

INDIE BRANDS: CHALLENGES AND OPPORTUNITIES FOR THE NEW PLAYERS OF THE BEAUTY INDUSTRY

July 2023 - Indie Brands are a strategic economic factor for the cosmetics industry. The first companies appeared on the market in the early 2000s: they were small companies, born from an entrepreneurial idea of a single person instead of corporations. The first Indie Brands spread among consumers thanks to innovative elements compared to multinational companies and more consolidated retailers: a direct-to-consumers marketing strategy, new low-cost digital promotion tools, outsourcing solutions and special attention to consumer groups which were still underserved by conglomerates.

Despite sensational debuts, many Indie Brands have not survived or have remained on the side-lines. McKinsey & Company in the 2023-2027 beauty report reveals that out of a sample of 46 brands born after 2005, and all with a turnover between 50 and 200 million USD in 2017, only 4 to date have reached a value of 400 million USD. Founders must learn to face higher competition: on the one hand, the multinational corporations have reorganized themselves and have adopted development and marketing strategies more in line with consumers' needs and habits; on the other, more and more new cosmetic brands are launched every year.

It emerges clearly that true success for indie brands translates into the ability to remain competitive on the market. The theme was dealt with during the last edition of Cosmoprof Worldwide Bologna in a round table entitled "[Indie Brands: East meets West](#)".

The panel, which took place on Saturday 18 March as part of the CosmoTalks program, was attended by representatives of the retail world and representative voices of Indie Brands. **Larissa Azanova, Editor-in-Chief of Harper's BAZAAR Kazakhstan**, moderated the meeting, highlighting the importance for Indie Brands to dialogue with the consumer, sharing their language, values and need for an innovative product.

Maggie Ciardini, Founder/Executive Consultant of Maggie Ciardini Inc, underlined the essential steps to grow and win the competition in a highly competitive market such as the United States. **Dina Malik, Co-owner of YELLOW company**, a beauty space based in Almaty, Kazakhstan, told about her experience as a retailer in Kazakhstan to the stage.

Two founders of Indie Brands were on stage to share their experience. **Alina Mehrle, CEO of AMEON Skin**, founded the brand after going through the destabilizing experience of a breast cancer diagnosis. Her product is based on the effects of cryotherapy, and over the years Alina has perfected her formulas using exclusively biotech ingredients.

Deana Wyland-Fries, Founder & Chief Inspiration Officer ELEMENTALS / CEO Essence of Chi GmbH also told about her experience. Deana had a strong interest in feng shui and the Chinese horoscope, and she created fragrances out of passion. From here the idea of transforming her "hobby" into a business activity, but it was not a quick and easy path. Deana worked 5 years creating new formulas and tests before launching her own brand.

During the round table, passion and the ability to create empathic storytelling for consumers emerged as characteristic elements of Indie Brands. The main voice of the narrative is often the founder. "The personal story of a brand founder is the real driving force behind the growth of the brand, because it conveys authenticity. Those who create the brand are the best ambassadors of their product, because they talk about its genesis, the production process, highlighting what makes it different from what is already on the market. For this reason it is the creator of the brand who is often the official voice of communication and promotion," stressed Deana Wyland-Fries.

For Alina Mehrle, one of the fundamental values of a brand to remain competitive is attention to quality. "The consumer chooses a product because it is effective and of high quality. We must communicate these characteristics and offer proposals in line with expectations. As an Indie Brand we have an advantage over multinationals: we have a direct and constant dialogue with customers, and we can understand their needs and comments in real time thanks to social networks. This helps us broaden our horizons and always look for something innovative, which is not obvious in a competitive market such as ours", highlighted Alina during the talk.

Dina Malik underlined the importance of innovation for a new brand. "Kazakhstan is a very attractive market for the cosmetics industry; here most consumers are looking for established and multinational brands. However, new players are constantly emerging, gaining visibility thanks to unique, creative proposals. There is little competition in emerging markets like Kazakhstan, so there are huge opportunities to develop and test new products," said Dina from the CosmoTalks stage.

If Kazakhstan offers more room for market launches and tests, conditions are completely different in the United States. It is one of the most competitive economic scenarios, where the consumer dictates trends and new developments, and with a great variety of distribution and sales options. In this scenario, a correct development strategy and business management are the real secret to remaining competitive on the market for a long time. There are no programs and methods that are the same for everyone, but each brand must identify the right distribution channel, involve commercial partners, investors and retailers by sharing the passion for the product and making them feel part of the project, choose ambassadors and influencers suitable to talk to their target.

According to Maggie Ciardini, it is essential for Indie Brands to have a clear development strategy: "To enter a new market, it must be clear where you see your brand, what you want it to become, and what your strengths and your weaknesses are. Only in this way

can you surround yourself with the best people to help your business, you can choose the most fitting retailers to promote your product with passion, and you can manage your growth better and gradually by taking the right steps at the right time".

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