

Always one step ahead – with cosmetic trends of tomorrow

A conversation with Dr. Thomas Förster, Corporate Vice President R&D – Henkel Beauty Care

EURO COSMETICS: *Thomas, what trends do you observe in the Beauty Care business?*

Dr. Thomas Förster: One of the trends we are watching closely is that consumers today no longer strive towards one particular ideal of beauty, but rather want to express their own personality in a very individual, authentic way. We therefore see ourselves as more of a “beauty partner” who helps people to express moods and emotions through a unique look. Individuality and authenticity are key in this context, in addition to our usual high standards for product quality and performance. We continually improve the latter through innovations, many of which are born in the area I am responsible for: Research and Development.

EURO COSMETICS: *Henkel’s Beauty Care portfolio is already represented in many countries around the world. In which regions do you see the most potential for further growth in the future?*

Dr. Thomas Förster: Products of our Beauty Care business unit, such as hair, body, skin care and oral hygiene are developed, manufactured and sold in about 150 countries worldwide. Our aim is to strengthen our leading position on the mature markets through innovations but at the same time we are also looking to expand in the growth regions. Targeted acquisitions, such as our recent purchases in the USA, Henkel’s largest individual market, or in Mexico, a rapidly growing emerging market, have allowed us to strengthen our business in the professional segment and scale up our research and development capabilities in North and Central America over the last few years. This puts us in a strong position to grow on every continent.

EURO COSMETICS: *What are your current research priorities?*



Dr. Thomas Förster

Dr. Thomas Förster: We are continually working on improving the quality of our existing products and bringing new innovations to the market. To achieve this, we have a team of Henkel scientists working in close collaboration all over the world. We also get input from external experts – from universities, research institutes, our own raw material suppliers and even startups. And of course, our consumers’ needs and desires are always at the heart of our thought processes and activities.

EURO COSMETICS: *Which role do consumer insights play in your product development process?*

Dr. Thomas Förster: Consumers are the most important players in our product development process. We even get them involved by letting them try out our new hair products for color and care in real-life conditions, either in our own testing salons in Hamburg and Düsseldorf or in the differ-

ent regions. The same applies to our body and skin care and oral hygiene products: We are always learning more about what consumers expect from them beyond the basic performance parameters. This is an innovation driver that never stops working. We develop high-performance, safe and attractive products that provide them with added value – and help them to express their individual style. Ultimately, we boost their self-confidence.

EURO COSMETICS: *How does this evolution influence your Beauty Care product portfolio? Do you see a trend to more customized products?*

Dr. Thomas Förster: We are setting ourselves up for this change by repositioning our brands. Differentiation, however, starts with different regional products. Indeed, hair types, colors and structures vary greatly from one region to another: Just think of the differences between straight and thick Asian hair, wavy or curly Caucasian hair and frizzy African hair. Add to that the varying scent preferences, regional trends and locally renowned natural ingredients that require special formulations. As a global company, it is also important for us to take into account different market needs and ethnic diversity when developing innovative cosmetic products, so as to remain close to the customer. This is also why we have research and development centers throughout the world – even if many different things come together at our headquarters in Düsseldorf.

EURO COSMETICS: *Which role do digital technologies play in your business?*

Dr. Thomas Förster: Digitalization plays an enormous role – not only in our everyday lives, but also in our business. It tremendously changes the way we interact with consumers and customers, our manufac-



turing and supply chain processes – as well as our product development. To give you one recent example: At the beginning of this year, we presented the SalonLab at the CES, it's an IoT solution. The SalonLab is the world's first digital hair salon. We presented it at CES, the biggest consumer electronics show in the world, in January – and have since won a few innovation awards with it. It is based on the Internet of Things. The SalonLab system has two parts: the “Analyzer” and the “Customizer”. An app works as the link between the two. The SalonLab Analyzer is a handy device that is equipped with near-infrared and light sensors. It measures the inner condition, moisture level and exact color of hair, and is the first to do so at the molecular level rather than just on the basis of the hair's outer structure. Thanks to this technology and the scientific data it produces, hair stylists can gain much better insights into their customers' hair. The generated data is then used in combination with the hair stylist's expertise and experience as the basis for a consultation that is truly tailored to the individual customer. The SalonLab Consultant app serves as the link between the digital devices. The app

helps stylists carry out hair analyses, displays the measured results graphically and enables personalized color consultations with cutting-edge augmented reality technology. For example, customers can see what a particular color would look like on their individual hair base before it is applied. The Customizer – a product mixing apparatus – then delivers a personalized product based on customers' individually measured hair characteristics. To make all

of this possible directly in the hair salon, we use a specially developed process that automatically generates the individual hair product formula. SalonLab is the first end-to-end system of its kind, giving a new dimension to the hair styling and individual consultation experience.

EURO COSMETICS: *Cosmetics must be developed according to EU standards and laws. How do you deal with that?*



Dr. Thomas Förster: Our research and development in the field of cosmetics is the basis for our future portfolio. Our business unit's research team is constantly working on optimizing products and processes to meet the needs of our customers and consumers all over the world even more effectively. We certainly are bound by a statutory and regulatory framework, which can have a positive influence on the innovation processes within the company. This is why, among other things, we have been actively involved in association work at the European level for a long time: We want to accompany and support both public and political opinion-forming processes in a proactive and constructive manner. The development of alternatives to animal testing is a great example of this. We have been working on the development and recognition of alternative testing methods for over 30 years. In addition to ongoing research, we are committed to speeding up what is currently a very protracted process for obtaining official recognition of alternative methods from the legislator. Henkel is a founding member of the European Partnership on Alternative Approaches to Animal Testing (EPAA), which was established between the European Commission, trade associations and individual companies from seven different sectors in 2005. The goal of this partnership is to drive the development, approval and implementation of alternatives to animal testing worldwide.

EURO COSMETICS: *One of these alternatives is the Phenion skin model from Henkel. How does it work and what do you use it for?*

Dr. Thomas Förster: The Phenion skin model does not only provide an alternative to animal testing, but it also contributes to product safety. The bioartificial tissue models perfectly mimic the human skin in its many different dimensions. We use them for safety assessments, and even for basic research in dermatology and cosmetics. They allow us to better understand certain skin mechanisms and the corresponding countermeasures. As an alternative testing method, they also contribute significantly to the reduction of animal testing. We initially developed the skin model for our own research purposes. Now, we have gone a step further by giving other companies unlimited access to our innovative skin models as well, which they can order from Phenion, our in-house startup. By doing this, we are supporting the spread of in-vitro testing methods.

EURO COSMETICS: *Sustainability has attracted a lot of attention from the public in recent years. How does this influence your product development?*

Dr. Thomas Förster: Sustainability is an integral part of our approach to product development. At Henkel, every new product has to contribute to sustainability in some way. We call these "sustainovations", and they can pay into different aspects of sustain-

ability. For example, sustainability is a key consideration in the development of cosmetics packaging. Among other things, Henkel increasingly makes use of recycled packaging materials. Recycled PET, for instance, has a carbon footprint that is 80 percent lower than a comparable new material. This is how we develop sustainable innovations – both for Schwarzkopf Professional, our hair salon business, and for the retail market. Primarily, we are examining our own processes and working intensively on reducing our company's environmental footprint in various areas throughout the value chain.

EURO COSMETICS: *What is the biggest challenge for Henkel in terms of sustainability?*

Dr. Thomas Förster: It is important to consider the entire life cycle of products, from raw material procurement, through production and logistics all the way to consumption and packaging disposal. Our products are used daily in millions of households. Life-cycle analyses show that as much as 90 percent of the environmental footprint of our products is generated during their use, for example during the rinse-out of our beauty products like shampoo and conditioner. This area can only indirectly be influenced by us as a company. Therefore, we seek to encourage responsible product use through targeted communication with our customers and consumers. We want to raise consciousness of this, for example through our BeSmarter initiative to promote responsible water usage. Only if we all manage to optimize our use of the planet's finite resources, will we be able to continue enjoying a good quality of life 10, 20 or 50 years from now.

EURO COSMETICS: *Thank you for the conversation.* ■

