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Booming middle class fuels Brazil beauty market

SAO PAULO - The beauty industry is booming in Brazil, where meticulous manicures, sophisticated scents and impeccable make-up are a must-have for women who have made the country the sector's world number three.

This month, Sao Paulo hosted "Nails Fashion Week" – where about a dozen domestic and foreign brands are offering up the latest trends in nail color as well as stilettos, make-up and eyewear in a bid to seduce new customers.

"We created this event in order to spark new trends and seal new partnerships. Some brands participate but many others came to check it out. The idea is to keep getting bigger," event founder Luciana Medeiros told AFP.

For the first time this year, the salon featured more than nail products, as organizers and vendors alike have realized that the Brazilian beauty products market is expanding quickly.

About 40 million people have joined the middle class in the past decade in the Latin American powerhouse, now the world's sixth-largest economy – and beauty retailers see opportunities for major sales.

US door-to-door beauty products seller Avon has an enormous interest in Brazil, with the company's local marketing chief Ricardo Patrocinio saying the business is "growing in very interesting proportions" in the country.

"Consumers have increased purchasing power and are open to buying different kinds of products," Patrocinio said.

According to a study by market research firm Euromonitor cited recently by a Brazilian industry association, the sector generated US\$43 billion (S\$54 billion) in sales in 2011, up 19 percent from the previous year.

That means Brazil now accounts for 10 percent of the global beauty products market, putting it in third place behind the United States and Japan.

Cutting-edge market

The Brazilian Association of the Cosmetic, Toiletry and Fragrance Industry attributes the growth to several factors, including the increasing number of women in the workplace and the seemingly constant launches of new products.

Economist Marcelo Neri of the Getulio Vargas Foundation says socioeconomic factors are definitely in play.

"Women are working more, have more money and are having fewer children, which allows them to have even more money. Between 2001 and 2009, women's incomes rose 38 percent, against just 16 percent for men," Neri told AFP.

"In Brazil, those who are successful... can start buying products to which they did not have access before. There are 40 million of them."

Renata Leite, a marketing executive for Colorama, a nail polish brand bought a decade ago by French cosmetics giant L'Oreal, said her company's products have a broad-based appeal: from the working poor to the upper class.

"We hope to turn Brazil into a cutting-edge market that sets trends. This market can do that," Leite said.

Alexandre Zolko, who launched the footwear brand My Shoes three years ago, is also counting on Brazil's growing middle class to help grow his business. He says his motto is "accessible luxury."

"My products are aimed at those using credit cards," he said on the sidelines of Nails Fashion Week.

According to official data, Brazil's middle class now has about 95 million people, or about half the country's population.

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