

COSMETICS: REACHING GLOBAL MARKETS

The Importance of Local Preferences and
Cultural Norms in the Cosmetics Industry

The logo for Word360, featuring a stylized 'W' icon followed by the text 'Word360' in a bold, sans-serif font. The logo is contained within a white rounded rectangular shape.

Word360

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Large, stylized numbers '2023' in white, set against a background of purple and pink wavy shapes. The numbers are positioned on the right side of the page, with the '2' and '0' on the top row and the '2' and '3' on the bottom row.

20
23

TRENDS IN COSMETICS

The projected value of the cosmetics industry is expected to reach \$463.5 billion by 2027. As consumer preferences evolve towards TikTok trends, ethical considerations, natural ingredients, and the rise of social media-driven start-ups, there has been a diversification away from the conventional global beauty houses that have long dominated the market.

While the global pandemic initially caused a decline for many brands, the industry swiftly rebounded as consumers increasingly turned to online platforms to purchase their everyday beauty products.

In the age of personalisation, many cosmetic companies are increasingly focusing on creating products that cater to local preferences and cultural norms, In this report, we will explore how this is directing trends and quantify what the impact is in terms of profit and growth.

In this report, we will explore:

- Cosmetics & Beauty market in numbers
- The rise in of the Asian Beauty Industry
- Localisation vs Translation
- The Cost of Localisation Failures
- How to Build a Localisation Strategy



COSMETICS & BEAUTY MARKET IN NUMBERS

KEY INSIGHTS

Cosmetics & Beauty Industry

The beauty industry generates over \$100 billion in revenue worldwide.

Skincare is projected to generate up to \$177 billion by 2025

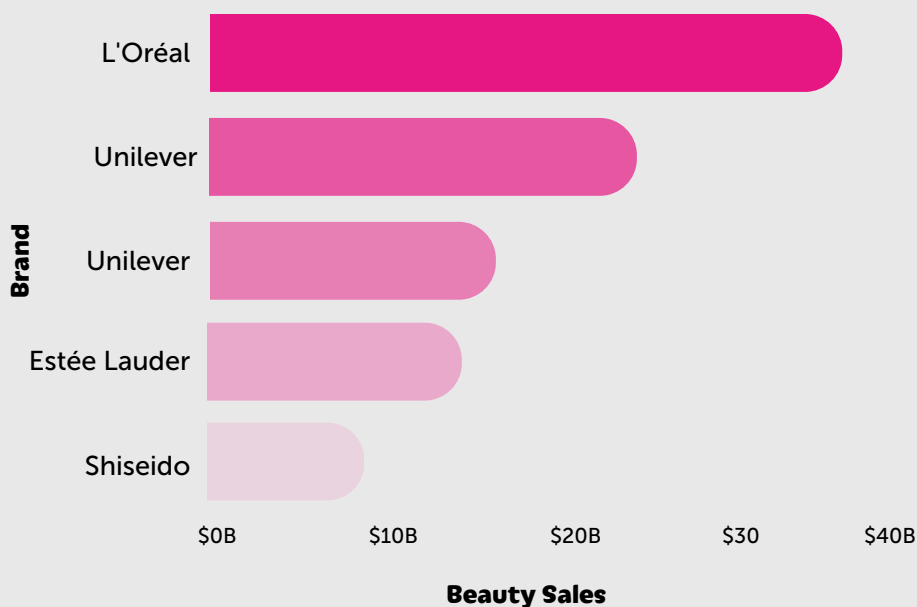
Beauty companies spent an estimated \$7.7 billion on advertising in 2022

Cosmetic retailers report \$17.09 billion in online sales.

China is the second-largest market, projected to surpass the USA by 2024

North America makes up around 26% of the market. While Europe makes up 22%.

Top players in the beauty industry



THE RISE OF THE

**ASIAN BEAUTY
INDUSTRY**

Household names including L'Oréal and Estée Lauder have created products specifically for the Asian market in recent years, which feature unique textures and ingredients that can better cater to the tastes of Asian consumers. Estée Lauder's marketing team have gone a step further even and created a dedicated brand for the Asian market, Osaio.

NORTH ASIA REPRESENTS 35% OF THE GLOBAL BEAUTY MARKET



\$52 billion

Current value of China's cosmetics market

Foreign vs local brands

Over 50% of Chinese consumers prefer foreign brands to local ones. With a significant demand for luxury brands

#2

China is the 2nd largest market and will be #1 in the next 5 years

Localisation will play a major role for D2C brands. Promoting a localised offering with Asian-specific product launches will shape the success of brands within the market.

Research and development innovation centres have been established across Asia in the last 5 years in a bid to keep ahead of market trends and to launch localised products at a faster pace.

Estée Lauder launched China Innovation Labs in Shanghai in December 2022, with L'Oréal establishing innovation centres in China and Korea, and Proctor & Gamble in Singapore. All in a bid to secure a faster route to market.

Effective translation of cosmetics content serves many purposes, including increasing sales and revenue for businesses, improving customer satisfaction, ensuring compliance with regulatory requirements in different countries, and enhancing brand reputation.

Read how working with a wide range of experts, from Chinese-based regulatory consultants to product development teams in the UK enabled **Charlotte Tilbury** to seamlessly convert their marketing and regulatory materials with rapid turnaround.



[Read the full case study](#)

The background features a white field with several overlapping, light gray, rounded shapes. These shapes resemble stylized mountain peaks or abstract architectural forms, creating a clean and modern aesthetic.

LOCALISATION VS TRANSLATION

LOCALISATION VS TRANSLATION

Two sides of the same coin.

Translating content is the basic conversion from one language to another.

Localisation however, is the adaptation of content so that it is in line with the cultural nuances of the target audience.

Very often cosmetics companies that translate their content into the local language are better able to communicate the benefits and features of their products to potential customers in foreign markets, which has a direct impact on sales

Around 40% of internet users said they will never buy from websites that are not in their native language.

(CSA Research, 2020)

As over 50% of the world's population speaks a second language, consumers seek out information in their native language and localised dialect, which can foster a sense of goodwill towards the brand and result in improved loyalty and repeat purchase outcomes.

THE CRUCIAL ROLE OF WEBSITE LOCALISATION

Improving the strength of your brand and your conversion rate.

Localisation is an essential strategy in order for cosmetic companies to connect with consumers in different regions and boost sales in global markets.

Did you know...

67%

of online shoppers said that they have bought from retailers outside of their home country. ([Flow](#))

87%

of B2C consumers said they would not buy from an English-only website. ([CSA Research](#))

Two fifths

of global shoppers have made a cross-border purchase in the past 3 months. ([PayPal](#))

40%

of internet users said they will never buy from websites that are not in their native language. ([CSA Research](#))



THE COST OF

LOCALISATION

FAILURES

The Cost of Localisation Failures

Localisation refers to the process of customising products or content to suit the culture, language, and preferences of a specific geographical region. In the cosmetics industry, localisation can involve adapting product formulations, packaging, and marketing materials to appeal to consumers in varying countries or regions.

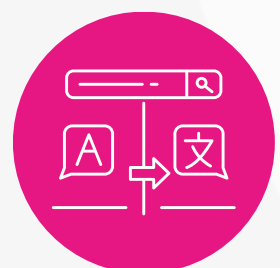
A localisation failure occurred when German luxury car manufacturer Mercedes-Benz decided to shorten their name to “Bensi.” for the Chinese market. The team identified too late that “Bensi”, means “rush to die” in Chinese, which was not the message Mercedes Benz wanted associated with their vehicles. The company quickly relaunched the brand using the term “Benchi,” which means “run quickly as if flying” instead.

The team identified too late that “Bensi”, means “rush to die” in Chinese

Many brands have discovered the value of local cultural knowledge to their own cost. When introducing its products into the United States, Swedish vacuum manufacturer Electrolux relied on machine translation to proudly proclaimed, "Nothing sucks like an Electrolux,". Although a grammatically correct slogan, this meant something entirely different to the US market. Unsurprisingly, it failed to resonate and did not gain the desired traction in this market.



The importance of taking cultural nuances into consideration is demonstrated time and time again in cautionary tales of big brands getting it wrong with target audiences.



HOW TO BUILD A
**LOCALISATION
STRATEGY**

REIMAGINING CONSUMER BEHAVIOURS ON A GLOBAL SCALE: CHANGING TRENDS AND PATTERNS

86%

of localised campaigns outperform English campaigns in both click-throughs and conversion.

Source: Appia

72.4%

of global consumers indicated that they prefer to use their native language when shopping online.

Source: Company Sense Advisory

50%

of the countries within the top 10 for downloads and revenue in iOS App Store are non-English speaking countries from Europe and East Asia.

Source: App Annie

55%

of global consumers said they only buy products from websites that provide them with information in their own language.

Source: Company Sense Advisory

When brands invest in localisation the benefits are clear to see. UK-based online retailer ASOS has gained worldwide recognition since 2000 for its youth-focused clothing lines. With a strong emphasis on localisation, ASOS has successfully expanded its business globally, with international sales accounting for over half of the company's revenue.

To achieve this, ASOS employs a comprehensive localisation strategy, encompassing multiple aspects of their online platform:

Website Translation

ASOS ensures that their website is accessible to customers in different countries by providing accurate translations in their respective languages.

Local Currency Pricing

Recognising the importance of displaying prices in customers' local currencies.

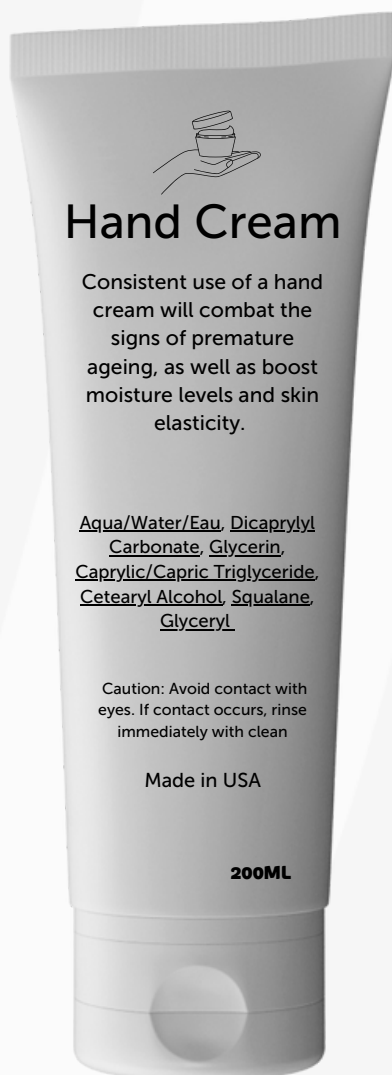
Product Localisation

ASOS takes great care in curating its product offerings to align with the specific preferences and fashion trends of each target market.

A more nuanced aspect of localisation is adapting product packaging and marketing materials to appeal to local consumer preferences and cultural norms. For example, a cosmetic brand may create a special edition product with packaging that features traditional motifs, or colours associated with a particular regional holiday or event.

Understand Regulatory Requirements and Restrictions

A key consideration when localising cosmetic products is the regulatory requirements and restrictions of each country. Different countries may have varying standards for ingredient safety and allowed claims, so companies must adapt their formulas to comply with local laws. Working alongside compliance specialists, many brands seek advice to ensure their products are compliant on route to market



ROLE OF TECHNOLOGY IN LOCALISATION

HOW DOES TECHNOLOGY DRIVE TRANSLATION EFFICIENCIES?

1

STREAMLINED LOCALISATION

Translation technology has revolutionised the localisation process for businesses expanding into global markets. Translation management systems and computer-assisted translation (CAT) tools enable businesses to streamline the localisation process, automate repetitive tasks, and ensure consistent terminology and quality across translated content, resulting in significant time and cost savings.

2

CUSTOMIZATION AND ADAPTABILITY

Translation technology can be customised and adapted to specific industry requirements or language nuances. Domain-specific translation memories and term bases can be developed, ensuring consistent and accurate translations within specialised fields such as legal or cosmetics .

3

MACHINE TRANSLATIONS

Although technology drives efficiencies and consistency, machine translation tools such as Google Translate lack contextual understanding. Google Translate primarily translates text based on patterns and statistical analysis, without fully understanding the context or meaning behind the words. This can result in translations that are contextually incorrect or ambiguous.

5

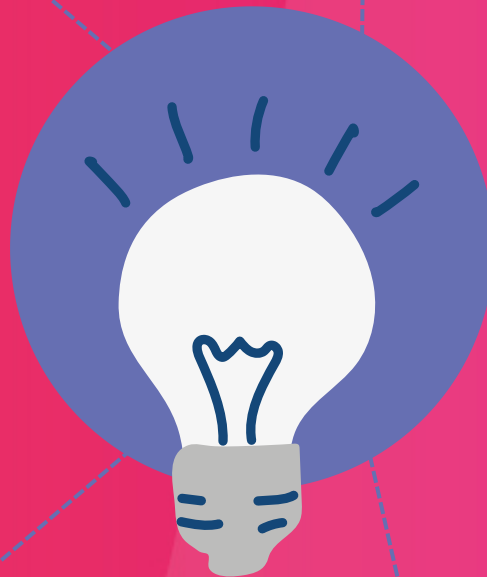
QUALITY ASSURANCE

Technology speeds up the translation process, however quality assurance is still an essential step. Translation services that solely use technology may provide limited or no revision options. Quality assurance processes, such as proofreading or editing, may also be overlooked or not adequately performed, further compromising the quality of the translations.

4

SCALABILITY

Technology-driven translation enables scalability, allowing organisations to handle translation demands efficiently as they grow or expand into new markets.





AS OVER 50% OF THE WORLD'S POPULATION SPEAKS A SECOND LANGUAGE, CONSUMERS SEEK OUT INFORMATION IN THEIR NATIVE LANGUAGE AND LOCALISED DIALECT, WHICH CAN FOSTER A SENSE OF GOODWILL TOWARDS THE BRAND AND RESULT IN IMPROVED LOYALTY AND REPEAT PURCHASE OUTCOMES.



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