Exporting natural exfoliants to the European cosmetic market

The European market offers growing opportunities for natural exfoliants. As more and more countries are banning plastic microbeads, cosmetic manufacturers have a high and growing demand for natural mechanical exfoliants. At the same time, the growing natural cosmetics market offers opportunities for exfoliants based on natural chemicals. It is particularly interesting to buyers and your business case if you can combine both types of exfoliants.

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1. Product description

Desquamation is the natural process to renew the outer layer of a person’s skin. In this process, the upper layers of the epidermis shed in small flakes, revealing the younger cells.

Consumers can help speed up this natural process with careful use of exfoliation. This helps to speed up the removal of the dead skin cells to expose the new, younger cells, which improves the appearance and texture of the skin.

Younger skin is more effective at desquamation than older skin. Exposure to sunlight, hormonal influences and vitamin deficiencies make desquamation more difficult.

Cosmetic manufacturers have developed two ways to help desquamation.

- Mechanical exfoliants: these exfoliants physically scrub the skin with an abrasive. This abrasive removes the skin cells from the outer layers of the epidermis. They can also deep clean the skin to remove dirt. Different grades of exfoliants are used for different areas on the body. For example, a hand scrub can use a coarser grade of exfoliant than a face scrub.
- Chemical exfoliants: these aid exfoliation and improve skin appearance. These ingredients loosen the substance that holds cells together, allowing outer cells to be released. The most common chemical exfoliants are hydroxy acids and enzymes.

Tables 1 and 2 below give several examples of natural exfoliants, which can be found on the European cosmetics market.

Table 1: Product examples of natural mechanical exfoliants
Table 2: Product examples of chemical exfoliants

<table>
<thead>
<tr>
<th>Nut shells</th>
<th>Ground nut and fruit seeds</th>
<th>Flowers, leaves and bark</th>
<th>Grains and husks</th>
<th>Fruits</th>
<th>Salt or sugar</th>
<th>Waxes/oils microbeads</th>
<th>Mineral</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wide range, including:</td>
<td>Wide range, including:</td>
<td>Wide range, including:</td>
<td>• Rice husk powder</td>
<td>• Dried cranberries</td>
<td>All types, such as:</td>
<td>• Jojoba</td>
<td>• Pumice (volcanic lava)</td>
</tr>
<tr>
<td>• Almond</td>
<td>• Olive pits</td>
<td>• Olive</td>
<td>• Sea salt</td>
<td>• Rice bran wax</td>
<td>• Sea salt</td>
<td>• Carnauba wax</td>
<td>• Sand</td>
</tr>
<tr>
<td>• Walnut</td>
<td>• Berries: blackcurrant cranberry</td>
<td>• Lavender</td>
<td>• Brown sugar</td>
<td>• Luffa shreds</td>
<td>• Luffa shreds</td>
<td>• Sunflower wax</td>
<td>• Pearl</td>
</tr>
<tr>
<td>• Coconut</td>
<td>• Kiwi</td>
<td>• Jasmine</td>
<td></td>
<td>• Oat flour</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Apricots</td>
<td>• Passion fruit</td>
<td>• Seaweed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Argan</td>
<td>• Guarana</td>
<td>• Willow bark powder</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Cocoa bean</td>
<td>• Avocado</td>
<td>• Tea tree leaves</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Shea</td>
<td>• Moringa</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Green coffee beans or ground coffee</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Tips:
- For natural mechanical exfoliants, always check the performance, stability and shelf life of the exfoliant in a finished product.
- Check the composition of botanical extracts for their concentration of substances used as chemical exfoliants. Standardise the plant extracts to define the price for a specific quality.

2. What makes Europe an interesting market?

Global market growth exfoliators and scrubs

Technavio expects that the global market for exfoliators and scrubs will grow by 5% annually to 2020. In 2020, this market will reach a value of $4.21 billion.

The market researcher lists three factors contributing to this growth. These are the growing demand for:

- exfoliators and scrubs with anti-aging properties;
- male toiletries, especially in Europe and the United States;
- skin lightening exfoliators and scrubs, mostly from consumers in Asia.

Of these three contributing factors, the first two are especially relevant for the European market. See the sections below for more information on the growing demand for anti-aging cosmetics, male skin care and toiletries, and natural cosmetics.
Growing demand for anti-aging cosmetics

Desquamation speeds up the removal of dead skin cells and expose new younger cells to give a more youthful appearance.

As daily life becomes more stressful, consumers are more aware of the importance of healthy lifestyles. Being healthy also means looking radiant and staying young and active. As a result, cosmetic products that combat (the signs of) ageing are increasingly popular. Zion Market research expects the global anti-ageing cosmetics market to grow by 7.5% annually from 2016 to 2021.

Tips:

- Indicate the recommended concentration of your grades of mechanical exfoliants.
- If you produce a mechanical exfoliant, also show your potential buyers what product types and areas of the body your exfoliants can be used for. For example, small, round mechanical exfoliants are useful for facial washes because they are less abrasive to the skin.
- Build up a library of documents that refer to the properties and benefits associated with your natural exfoliant. Refer to publications, press releases, communication materials from competitors and other source material.
- For information on other anti-aging ingredients, see our studies on anti-ageing, liquorice or antioxidant extracts.

Growing demand for male skin care and toiletries

Although female consumers account for the largest share of demand for exfoliators and scrubs, demand from male consumers is growing. Technavio estimates that Europe is the largest market for male toiletries, reaching $8 billion in 2020. Around 30% of men use facial exfoliators, the largest product after soap, moisturisers, lip balm and facial cleansers.

The market researcher expects that the global male skin care market will grow by 9.8% annually to 2020. In addition, the global male toiletries market is expected to grow by close to 4% annually in the same time frame. Exfoliants are most strongly used in these two industry segments. Other sources report that the male skin care market is stagnating after a massive growth in the last 5-10 years.

Tips:

- Check what ingredients men’s skin care brands use to see if your exfoliant suits their products. For example, the company Bulldog developed a scrub with oat kernels and olive
Growing demand for natural cosmetics

Consumer demand for natural cosmetics continues to rise. This offers opportunities for natural exfoliants.

According to the Kline group, the global natural cosmetics market amounted to $33 billion in 2015 (€29 billion); 13% of the total cosmetics market (Brands with a Conscience, Ind & Horlings, 2016). This market is predicted to grow to $50 billion (€44 billion) in 2019.

Tips:

- Find additional information on natural and organic cosmetics in our study on trends for natural ingredients for cosmetics.
- Brand your ingredient as natural. Show how it can match benefits and product applications of synthetic alternatives.
- See our study on buyer requirements for natural ingredients for cosmetics for more information on certifications for natural ingredients. Always discuss these options with your buyers. It only makes sense to certify your natural exfoliants according to natural or organic standards if the final product is also certified.

Growing demand for natural mechanical exfoliants

Until recently, many mechanical exfoliants used microbeads made from very small plastic particles. However, as public scrutiny is increasing on the use of plastics and its negative effects, in particular on oceans and marine life, European cosmetic brands and companies are reformulating their products. As a result, European demand for natural mechanical exfoliants is growing strongly.

Furthermore, various European countries are banning microbeads in cosmetics and personal care products and multinationals are also reducing their use of microbeads:

- The United Kingdom announced a production ban from 1 January 2018 and a sales ban from 30 June 2018.
- France will ban microbeads from 1 January 2018.
- Finland, Norway, Denmark, Iceland, Sweden, and Luxemburg joined in a ban on microbeads for rinse-off products, such as scrubs. This ban will come into effect in 2020.
- As a company example, the world’s biggest cosmetics company, L’Oréal, decided to reformulate its rinse-off products and phase out plastic microbeads.

Cosmetic companies increasingly use natural mechanical exfoliants. A wide range of natural products can be used as alternatives to microbeads. They need to have a small particle size and a texture that allows for exfoliation of the outer skin layer. Producing mechanical exfoliants offers an interesting opportunity to add value to by-products, such as barks, nut shells and seeds (as by-products).
Tips:

- Conduct additional market research for more insights into the countries mentioned above. Countries that banned microbeads are interesting markets for natural exfoliants. Use free statistical databases for additional information, such as ITC Trademap or the EU Export Helpdesk.

- Visit or participate in trade fairs to test if the market is open to your product, get market information and find potential buyers. Relevant trade fairs in Europe are Vivaness, and in particular in-cosmetics.

- Review products of competitors to determine what type of products are popular in Europe. See product competition for an example of product comparison.

- Keep up to date with developments in natural exfoliants, for example by checking the websites of Cosmetics-Design and In-Cosmetics. Make sure that the exfoliants you want to export are in demand on the European market.

- Look at your product – how can it be used as a mechanical exfoliator? Develop your product in terms of particle size and range, shape, hardness, density and colour.

3. What requirements must natural exfoliants comply with to be allowed on the European market?

Requirements for cosmetic ingredients

You can only export your natural exfoliants to the European cosmetics market if you comply with the legal requirements for natural ingredients for cosmetics. These include:

- Relevant European cosmetics legislation (Regulation (EC) 1223/2009)
- Documentation: supplying your buyers with well-structured product and company documentation
- Registration Evaluation and Authorisation of Chemicals (REACH). Check the status of your product under the exemptions listed in Annex V
- Classification, Labelling and Packaging of chemicals (CLP), you can also discuss with the freight forwarder or transport company who will also advise.

Tips:

- Comply with market access requirements in terms of quality control, traceability and sustainability. You need to show where your extract comes from and where it is processed.

- Analyse your extracts for the presence of pesticides and heavy metals. There is a growing concern about the presence of these impurities.

- Ensure that you can create a homogenous particle size of mechanical exfoliants; this is critical.

- Buyers expect high standards of purity with very low/absent microbiological counts.

- They also expect an absence of mycotoxins and low moisture content of exfoliant powders, which lead to a long shelf life.

- Ensure that your packaging maintains the low moisture content for exfoliant powders. This is critical for a long shelf life.
Access and Benefit Sharing
You may also need to comply with requirements based on international treaties on using and trading plant resources.

The Nagoya Protocol contains terms and conditions for companies that want to carry out research and development on genetic resources or benefit from traditional knowledge. It aims to make sure the benefits of genetic resources and traditional knowledge are shared in a fair and equitable way. This is called Access and Benefit Sharing (ABS).

European companies are now legally required to follow those laws that are in force in your country regarding access and benefit sharing. Gradually, countries are implementing legislation to govern access to genetic resources.

You will need to find out if the access to and use of the genetic resources for this particular purpose falls within the scope of the ABS legislation in your country. It is your responsibility to check this. If it does, you will need to comply with that legislation and you will need to verify your compliance to your European customers.

Tips:
- See our study on buyer requirements for natural ingredients for cosmetics for more information.
- Develop a procedure to check if ABS applies to every new genetic resource or traditional knowledge you want to develop. This includes knowing the local context and officials. Have a look at the CBD website for more information, which also includes country profiles.

Additional buyer requirements
Many buyers have additional requirements that can go beyond legislation and standards. These are established in buyer specifications and include the following requirements:

- Good and reliable level of quality, by following basic practices such as Hazard Analysis & Critical Control Points or if you want to do more Good Manufacturing Practices of the European Federation for Cosmetic Ingredients.
- Being a sustainable supplier. Certification of these sustainable practices is only a requirement for niche markets. Any practices involving the collection of seeds will need to examine the sustainability of that practice.
- Showing good corporate social responsibility (CSR) practices.

Voluntary standards and certifications
Standards for cosmetic ingredients include the following.
- Natural cosmetics, the largest and most important niche market: NaTrue and Cosmos.
- Organic cosmetics: Soil Association (United Kingdom) and Ecocert (France) also certify according to Cosmos standard for natural and organic cosmetics. BDiH (Germany) also has its
own standard.
- **ISO 16128 standard** as an alternative minimum self-certifiable standard, which covers definitions and criteria for natural and organic cosmetic ingredients and products.
- Fair production, small niche market in terms of certified cosmetic ingredients: [Fairtrade](https://www.fairtrade.net) and [FairWild](https://www.fairwild.org).

### Quality requirements

#### Chemical exfoliants

Industry sources indicated that to be of optimum quality, chemical exfoliants must be pure, without additives. Moreover, standardisation is increasingly important. For chemical exfoliants, you need to standardise the substances that are known for their exfoliating properties.

#### Mechanical exfoliants

For natural mechanical exfoliants, particle size and being free from microbiological contamination are key considerations. Industry sources indicate that it is especially important that you can offer a homogenous size of the particles. Common particle sizes are 200 microns (about the thickness of paper), 500 microns (0.5 mm) and 1000 microns (1 mm). However, they can range from 100 microns to 2000 microns (2 mm). Mechanical exfoliants produced from **luffa fruits** are even on the market at a particle size of 5–30 microns. The smallest grades are used in face care and larger grades in body and hand care products.

The hardness and shape of a natural mechanical exfoliant determine how abrasive they are. Natural mechanical exfoliants should not damage or scratch the skin in any way. An exfoliant’s density and colour also determine in what type of formulations it can be used. Mechanical exfoliants may affect the stability and colour of the finished product, this needs to be verified primarily by the final cosmetics manufacturer. However, if you can do some basic testing of emulsion and colour stability, this will be useful for these manufacturers to determine if your exfoliant powder is viable as an ingredient. Due to the risk of microbial spoilage, some buyers may expect you to irradiate any seeds or other natural powders.

### Tips:

- Train your suppliers to ensure the quality of the product throughout the value chain. This refers to quality, cultivation or wild collection, processing and logistics, even if the exfoliant is a by-product of another process. Give them clear guidelines on harvesting and processing practices and provide them with clear specifications of the raw materials you want to buy from them.

- Keep facilities and equipment clean to prevent contamination with foreign materials. Produce your natural exfoliants with a minimum of impurities.

- Create a standardised chemical exfoliant with a well-defined specification. Do not add additives to your products unless your buyer requests it. Buyers prefer pure products. Any use of additives must be specified in the Technical Data Sheet (TDS).

- Use an extraction method that is consistent with your buyer’s specifications.

- Ensure that your mechanical exfoliant has a homogenous particle size. Develop and monitor standard operating processes for harvesting and processing.

- If you produce organic natural exfoliants, dedicate your processing plant or a specific processing line to only producing organic products. This helps avoid contamination from non-organic particles. If you cannot do this, clean your machinery and equipment thoroughly between conventional and organic production.

- See our study on [preparing a technical dossier for cosmetic ingredients](https://example.com) for additional information.
Labelling and documentation requirements

You need to comply with the following requirements for the labelling of your natural exfoliant.

- Set up a registration system to identify and trace individual batches of your natural exfoliants, whether they are blends or not, and mark them accordingly to ensure traceability.
- Label your products in English, unless your buyer wants you to use a different language.

Your labels must include:

- Product name/INCI name
- Batch code
- Place of origin
- Name and address of exporter
- Date of manufacture
- Best before date
- Net weight
- Recommended storage conditions.

For organic exfoliants, include the name/code of the inspection body and the certification number.

You also need to give your buyer the following documentation.

- Technical data sheet (TDS) (see this example of bromelain)
- Certificates of analysis (see this example of citric acid)
- Safety data sheet (SDS) (see this example of a sugar and carnauba wax scrub)
- GMO certificate (if requested)
- Certificate of origin
- Product information sheet
- 100% composition of the exfoliant, especially for chemical exfoliants
- Non Animal Testing Declaration (especially for European companies)

Some chemical exfoliants are classified as hazardous and require hazard symbols. For example, bromelain and retinol need symbols to show they are harmful and a serious health hazard. Green tea extract needs a label to show it’s harmful (see Figure 1 below).

You can check the website of the European Chemicals Agency to see if your ingredient is classified as hazardous. You also need to include relevant risk and safety phrases. For more information, see this example of a safety data sheet for bromelain.

Figure 1: Examples of hazard labels for natural exfoliants

Tips:

- Check the website of the European Chemicals Agency for more information on the hazard classification of natural exfoliants.
- See our study on buyer requirements for natural ingredients for cosmetics for information on classification, labelling and packaging (CLP).
Packaging requirements for natural exfoliants

Packaging requirements differ per buyer and product. However, there are some general requirements you have to take into account to preserve the quality of the product. See the tips below.

**Tips:**
- Always ask your buyer for their specific packaging requirements.
- Use containers of a material that does not react with components of your product. Natural exfoliants are commonly packaged in paper bags with a plastic (polyethylene) lining of 25 kilos. Extracts used as exfoliants are packaged in containers lacquered or lined with steel, or from aluminium.
- Clean and dry the containers before loading the product.
- Store bags in a dry, cool place to prevent quality deterioration.
- If you produce organic certified natural exfoliants, physically separate them from exfoliants that are not certified.
- See our study on buyer requirements for natural ingredients for cosmetics for information on classification, labelling and packaging (CLP).

4 . What competition do you face?

**Market entry barriers**

**Mechanical exfoliants**

Natural mechanical exfoliants offer an opportunity to add value to waste products. Market entry barriers for these products are relatively low, especially when compared to chemical exfoliants. Most mechanical exfoliants only need to be ground and polished. However, you should also be able to produce an exfoliant with a stable particle size. Since market entry barriers are fairly low, this also means that you can expect many new entrants.

As many companies will try to enter the European market, you need to find your unique selling point (USP). For mechanical exfoliants, the main opportunities for a USP lie in developing exfoliants with an interesting marketing position or exfoliants based on ingredients already popular in Europe, such as argan. See the product competition section below for more information and tips on finding your USP.

**Chemical exfoliants**

Processing can be a market entry barrier for chemical exfoliants, as this can require significant investments in processing plant installations. It also requires specific technical expertise to ensure a safe product and standardised product quality. Chemical exfoliants require more skilled processing. Fruit enzymes are extracted using chemical precipitation. Afterwards, they often need to be purified or concentrated.
Hydroxy acids, the most common chemical exfoliants, can be produced in different ways. For example, citric acid is extracted from citrus juice by treating the juice with calcium hydroxide and sulfuric acid. Adding *Penicillium* or *Aspergillus niger* moulds to a source of sugar also results in citric acid. This process also requires chemical precipitation to isolate citric acid. Other production methods for hydroxy acids include fermentation, and isolating the acids from natural sources.

Botanical extracts that are used as chemical exfoliants, such as papaya and green tea extracts, require processing to refine and concentrate the active components used for their exfoliating properties, which can be expensive. For these products, product quality and safety need to be closely monitored as well.

Some chemical exfoliants, such as citric acid, are produced at very high production scales as part of the chemical and biotech industries. To enter these markets, you will need to be able to produce high volumes, with stable quality at competitive prices (see below).

You need to show good practices in terms of the supply chain:

- Processing and safety
- Handling of raw materials and extracts
- Availability
- Traceability.

It is very important to have documented processes to understand how you manage risks on all of those above points. Ideally, you would certify some of those processes.

**Tips:**

- If you cannot produce sufficient quantity and quality of natural exfoliants yourself, link up with other producers.
- Determine which investments you need to make to produce chemical exfoliants. If significant investment is required, consider sharing the costs with other producers.
- Prepare detailed product documentation on product, technical, safety and performance data, as well as professional samples. Increase your capacity for safety testing and monitoring to do so.
- For more information and tips, see our [tips for doing business](#).

**Product competition**

Product competition for natural exfoliants is strong. As can be seen in tables 1 and 2, many ingredients can be used as natural exfoliants, especially as mechanical exfoliants. Moreover, you will face product competition from biodegradable microbeads, as well as ingredients that have a similar effect on the skin: conditioning and anti-aging.

Industry sources indicate that developing countries could play a big role in production of mechanical exfoliants. Since the function of different mechanical exfoliants is fairly similar, you should try to stand out by highlighting what makes your product special in terms of a marketing story, or popular ingredient. Your main options include:

- Developing interesting marketing stories, based on origin and the marketing appeal of the exfoliant’s provenance. As they make up 5–10% of a final product, these ingredients are being increasingly used as a key ingredient in marketing.
- Developing mechanical exfoliants of waste products of popular cosmetic ingredients. For example, since argan oil is such a popular ingredient in cosmetics, you could make use of this
popularity by producing a natural exfoliant from the nut shell.

- Certifying your product, such as with organic certification. This can help to show your buyer that you are a sustainable supplier.
- Producing exfoliants at a competitive price.

Chemical exfoliants are more performance-oriented. Therefore, in order to stand out from the competition, you should focus on:

- Developing chemical exfoliants with documented performance.
- Demonstrating how the performance of your chemical exfoliant compares to other (cheaper) products on the market.
- Developing an interesting marketing story for your exfoliant. This is less important for chemical exfoliants than for mechanical ones. First you need to show that your exfoliant works.

For both types of exfoliants, you can use additional options to stand out from the competition:

- Excelling in corporate social responsibility (CSR); however, since buyers always expect some degree of CSR, it is difficult to get a better price for this, as it simply is becoming a basic market requirement.
- Improving access to resources and/or sustainability of the resource.

Manufacturers will not usually switch suppliers or include new ingredients once they have included a particular extract in a cosmetic product or product range, and have built up its market. Manufacturers are also more interested in new ingredients when they develop new products or product ranges.

Table 3: Example of product substitution for exfoliating ingredients

<table>
<thead>
<tr>
<th></th>
<th>Walnut powder</th>
<th>Passionfruit seed powder</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparative profiles</td>
<td>Walnut powder is one of the classic, traditional exfoliating powders used in cosmetic products. It is well known and formulators know how to use it. Passionfruit seed powder is new on the market. This in itself makes it attractive, but its performance has yet to be established. Therefore, more data is needed to justify its use in cosmetics. Moreover, data is needed to justify the slightly higher price that would be charged due to the lower volumes, innovation and novelty. Performance depends on the quality of the processing to produce homogenous grades of the powder with low moisture content and low micro counts.</td>
<td></td>
</tr>
</tbody>
</table>
| Competitive advantages| * Marketing potential: average  
* Performance: good  
* Price: cheap  
* Availability: high | * Marketing potential: high/novelty  
* Performance: good  
* Price: relatively expensive  
* Availability: dependent on nature |

Tips:

- Determine the chances of substitution for your product. Compare the composition and properties of your exfoliant with those of the competing products. Communicate this in a clear and attractive way.
- Develop a USP for your mechanical exfoliant and work out a marketing story. What makes it interesting for potential buyers? What sets your exfoliant, or your company apart from competitors? Determine which story is most attractive for your targeted market segment.
- Provide your buyers with good quality pictures or videos to support your marketing story, such as pictures of the exotic origin of your exfoliant, or ones of traditional or local...
production processes.

- For chemical exfoliants, produce a standardised extract with known and stable concentrations of the particular substance that causes the exfoliation. That is the first challenge.

- On a case by case basis it may be necessary to perform skin trials to demonstrate the effectiveness of your chemical exfoliant. Conduct specific research into the effects on different parts of the skin, like body, face, hands and feet. This may give you an advantage over competitors.

- If you want to do testing, work with a recognised product/ingredient testing service, ideally in Europe. Determine what the costs are. These tests are expensive and you need to weigh up carefully the benefits of such tests.

- Build up a library of documents that refer to the properties, benefits and claims associated with your natural exfoliant. Refer to publications, press releases, advertisements from competitors and other source material.

- See our studies on vegetable oils and extracts for more product-specific information and tips: vegetable oils for conditioning, conditioning extracts, shea butter, fruit-seed oils, high omega oils, palm oil alternatives, waxes, marine extracts, antioxidant extracts and anti-ageing extracts.

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**Company competition**

In most cases, many companies can make similar exfoliants as you. Where you can expect competition from, depends greatly on the exfoliant or type of exfoliant you produce.

**Chemical exfoliants**

Outside of Europe, Thailand and China dominate the production of various chemical exfoliants. Thailand is the main developing country supplier of lactic acid, whereas China is a massive supplier of citric acid and a strong supplier of tartaric acid.

From inside Europe, you can expect strong competition for alpha and beta hydroxy acids as well. For example, the Netherlands is a leading supplier of lactic acid, while Italy is the main European supplier of tartaric acid.

**Mechanical exfoliants**

European companies are a source of competition for mechanical exfoliants as well. For example, the French company Lessonia has positioned itself as the leading global supplier of mechanical exfoliants. The company offers a wide range of natural mechanical exfoliants, which are available in various sizes and grades, for different cosmetic applications. At the same time, Lessonica processes raw materials into cosmetic ingredients. As such, the company could also be an interesting buyer for your raw materials or mechanical exfoliants that require further processing.

**Finding your unique selling point**

To differentiate your natural exfoliants from rivals on the market, you need to find your unique selling point. For more information, see the section on product competition above.

Along with finding a unique selling point for your product, you should also build your company reputation to stand out from your rivals. Industry stakeholders indicate that companies increasingly use their reputation to stand out from the competition or standards and certifications they meet, instead of focusing on the individual products they produce.
Having a strong company reputation based on trust may make it easier to stand out from the competition. Buyers are less likely to switch to another supplier if they trust your company. This also means that if you damage the relationship you have with your buyers, they will be more susceptible to new suppliers.

Tips:

- Review the websites of your competitors and study how they promote their exfoliating products.
- Promptly answer questions and requests from your buyers or any potential buyers. Be open and honest in your communications. Keep your promises and be transparent about non-compliance.
- Demonstrate that you are a reliable supplier in terms of quality consistency, delivery, packaging, service delivery and supply security.
- Organise your supply chain to distinguish your company on the market. Make sure that your supplies are traceable, sustainable and well documented.
- Be prepared to support statements you make with documentation. You also need to prove your policies on corporate social responsibility (CSR).
- See our tips on doing business and our study on competition for natural ingredients for cosmetics for additional information.

5. Which channels can you use to put natural exfoliants on the European market?

Which market segments to target?

In order to determine which market segment you should target with your natural exfoliants, you need to answer the following questions.

1. What does your exfoliant do?

   You need to determine how the functionality of your exfoliant compares to the general properties of mechanical and chemical exfoliants:

   - Mechanical exfoliants are registered as abrasives in COSING.
   - Chemical exfoliants loosen the substance that holds cells together, allowing outer cells to be released. There is no separate registration for these products in COSING. Instead, they can be registered as skin conditioning (for example retinol, bromelain and grapefruit extracts), buffering, chelating, and masking (such as citric acid).

2. For which industry segment is your exfoliant useful?

   Natural exfoliants are used in a wide range of products, most commonly in toiletries (such as face and body scrubs) and skin care (such as face creams and peels).

   Chemical exfoliants have additional uses aside from exfoliation. As a result, they are used in a wider range of industry segments, as well as in products outside of cosmetics. For example, citric acid is not only used in skin care and toiletries. The cosmetic market only accounts for a small share of the demand for citric acid, most comes from the food industry. Botanical extracts that are used as chemical exfoliants also find applications in various anti-aging or conditioning skin care products, as well as hair care products.
3. For which kind of player is your exfoliant interesting?
Both natural and conventional cosmetic brands are interesting for natural exfoliants. These ingredients are already used in a wide range of products. If you can ensure stable quantities and qualities, big cosmetic brands offer good opportunities.

4. What is your unique selling point?
Your unique selling point for natural exfoliants can be based on its marketing appeal (especially for mechanical exfoliants), or performance (in particular for chemical exfoliants). You need to find out how your product stands out from its competition. What makes it different or special? For example, do you offer a mechanical exfoliant with an interesting marketing story?

Tips:
- Use the properties of exfoliants as registered in Cosing or used on websites of European manufacturers of cosmetics products in your promotional materials. Do not use terminology that is not used in the market.
- Work together with a local university department or laboratory to fully determine the composition of your exfoliant. You need to include this in your product documentation.
- Check online sources such as Cosmetic Analysis to find examples of products that use natural exfoliants.
- See our study on doing business for natural ingredients for cosmetics for additional information.

Which channels can you use to put your natural exfoliants on the European market?
See our study on market channels and segments for natural ingredients for cosmetics for an overview of market channels, segments, trends and developments.

Natural exfoliants are usually processed from raw materials in the country of origin. They are exported as a powder or, in the case of botanical extracts, as a liquid. According to industry sources, natural exfoliants, especially mechanical exfoliants, require little processing in Europe. European processing mainly plays a role in developing specialised, ready-to-use cosmetic ingredients and purifying or concentrating chemical exfoliants.

European importers are your most important entry point into the market. They will supply the natural exfoliants to processors (if needed), or directly to cosmetic manufacturers for use in certain formulations.

Cosmetic manufacturers in Europe focus on production and on research and development (R&D) activities. They are not very interested in sourcing directly from developing countries. They prefer to source from European importers and processors who can supply small quantities at frequent intervals and meeting their stringent requirements.

Tips:
- Benefit from the experience and knowledge of European importers instead of approaching end-users directly. If you export specialised products such as proprietary natural exfoliants, focus on European distributors.
- If you produce certified natural exfoliants, check the websites of buyers to find out if they
work with certified ingredients. Buyers that do not do so are unlikely to pay a premium for your certification.

- Visit and participate in trade fairs to test market receptivity, to obtain market information and to find potential business partners. The most relevant trade fair in Europe for natural exfoliants exporters is in-cosmetics. Other options include Beyond Beauty (Paris, France) and SANA (Bologna, Italy), or Vivaness for organic producers (Nuremberg, Germany).

- Find potential buyers by identifying finished products on the market that already use natural exfoliants or its active ingredients. For example, check websites such as Cosmetics Analysis.

- See our studies on finding buyers and market channels and segments for additional information.

6. What are the end-market prices?

According to industry sources, natural exfoliants are relatively cheap products. They are used in relatively large amounts in final products, in ranges of 5–10%.

Pulmice, one of the cheapest mechanical exfoliants, is priced at around €5.60 per kg. Peach seed powder is priced at €28 per kg.

Some chemical exfoliants are even much cheaper. For example, citric acid from China, the main supplier of citric acid, was priced at around $762 per tonne in 2016.

Natural exfoliant prices strongly depend on various aspects.

- Marketing story: exfoliants with an interesting marketing story that fits with trends can sell for a higher price.
- Raw material prices and processing costs: these may increase prices, for example in relation to energy inputs, yields, equipment and process management costs.
- Exclusivity and novelty vs. availability: popular exfoliants with a limited availability can sell for a higher price.
- Certification: certified exfoliants could sell for a higher price, as long as you are able to find customers willing to pay for a certified product.

Tips:

- Calculate your production costs by using a detailed cost breakdown from raw material to market. Do not forget additional costs, such as certification, marketing and chemical analysis. After the cost breakdown, add a profit margin to establish your selling price.

- If you compare the price of your exfoliant with competing products, also take the recommended dosage in cosmetics formulations into account. Different ingredients must or may be used in different quantities to be effective. The price per kg needs to be adjusted for this ratio.

- Determine if you can improve your price competitiveness by improving production and yields, and also by reducing costs of transportation. You can also reduce inputs, such as your energy inputs, which can be an important sales argument to buyers that focus on sustainability.

- Justify your price to potential buyers, based on what makes it different from the competition. For example, use the market potential of your products, its performance, quality, etcetera.
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