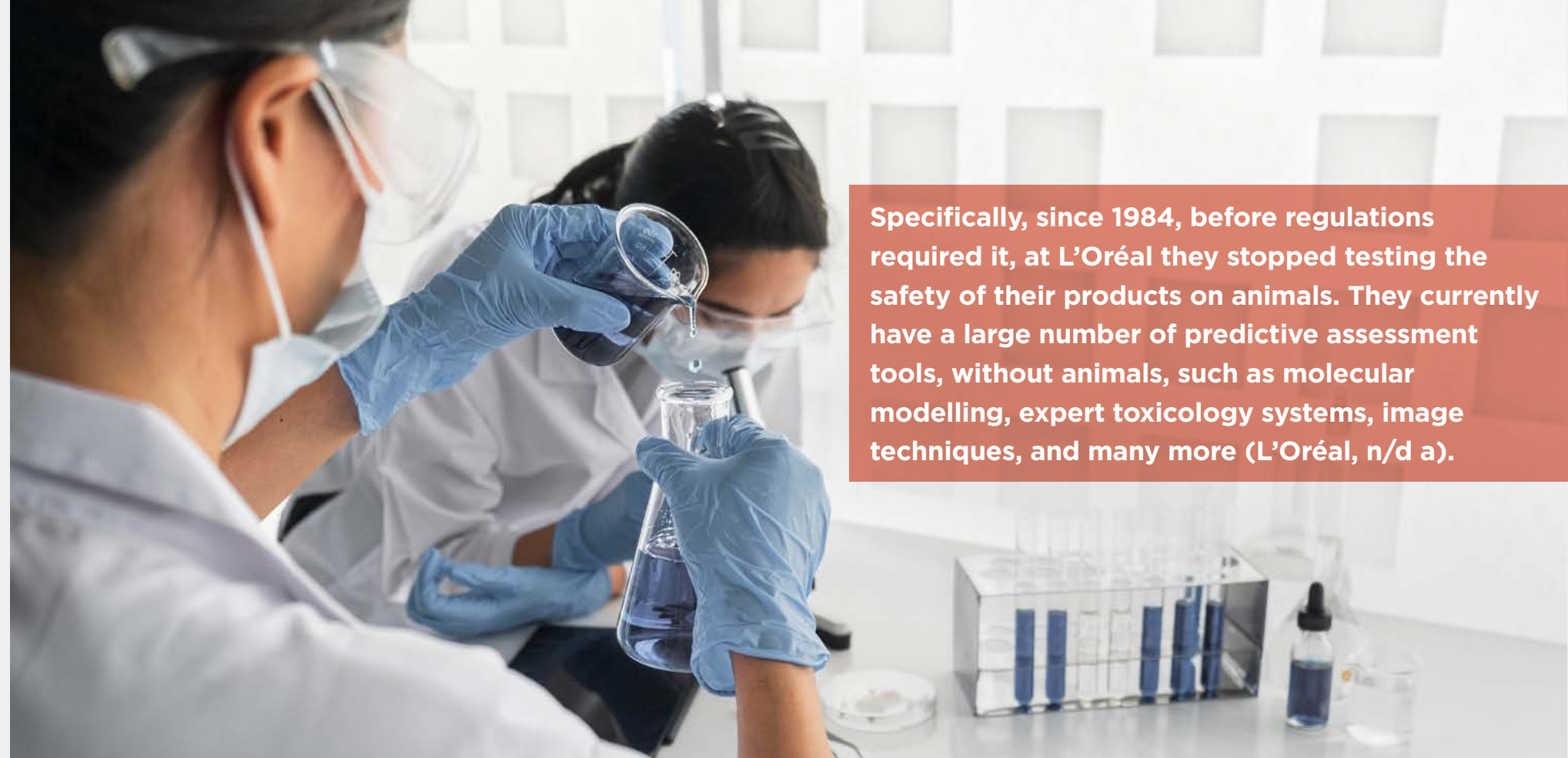
**The Nivea Sun brand is still the leading brand of massive solar protection. Their range of products include BB with SPF 50+ creams, sunscreen with glare control for sensitive skins, as well as waterproof and sweat-resistant products, and which include additives such as the Q10 coenzyme (© Euromonitor International, 2002).**

# VALUE PROPOSITION

L'Oréal was born out of science, out of a vision, created as of the idea of a chemist. Ever since, science has remained at the core of their business model. Moreover, undoubtedly, performance, safety, and the higher quality of their products have been the base of their success for over 110 years (L'Oréal, n/d a).

L'Oréal is focused on "green science", based on creating beauty that respects the planet throughout its complete cycle: from the sustainable supply of raw material to the composition of the formulas for their products, with absolute respect for biodiversity, aquatic environments and their biodegradability, and with ambitious goals for 2030 (L'Oréal, n/d b).

Image. Freepik, 2023.



Specifically, since 1984, before regulations required it, at L'Oréal they stopped testing the safety of their products on animals. They currently have a large number of predictive assessment tools, without animals, such as molecular modelling, expert toxicology systems, image techniques, and many more (L'Oréal, n/d a).

## THE DECISION

The marketing department is in charge of developing the general strategy for La Roche-Posay, as well as the tactics in each of the 4 Ps (product, price, place, promotion) to solve the company's decision that should focus on the value proposition perceived by the market segments addressed by the brand. As has been previously expressed, the market where La Roche-Posay participates is fierce; there are brands that have been in the market for years, with a wide range of personal care products, not only sunscreen. Highly reputed and renowned companies, not only in Mexico, but also in several countries in the world, in all continents, thus the competition is also making efforts to increase their market share and set a trend in this growing sunscreen market.

The question is whether La-Roche Posay must continue using the same value proposition or focus on one that adds more value to be earn significant differentiation from the competition, achieve increasing their market share, and be positioned as the benchmark in the sunscreen market. Taking into consideration the company's environment:

1. Which is the primary customer's profile (target)?
2. Which are the main needs and features customers are looking for?
3. What will La Roche-Posay of L'Oréal offer to earn significant differentiation from the competition and be a benchmark in sunscreen?
4. Which marketing strategies will be implemented (4p's)?
5. More specifically, which communication strategies (p for promotion) will be implemented to make their new value proposition known?

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